

PRICING SUPPLEMENT

Pricing Supplement dated: 29 July 2013

HSBC Bank plc

Programme for the Issuance of Notes and Warrants

Issue of

USD 2,000,000

Not Principal Protected Notes linked to the Alfa Capital VC Global Fixed Income Funds Strategy (USD) TR

PART A - CONTRACTUAL TERMS

This document constitutes the pricing supplement ("**Pricing Supplement**") relating to the issue of the Tranche of Notes described herein for the purposes of listing on the Official List of the Irish Stock Exchange and must be read in conjunction with the Offering Memorandum dated 18 June 2013 as supplemented from time to time (the "**Offering Memorandum**") which, together with this Pricing Supplement, constitute listing particulars for the purposes of listing on the Global Exchange Market. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the "**Conditions**") set forth in the Offering Memorandum.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Memorandum. The Offering Memorandum is available for viewing at HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and www.hsbc.com (please follow links to 'Investor relations', 'Fixed income securities' and 'Issuance programmes') and copies may be obtained from HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.

The Offering Memorandum does not comprise (i) a prospectus for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended) or (ii) a base prospectus for the purposes of Directive 2003/71/EC as amended (the "Prospectus Directive"). The Offering Memorandum has been prepared solely with regard to Notes that are not to be admitted to listing or trading on any regulated market for the purposes of Directive 2004/39/EC and not to be offered to the public in a Member State (other than pursuant to one or more of the exemptions set out in Article 3.2 of the Prospectus Directive).

RISK FACTORS

The information in this section “Risk Factors” relates to certain risks in relation to the Notes but does not purport to be a full or complete description of such risks. Before making an investment decision, prospective Noteholders should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider carefully, in the light of their own financial circumstances, financial condition and investment objectives and having consulted with all their relevant legal, tax and financial advisors, all the information set forth in the Offering Memorandum and this Pricing Supplement and, in particular, the considerations set forth below, as well as their own personal circumstances.

The risk factors set out in this Pricing Supplement are not exhaustive. There may be other risks that a prospective investor or purchaser of the Notes should consider that are relevant to its own particular circumstances or generally. More than one investment risk may have simultaneous effects with regard to the value of the Notes and the effect of any single investment risk may not be predictable. In addition, more than one investment risk may have a compounding effect and no assurance can be given as to the effect that any combination of investment risks may have on the value of the Notes.

General

PROSPECTIVE PURCHASERS OR INVESTORS IN THE NOTES SHOULD (AND BY PURCHASING THE NOTES WILL BE DEEMED TO HAVE ACKNOWLEDGED THE FOLLOWING):

- (a) BE SOPHISTICATED INVESTORS WHO ARE WILLING TO TAKE CERTAIN RISKS, CAN ABSORB A COMPLETE LOSS OF THEIR INVESTMENT IN THE NOTES AND ARE EXPERIENCED WITH RESPECT TO TRANSACTIONS INVOLVING INSTRUMENTS SUCH AS THE NOTES, IN TERMS OF BOTH THE RISKS ASSOCIATED WITH THE ECONOMIC TERMS OF THE NOTES AND THE RISKS ASSOCIATED WITH THE WAY IN WHICH THE ISSUE OF THE NOTES IS STRUCTURED;
- (b) UNDERSTAND THE CHARACTERISATION OF THE NOTES AND ANY RISKS AND POTENTIAL CONSEQUENCES ASSOCIATED WITH AN INVESTMENT IN THE NOTES;
- (c) CONDUCT SUCH INDEPENDENT APPRAISAL OF THE ISSUER, THE NOTES, EACH REFERENCE FUND AND ALL OTHER RELEVANT MARKET AND ECONOMIC FACTORS AS THEY THINK APPROPRIATE TO EVALUATE THE MERITS AND RISKS OF AN INVESTMENT IN THE NOTES;
- (d) ONLY REACH AN INVESTMENT DECISION AFTER CAREFUL CONSIDERATION, WITH THEIR OWN LEGAL, INVESTMENT, ACCOUNTING AND TAX ADVISORS OF THE SUITABILITY OF AN INVESTMENT IN THE NOTES IN THE LIGHT OF THEIR OWN PARTICULAR FINANCIAL, FISCAL AND OTHER CIRCUMSTANCES AND THE INFORMATION SET OUT IN THIS PRICING SUPPLEMENT AND THE OFFERING MEMORANDUM;
- (e) RECOGNISE THAT THE NOTES MAY DECLINE IN VALUE AND SHOULD BE PREPARED TO SUSTAIN A COMPLETE LOSS OF THEIR INVESTMENT IN THE NOTES;
- (f) RECOGNISE THAT THE NEITHER THE ISSUER NOR THE CALCULATION AGENT MAKES ANY REPRESENTATION OR WARRANTY WHATSOEVER AS TO ANY REFERENCE FUND AS OF ANY TIME ON ANY DAY AND NEITHER THE CALCULATION AGENT NOR THE ISSUER SHALL BE LIABLE (WHETHER IN NEGLIGENCE OR OTHERWISE) TO ANY PERSON FOR ANY ERROR IN ANY

REFERENCE FUND AND SHALL NOT BE OBLIGED TO NOTIFY ANY PERSON OF ANY ERROR THEREIN;

- (g) RECOGNISE THAT THE AMOUNT PAYABLE TO NOTEHOLDERS MAY BE LESS THAN THEIR INITIAL INVESTMENT IN THE NOTES AND MAY, IN CERTAIN CIRCUMSTANCES, BE ZERO; AND
- (h) RECOGNISE THAT THE NOTES DO NOT BEAR INTEREST.

An investment in the Notes should only be made after assessing the direction, timing and magnitude of potential future changes in the value of the Strategy and the underlying Reference Funds, as the return of any such investment will be dependent, *inter alia*, upon such changes.

Market value of the Notes

The market value of the Notes is expected to fluctuate according to various factors including but not limited to the performance of the Strategy, the Reference Funds, economic and market conditions, interest rates, currency exchange rates, inflation rates in Europe and other countries and areas and time remaining to maturity. Such conditions may cause market volatility or such volatility could have an adverse affect on the value of the Notes.

Unless the performance of the Notes meets or exceeds the rate of inflation, the effective value of the Notes will go down.

Investors in the Notes are exposed to the risk that subsequent changes in interest rates may adversely affect the value of the Notes. A variety of factors influence interest rates such as macroeconomic, governmental, speculative and market segment factors.

Fluctuations in the rates of exchanges between any currency in which any payment in respect of the Notes is to be made and the currency of the Reference Funds could adversely affect the value of the Notes.

Calculation Agent's discretion

Calculation of the interest payments (if applicable) and/or redemption amount at scheduled maturity, as appropriate, may be by reference to certain specified screen rates, or if any such rate is not displayed at the relevant time a rate determined by the Calculation Agent in its sole and absolute discretion. The Notes may be redeemable prior to their scheduled maturity in certain circumstances at an amount determined by the Calculation Agent which may be less than their nominal amount.

The Calculation Agent may need to make appropriate adjustments to the Strategy Value as it considers necessary, acting in good faith, to reflect the delay or failure (if any) in executing purchase or redemption orders and/or the publication of the Net Asset Values of any of the Reference Funds. Each investor should also be aware that there may be occasions where the Strategy implements a Weighting differing from the allocation it would have had if (i) all Net Asset Values had been available in a timely fashion as scheduled in respect of the relevant Strategy Valuation Dates and/or (ii) there had been no delays in executing purchase or redemption orders.

Fees

Except in respect of Notes that are offered and sold on the basis of investment advice provided by a distributor in the United Kingdom or to resident of the United Kingdom, HSBC Bank plc may have entered into an arrangement to pay to distributors of the Notes (which may include affiliates of the Issuer) such commissions or fees as such parties may agree (including in the form of a discount to the purchase price of such Notes). Details of the fee arrangement will be available upon request.

An investment in the Notes entails significant risks that are not generally associated with similar investments in conventional fixed rate or floating rate debt securities.

