**FINAL TERMS FOR THE WARRANTS**

Warrants issued pursuant to these Final Terms are securities to be listed under Listing Rule 19.

| | |
|---|---|
| Final Terms dated | 29 January 2014 |
| Series No.: | AWP1175 |
| Tranche No.: | 1 |

**HSBC Bank plc**

**Warrant and Certificate Programme (the "Programme")**

**Issue of**
**200,000 Warrants linked to**
**the ordinary A shares of Muyuan Foodstuff Company Limited**

## PART A - CONTRACTUAL TERMS

This document constitutes the Final Terms relating to the issue of the Tranche of Warrants described herein. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Warrants (the "**Conditions**") set forth in the Base Prospectus dated 31 May 2013 in relation to the above Programme together with each supplemental prospectus relating to the Programme published by the Issuer after 31 May 2013 but before the issue date or listing date of the Warrants to which the Final Terms relate, whichever is later, which together constitute a base prospectus ("**Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**").This document constitutes the Final Terms of the Warrants described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus. However, a summary of the issue of the Warrants is annexed to these Final Terms.

Full information on the Issuer and the offer of the Warrants is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus 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', 'Issuance programmes') and copies may be obtained from HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.

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|---|---|---|---|
| 1. | Issuer: | | HSBC Bank plc |
| 2. | (i) | Series number: | AWP1175 |
| | (ii) | Tranche number: | 1 |
| | (*If fungible with an existing Series, details of that Series, including the date on which the Warrants become fungible.*) | | |
| | (iii) | Whether issue is of Warrants or Certificates: | Warrants |
| 3. | Reference Currency or Currencies: | | |
| | (i) | Reference Currency: | The definition in the Conditions applies |
| | (ii) | Reference Jurisdiction: | The definition in the Conditions applies |
| | (iii) | offshore RMB Centre: | Not applicable |
| 4. | Aggregate Number of Warrants in the: | | |
| | (i) | Series: | 200,000 Warrants |

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| | (ii) | Tranche: | 200,000 Warrants |
| 5. | Issue Date: | | 29 January 2014 |
| 6. | Issue Price: | | USD4 per Warrant |
| 7. | Date of Board approval for the issuance of Warrants obtained: | | Not Applicable |
| 8. | Type of Warrants: | | Security Warrant |
| 9. | Series represented by: | | Combined Global Registered Warrant<br><br>Warrants in definitive form will not be issued. |
| 10. | Form of Warrants: | | Registered Warrants |
| 11. | Style of Warrants: | | The Warrants are American Style Call Warrants. Condition 3(a) (*"American Style" Exercise*) is applicable. |
| 12. | (i) | Expiry Date: | 22 January 2024 (or if not an Scheduled Trading Day, the immediately following Scheduled Trading Day) |
| | (ii) | Automatic Exercise: | Applicable |
| | (iii) | Exercise Period: | The period beginning from (and including) the Commencement Date and ending on (and including) the Expiry Date. |
| | (iv) | Potential Exercise Date(s): | Not Applicable |
| 13. | (i) | Minimum Exercise Number: | 1 Warrant |
| | (ii) | Permitted Multiple: | 1 Warrant |
| 14. | Cash Settlement: | | |
| | (i) | Settlement Currency: | USD |
| | (ii) | Cash Settlement Payment Date: | the fifth Business Day following the last date on which an unwind of any applicable Underlying Hedge Transaction (as defined in the applicable part of Condition 5) relating to the Warrants has been achieved or which the Calculation Agent determines would have been achievable by the Issuer and/or its designated Affiliates |
| | (iii) | Payment of U.S. Dollar Equivalent: | Not Applicable |
| 15. | Index-Linked Warrants: | | Not Applicable. |
| | (i) | Index/Indices: | Not Applicable |
| | (ii) | Basket: | Not Applicable |

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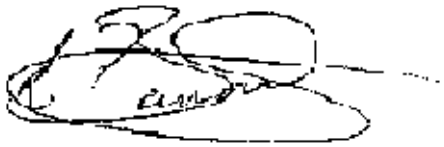
| (iii) | Index Sponsor(s): | Not Applicable |
| (iv) | Exchange(s): | Not Applicable |
| (v) | Exchange-traded Contract[s]: | Not Applicable |
| (vi) | Valuation Time: | Not Applicable |
| (vii) | Averaging Dates: | Not Applicable |
| (viii) | Final Index Level: | Not Applicable |
| (viii) | Additional Disruption Event: | Not Applicable |
| (ix) | Averaging Date Market Disruption: | Not Applicable |
| 16. | Equity-Linked Warrants: | Applicable. The Warrants are Security Warrants. |
| (i) | Securities: | *Ordinary A* shares of Muyuan Foodstuff Company Limited (the "**Underlying Company** and "**Security**" means any one of them. |
| (ii) | Basket: | Not Applicable |
| (iii) | Exchange(s): | Shenzhen Stock Exchange |
| (iv) | Valuation Time: | The definition in the Conditions applies |
| (v) | Additional Disruption Event: | The following Additional Disruption Events apply:<br><br>Change in Law<br>Hedging Disruption<br>Increased Cost of Hedging<br>Insolvency Filing<br>Currency Event |
| 17. | Additional Payments: | Condition 18(a) (*Additional Payments*) applies |
| (i) | Additional Payment Date: | such date no earlier than the third Business Day following each Distribution Receipt Date |
| (ii) | Additional Payment Period: | the period from (but excluding) the Trade Date to (and including) the first Valuation Date in respect of an Exercise Date or the Expiry Date (as the case may be) |
| 18. | Trade Date: | 22 January 2014 |
| 19. | Secondary market provisions: | Not applicable |

