

Final Terms dated: 8th February 2018

HSBC Bank plc

Programme for the Issuance of Notes and Warrants

Issue of

Up to GBP 25,000,000 Barrier Reverse Convertible Notes linked to *FTSETM 100 Index* due April 2024

PART A – CONTRACTUAL TERMS

This document constitutes the Final Terms relating to the issue of the Tranche of Notes described herein. 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 Base Prospectus dated 21 June 2017 relating to Index-Linked Notes issued under the above Programme, together with each supplemental prospectus relating to the Programme published by the Issuer after 21 June 2017 but before the issue date or listing date of the Notes, whichever is later, to which these Final Terms relate which together constitute a base prospectus ("**Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC, as amended) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes 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 Notes is annexed to these Final Terms.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus is available for viewing during normal business hours at HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and www.hsbc.com (please follow links to 'Investor relations', 'Fixed income investors', 'Issuance programmes') and copies may be obtained from HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.

1. Issuer: HSBC Bank plc
2. Tranche Number: 1
3. Settlement Currency: Great Britain Pounds ("GBP")
4. Aggregate Principal Amount of Notes admitted to trading:
 - (i) Series: Up to GBP 25,000,000
 - (ii) Tranche: Up to GBP 25,000,000
5. Issue Price: 100 per cent. of the Aggregate Principal Amount
6.
 - (i) Denomination(s): GBP 1
 - (ii) Calculation Amount: GBP 1
 - (iii) Aggregate Outstanding Nominal Amount Rounding: Not Applicable
7.
 - (i) Issue Date: 13 April 2018
 - (ii) Trade Date: 06 April 2018
 - (iii) Interest Commencement Date: Issue Date
8. Maturity Date: 15 April 2024
9. Interest basis: 4 per cent. Fixed Rate

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

10. Fixed Rate Note provisions: Applicable
- (i) Rate of Interest: 4 per cent. per annum
- (ii) Interest Payment Date(s):
- | |
|-----------------|
| 06 July 2018 |
| 08 October 2018 |
| 07 January 2019 |
| 08 April 2019 |
| 08 July 2019 |
| 07 October 2019 |
| 06 January 2020 |
| 06 April 2020 |
| 06 July 2020 |
| 06 October 2020 |
| 06 January 2021 |
| 06 April 2021 |
| 06 July 2021 |
| 06 October 2021 |
| 06 January 2022 |
| 06 April 2022 |
| 06 July 2022 |
| 06 October 2022 |
| 06 January 2023 |
| 06 April 2023 |
| 06 July 2023 |
| 06 October 2023 |
| 08 January 2024 |
| 15 April 2024 |
- (iii) Fixed Coupon Amount(s): GBP 0.01 per Calculation Amount
- (iv) Day Count Fraction: Actual/Actual
- (v) Business Day Convention: Following Business Day Convention
11. Floating Rate Note provisions: Not Applicable
12. Coupon Trigger Event: Not Applicable

PROVISIONS RELATING TO REDEMPTION

- | | | |
|-----|--|---|
| 13. | Method for determining the Final Redemption Amount of each Note: | Reverse Convertible Redemption |
| 14. | Provisions relating to the calculation of the Final Redemption Amount of each Note: | |
| | (i) Index: | FTSE™ 100 Index |
| | (ii) Weighting: | Not Applicable |
| | (iii) Barrier Level: | 60 per cent. |
| | (iv) Cap: | Not Applicable |
| | (v) Final Trigger Level: | Not Applicable |
| | (vi) Digital Amount: | Not Applicable |
| | (vii) Participation: | Not Applicable |
| | (viii) Protection Level: | Not Applicable |
| | (ix) Redemption Rate: | Not Applicable |
| | (x) Relevant Final Performance: | Final Index Performance of the Index |
| | (xi) Relevant Level: | Final Index Level |
| | (xii) Averaging Dates: | Not Applicable |
| | (xiii) Averaging Date Market Disruption: | Not Applicable |
| 15. | Early Redemption: | |
| | (i) Early Redemption Amount (upon redemption for taxation reasons or illegality):
<i>(Condition 5(b) or 5(d))</i> | Fair Market Value |
| | (ii) Early Redemption Amount following an Event of Default:
<i>(Condition 9)</i> | Fair Market Value |
| | (iii) Early Redemption for Impracticability: | Applicable |
| 16. | Early Redemption for Autocallable Notes: | Not Applicable |
| 17. | Taxation:
<i>(Condition 6)</i> | Condition 6B (<i>Taxation – Gross-up</i>) is applicable |