An investment in the Notes entails significant risks that are not generally associated with similar investments in conventional fixed rate or floating rate debt securities. Calculation of the return on the Notes is linked to the change in the value of the Strategy, which may decline as well as rise. Although the

investor has the opportunity to receive a high return, the investor risks a lower return than comparable instruments.

Reference Funds

The Issuer has not undertaken any investigation of any Reference Fund. In addition, the Issuer has not independently verified or confirmed any prospectus or offering document relating to any Reference Fund.

This Pricing Supplement does not provide information with respect to the Reference Funds. No investigation has been made of the financial condition or creditworthiness of the Reference Funds in connection with the issuance of the Notes. An investor in the Notes should obtain and evaluate the same information concerning the Reference Funds as it would if it were investing directly in the Reference Funds. In addition, investors should understand that the historical performance of the Reference Fund should not be viewed as predictive of future results.

No representation or warranty, whether implied or otherwise, is given by the Issuer as to the past, present or future performance of the Reference Funds. The Issuer is not a source of advice, information or credit analysis with respect to the Reference Funds or any underlying assets of the Reference Funds. In particular, this Pricing Supplement do not constitute investment advice. The Issuer does not assume any obligation to or relationship of agency or trust with any investor, purchaser or prospective investor or purchaser of the Notes.

The past performance of assets, investment funds or other investment companies managed by the investment manager or the investment advisor of the relevant Reference Fund is not necessarily a guide to the future performance of such Reference Fund.

Prospective purchasers should note that a note linked to the value of one or more Reference Funds is a speculative investment and that all risks inherent in investing in the relevant Reference Funds directly will be inherent in the Notes. However, the payments under the Note will be made by reference to the Strategy and the value of the Strategy is determined using the values of the Reference Funds and other relevant factors. As a result, there will be no linear correlation between the value of the Reference Funds and the value of the Notes from time to time. Therefore, investors in the Notes may not receive the same return as they would if they invested directly in one or more of the Reference Funds.

Obligation of the Issuer and any of its affiliates to Noteholders

None of the Issuer or any of its affiliates is under any obligation to any Noteholder in respect of any of the roles of any such person with respect to the Strategy or the Reference Funds. No such person is under any obligation to monitor whether or not any event or circumstance has occurred unless it is explicitly and positively stated that such person will do so. No such person will be required to (or will be responsible for any failure to) make any determination, waiver, declaration or decision whatsoever in relation to the Strategy or the Reference Funds on behalf of or in the interests of any Noteholder.

Tax and Currency Risk

The tax status of the Reference Funds in those jurisdictions in which they conduct their business and/or any change in taxation rules or treatment in such jurisdictions could affect the value of the assets of such Reference Funds (and consequently the value of the Notes) or affect the ability of the Reference Funds to achieve their investment objectives and consequently adversely affect the value of the relevant Reference Funds and the Notes. In addition, remittance of income and capital gains generated by underlying investments of the Reference Funds in certain countries may be dependent on there being liquidity in the relevant local currency and the absence of foreign exchange controls which inhibit or prevent the repatriation of such gains. In any such circumstances, the value of the notional shares of the Reference Funds may be adversely affected and as a result the Reference Funds and the value of the Notes may be adversely affected.

Class of Investments

Prospective purchasers or investors should note that the Reference Funds may be limited in the investments they may make and returns (if any) on the Reference Funds may be more or less than would otherwise be the case. The Reference Funds may have certain discretions in relation to their investments and no assurance can be given that the exercise of such discretions will achieve the investment objectives

of the Reference Funds. The Reference Funds may make investments which are subject to legal or other restrictions on transfer or for which no liquid market exists, in which case market prices will tend to be more volatile.

Investment Risk

There can be no assurance that any Reference Fund will achieve its investment objectives. Its value may rise or fall as the capital value of the securities in which it invests fluctuates. The investment income of each Reference Fund is based on the income earned on the securities it holds, less expenses incurred. Therefore, the Reference Funds' investment income may be expected to fluctuate in response to changes in such expenses or income.

Affiliation among the Issuer and the Reference Fund

The Issuer may, from time to time, be affiliated with, or act as a service provider to, one or more of the Reference Funds, or their respective investment managers, investment advisors or trustees. However, the Issuer has no ability to control or predict the actions of any of the Reference Funds including any corporate actions of the type that would qualify as an event that requires adjustment to the Conditions, such as any of the relevant Fund Events.

Emerging markets

Some Reference Funds may invest in emerging markets. Because of the special risks associated with investing in emerging markets, these investments should be considered speculative. Prospective purchasers are advised to consider carefully the special risks of investing in emerging market securities. Economies in emerging markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been, and may continue to be, affected adversely by economic conditions in the countries in which they trade.

In addition, government supervision and regulation of issuers and counterparties in such jurisdictions, and accounting, auditing, financial and other reporting standards may not be equivalent to those in more developed countries. Emerging market investments may be more volatile and risks relating to foreign exchange controls, settlement disruption, tax, accounting, regulation and law change including nationalisation or expropriation of assets or general political unrest or war may be greater with respect to emerging market investments.

Brokerage commissions, custodial services and other costs relating to investment in emerging markets generally are more expensive than those relating to investment in more developed markets. Lack of adequate custodial systems in some markets may prevent investment in a given country or may require the relevant Reference Fund to accept greater custodial risks in order to invest. In addition, such markets have different settlement and clearance procedures. In certain markets there have been times when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. The inability of the relevant Reference Fund to make intended securities purchases due to settlement problems could cause that Reference Fund to miss attractive investment opportunities. Inability to dispose of a portfolio security caused by settlement problems could result either in losses to the relevant Reference Fund due to subsequent declines in value of the portfolio security or, if that Reference Fund has entered into a contract to sell the security, could result in potential liability to the purchaser.

The risk also exists that an emergency situation may arise in one or more developing markets as a result of which trading of securities may cease or may be substantially curtailed and prices for the relevant Reference Fund's securities in such markets may not be readily available.

Prospective purchasers should note that changes in the political climate in emerging market countries may result in significant shifts in the attitude to the taxation of foreign investors. Such changes may result in changes to legislation, the interpretation of legislation or the granting of foreign investors the benefit of tax exemptions or international tax treaties. Such changes may, for instance, result in taxes or penalties being levied against foreign investors. The effect of such changes can be retrospective and can (if they occur) have an adverse impact on the investment return of the relevant Reference Fund.

High yield

Some Reference Funds may invest in high yield securities. High yield securities are typically medium or lower rated securities and are sometimes referred to as "junk bonds". Such securities are more likely to react to developments affecting market and credit risk than are more highly rated securities, which primarily react to movements in the general level of interest rates. Prospective purchasers should carefully consider the relative risks of investing in the Notes, the performance of which is linked to Reference Funds which invest in high yield securities, and understand that such underlying securities generally are not meant for short-term investing. The risk of loss due to default by issuers of high yield securities is significantly greater because lower rated and unrated securities of comparable quality generally are unsecured and frequently are subordinated to the prior payment of senior indebtedness. In addition, Reference Funds which invest in such securities may find it more difficult to sell high yield securities or may be able to sell the securities only at prices lower than if such securities were widely traded. Furthermore, such Reference Funds may experience difficulty in valuing certain securities at certain times. Prices realised upon the sale of such lower rated (or unrated) securities, under these circumstances, may be less than the prices used in calculating the Reference Share Value of such Reference Funds. Lower rated or unrated fixed income obligations also present risks based on payment expectations. If an issuer of a high yield security calls the obligations for redemption, a Reference Fund holding such security may have to replace the security with a lower yielding security, resulting in a decreased return for investors. If such Reference Fund experiences unexpected net redemptions, it may be forced to sell its higher rated securities, resulting in a decline in the overall credit quality of its assets and increasing its exposure to the risks of high yield securities.