**CONFIRMED**

**HSBC BANK PLC**



By: .....
*Authorised Signatory*

Date: .....

## PART B - OTHER INFORMATION

1. **LISTING**

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| (i) | Listing | Application has been made to admit the Warrants to listing on the Official List of the Financial Conduct Authority pursuant to Listing Rule 19. No assurance can be given as to whether or not, or when, such application will be granted. |
| (ii) | Admission to trading | Application has been made for the Warrants to be admitted to trading on the regulated market of the London Stock Exchange plc with effect from the Issue Date. No assurance can be given as to whether or not, or when, such application will be granted. |

2. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]**

Save as disclosed in the section "Potential conflicts of interest" on page 20 of the Base Prospectus and in the fourth paragraph of the section "Purchase and Sale of Warrants" on page 122 of the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Warrants has an interest material to the offer.

3. **INFORMATION ABOUT THE UNDERLYING**

Details of past and further performance and volatility of the Security are obtainable from the following display pages on Bloomberg and such information does not form part of this document: (Source: Bloomberg Financial Markets Information Service) 002714 CH. The Issuer confirms that the information sourced from Bloomberg Financial Markets Information Servicehas been accurately reproduced. As far as the Issuer is aware and is able to ascertain from information available from such source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

**OPERATIONAL INFORMATION**

| | | |
|---|---|---|
| 4. | ISIN Code: | GB00BJ8RJP35 |
| 5. | Common Code: | 102472420 |
| 6. | CUSIP: | Not Applicable |
| 7. | Valoren Number: | Not Applicable |
| 8. | SEDOL: | Not Applicable |
| 9. | Delivery: | Delivery against payment |
| 10. | Clearing System: | Euroclear and Clearstream, Luxembourg |
| 11. | Calculation Agent/ Principal Warrant Agent/ Authentication Agent: | HSBC Bank plc |
| 12. | Transfer Agent/Registrar: | HSBC Bank USA, N.A. |
| 13. | Additional Agent(s) (if any) and its/their specified office(s): | Not Applicable |
| 14. | Common Depositary: | HSBC Bank plc |

15. Specified office of Registrar to be maintained: New York

## ANNEX I

## ADDITIONAL PROVISIONS RELATING TO THE UNDERLYING

INFORMATION ABOUT THE SECURITY

The information set out in this Annex relating to Muyuan Foodstuff Company Limited (the "**Underlying Company**") (Bloomberg:002714 CH) provides a brief discussion of the business of the Underlying Company. The Issuer confirms that the information set out in this Annex relating to Muyuan Foodstuff Company Limited (the "**Security**") has been accurately reproduced from Bloomberg Financial Markets Information Service. As far as the Issuer is aware and is able to ascertain from information available from such source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

1. **Description of the Underlying Company (Source: Bloomberg Financial Markets Information Service)**

   The Underlying Company is incorporated in China.

   The Underlying Company breeds and sells boars and commodity pigs. The Underlying Company's main products include boars, and commodity pigs.

2. **Listing**

   The Security is expected to be listed on the Shenzhen Stock Exchange.

3. **Historical prices**

   The Security is expected to be listed on the Shenzhen Stock Exchange on or about 29 January 2014. Historical prices are not available as of the Trade Date.