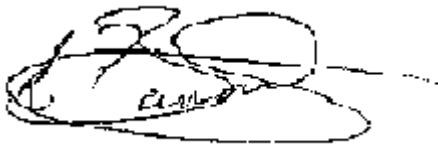
GENERAL PROVISIONS APPLICABLE TO THE NOTES

- | | | |
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| 18. | Form of Notes: | Uncertificated Registered Notes |
|-----|----------------|---------------------------------|

19.	If issued in bearer form:	Not Applicable
20.	Exchange Date for exchange of Temporary Global Note:	Not Applicable
21.	If issued in registered form (other than Uncertificated Registered Notes):	Not Applicable
22.	Payments:	
	(i) Relevant Financial Centre Day:	London
	(ii) Business Centre(s):	London
	(iii) Payment of Alternative Payment Currency Equivalent:	Not Applicable
	(iii) Price Source Disruption:	Not Applicable
23.	Redenomination:	Not Applicable
24.	Further provisions relating to the underlying Index:	
	(i) Index Sponsor(s):	FTSE International Limited
	(ii) Index Rules:	Not Applicable
	(iii) Exchange(s):	London Stock Exchange
	(iv) Related Exchange(s):	All Exchanges
	(v) Initial Index Level:	The definition in Condition 1 applies
	(vi) Strike Date:	06 April 2018
	(vii) Final Valuation Date:	08 April 2024
	(viii) Additional Disruption Event:	The following Additional Disruption Events apply: Change in Law, Hedging Disruption and Increased Cost of Hedging
	(ix) Index Substitution:	Not Applicable
25.	Valuation Time:	The definition in Condition 1 applies
26.	Specified Maximum Number of Disrupted Days:	The definition in Condition 1 applies
27.	Number of local banking days for the purpose of postponing Disrupted Day Related Payment Dates pursuant to Condition 16:	3

CONFIRMED

HSBC BANK plc



By:
Authorized Signatory

Date:

PART B – OTHER INFORMATION

LISTING

1. (i) Listing: Application will be made to admit the Notes to listing on the Official List of the United Kingdom Financial Conduct Authority. 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 regulated market of the London Stock Exchange plc. No assurance can be given as to whether or not, or when, such application will be granted.

2. RATINGS

Ratings: The Notes are not rated.

3. REASONS FOR THE OFFER AND USE OF PROCEEDS, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer and use of proceeds: Profit making and/or hedging activities
- (ii) Estimated net proceeds: Information not required
- (iii) Estimated total expenses: Information not required

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFER

The Notes may be on-sold by the Dealer(s) to the Initial Authorised Offerors at a discount to the Issue Price of up to 3 per cent. Such discount (the "**re-offer spread**") will be retained by the Initial Authorised Offerors.

Save for any fees payable to the Dealer(s) and save for the re-offer spread retained by the Initial Authorised Offerors, no person involved in the issue of the Notes has, so far as the Issuer is aware, an interest material to the offer. The Dealer(s) 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.

5. *Fixed Rate Notes only* – YIELD

Indication of yield: Information not required

6. INFORMATION ABOUT THE UNDERLYING

Information on the past and future performance and volatility of the Index can be obtained from the websites of Financial Times Limited.

DISTRIBUTION

7. (i) If syndicated, names and addresses of Dealers: Not Applicable
- (ii) Date of subscription agreement: Not Applicable
- (iii) Indication of the overall amount of the underwriting commission and of the placing commission: Not Applicable