No ownership rights

The Strategy is purely synthetic and it does not represent any actual holdings in the Reference Funds or exposure to the Strategy that the Issuer or any of its affiliates may have. The Noteholders will have no direct interest or right in the shares or other units comprised in any of the Reference Funds. The Issuer shall be under no obligation to make or hold, directly or indirectly, investments in any Reference Fund. The Noteholders will not hold any direct or indirect interest in any Reference Fund and prospective investors should be aware that an investment in the Notes is not the same as an investment in a Reference Fund and does not confer any legal or beneficial interest in the relevant Reference Fund or any voting rights, rights to receive dividends or other rights that a holder of the shares or other units comprised in any such Reference Fund would have.

This Pricing Supplement are not an offer to sell or an offer to buy any shares or other units comprised in any Reference Fund. The fund managers of each Reference Fund are not involved in the offering of the Notes and have no obligation with respect to the Notes, including any obligation to consider the interest of any investor in the Notes for any reason. The fund manager of each Reference Fund is not involved with the administration, marketing or trading of the Notes and has no obligation with respect to any amount to be paid to the investors for or in respect of the Notes.

The Strategy

The Strategy is a rules-based proprietary trading strategy that operates on the basis of pre-determined rules. Accordingly, potential investors in the Notes should determine whether or not those rules which are described in this Pricing Supplement are appropriate in light of their individual circumstances and investment objectives.

The Strategy includes an automatic feature to protect against some of the inherent volatility exhibited by the Reference Portfolio by reducing exposure to the Reference Portfolio in times of high volatility. In periods of higher volatility (of the Reference Portfolio) the reduction in exposure to the Reference Portfolio may cushion the effect of negative performance of the Reference Portfolio but, at the same time, constrain the benefit of positive performance. This feature may, ultimately, have a negative impact on the performance of the Strategy.

Simulated operating history and future Strategy performance

The Strategy was set up on 28 February 2013. There is no historic performance data. Whilst back tested data may be available, such back tested data is simulated and must be considered to be hypothetical and illustrative only.

Simulated data prior to the set up date of the Strategy may be constructed using certain procedures that vary from the procedures used to calculate the Strategy following its establishment and on the basis of certain assumptions that may not apply in the future including, but not limited to, the assumption that trading costs are zero. Furthermore, all retrospective calculations are based on published Reference Share Values of the Reference Funds available as of the time the retrospective calculations are performed and not based on the data which would have or would not have been available on the relevant past calculation date. Therefore, retrospective calculations may not capture, for example, (i) effects of delays in publication of net asset values, (ii) effects of any Reference Fund Disruption Events which may have subsisted for a period of time in relation to historical calculation dates or (iii) the redemption or purchase orders in respect of Reference Shares which the Calculation Agent would have been able to achieve on the relevant historical calculation date. Although these assumptions are considered reasonable or necessary, the variations used in producing simulated historical data from those used to calculate the Strategy going forward could produce variations in returns of indeterminate direction and amount.

The actual performance of the Strategy may be materially different from the results presented in any simulated data relating to the Strategy. Past performance should not be considered indicative of future performance.

Cost and other deductions from the Strategy Level

Prospective investors should be aware that the Strategy Level will be reduced by the Cost Adjustment, any fund redemption charges and any other trading costs. For the avoidance of doubt, such fees and costs are not passed on to investors as a payment, but will be deducted from the Strategy Level.

The Cost Adjustment is an amount representing adjustment for costs, if any, which the Issuer may incur to gain, or to hedge, its exposure to the Reference Funds, as well as any other relevant costs including, without limitation, resulting from any delays in the execution of its hedge positions, or any access or trading costs. Further, the Strategy Level reflects the prices at which the Issuer and/or any of its affiliates notionally purchases or redeems Reference Shares, including all costs, taxes or expenses charged by a Reference Fund relating thereto.

Prospective investors should understand that such costs may have a material effect on the Final Strategy Value and, consequently, on the Final Redemption Amount.

Possible delay in payments under the Notes

Prospective purchasers should note that the payment of the redemption amount on the Maturity Date or upon an early redemption of the Notes may be postponed under the Disrupted Day terms of the Notes.

Potential loss of principal

The repayment of any amount invested in Notes and any return on such investment is variable and not guaranteed. The redemption amount payable by the Issuer is dependent on the performance of the Reference Funds and fluctuations in the value of the shares or units comprised in the Reference Funds will affect the value of the Notes. Each investor should conduct such independent appraisal of the performance of, and rules relating to, the Reference Funds to evaluate the merits and risk of an investment in a Note linked to the value of such Reference Funds.

Early redemption

The Notes are subject to early redemption in certain circumstances, including as a result of illegality, for tax reasons, upon the occurrence of an Extraordinary Fund Event, an Extraordinary Funds Basket Event, a Change in Law, a Hedging Disruption, an Increased Cost of Hedging, a Technical Constraints Event or a Potential Adjustment Event. Upon the occurrence of such an early redemption prior to the Maturity Date, there is no guarantee that Noteholders will have returned to them, in whole or part, the principal amount so invested in the relevant Notes. Any early redemption amount in respect of a Note will be subject, in its entirety, to market conditions and will likely be valued at a considerable discount to the par value of the Note. Investors may therefore suffer a loss of some or of all of their investment and will, on the early redemption of any Note, forego any future interest payments in respect of such Note.

In addition, the Notes may be redeemed early at the option of the Noteholders. Pursuant to such early redemption investors in the Notes will forego any further accrued value in the Strategy.

Changes to the terms of the Notes

Instead of redeeming the Notes early following the occurrence of each of an Extraordinary Fund Event, an Extraordinary Funds Basket Event, a Change in Law, a Hedging Disruption, an Increased Cost of Hedging, a Technical Constraints Event or a Potential Adjustment Event, the Calculation Agent may, following the occurrence of each such event and at its sole discretion, make any temporary or permanent adjustments to the Reference Share Values, the Funds Basket, the calculation methodology of the Reference Portfolio Volatility, the calculation method of the Weighting, and/or any other terms of the Notes as the Calculation Agent determines appropriate.

Hedging activities of the Issuer and its affiliates

The Issuer or its affiliates may carry out hedging activities related to the Notes, including purchasing securities of the Reference Funds, but will not be obliged to do so. Certain of the Issuer's affiliates may also purchase and sell securities of the Reference Funds on a regular basis as part of their ordinary businesses. Any of these activities could potentially affect the value of the Reference Funds and, accordingly, the final redemption amount of the Notes.

Provision of information

The Issuer does not make any representation as to the creditworthiness of the Reference Funds. The Issuer may have acquired, or during the term of the Notes may acquire, non-public information with respect to one or more of the Reference Funds. The Issuer is not under any obligation to make such information available to Noteholders.

THIS PRICING SUPPLEMENT DOES NOT DESCRIBE ALL THE RISKS OF AN INVESTMENT IN THE NOTES, AND THE ISSUER DISCLAIMS ANY RESPONSIBILITY TO ADVISE PROSPECTIVE PURCHASERS OR INVESTORS OF SUCH RISKS AS THEY EXIST AT THE DATE OF THIS PRICING SUPPLEMENT OR AS SUCH RISKS MAY CHANGE FROM TIME TO TIME. EACH PROSPECTIVE PURCHASER OR INVESTOR SHOULD CONSULT ITS OWN FINANCIAL AND LEGAL ADVISORS AS TO THE RISKS ENTAILED BY AN INVESTMENT IN THE NOTES.

Further information on specific risk factors associated with the Reference Funds can be found in the section entitled "Risk Factors" in the relevant Reference Fund Prospectus.