   **No assurance can be given that the price of a Security will perform sufficiently from year to year to cause the holders of the Warrants to receive any return on their investment.**

**ANNEX II**

**SUMMARY**

| | | **Section A – Introduction and Warnings** |
|---|---|---|
| **A.1** | **Introduction:** | This summary must be read as an introduction to this prospectus and any decision to invest in the Warrants should be based on a consideration of this prospectus as a whole, including any information incorporated by reference.<br><br>Where a claim relating to the information contained in this prospectus is brought before a court in a Member State of the European Economic Area, the claimant may, under the national legislation of the Member States, be required to bear the costs of translating the prospectus before the legal proceedings are initiated.<br><br>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this prospectus or it does not provide, when read together with the other parts of this prospectus, key information in order to aid investors when considering whether to invest in the Warrants. |
| **A.2** | **Consent:** | Not Applicable. This prospectus has been prepared solely in connection with the admission of Warrants to trading on a regulated market pursuant to Article 3(3) of the Prospectus Directive and there will be no public offer of the Warrants. |

| | | **Section B – Issuer** |
|---|---|---|
| **B.1** | **Legal and commercial name of the Issuer:** | The legal name of the issuer is HSBC Bank plc (the "**Issuer**" or the "**Bank**") and, for the purposes of advertising, the Issuer uses an abbreviated version of its name, HSBC. |
| **B.2** | **Domicile and legal form of the Issuer:** | The Issuer is a public limited company registered in England and Wales under registration number 14259. The liability of its members is limited. The Issuer was constituted by Deed of Settlement on 15 August 1836 and in 1873, registered under the Companies Act 1862 as an unlimited company and re-registered under the Companies Acts 1948 to 1980 as a public limited company.<br><br>The Issuer is subject to primary and secondary legislation relating to financial services and banking regulation in the United Kingdom, including, *inter alia*, the Financial Services and Markets Act 2000 as amended, for the purposes of which the Issuer is an authorised person carrying on the business of financial services provision. In addition, as a public limited company, the Issuer is subject to the UK Companies Act 2006. |
| **B.4b** | **Trends:** | Signs of stabilisation in the eurozone are emerging but the political and economic challenges remain considerable. In the eurozone periphery growth is still absent, unemployment rates are high and debt projections continue to be revised up. Economic activity is expected to remain subdued.<br><br>The Issuer expects a contraction of GDP of 0.6 per cent in the |

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| | | eurozone in 2013.<br><br>In the first half of 2013 the UK economic data has improved. However, the recovery remains fragile as inflation continues to outpace wage growth meaning real-terms pay is falling, restraining consumer demand. The Issuer expects the UK to grow by 0.8 per cent in 2013 which, while weak, is an improvement over 2012. |
| **B.5** | **The Group:** | The whole of the issued ordinary and preference share capital of the Issuer is beneficially owned by HSBC Holdings plc ("**HSBC Holdings**", together with its subsidiaries, the "**HSBC Group**"). The Issuer is the HSBC Group's principal operating subsidiary undertaking in Europe.<br><br>The HSBC Group is one of the largest banking and financial services organisations in the world. Its international network covers 80 countries and territories in six geographical regions: Europe; Hong Kong; Rest of Asia-Pacific; Middle East and North Africa; North America; and Latin America. Its total assets as at 30 June 2013 were U.S.$2,645 billion. |
| **B.9** | **Profit Forecast:** | Not Applicable. There are no profit forecasts or estimates made in the prospectus. |
| **B.10** | **Audit Report Qualifications:** | Not Applicable. There are no qualifications in the audit reports on the audited, consolidated financial statements of the Issuer and its subsidiary undertakings for the financial years ended 31 December 2011 or 2012. |
| **B.12** | **Key Financial Information:** | The selected financial information set out below has been extracted without material adjustment from the audited consolidated financial statements of the Issuer for the years ended 31 December 2011 and 31 December 2012 and the unaudited consolidated interim report of the Issuer for the six months ended 30 June 2013. |

| | **Year Ended** | | **Half-year to** |
|---|---|---|---|
| | **31 December 2011** | **31 December 2012** | **30 June 2013** |
| **For the period (£m)** | | | |
| Profit on ordinary activities before tax | 3,111 | 1,004 | 2,273 |
| Total operating income | 16,205 | 15,407 | 8,377 |
| Net operating income before loan impairment charges and other credit risk provisions | 14,023 | 12,488 | 6,925 |
| Profit attributable to shareholders of the parent company | 2,329 | 2,384 | 1,681 |
| **At period end (£m)** | | | |
| Total equity attributable to shareholders of the parent company | 31,090 | 31,675 | 31,911 |
| Risk weighted assets | 227,679 | 193,402 | 200,368 |

| | | | |
|---|---|---|---|
| Loans and advances to customers (net of impairment allowances) | 288,014 | 282,685 | 282,498 |
| Customer accounts | 346,129 | 324,886 | 355,373 |
| Ratio of customer advances to customer accounts | 83.2 | 87.0 | 79.5 |
| **Capital ratios*** | | | |
| Core Tier 1 ratio | 9.1 | 11.4 | 11.1 |
| Tier 1 ratio | 10.0 | 12.4 | 12.0 |
| Total capital ratio | 14.4 | 17.3 | 16.9 |
| **Performance and efficiency ratios (annualised %)** | | | |
| Return on average shareholders' funds (equity) of the parent company | 7.4 | 3.5 | 10.6 |
| Cost efficiency ratio | 66.2 | 82.0 | 59.2 |