- | | | |
|-----|--|--|
| 8. | If non-syndicated, name and address of Dealer: | HSBC Bank plc 8 Canada Square, London E14 5HQ |
| 9. | TEFRA Rules applicable to Bearer Notes: | TEFRA Not Applicable |
| 10. | Public Offer: | Applicable |
| | (i) Details of the Public Offer: | A public offer of this Tranche of Notes may be made by the Dealer and Walker Crips Stockbrokers Limited (together with the Dealer, the " Initial Authorised Offerors ") in the United Kingdom (the " Public Offer Jurisdiction ") during the period from and including 12 February 2018 until but excluding 06 April 2018 (the " Offer Period "). |
| | (ii) Conditions attached to the consent to use the Prospectus: | Not Applicable |
| 11. | Prohibition of Sales to EEA Retail Investors: | Not Applicable |
| 12. | Additional U.S. federal income tax considerations: | Not Applicable. The Notes are not Section 871(m) Notes for the purpose of Section 871(m) of the U.S. Internal Revenue Code of 1986. |

OPERATIONAL INFORMATION

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|-----|--|--------------------------|
| 13. | ISIN Code: | GB00BG0P0841 |
| 14. | Common Code: | 177217140 |
| 15. | Valoren Number: | Not Applicable |
| 16. | SEDOL: | BG0P084 |
| 17. | Clearing System: | CREST |
| 18. | Delivery: | Delivery against payment |
| 19. | (i) Principal Paying Agent/Registrar/Issue Agent/Transfer Agent: | HSBC Bank plc |
| | (ii) Additional Paying Agent(s) (if any): | Not Applicable |
| 20. | Common Depositary: | HSBC Bank plc |
| 21. | Calculation Agent: | HSBC Bank plc |

TERMS AND CONDITIONS OF THE OFFER

- | | | |
|-----|--|--|
| 22. | Offer Price: | Issue Price |
| 23. | Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer: | Up to GBP 25,000,000 Notes will be issued and the criterion/condition for determining the final amount of Notes will be investor demand.

A copy of these Final Terms will be filed with the Financial Conduct Authority in the UK (the "FCA"). On or before the Issue Date, a notice pursuant to UK Prospectus Rule 2.3.2(2) of the final aggregate principal amount of the Notes will be (i) |

- filed with the FCA and (ii) published in accordance with the method of publication set out in Prospectus Rule 3.2.4(2).
24. The time period, including any possible amendments, during which the offer will be open: An offer of the Notes will be made other than pursuant to Article 3(2) of the Prospectus Directive during the Offer Period.
25. Conditions to which the offer is subject: The Issuer may close the Offer Period prior to 06 April 2018 if the Notes are fully subscribed before such date.
26. Description of the application process: A prospective investor should contact the Initial Authorised Offerors during the Offer Period. A prospective investor will subscribe for the Notes in accordance with the arrangements existing between the Initial Authorised Offeror and its customer relating to the subscription of securities generally and not directly with the Issuer.
- Persons interested in purchasing Notes should contact their financial adviser. If an investor in any jurisdiction other than the United Kingdom wishes to purchase Notes, such investor should (a) be aware that sales in the relevant jurisdiction may not be permitted; and (b) contact its financial adviser, bank or financial intermediary for more information.
27. Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: Not Applicable
28. Details of the minimum and/or maximum amount of application: Minimum of GBP 1,000
29. Details of the method and time limits for paying up and delivering of the securities: Prospective Noteholders will be notified by the Initial Authorised Offerors of their allocations of Notes and the settlement arrangements in respect thereof. The Notes will be issued on the Issue Date on a delivery against payment basis.
30. Manner in and date on which results of the offer are to be made public: The final size will be known at the end of the Offer Period.
- A copy of these Final Terms will be filed with the Financial Conduct Authority in the UK (the "FCA"). On or before the Issue Date, a notice pursuant to UK Prospectus Rule 2.3.2(2) of the final aggregate principal amount of the Notes will be (i) filed with the FCA and (ii) published in accordance with the method of publication set out in Prospectus Rule 3.2.4(2).
31. Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: Not Applicable
32. Whether tranche(s) have been reserved for certain countries: Not Applicable
33. Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: At the end of the Offer Period, Walker Crips Stockbrokers Limited will proceed to notify the prospective Noteholders as to the amount of their allotment of the Notes.