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| 1. | Issuer: | HSBC Bank plc |
| 2. | Tranche number: | 1 |
| 3. | Currency: | |
| | (i) Settlement Currency: | United States Dollars ("USD") |
| | (ii) Denomination Currency: | USD |
| 4. | Aggregate Principal Amount: | |
| | (i) Series: | USD 2,000,000 |
| | (ii) Tranche: | USD 2,000,000 |
| 5. | (i) Issue Price: | 100 per cent. of the Aggregate Principal Amount |
| 6. | (i) Denomination(s)
(<i>Condition 2(b)</i>): | USD 1,000 |
| | (ii) Calculation Amount: | USD 1,000 |

7. (i) Issue Date: 31 July 2013
- (ii) Interest Commencement Date: Not applicable.
8. Maturity Date:
(Condition 7(a)) Subject to the occurrence of an Early Redemption Date or a Fund Event (see item 19 below), the Maturity Date shall fall on the fifth Settlement Business Day following the Redemption Calculation Date,

where, for the purposes of this Pricing Supplement and the Conditions:

"Business Day" means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

"Calculation Agent" means HSBC Bank plc;

"Final Valuation Date" means 31 July 2023 (the **"Scheduled Final Valuation Date"**) or, if that date is not a Strategy Valuation Date, the next following Strategy Valuation Date. For the avoidance of doubt, if such next following Strategy Valuation Date is a Cut-off Strategy Valuation Date, the Calculation Agent shall determine the Strategy Value for that Strategy Valuation Date, acting in good faith and in a commercially reasonable manner;

"Funds Basket" has the meaning given to such term in item 17;

"Hypothetical Investor" means a hypothetical investor in any of the Reference Shares of the relevant Reference Fund or each Reference Fund, as applicable, who is domiciled in the United Kingdom;

"Net Asset Value" means, in respect of each Reference Share of each Reference Fund and a Strategy Valuation Date, the official net asset value, expressed in USD, for such Strategy Valuation Date, as published in accordance with the relevant Reference Fund Prospectus (as defined in Schedule 3 (*Additional Provisions*)) and as determined by the Calculation Agent;

"Redemption Calculation Date" means the earlier of: (i) the date which is 1 month after the Final Valuation Date (the **"Cut-off Date"**) and (ii) the date on which the Hypothetical Investor actually receives all of the redemption proceeds assuming it had submitted a timely notice for redemption in respect of the Final Valuation Date, as determined by the Calculation Agent;

"Reference Fund" means each fund in the Funds Basket, as further described and defined in Schedule 2 (*The Reference Portfolio*);

"Reference Fund Day" means any Business Day in

respect of which each Reference Fund is scheduled to publish its Net Asset Value;

"**Reference Fund Disruption Event**" has the meaning given to such term in Schedule 3 (*Additional Provisions*);

"**Reference Portfolio**" has the meaning given to such term in item 17;

"**Reference Share**" has the meaning given to such term in Schedule 3 (*Additional Provisions*);

"**Settlement Business Day**" means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and New York;

"**Strategy**" has the meaning given to such term in item 17;

"**Strategy Valuation Date**" means any Reference Fund Day (the "**Scheduled Strategy Valuation Date**"), provided that if a Reference Fund Disruption Event has occurred on such Scheduled Strategy Valuation Date, the Strategy Valuation Date may be postponed, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, until the earlier of (i) the Reference Fund Day on which the Calculation Agent determines that any one or more Reference Fund Disruption Events are no longer continuing or (ii) the tenth Reference Fund Day following the relevant Scheduled Strategy Valuation Date (the "**Cut-off Strategy Valuation Date**"). If a Reference Fund Disruption Event continues on such Cut-off Strategy Valuation Date, the Calculation Agent shall determine the Strategy Value for such Cut-off Strategy Valuation Date acting in good faith and in a commercially reasonable manner; and

"**Strategy Value**" has the meaning given to such term in item 17.

9. Change of interest or redemption basis: Not applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

10. Fixed Rate Note provisions: (Condition 4) Not applicable. The Notes do not bear interest.
11. Floating Rate Note provisions: (Condition 5) Not applicable. The Notes do not bear interest.
12. Zero Coupon Note provisions: (Condition 6) Not applicable. The Notes do not bear interest.
13. Index-Linked Interest Note Provisions: Not applicable. The Notes do not bear interest.

PROVISIONS RELATING TO REDEMPTION

14. Issuer's optional redemption (Call Option): Not applicable

(Condition 7(c))

15. Noteholder's optional redemption (Put Option):
(Condition 7(d))
- Applicable. Each holder of Notes has the right to redeem its Notes in whole on an Optional Redemption Date (Put Option) by giving the Issuer at least 15 Business Days notice prior a Strategy Valuation Date
- (i) Redemption Amount (Put Option):
- Subject to the occurrence of an Early Redemption Date (as defined below) or a Fund Event (as defined below), the Redemption Amount (Put Option) for each Note due and payable on the relevant Optional Redemption Date (Put Option) shall be determined by the Calculation Agent as follows:
- $$\text{Denomination} \times [\text{Redemption (Put Option) Strategy Value} / \text{Reference Strategy Value}]$$
- Where:
- "Redemption (Put Option) Strategy Value"** means the Strategy Value for the Redemption (Put Option) Strategy Valuation Date, as determined on the Redemption (Put Option) Calculation Date.
- "Redemption (Put Option) Calculation Date"** means the earlier of: (i) the date which is 1 month after the relevant Redemption (Put Option) Strategy Valuation Date (ii) the date on which the Hypothetical Investor actually receives all of the redemption proceeds assuming it had submitted a timely notice for redemption in respect of such Redemption (Put Option) Strategy Valuation Date, as determined by the Calculation Agent.
- "Redemption (Put Option) Strategy Valuation Date"** means the Strategy Valuation Date in respect of which a holder of Notes has provided a notice of exercise of its redemption right in accordance with Condition 7(d) (*Redemption at the Option of the Noteholder (Put Option)*) and the Noteholder's optional redemption (Put Option) provisions set out in this Pricing Supplement.
- (ii) Optional Redemption Date (Put Option):
- The fifth Settlement Business Day following the Redemption (Put Option) Calculation Date
- (iii) Minimum Redemption Amount (Put Option):
- Not applicable
- (iv) Maximum Redemption Amount (Put Option):
- Not applicable
16. Final Redemption Amount of each Note:
(Condition 7(a))
- Notes with a fund-linked redemption profile as described in item 17 below.
17. Final Redemption Amount of each Note in cases where the Final Redemption Amount is Equity-Linked, Index-Linked
- Applicable

or other variable-linked:

- (i) Index/Formula/other variable: The Final Redemption Amount of each Note is determined in accordance with the formula set out in item 17(iii) below.
- (ii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable; Unless previously redeemed in accordance with Condition 7(d) (*Redemption at the Option of the Noteholder (Put Option)*) or otherwise or purchased and cancelled and subject to the occurrence of an Early Redemption Date or a Fund Event, the Final Redemption Amount for each Note due and payable on the Maturity Date shall be determined as follows:

$\text{Denomination} \times [\text{Final Strategy Value} / \text{Reference Strategy Value}]$

where, for the purposes of this Pricing Supplement and the Conditions:

"**Early Redemption Date**" has the meaning given to such term in Schedule 3 (*Additional Provisions*);

"**Final Strategy Value**" means the Strategy Value for the Final Valuation Date, as calculated on the Redemption Calculation Date, subject to the occurrence of a Fund Event;

"**Fund Event**" has the meaning given to such term in Schedule 3 (*Additional Provisions*);

"**Reference Strategy Value**" means which is the Strategy Value on the Strike Date;

"**Strategy**" means Alfa Capital VC Global Fixed Income Funds Strategy (USD) TR, as further described in Schedule 1 (*Alfa Capital VC Global Fixed Income Funds Strategy (USD) TR*);

"**Strategy Value**" means, subject to the occurrence of a Reference Fund Disruption Event or a Fund Event, in respect of any relevant Strategy Valuation Date, the value of the Strategy as further described in Schedule 1 (*Alfa Capital VC Global Fixed Income Funds Strategy (USD) TR*), and as calculated and published on Bloomberg by the Calculation Agent with Bloomberg code ALFRC5UT Index; and

"**Strike Date**" means 30 July 2013 (the "**Scheduled Strike Date**") or, for each such date, if it is not a Strategy Valuation Date, the next following Strategy Valuation Date.