* *Includes profits for the period to 30 June 2013. Does not include the interim dividend of £570 million declared by the Board of Directors after 30 June 2013.*

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| | | There has been no material adverse change in the prospects of the Issuer since 31 December 2012.<br><br>There has been no significant change in the financial or trading position of the Issuer since 30 June 2013. |
| **B.13** | **Recent Events:** | Not Applicable. There have been no recent events particular to the Issuer which are to a material extent relevant to the evaluation of its solvency. |
| **B.14** | **Dependence upon other entities within the Group:** | The Issuer is a wholly owned subsidiary of HSBC Holdings.<br><br>The Issuer and its subsidiaries form a UK-based group (the "**Group**"). The Issuer conducts part of its business through its subsidiaries and is accordingly dependent upon those members of the Group. |
| **B.15** | **The Issuer's Principal Activities:** | The Group provides a comprehensive range of banking and related financial services. The Group divides its activities into four business segments: UK Retail Banking; Continental Europe Retail Banking; Global Banking and Markets; and Global Private Banking. |
| **B.16** | **Controlling Persons:** | The whole of the issued ordinary and preference share capital of the Issuer is owned directly by HSBC Holdings. |

| | | Section C – Securities |
|---|---|---|
| **C.1** | **Description of Type and Class of Securities:** | ***Issuance in series:*** Warrants will be issued in series which may comprise one or more tranches issued on different issue dates. The Warrants of each tranche of the same series will all be subject to identical terms, except for the issue dates and/or issue prices of the respective tranches.<br><br>The Warrants being issued are Series AWP1175, Tranche 1 Warrants linked to Muyuan Foodstuff Company Limited. The number of Warrants being issued is 200,000.<br><br>All references to "Warrants" in this summary include Certificates where applicable.<br><br>***Form of Warrants:***<br><br>*Warrants in registered form:*<br><br>The Warrants will be issued in registered form and represented by a combined global registered warrant which will be deposited with a common depositary for, and registered in the name of a common nominee for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**")<br><br>***Security Identification Number(s):***<br><br>The Warrants have been accepted for clearance through Euroclear, and Clearstream, Luxembourg.<br><br>The Warrants will be allocated the following Security Identification Numbers:<br><br>ISIN Code: GB00BJ8RJP35<br><br>Common Code: 102472420 |
| **C.2** | **Currency of the Securities Issue:** | The Settlement Currency is USD |
| **C.5** | **Free Transferability:** | The Warrants are freely transferable. However, there are restrictions on the offer and sale of the Warrants and the Issuer and the Managers have agreed restrictions on the offer, sale and delivery of Warrants and on distribution of offering materials in the United States, the European Economic Area, the United Kingdom, France, Australia, Kingdom of Bahrain, Hong Kong, Japan, Singapore, India, Indonesia, Korea, Malaysia, the People's Republic of China, Philippines, Russia, Switzerland, Taiwan, Thailand, United Arab Emirates (excluding the Dubai International Financial Centre) and Vietnam. In addition, investors of the Warrants, by their purchase of the Warrants, will be deemed to have given certain representations, warranties, undertakings, acknowledgements and agreements. |
| **C.8** | **The Rights Attaching to the Securities, including Ranking and Limitations to those Rights:** | **Cash call options:** Warrants give the holder rights, including the right to receive a cash amount from the Issuer calculated by reference to the value of Muyuan Foodstuff Company Limited, being the Reference Asset. Warrants create call options exercisable by the Warrantholder; there is no obligation upon such Warrantholder to exercise its Warrant nor any obligation upon the Issuer to pay any amount in respect of unexercised Warrants.<br><br>**Payment under the Warrants:** There are two types of payment a Warrantholder will receive under the Warrants: the "Cash Settlement Amount" on exercise of the Warrant and any "Additional Amounts" during the term of the Warrants.<br><br>*(1) Cash Settlement Amount:* |