34. Amount of any expenses and taxes specifically charged to the subscriber or purchaser: Not Applicable
35. Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: The Notes are to be offered to the public in the Public Offer Jurisdiction by the Initial Authorised Offerors.
Walker Crips Stockbrokers Limited: Old Change House, 128 Queen Victoria, London EC4V 4BJ
HSBC Bank plc: 8 Canada Square, London E14 5HQ
36. Name and address of any paying agents and depositary agents in each country: HSBC Bank plc, 8 Canada Square, London E14 5HQ
37. Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment: Not Applicable

ANNEX

ADDITIONAL PROVISIONS NOT REQUIRED BY THE SECURITIES NOTE RELATING TO THE UNDERLYING

The following Index disclaimer is applicable in respect of the *FTSE™ 100* Index, as agreed between the Index Sponsor and the Issuer:

STATEMENTS REGARDING THE FTSE™ 100 INDEX

Neither the Notes nor the Warrants are in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("**FTSE**") or the London Stock Exchange Group companies ("**LSEG**") (together the "**Licensors Parties**") and none of the Licensors Parties make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to (i) the results to be obtained from the use of the FTSE™ 100 Index (the "**Index**"), (ii) the figure at which the Index is said to stand at any particular time on any particular day or otherwise, or (iii) the suitability of the Index for the purpose to which it is being put in connection with the Notes or Warrants. None of the Licensors Parties have provided or will provide any financial or investment advice or recommendation in relation to the Index to the Issuer or to its clients. The Index is calculated by FTSE or its agent. None of the Licensors Parties shall be (a) liable (whether in negligence or otherwise) to any person for any error in the Index or (b) under any obligation to advise any person of any error therein.

All rights in the Index vest in FTSE. "FTSE®" is a trade mark of LSEG and is used by FTSE under licence.

ISSUE SPECIFIC SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "Not Applicable".

Section A – Introduction and Warnings		
A.1	Introduction and Warnings:	<p>This summary must be read as an introduction to the prospectus and any decision to invest in the Notes or Warrants should be based on a consideration of the prospectus as a whole by the investor, including any information incorporated by reference and read together with the relevant final terms.</p> <p>Where a claim relating to the information contained in the 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.</p> <p>Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such Notes or Warrants.</p>
A.2	Consent by the Issuer to the use of the prospectus in subsequent resale or final placement of the Notes, indication of offer period and conditions to consent for subsequent resale or final placement and warning:	<p>The Issuer may or may not provide its consent to the use of the prospectus in connection with public offers of the Notes and Warrants. If provided, such consent may be subject to conditions which are relevant for the use of the prospectus.</p> <p>The Issuer expressly consents to the use of the prospectus in connection with a public offer of Notes (a "Public Offer") by the Dealer and Walker Crips Stockbrokers Limited (each, an "Authorised Offeror") during the period from and including 12 February 2018 to but excluding 06 April 2018 (the "Offer Period") and in the United Kingdom only (the "Public Offer Jurisdiction") provided that: the relevant Authorised Offeror is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) and any other applicable laws. The Issuer also accepts responsibility for the content of the prospectus with respect to the subsequent resale or final placement of the Notes by the Authorised Offeror.</p> <p>The Authorised Offeror will provide information to investors on the terms and conditions of the Public Offer of the relevant Notes at the time such Public Offer is made by the Authorised Offeror to the investors.</p>
Section B – Issuer		
B.1	Legal and commercial name of the Issuer:	The legal name of the issuer is HSBC Bank plc (the " Issuer ") 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 legislation under which the Issuer operates and its country of incorporation:	<p>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. It was re-registered as a company limited by shares under the Companies Acts 1862 to 1879 on 1 July 1880. On 1 February 1982 the Issuer re-registered under the Companies Acts 1948 to 1980 as a public limited company.</p> <p>The Issuer is subject to primary and secondary legislation relating to financial services and banking regulation in the United Kingdom, including, inter alia, the UK Financial Services and Markets Act 2000 as amended, for the purposes of which the Issuer is an authorised person carrying on the business of financial services</p>