The Strategy Value is calculated by reference to a notional basket of Reference Funds (as defined below) (the "**Funds Basket**"), each of which reports its Net Asset Value in USD (the "**Reference Portfolio Currency**") (the "**Reference Portfolio**"). The Reference Portfolio is further described in Schedule 2 (*The Reference Portfolio*).

- | | | |
|-------|--|--|
| (iii) | Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: | The Final Redemption Amount shall be calculated by the Calculation Agent in its sole and absolute discretion, acting in good faith and a commercially reasonable manner in accordance with Schedule 3 (<i>Additional Provisions</i>) of this Pricing Supplement. |
| (iv) | Minimum Final Redemption Amount | Not applicable |
| (v) | Maximum Final Redemption Amount: | Not applicable |
18. Instalment Notes:
(*Condition 7(a)*)
- Not applicable
19. Early Redemption Amount:
- | | | |
|------|--|--|
| (i) | Early Redemption Amount (upon redemption for taxation reasons, illegality or following an Event of Default):
(<i>Conditions 7(b), 7(f) or 11</i>) | Condition 7(b), Condition 7(f) and Condition 11 shall apply and, for these purposes, the Early Redemption Amount shall be determined in the manner prescribed in Schedule 3 (<i>Additional Provisions</i>) to this Pricing Supplement. |
| (ii) | Other redemption provisions:
(<i>Condition 7(i)</i>) | Notwithstanding Condition 7(i), in addition to the early redemption rights of the Issuer specified in item 19(i), see Schedule 3 (<i>Additional Provisions</i>) to this Pricing Supplement for a description of early redemption following certain other events. |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

20. Form of Notes:
(*Condition 2(a)*)
- | | | |
|------|---|--------------|
| (i) | Form of Notes: | Bearer Notes |
| (ii) | Bearer Notes exchangeable for Registered Notes: | No |
21. New Global Note:
- No
22. If issued in bearer form:
- | | | |
|-------|--|--|
| (i) | Initially represented by a Temporary Global Note or Permanent Global Note: | Temporary Global Note |
| (ii) | Temporary Global Note exchangeable for Permanent Global Note and/or Definitive Notes and/or Registered Notes:
(<i>Condition 2(a)</i>) | Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive notes only in limited circumstances specified in the Permanent Global Note |
| (iii) | Permanent Global Note exchangeable at the option of the Issuer in circumstances where the Issuer would suffer material | Yes |

disadvantage following a change of law of regulation:

- | | | |
|------|---|----|
| (iv) | Coupons to be attached to Definitive Notes: | No |
| (v) | Talons for future Coupons to be attached to Definitive Notes: | No |
23. Exchange Date for exchange of Temporary Global Note: Not earlier than 40 days after the Issue Date
24. Payments:
(*Condition 9*)
- | | | |
|-------|---|---------------------|
| (i) | Relevant Financial Centre Day: | London and New York |
| (ii) | Payment of Alternative Payment Currency Equivalent: | Not applicable |
| (iii) | Conversion provisions: | Not applicable |
| (iv) | Underlying Currency Pair provisions: | Not applicable |
| (v) | FX Disruption: | Not applicable |
25. Redenomination:
(*Condition 10*) Not applicable
26. Other terms: See the additional provisions of this Pricing Supplement set out in the schedules hereto.

PROVISIONS APPLICABLE TO INDEX-LINKED NOTES, EQUITY-LINKED NOTES

- | | | |
|-----|--|----------------|
| 27. | Security Delivery: | Not applicable |
| 28. | Securities: | Not applicable |
| 29. | Additional provisions for Equity-Linked Notes: | Not applicable |
| 30. | Provisions for Index-Linked Notes: | Not applicable |
| 31. | Valuation Date(s): | Not applicable |
| 32. | Valuation Time: | Not applicable |
| 33. | Averaging Dates: | Not applicable |
| 34. | Other terms or special conditions relating to Index-Linked Notes or Equity-Linked Notes: | Not applicable |

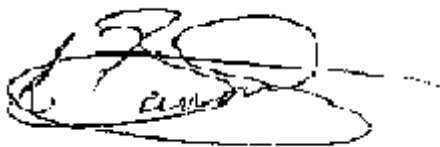
DISTRIBUTION

- | | | |
|-----|---|----------------|
| 35. | (i) If syndicated, names, addresses and underwriting commitments of Relevant Dealer(s)/Lead | Not applicable |
|-----|---|----------------|

Manager(s):	
(ii) If syndicated, names, addresses and underwriting commitments of other Dealers/Managers (if any):	Not applicable
36. Selling restrictions:	TEFRA D. Notes may not be offered or sold within the United States of America or, to or for the account or the benefit of, a US person (as defined in Regulation S). See the section of the Offering Memorandum entitled "<i>Subscription and Sale of Notes</i>" for the selling restrictions relating to the Notes.
Exemption(s) from requirements under Directive 2003/71/EC (as amended) (the " Prospectus Directive "):	Not applicable. This offer is made exclusively to investors outside the European Economic Area.
Additional selling restrictions:	The Offering Memorandum and this Pricing Supplement are not for release, publication or distribution in whole or in part in the Russian Federation except as permitted by Russian law. The Offering Memorandum and this Pricing Supplement do not constitute an advertisement, marketing, promotion, solicitation, offer or invitation to make offer, sell, purchase, exchange or otherwise transfer any securities or other financial instruments in the Russian Federation or to or for the benefit of any Russian person (including individuals) or any person resident, incorporated, established or having their usual residence in the Russian Federation, unless and to the extent otherwise permitted by Russian law, and must not be passed on to any third parties or otherwise be made publicly available in the Russian Federation. Any securities and other financial instruments referred to in the Offering Memorandum and/or this Pricing Supplement have not been and will not be registered in the Russian Federation or admitted to public placement and/or public circulation in the Russian Federation and are not intended for "placement" or "circulation" in the Russian Federation and may not be offered in any form to any person in the Russian Federation except as permitted by Russian law.

CONFIRMED

HSBC BANK PLC

A handwritten signature in black ink, appearing to read 'L Barrett', is written over a faint, circular stamp or watermark.

By:

Authorised Signatory

L Barrett

Date:

PART B - OTHER INFORMATION

1. LISTING

- | | | |
|-------|---|--|
| (i) | Listing: | Application will be made to admit the Notes to listing on the Official List of the Irish Stock Exchange. No assurance can be given as to whether or not, or when, such application will be granted. |
| (ii) | Admission to trading: | Application will be made for the Notes to be admitted to trading on the Global Exchange Market on or around the Issue Date. No assurance can be given as to whether or not, or when, such application will be granted. |
| (iii) | Estimated total expenses of admission to trading: | EUR 500 |

2. RATINGS

Ratings:	The Notes are not rated.
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3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Dealer or Lead Manager (if any), so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Dealer and/or Lead Manager and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

4. REASONS FOR THE OFFER ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- | | | |
|-------|---------------------------|--------------------------|
| (i) | Reasons for the offer: | Not applicable |
| (ii) | Estimated net proceeds: | Information not provided |
| (iii) | Estimated total expenses: | Information not provided |

4. PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING

The value of the Strategy is published on Bloomberg by reference to code ALFRC5UT Index.

OPERATIONAL INFORMATION

- | | | |
|----|--|--------------|
| 5. | ISIN Code: | XS0956202484 |
| 6. | Common Code | 095620248 |
| 7. | CFI Code: | DTFXFB |
| 8. | Intended to be held in a manner which would allow Eurosystem eligibility: | No |
| 9. | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant | None |

identification number(s):

- | | | |
|-----|---|--------------------------|
| 10. | Delivery: | Delivery against payment |
| 11. | Settlement procedures: | Medium Term Note |
| 12. | Additional Paying Agent(s) (if any): | None |
| 13. | Common Depositary: | HSBC Bank plc |
| 14. | Calculation Agent: | HSBC Bank plc |
| 15. | City in which specified office of Registrar to be maintained: | Not applicable |
| | <i>(Condition 15)</i> | |
| 16. | ERISA Considerations: | Not applicable |

SCHEDULE 1

ALFA CAPITAL VC GLOBAL FIXED INCOME FUNDS STRATEGY (USD) TR

The Strategy is a rules based strategy linked to the Reference Portfolio. The Strategy's Weighting to the Reference Portfolio is adjusted to target a volatility of 5.0% (the "**Target Volatility**"), subject to a cap of 150%. This is achieved by altering the Weighting to the Reference Portfolio within the Strategy by reference to the Reference Portfolio Volatility (as set out below).