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| | | The Warrants are "Equity-Linked Warrants" and therefore the Cash Settlement Amount payable is linked to one security, namely Muyuan Foodstuff Company Limited (the "**Reference Assets**"). The Cash Settlement Amount of each Equity-Linked Warrant is calculated by identifying the "Realisable Sale Price" of the Reference Assets linked to one Warrant, dividing such price by an exchange rate (embedding conversion costs) to convert such price from the currency in which the underlying is quoted on an exchange, namely CNY (the "**Reference Currency**") into the currency in which the Warrants are denominated, namely USD (the "**Settlement Currency**") and subtracting a percentage fee retained by the Managers or their affiliates.<br><br>The "Realisable Sale Price" will be determined on a particular date or dates by reference to payments which the Issuer or its designated Affiliate receives in unwinding the arrangements it has entered into to hedge the price risk and currency risk of the Reference Assets at the time of such determination (for instance, selling equity securities, redeeming related financial instruments or closing out of hedge transactions) or if no such hedging has been entered into, a notional amount of what the Issuer would have received if it had done so, as determined by the Calculation Agent, less any other costs (including, for instance, brokers' fees, transaction processing fees and actual or potential taxes, including those costs that would be incurred by the Issuer and/or its designated Affiliates of investing in the Reference Assets whether directly or synthetically).<br><br>In addition, a provision may be made for tax for the Reference Asset in the PRC where the exact amount of tax payable is uncertain. The Issuer will reimburse the Warrantholder to the extent the provision made turns out to be too high, or the Warrantholder will reimburse the Issuer to the extent it is too low. If no tax is determined to be payable by a long-stop date, the Issuer will reimburse the Warrantholder for the whole of the provision, provided that the Warrantholder shall remain liable to the Issuer if the amount of tax is clarified subsequent to the long-stop date.<br><br>*(2) Additional Amounts:*<br><br>This series of Warrants will entitle the Warrantholder to Additional Amounts equal to distributions which would be payable to a notional holder of a fixed amount of the Reference Asset (such as dividends or interest payments) which is an institution subject to the same laws as the Issuer and/or its designated Affiliates. Such amounts will be payable in cash converted from the Reference Currency into the Settlement Currency at an exchange rate that would have been used in connection with such conversion.<br><br>The Warrants do not bear interest.<br><br>**No guarantee or security:** The Warrants are the obligations of the Issuer only and are unsecured.<br><br>**Status of the Warrants:** Warrants issued under the Programme will be unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* and without preference among themselves and, at their date of issue, with all other unsecured and unsubordinated obligations of the Issuer (unless preferred by law).<br><br>**No events of default:** There are no events of default applicable to the Warrants.<br><br>**Tax:** Warrantholders will be liable for and/or subject to any taxes, including withholding tax, payable in respect of the Warrants.<br><br>**Modification and substitution:** Modifications to the terms and conditions of the Warrants (the "**Conditions**") may be made without the consent of any Warrantholders to cure any ambiguity or manifest error or correct or supplement any Conditions provided that it is not materially prejudicial to the interest of |

| | | |
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| | | Warrantholders, or is of a formal, minor or technical nature or comply with mandatory provisions of the law of the Issuer's jurisdiction of incorporation, or corrects inconsistency between the final terms and the relevant termsheet relating to the Warrants. The Warrants permit the substitution of the Issuer with its Affiliate without the consent of any Warrantholder where the Issuer provides a guarantee of the Affiliate's obligations.<br><br>**Termination for Illegality:** If the Calculation Agent determines that the performance of the Issuer's obligations under any Warrants has become unlawful or impractical in whole or in part for any reason, the Issuer may terminate such Warrants early in accordance with the Conditions.<br><br>**Governing Law:** English law. |
| **C.11** | **Listing and Trading:** | Application has been made to admit Warrants issued under the Programme to the Official List of the Financial Conduct Authority and to trading on the regulated market of the London Stock Exchange plc.<br><br>Application will be made for the Warrants to be admitted to listing on the Official List and to trading on the London Stock Exchange effective on or about 29 January 2014. |
| **C.15** | **Effect of value of underlying instruments:** | The Warrants can be acquired for less than EUR 100,000 per Warrant.<br><br>The Warrants are designed to track the price of Muyuan Foodstuff Company Limited (the "Reference Asset"). The Cash Settlement Amount payable on exercise of any Warrant is linked to a fixed amount of the Reference Asset by way of a hedge in respect of such fixed amount of the Reference Asset (whether directly or synthetically). In general, as the value of the Reference Asset increases or decreases, so will the Cash Settlement Amount payable in respect of such Warrants.<br><br>The quoted price of the Reference Asset may diverge from the Cash Settlement Amount payable under the Warrant owing to any disparity between the hedge and the Reference Asset, and subject to the deduction of costs, such as, amongst other things, brokers fees, transaction processing fees and actual or potential taxes, and including those costs that would be incurred by the Issuer and/or its designated Affiliates of investing in the Reference Assets whether directly or synthetically, and a fee to be retained by the Issuer, the Managers and/or their Affiliates. |
| **C.16** | **Expiration or maturity date:** | The Expiry Date in respect of the Warrants is 22 January 2024 (the "**Expiry Date**"). The Warrants are<br><br>"American Style Warrants" and are therefore exercisable on any Business Day during period beginning on (and including) the Commencement Date and ending on (and including) the Expiry Date. |
| **C.17** | **Settlement procedure:** | The Warrants will be cash-settled.<br><br>Any Cash Settlement Amount or Additional Amount due to the Warrantholder will be paid through Euroclear and Clearstream, Luxembourg |
| **C.18** | **Return on securities:** | The date on which the Cash Settlement Amount is scheduled for payment is the fifth business day following the last date on which an unwind of any applicable underlying hedge transaction relating to the Warrants has been achieved or which the Calculation Agent determines would have been achievable by the Issuer and/or its designated Affiliates.<br><br>Unless exercised before the Expiry Date, the Warrants will be automatically exercised on such date, at which time the Warrantholder will be entitled to receive |

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| | | the Cash Settlement Amount (if any).<br><br>The Additional Amount will be valued as at the date the Distribution is notified as the record date for payment to the holders of the underlying securities. Provided that the distribution falls within the period from (but excluding) 22 January 2014 to (and including) the Valuation Date or the Expiry Date (as the case may be) (the "**Additional Payment Period**") and the Issuer has determined a Notional Holder would have received payment in full of a corresponding amount had the Notional Holder held the Securities, the Additional Amounts will be due from the Issuer on the next payment date for payment of Additional Amounts. |
| **C.19** | **Exercise price or final reference price of the underlying:** | On exercise of the Warrant, the Cash Settlement Amount will be calculated by ascertaining a cash amount which the Issuer has received under the hedging arrangements it has entered into or the Issuer would notionally receive had it hedged such a fixed amount of the Reference Asset. The Calculation Agent then deducts certain cost items (such as, amongst other things, brokers fees, transaction processing fees and actual or potential taxes) and a fee to be retained by the Issuer, the Managers and/or their Affiliates. |
| **C.20** | **Type of the underlying:** | The Warrants are:<br><br>"**Equity-Linked Warrants**", being Warrants in relation to which the Cash Settlement Amount is linked to one security, namely, Muyuan Foodstuff Company Limited (the "**Securities**"). The Securities are the Reference Asset to which the Warrants are linked.<br><br>References to "Reference Asset", either in the singular or plural form, shall refer to any Reference Asset (as the case may be) applicable to a Series of Warrants.<br><br>Information on the Reference Assets can be found on Bloomberg: 002714 CH. |

**Section D – Risks**

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|---|---|---|
| **D.2** | **Risks Specific to the Issuer:** | **The Bank has exposure to the ongoing economic crisis in the eurozone:** There is potential for contagion from the continued instability in the eurozone from the peripheral to the core eurozone countries, and beyond to trading partners. The Bank is exposed to institutions and banks which may be affected by sovereign or currency crises.<br><br>**The Bank has significant exposure to counterparty risk both within the financial sector and to other risk concentrations:** Financial institutions are necessarily interdependent because of trading, clearing, counterparty or other relationships, which could affect its funding and its ability to manage the risks of its business.<br><br>**Liquidity, or ready access to funds, is essential to the Bank's business:** If the Bank is unable to raise funds, its liquidity position could be adversely affected and the Bank might be unable to meet deposit withdrawals or obligations under committed financing facilities, to fund new investments or to repay borrowings as they mature.<br><br>**The Bank's operations are highly dependent on its information technology systems:** The reliability and security of the Bank's information and technology infrastructure and the Bank's customer databases are crucial to maintaining the service availability of banking applications and processes and to protecting the HSBC brand. Critical systems failure, prolonged loss of service or a material breach of security could cause long-term damage to the Bank's business and brand.<br><br>**The Bank faces a number of challenges in regulation and supervision and associated regulatory risks:** The proposals relating to Basel III, the draft legislation proposed by the UK Independent Commission on Banking ("**ICB**"), the recommendations of the Liikanen Group and the Capital Requirements Directive |

IV are likely to have an effect on the activities of the Group. The proposals and finalised legislation relating to capital and liquidity will result in increased capital and liquidity requirements and could have a material effect on the Group's future financial condition or results of its operations. The ICB proposals may affect the manner in which the Group conducts its activities and structures itself, with the potential to both increase the costs of doing business and curtail the types of business carried out, with the risk of decreased profitability as a result. In addition, the new regulatory structure within the UK comprising the Financial Policy Committee ("**FPC**"), the Prudential Regulatory Authority ("**PRA**") and the Financial Conduct Authority ("**FCA**") may affect the Bank, and the Group and its activities, in particular as the FPC has the ability to seek additional capital for lending to sectors perceived as higher risk. The FCA has continued to increase its focus on ‘conduct risk’ including attention to sales processes and incentives, product and investment suitability and conduct of business concerns more generally. In conjunction with this focus, the UK regulators are making increasing use of existing and new powers of intervention and enforcement. This may lead to significant costs and liabilities for the Bank.

**Regulatory investigations:** HSBC Holdings has entered into agreements with US and UK government agencies to comply with certain forward-looking obligations with respect to anti-money laundering and sanctions requirements over a five-year term. Failure to comply with the terms of such agreements, may have an adverse effect on the Group. In addition, the Group continues to be subject to a number of other regulatory proceedings into certain past submissions made by panel banks in connection with the setting of London interbank offered rates and other benchmark interest and foreign exchange rates and in relation to alleged anti-competitive activity in the credit derivative market.