The Strategy Value in respect of each relevant Strategy Valuation Date is determined as follows:

a) In respect of each Strike Date, the Strategy Value is equal to the Reference Strategy Value and the Weighting is equal to the Reference Weighting (" $w_{(0)}$ ").

b) In respect of any Strategy Valuation Date after the Strike Date, the Strategy Value will be determined as follows:

$$S(t+1) = S(t) \times \left[w(t) \times \frac{I(t+1)}{I(t)} + [1 - w(t)]^+ \times (1 + R(t) \times dt) + [1 - w(t)]^- \times (1 + L(t) \times dt) \right] + ADJ_t$$

where:

$S_{(t)}$: the Strategy Value in respect of Strategy Valuation Date t .

$S_{(t+1)}$: the Strategy Value in respect of the immediately following Strategy Valuation Date $t+1$.

$I_{(t)}$: the Reference Portfolio Value (as defined in Schedule 2 (*The Reference Portfolio*)) in respect of Strategy Valuation Date t .

$I(t+1)$: the Reference Portfolio Value in respect of Strategy Valuation Date $t+1$.

$R_{(t)}$: the relevant LIBOR USD Overnight rate as published in respect of Strategy Valuation Date t .

$L_{(t)}$: the sum of (i) the relevant LIBOR USD Overnight Rate in respect of Strategy Valuation Date t and (ii) 0.90%.

dt : the ratio of (i) the number of calendar days from (and excluding) Strategy Valuation Date t to (and including) Strategy Valuation Date $t+1$ and (ii) 360.

$w_{(t)}$: the Weighting in respect of Strategy Valuation Date t .

ADJ_t : an amount representing adjustment for costs, if any, which the Issuer may incur to gain, or to hedge, its exposure to the Reference Funds, as well as any other relevant costs including, without limitation, resulting from any delays in the execution of its hedge positions, or any access or trading costs, as determined by the Calculation Agent acting in good faith (the "**Cost Adjustment**").

LIBOR USD Overnight Rate means, in respect of any Strategy Valuation Date, the rate on such date published on Bloomberg with Bloomberg ticker: "US00O/N Index" or, if such rate is not available for any reason, any equivalent rate as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

With:

$$\{1 - w(t)\}^+ = \max(1 - w(t); 0); \text{ and}$$

$$\{1 - w(t)\}^- = \min(1 - w(t); 0)$$

In respect of each Strategy Valuation Date t , the "**Weighting**" ($w(t)$) shall be equal to the Weighting in respect of the immediately preceding Rebalancing Date or, if such Strategy Valuation Date t is a Rebalancing Date, in respect of that Rebalancing Date,

where, for the purposes of this Pricing Supplement:

"**Rebalancing Date**" means any Strategy Valuation Date; and

"**Reference Weighting**" means the Weighting of the Strategy in respect of the Reference Portfolio as of the Strike Date.

The Weighting in respect of each Rebalancing Date shall be determined by the Calculation Agent in accordance with the provisions below:

Ranges of Reference Portfolio Volatility $\sigma(t)$	Weighting $w(t)$
<i>Greater than or equal to 0% and less than 3.33%</i>	<i>150%</i>
<i>Greater than or equal to 3.33% and lesser than 4.0%</i>	<i>125%</i>
<i>Greater than or equal to 4.0% and less than 5.0%</i>	<i>100%</i>
<i>Greater than or equal to 5.0% and less than 6.67%</i>	<i>75%</i>
<i>Greater than or equal to 6.67% and less than 10.0%</i>	<i>50%</i>
<i>Greater than or equal to 10.0% and less than 20.0%</i>	<i>25%</i>
<i>Greater than or equal to 20.0%</i>	<i>0%</i>

If, in respect of any Rebalancing Date t , the Calculation Agent determines that the Reference Portfolio Volatility as of such date corresponds to a Weighting that is lower than the Weighting as of the immediately preceding Strategy Valuation Date $t-1$, then the Weighting for that Rebalancing Date t shall be decreased to the Weighting corresponding to the relevant Reference Portfolio Volatility, as set out in the table above.

If, in respect of any Rebalancing Date t , the Calculation Agent determines that the Reference Portfolio Volatility as of such date corresponds to a Weighting that is higher than the Weighting as of the immediately preceding Strategy Valuation Date $t-1$, then the Weighting for that Rebalancing Date t shall be increased to the Weighting corresponding to the relevant Reference Portfolio Volatility, as set out in the table above.

In respect of each Strategy Valuation Date t_i , the Calculation Agent shall determine the "**Reference Portfolio Volatility**" $\sigma(t_i)$ in accordance with the following formula:

$$\sigma(t_i) = \max\{\hat{\sigma}(t_{i-m-j}) | j = 0, \dots, 4\}$$

Where:

$$\hat{\sigma}(t_i) = \sqrt{\frac{260}{N-1} \times \sum_{j=0}^{N-1} (R_{t_{i-j}} - \bar{R}_{t_i})^2};$$

$$\bar{R}_{t_i} = \frac{1}{N} \sum_{j=0}^{N-1} R_{t_{i-j}};$$

$N = 20$, representing 20 days included in the relevant volatility calculation period (the "**Volatility Calculation Period**");

$$R_{t_i} = \ln\left(\frac{I(t_i)}{I(t_{i-1})}\right); \text{ and}$$

$m = 1$, representing the observation lag for the purpose of calculating the Reference Portfolio Volatility.

SCHEDULE 2

THE REFERENCE PORTFOLIO

The Calculation Agent shall calculate the value of the Reference Portfolio (the "**Reference Portfolio Value**") in respect of each relevant Strategy Valuation Date as set out below. The Reference Portfolio Value is denominated in the Reference Portfolio Currency.

As at 24 July 2013, the Funds Basket notionally comprises the following Reference Funds:

Reference Fund (<i>i</i>)	Name	Basket Weight fw_i	ISIN code	BBG code
1	PIMCO GIS Global Investment Grade Credit Fund	33.3%	IE00B3K7XK29	PGIGCEA ID
2	FTIF - Templeton Emerging Markets Bond Fund	33.4%	LU0478345209	TEMEMAU LX
3	Alliance Bernstein Global High Yield Portfolio*	33.3%	LU0102830865	ACMHYA2 LX

**Neither AllianceBernstein LP nor any AllianceBernstein fund shall be deemed or otherwise construed to be a sponsor, co-sponsor, promoter, distributor or seller of the notes.*

"Basket Reweighting Date" means 24th of each January and July each year, provided that if any such date is not a Strategy Valuation Date, the immediately following Strategy Valuation Date shall be the relevant Basket Reweighting Date.

"Reference Portfolio Base Date" means the Basket Reweighting Date which precedes each Strike Date by a number of Strategy Valuation Dates equal to not less than $N + 5$; where N means the number of days in the Volatility Calculation Period, as defined in Schedule 1 (*Alfa Capital VC Global Fixed Income Funds Strategy (USD) TR*).

The Reference Portfolio Value will be determined by the Calculation Agent as follows:

- a) In respect of the Reference Portfolio Base Date, the Reference Portfolio Value shall be equal to 100.
- b) In respect of any Strategy Valuation Date t after the Reference Portfolio Base Date, the Reference Portfolio Value will be determined as follows:

$$I(t) = I(b_t) \times \sum_{i=1}^3 \left\{ fw_i \times \frac{V_i(t)}{V_i(b_t)} \right\}$$

Where:

$I(t)$: the Reference Portfolio Value in respect of Strategy Valuation Date t .

$I(b_t)$: the Reference Portfolio Value in respect of the Basket Reweighting Date immediately preceding Strategy Valuation Date t .