**Remediation:** The Group has established customer redress programmes in relation to the possible mis-selling of Payment Protection Insurance policies and interest rate products sold to small businesses. There remains a high degree of uncertainty as to the eventual costs of redress for these matters.

**D.6 Risks specific to the securities:**

**Credit risk:** The Warrants are direct, unsubordinated and unsecured obligations of the Issuer and not of any other person. If the Issuer's financial position were to deteriorate, there could be a risk that the Issuer would not be able to meet its obligations under the Warrants (the Issuer's credit risk). If the Issuer were insolvent or defaulted on its obligations under the Warrants, in the worst case scenario, investors in the Warrants could lose all of their invested amounts.

**The Warrants are unsecured obligations:** The Warrants are not secured and so investors would not have recourse to the Reference Assets or securities underlying the Reference Index (as applicable) or any other security or collateral. If the Issuer becomes unable to pay amounts owed to investors under the Warrants, such investor does not have any recourse to any assets and may not receive any payments under the Warrants.

**The Warrants are not ordinary debt securities:** The Warrants do not pay interest and, upon expiry or upon exercise, may return less than the amount invested or nothing. Warrants are designed to track the price of the Reference Assets or level of the Reference Index (as applicable). If the performance of such underlying does not move in the anticipated direction or if the issuer thereof becomes insolvent, the Warrants will be adversely affected and, in a worst case scenario, may become worthless.

**Payments under the Warrants may be delayed:** Payments to Warrantholders which are calculated by reference to hedging arrangements will only be due if the proceeds would have been received by an investor outside the jurisdiction where the Reference Assets or securities underlying a Reference Index are listed or quoted. There is a risk that limitations on the importation and withdrawal of funds in such jurisdiction could lead to potential delays in payments under the Warrant or, in the worst case, the Warrants becoming worthless.

**No ownership rights:** The Warrants do not confer any legal or beneficial interest or any voting or dividend rights in the Reference Asset or the securities underlying the Reference Index.

**There may be no active trading market or secondary market for liquidity for Warrants:** Any series of Warrants may not be widely distributed and there may not be an active trading market, nor is there assurance as to the development of an active trading market. If there is no liquid market, investors may not be able to realise their investment in the Warrants until the expiry of such Warrants or may not realise a return that equals or exceeds the purchase price of their Warrants.

**Certain factors affecting the value and trading price of Warrants:** The Cash Settlement Amount payable under the Warrants may be affected by fluctuation in value of the Reference Asset or Reference Index (as applicable), changes in interest rates, volatility of the Reference Asset or Reference Index, time remaining to expiry, dividend rates on the Reference Asset or the securities underlying a Reference Index or, where applicable, the number and type of underlying Reference Assets or Reference Indices included in a basket to which the relevant Warrants relate.

**Conflicts of interest may arise between the interests of the Issuer or its affiliates and those of the Warrantholders**: The Issuer or its affiliates may enter into hedging or other transactions (i) relating to Reference Assets or securities underlying a Reference Index (as applicable) or (ii) with issuers of Reference Assets or securities underlying a Reference Index (as applicable). The Issuer or its affiliates may also publish research or other reports relating to Reference Assets or securities underlying a Reference Index (as applicable). Any such activities may have a negative effect on the value of Warrants relating to such Reference Assets or Reference Indices. In addition, the Issuer may assume roles as hedging party, service providers in respect of Reference Assets which are funds, calculation agent under the Warrants or publisher of research reports. In respect of any of these roles the Issuer may have interests that conflict with the interests of Warrantholders.

**Commission and cost of hedging**: The issue price of the Warrants may include commissions charged by Issuer or its affiliates and expected costs of hedging the Issuer's obligations under the Warrants. Accordingly, there is a risk that, upon issue, the market price of Warrants may be lower than original issue price of the Warrants. Also, fees, commission and hedging costs may be deducted from the Cash Settlement Amount.

**Exchange rate risks and exchange control risks:** The Issuer will pay amounts in respect of the Warrants in the Settlement Currency. Where the Reference Currency is not the same as the Settlement Currency, amounts payable under the Warrants may be affected by multiple currency conversion costs which may be passed on to investors. Where the Settlement Currency is not the same as the investor's home currency, the realisable value of the investment in the investor's home currency may be at risk from fluctuations in the exchange rate. Government and monetary authorities may impose or modify exchange controls that could adversely affect an applicable exchange rate or transfer of funds in and out of the country. As a result of such restrictions and controls the Issuer may suspend its obligations to make any payment under any Warrants if and for as long as such exchange controls have occurred and are continuing. Warrantholders shall not be entitled to any interest or other compensation in respect of any such suspension.

**Market Disruption Events and Additional Disruption Events:** In the case of early closure of the relevant exchange, disruption of such exchange or suspension of trading on such exchange ("**Market Disruption Events**") or a hedging disruption, a change in applicable laws, an increased cost of hedging, where applicable, an insolvency filing of the issuer of the Reference Asset or a foreign exchange disruption event ("**Additional Disruption Events**"), postponement or adjustment of valuations in case of a Market Disruption Event or adjustment of terms or termination of the Warrants in case of a Additional Disruption Event in respect of such Warrants may have an adverse effect on the value of such Warrants and/or the Cash Settlement Amount.

**Illegality may cause the Issuer's obligations under the Warrants to be terminated early:** If the Calculation Agent determines the performance of the Issuer's obligations under any Warrants shall have become unlawful or impracticable, the Issuer may terminate its obligations under the Warrants and pay a sum representing the fair value of the Warrants. As a result Warrantholders will forego any future appreciation in the relevant Reference Asset or securities underlying the relevant Reference Index (as applicable), may suffer a loss of some or all of their investments and lose the ability to exercise the Warrants on the relevant exercise date(s) (if applicable).

**Considerations regarding hedging:** The value of the Warrants may not exactly correlate with the value of the Reference Asset to which the Warrant relates.

**Tax risks**: The amount of a payment to the investor under the Warrants may be decreased to take into account the effect of taxes on an investment in the Reference Assets or securities underlying a Reference Index. There is a risk that tax law or practice will change in the future resulting in the imposition of or increase in tax on an investment in, or disposition of, Reference Assets or securities underlying a Reference Index. This will result in a decrease of the amounts payable under the Warrants. Also, investors in the Warrants will be obliged to pay all taxes payable in connection with the subscription, purchase or exercise of such Warrant and the delivery of the Cash Settlement Amount and/or any Additional Amount.

**Specific risks relating to Equity-Linked Warrants:** If a Potential Adjustment Event occurs and dilutes the theoretical value of the Reference Asset or an Extraordinary Event occurs, the Calculation Agent may make corresponding adjustments to the conditions of the Warrants which may adversely affect the Cash Settlement Amount payable or (in the case of Extraordinary Events) may terminate the Warrants; as a result the Warrantholder may lose some or all of its investment.

**Emerging market risks:** Investors in Warrants relating to Reference Assets which are issued in or located in or listed on an exchange in an emerging market should be aware that investment in emerging markets are subject to greater risks than well-developed western markets. Institutions relied upon for the efficient functioning of capital markets, such as stock exchanges, economic, legal and regulatory institutions, systems for the clearing, settlement and registration of securities, may be less developed. Disclosure standards may be less onerous on issuers and accountancy practices may differ from those which are internationally accepted. Political conditions in certain geographic locations where the issuers of Reference Assets may operate may be volatile or unstable, and there could be increased price volatility.

***Investors may lose the value of their entire investment or part of it, as the case may be.***

## Section E – Offer

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| **E.2b** | **Reasons for the Offer and Use of Proceeds:** | Not Applicable. This prospectus has been prepared solely in connection with the admission of Warrants to trading on a regulated market pursuant to Article 3(3) of the Prospectus Directive. There will be no public offer of the Warrants and thus reasons for the offer and use of proceeds are not required. |
| **E.3** | **Terms and Conditions of the Offer:** | Not Applicable. This prospectus has been prepared solely in connection with the admission of Warrants to trading on a regulated market pursuant to Article 3(3) of the Prospectus Directive. There will be no public offer of the Warrants and thus a description of the terms and conditions of the offer is not required. |
| **E.4** | **Interests Material to the Issue:** | The Issuer or its Affiliates may engage in transactions involving Reference Assets or Reference Index which may have a positive or negative effect on the value of such Reference Assets or Reference Index and therefore on the value of any Warrants to which they relate. Certain Affiliates of the Issuer may also be the counterparty to the hedge of the Issuer's obligations under an issue of Warrants and |

HSBC Bank plc is the Calculation Agent responsible for making determinations and calculations in connection with the Warrants and may be a service provider in respect of Reference Assets which are funds. The Issuer or its Affiliates may from time to time advise the issuer or obligors of, or publish research reports relating to, Reference Assets. The views or advice may have a positive or negative effect on the value of the Reference Assets and may be inconsistent with purchasing or holding the Warrants relating to the Reference Assets.

Fees may be payable by the Issuer to the Manager(s) acting as underwriter(s) of issues of the Warrants.

Save as disclosed above, no person involved in the issue of the Warrants has an interest material to the issue.

**E.7 Estimated Expenses:** Not Applicable. This prospectus has been prepared solely in connection with the admission of Warrants to trading on a regulated market pursuant to Article 3(3) of the Prospectus Directive. There will be no public offer of the Warrants and expenses in respect of the listing of Warrants are not charged directly by the Issuer or Managers to the investor.