$V_i(t)$: the Reference Share Value of the relevant Reference Share (each as defined in Schedule 3 (*Additional Provisions*)) in Reference Fund i in respect of Strategy Valuation Date t .

$V_i(b_t)$: the Reference Share Value of the relevant Reference Share in Reference Fund i in respect of the Basket Reweighting Date immediately preceding Strategy Valuation Date t .

$f w_i$: in respect of Reference Fund i , the related Basket Weight, as set out in the table above.

SCHEDULE 3

ADDITIONAL PROVISIONS

1. Early Redemption Amount on Early Redemption by Issuer

With respect to any Early Redemption Date designated by the Issuer upon the occurrence of a Fund Event, the amount payable on such Early Redemption Date (the "**Early Redemption Amount**") shall be the amount which the Calculation Agent in its sole and absolute discretion determines to be the fair market value of the Notes immediately prior to the date on which such early redemption occurs, reduced as determined by the Calculation Agent to account fully for any reasonable expenses and costs to the Issuer including without limitation, any associated costs unwinding any underlying and/or related and funding arrangements. When determining the Early Redemption Amount, the Calculation Agent may take into account the redemption proceeds (if any) which a Hypothetical Investor would have received by not later than the Cut-off Date assuming that it had submitted a timely notice for redemption of all relevant fund holdings in respect of the Original Early Redemption Date (as defined below) (or any earlier date designated by the Calculation Agent).

2. Effect of Fund Events

As soon as reasonably practicable after the occurrence of a Fund Event:

- (a) in respect of each Fund Event, the Calculation Agent may, at its sole discretion, either:
 - (i) designate a date as an early redemption date (the "**Early Redemption Date**") and the Noteholders will receive the Early Redemption Amount on such designated Early Redemption Date (the "**Original Early Redemption Date**"), provided that if the Calculation Agent determines, in its sole discretion, that a Hypothetical Investor would experience a delay in receiving all of the relevant redemption proceeds assuming it had submitted a timely notice for the redemption of its fund holdings in respect of the Original Early Redemption Date (or any earlier date designated by the Calculation Agent), then the Early Redemption Date shall occur 10 Settlement Business Days after the earlier of: (A) the date on which a Hypothetical Investor would have received all relevant redemption proceeds and (B) the Cut-Off Date; or
 - (ii) make any temporary or permanent adjustments to any of the following:
 - (A) the Reference Share Values;
 - (B) the Funds Basket (including but not limited to replacement, reweighting or elimination of any of the Reference Funds);
 - (C) the calculation methodology of the Reference Portfolio Volatility (such as taking into account additional historical volatilities over longer Volatility Calculation Periods (e.g. 130 days)),
 - (D) the calculation method of the Weighting (for example capping Weighting at 100%); and/or
 - (E) any other terms of the Notes as the Calculation Agent determines appropriate,and it shall determine the time as of which any such adjustments become effective;
- (b) in respect of a Merger Event, where consideration for the relevant Reference Shares of the relevant Reference Fund consists solely of shares of a fund in which the Hypothetical Investor could invest (the "**New Shares**"), references to a Reference Share of the relevant Reference Fund shall be replaced by references to the number of New Shares to which a holder of a Reference Share would be entitled upon consummation of the Merger Event and the New Shares and their issuer will be deemed to be the Reference Shares and the Reference Fund, respectively, and, if necessary, the Calculation Agent will make adjustments to the relevant Reference Share Value and/or any other terms of the Notes in such manner as it considers appropriate;
- (c) in respect of any Fund Event occurring or subsisting on the Final Valuation Date, the Calculation Agent may determine the Final Redemption Amount in its sole and absolute discretion. In doing so, it may take into account the redemption proceeds (if any) which a Hypothetical Investor would have received by not

later than the Cut-off Date assuming that it had submitted a timely notice for redemption of all relevant fund holdings in respect of the Final Valuation Date (or any relevant Averaging Date).

3. Additional Definitions

"Additional Disruption Event" means each of a Change in Law, a Hedging Disruption and an Increased Cost of Hedging.

"Change in Law" occurs if the Calculation Agent determines that:

- (a) any arrangements made to hedge the Issuer's obligations under the Notes have or will (i) become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgement, order or directive of any government, administrative, legislative or judicial authority or power (a "**Law**"), or in the interpretation of a Law or (ii) be materially adversely affected by the introduction of or any change in (or in the interpretation, administration or application of) any Law (including, for the avoidance of doubt, a reduction in the rate of return of the Issuer's overall capital, an additional or increased cost or the imposition of any taxes, duties, assessments or government charges of whatever nature); or
- (b) (i) it has, as a result of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), the promulgation of regulations thereunder or the interpretation of such laws and/or regulations by relevant authorities (together, the "**Dodd-Frank Act**") or otherwise become illegal for the Issuer and affiliates of the Issuer to hold interests in any of the Reference Funds or any related assets or (ii) the Dodd-Frank Act makes holding such assets by the Issuer or affiliates of the Issuer (in the amounts they determine necessary to hedge their respective obligations) illegal or inadvisable, or materially increases the costs of holding such assets.

"Extraordinary Fund Event" means, in respect of any Reference Fund, the occurrence or existence of any of the following on or prior to the Final Valuation Date, as determined by the Calculation Agent:

- (a) any breach or violation of the provisions of the Reference Fund Prospectus or any other relevant fund document including, but not limited to: the constitutive and governing documents of the relevant Reference Fund, the subscription agreements and other agreements of the relevant Reference Fund, any (verbal or written) agreement with respect to the Reference Fund entered into by the Issuer with each Reference Fund and/or any of its service providers, any strategy or investment guidelines, and any agreement entered into by the relevant Reference Fund and/or its service providers that is reasonably likely to affect the relevant Reference Fund;
- (b) the non-execution or partial execution by such Reference Fund for any reason of a subscription or redemption order in respect of any shares in that Reference Fund given by a Hypothetical Investor (whether or not in accordance with the relevant Reference Fund Prospectus);
- (c) such Reference Fund (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (ii) makes a general assignment or arrangement with or for the benefit of its creditors; (iii) (A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (A) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (iv) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (v) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process

levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen days thereafter; or (vi) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) through (v) above;

- (d) the administration agent, the manager, the investment adviser or the custodian or the trustee, as applicable, of such Reference Fund ceases to act in its capacity as administrator or manager of or adviser or custodian or trustee of such Reference Fund, as the case may be;
- (e) a material modification of the investment programme, investment objectives, investment policies, investment strategy, investment process or investment guidelines of such Reference Fund;
- (f) the failure by such Reference Fund to comply with its reporting obligations (including but not limited to, without limitation, any periodic reporting of the Net Asset Value of such Reference Fund, periodic statements thereof, return numbers and composition of such Reference Fund and the allocation of capital for such Reference Fund (where applicable)) in accordance with its agreements with the Issuer or its affiliates;
- (g) a material modification (other than any modifications referred to in (e) above) of such Reference Fund (including but not limited to a modification of the Reference Fund Prospectus or the articles of association or other constitutional documents of such Reference Fund) or the occurrence of a change or any event materially affecting such Reference Fund (including, but not limited to, the interruption, breakdown or suspension of the calculation of the Net Asset Value of such Reference Fund unless such interruption, breakdown or suspension is cured within two Business Days);
- (h) a material modification of the type of assets in which such Reference Fund invests or the trading practices of the relevant Reference Fund (including but not limited to a material deviation from the investment policy and investment objectives set out in the Reference Fund Prospectus) which, in the determination of the Calculation Agent, has or is likely to have a material effect on any hedging arrangements entered into by the Issuer or any of its affiliates in respect of these Notes;
- (i) the suspension of subscriptions and/or redemptions of Reference Shares in such Reference Fund or (ii) such Reference Fund repurchases or compulsorily redeems any shares in such Reference Fund or (iii) such Reference Fund imposes any restriction, charge or fee in respect of a subscription, redemption or issue of shares in such Reference Fund (other than any restriction, charge or fee in existence as at the first Strike Date);
- (j) such Reference Fund or its investment adviser or manager has its authorisation or registration cancelled by any applicable regulatory authority;
- (k) such Reference Fund or the investment adviser, manager or the administration agent of such Reference Fund (i) becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Reference Fund, investment adviser, manager or administration agent; (ii) commits an act which constitutes fraud or criminal activity in the performance of its obligations in respect of such Reference Fund; (iii) makes any material misrepresentation under any document in respect of the relevant Reference Fund or (iv) announces its intention to cease the business of investment management; or
- (l) a Reference Fund Disruption Event has occurred and is continuing for at least three consecutive Reference Fund Days.

"Extraordinary Funds Basket Event" means, in respect of the Funds Basket, the occurrence or existence of any of the following on or prior to the Final Valuation Date, as determined by the Calculation Agent acting in good faith:

- (a) the aggregated exposure (expressed as percentage of the Reference Portfolio Value) of all Reference Funds in the Funds Basket to securities with a credit quality (based upon the lowest credit ratings from S&P, Moody's and Fitch when available) below BBB, Baa2 or BBB for Standard & Poor's, a division of

The McGraw-Hill Companies ("**S&P**"), Moody's Investors Service, Inc. ("**Moody's**") and Fitch Ratings Ltd ("**Fitch**") respectively exceeds 55%;

- (b) the aggregated exposure (expressed as percentage of the Reference Portfolio Value) of all Reference Funds in the Funds Basket to securities with a credit quality (based upon the lowest credit ratings from S&P, Moody's and Fitch when available) below B, B2 or B for S&P, Moody's and Fitch respectively exceeds 15%; (each a "**Credit Quality Event**");
- (c) the aggregated level of leverage (expressed as percentage of the Reference Portfolio Value) of all Reference Funds in the Funds Basket exceeds 20% (an "**Excess Leverage Event**"); or
- (d) the Reference Portfolio Volatility exceeds 12.5% (an "**Excess Volatility Event**").

"**Fund Event**" means each of a Potential Adjustment Event, an Extraordinary Fund Event, an Extraordinary Funds Basket Event, an Additional Disruption Event, a Merger Event or a Technical Constraint Event.

"**Hedging Disruption**" means that the Issuer is unable or it is or has become not reasonably practicable, or it has otherwise become undesirable, for any reason, for the Issuer wholly or partially after using commercially reasonable efforts and acting in good faith, to (A) hold, acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary or desirable to hedge the Issuer's obligations in respect of the Notes or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"**Increased Cost of Hedging**" means that the Issuer would incur materially increased costs (as compared with circumstances existing on the Issue Date), including, without limitation, the amount of tax (including any potential tax which the Calculation Agent considers may arise), duty, expense or fee (other than brokerage commissions) to (A) hold, acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the Issuer's obligations with respect to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging.

"**Merger Event**" means, in respect of the Reference Shares of a Reference Fund and as determined by the Calculation Agent, the occurrence on or prior to the Final Valuation Date of any (a) reclassification or change of such Reference Shares that results in a transfer of or an irrevocable commitment to transfer all of such shares outstanding, (b) consolidation, amalgamation or merger of the Reference Fund with or into another entity (other than consolidation, amalgamation or merger in which the Reference Fund is the continuing entity and which does not result in any such reclassification or change of all of such shares outstanding) or (c) other takeover offer for such Reference Shares that results in a transfer of or an irrevocable commitment to transfer all such Reference Shares (other than such shares owned or controlled by the offeror).

"**Potential Adjustment Event**" means the occurrence, in the sole and absolute determination of the Calculation Agent, at any time on or prior to the Final Valuation Date of any of the following events in respect of any Reference Fund:

- (a) a subdivision, reclassification, reorganisation or consolidation of the Reference Shares in such Reference Fund (other than that constituting a Merger Event), or a free distribution or dividend of any such Reference Shares to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Reference Shares of (i) an additional amount of such Reference Shares, or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Reference Fund equally or proportionately with such payments to holders of such Reference Shares, or (iii) share capital or other securities of another issuer acquire or owned (directly or indirectly) by the relevant Reference Fund as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (c) an extraordinary dividend;
- (d) a repurchase by such Reference Fund of such Reference Shares whether the consideration for such repurchase is cash, securities or otherwise, other than in respect of a redemption of Reference Shares

initiated by an investor in such Reference Shares that is consistent with the Reference Fund Prospectus;
or

- (e) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Reference Shares.

"Reference Fund Disruption Event" means, in respect of a Reference Fund, the occurrence or existence on any day of, as determined by the Calculation Agent:

- (a) a postponement of the date as of which the relevant Reference Fund is scheduled, according to the documentation governing such Reference Fund, to determine the Net Asset Value of such Reference Fund for the purposes of calculating the redemption proceeds to be paid to or number of shares to be subscribed by a Hypothetical Investor assuming it had submitted a timely and valid notice for redemption or subscription; or
- (b) the occurrence or continuation of a postponement of the reporting by the relevant Reference Fund to its investors or, if applicable, the publishing by the relevant Reference Fund or the relevant publishing service, in each case of the Net Asset Value of the relevant Reference Fund; and/or
- (c) the occurrence or continuation of a postponement in the payment of any or all of the redemption proceeds relating to such Reference Shares (whether or not in accordance with the Reference Fund Prospectus).

"Reference Fund Prospectus" means, in respect of a Reference Fund, the most recently published offering document relating to that Reference Fund, as amended, restated or supplemented from time to time.

"Reference Share" means, in respect of a Reference Fund, a share or a notional unit of account of ownership in respect of that Reference Fund in the relevant (or related) share classes, as designated by the Calculation Agent in its sole and absolute discretion.

"Reference Share Value" means, in respect of a Reference Fund and a Strategy Valuation Date, in the sole and absolute determination of the Calculation Agent, either:

- (a) the redemption proceeds or subscription amounts, as applicable, as determined by the Calculation Agent that would be received or paid by a Hypothetical Investor assuming that the Hypothetical Investor had provided timely notice in accordance with the Reference Fund Prospectus to the Reference Fund and any other party necessary to effect a redemption or other disposition or a subscription or other acquisition (as applicable) of some or all of an investment in the relevant Reference Shares for such Strategy Valuation Date, net of any accrued management, load, administrative and any other fees, costs or adjustments and net of any taxes which may be withheld or applied by the Reference Fund in connection with a redemption or subscription, as applicable, of such shares. Any such redemption proceeds that would be paid in property other than cash shall be valued by the Calculation Agent and if the Hypothetical Investor were entitled to elect payment of such redemption proceeds to be made, either in the form of cash or other property, then the Hypothetical Investor shall be deemed to have elected cash payment; or
- (b) the Net Asset Value per share for the Relevant Reference Share as published in accordance with the Reference Fund Prospectus for such Strategy Valuation Date.

If the Reference Share Value is not available in a timely fashion, the Calculation Agent may, at its the discretion acting in good faith, in order to calculate the relevant Strategy Value, Weighting, Reference Volatility (or other relevant calculations), calculate an estimated (or adjusted, in accordance with paragraph 2 of Schedule 3 (*Additional Provisions*)) Reference Share Value. For the avoidance of doubt, once the Calculation Agent has determined the Weighting in respect of a Strategy Valuation Date, it may not amend the Weighting calculation(s) for the relevant date(s) if Reference Share Values are subsequently amended or become available.

"Technical Constraints Event" means the occurrence or existence of a constraint in respect of the Issuer in performing adequately the hedging of its exposure to any of the Reference Funds and/or relevant fx exchange rates (if applicable) due to any of the following reasons, as determined by the Calculation Agent:

- (a) any internal risk limits existing as at the Trade Date or at any time thereafter;

- (b) internal approvals, whether required as at the Trade Date or at any time thereafter;
- (c) reputational risks; or
- (d) compliance with laws in relevant jurisdictions, including local regulations, whether required as at the Trade Date or at any time thereafter.

"Trade Date" means 30 July 2013.