		<p>provision. In addition, as a public limited company, the Issuer is subject to the UK Companies Act 2006.</p>
B.4b	Known trends affecting the Issuer and the industries in which it operates:	<p>UK real Gross Domestic Product ("GDP") growth slowed from 0.7% quarter-on-quarter in the fourth quarter of 2016 to 0.2% in the first quarter of 2017. Real UK GDP was 2.0% higher than the same quarter a year earlier. The unemployment rate stood at 4.5% in May, a 42-year low. Employment as a percentage of the workforce stood at a record high of 74.9%. However, annual wage growth slowed to 2.1% in the three months to April. The annual rate of growth of the Consumer Price Index ("CPI") measure of inflation stood at 2.9% in May 2017. Activity in the housing market softened, with price growth moderating but remaining positive.</p> <p>The outlook remains uncertain following the UK electorate's vote to leave the European Union ("EU") and the invocation of Article 50 (triggering a two-year countdown to leaving) in March 2017. The annual pace of UK real GDP growth is now expected to slow from 1.8% in 2016 to 1.6% in 2017. Investment could be hit by uncertainty over the UK's future relationship with the EU, and the risk of leaving without a transition deal. CPI inflation is expected to continue to rise, reflecting the fall in sterling's value. Wages are not expected to grow as fast as inflation, meaning a decline in real incomes, which is expected to weigh on consumption. Offsetting this, net trade has started to improve on the back of the fall in sterling, and government spending may also prove supportive later in the year. Due to higher inflation, some members of the Monetary Policy Committee have already started to vote for rate rises. However, due to weaker growth and an uncertain outlook, the Bank of England base rate is expected to remain low until at least the end of 2018.</p> <p>The eurozone continues to exhibit modest growth. Real GDP grew by 0.6% in the first quarter of 2017, following growth of 0.4% and 0.5% in the third and fourth quarters of 2016, respectively. Among the four largest eurozone countries, Spain continues to out-perform, with quarterly growth of 0.8% in the first quarter of 2017. Germany grew by 0.6%, while France and Italy each experienced expansions of 0.4%. Household consumption has continued to grow steadily. Although inflation is higher than last year – hitting a 2% annual rate in February, compared to near-zero rates experienced in early 2016 – market sentiment remains firm and unemployment is falling. Investment has picked up sharply, with quarterly growth of 3.4% and 1.3% in the fourth quarter and first quarter respectively. Companies are now playing their part in the recovery as improved confidence and loose credit conditions are supporting investment. Meanwhile the political risks posed by elections in the Netherlands (March) and France (May) have receded.</p> <p>One possibility is that the eurozone is entering a virtuous circle where higher investment leads to faster productivity growth, rising incomes and improved confidence. But there is still reason for caution and HSBC Global Research expects GDP growth to accelerate from 1.7% in 2016 to 1.9% in 2017, before easing back to 1.6% in 2018.</p> <p>CPI inflation peaked at 2.0% in February but has already fallen back to 1.3% in June. With wage growth showing little sign of reacting to a strengthening labour market, the European Central Bank ("ECB") is maintaining its EUR60bn-a-month quantitative easing ("QE") programme. HSBC Global Research expects the ECB to begin 'tapering' QE asset purchases in 2018, as the economy continues to recover. That will be preceded by German federal elections in September and, possibly, an early Italian election.</p>
B.5	The group and the Issuer's position within the group:	<p>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.</p> <p>The HSBC Group is one of the largest banking and financial services organisations in the world, with an international network of more than 4,700 branches in 71 countries and territories across five geographical regions: Europe, Asia, Middle East</p>

		and North Africa, North America and Latin America. Its total assets as at 31 December 2016 were U.S.\$ 2,374,986 million.
B.9	Profit forecast or estimate:	Not Applicable. There are no profit forecasts or estimates made in the prospectus.
B.10	Nature of any qualifications in the audit reports on the historical financial information:	Not Applicable. There are no qualifications in the audit reports on the audited, consolidated financial statements of the Issuer for the financial years ended 31 December 2015 or 31 December 2016.
B.12	Selected key financial information, no material adverse change and no significant change statement:	The selected key financial information regarding the Issuer set out below has been extracted without material adjustment from the audited consolidated financial statements of the Issuer for the years ended 31 December 2015 and 31 December 2016 and the Unaudited Consolidated Interim Report of the Issuer for the six month period ended 30 June 2017.

	Half-year to		Year ended	
	30 June 2017	30 June 2016	31 December 2016	31 December 2015
For the period (£m)				
Profit/(loss) before tax (reported basis) ¹	1,858	2,125	874	2,971
Profit before tax (adjusted basis) ^{1,2,3}	2,530	1,944	4,234	4,068
Net operating income before loan impairment charges and other credit risk provisions ^{1,4}	6,913	6,871	13,305	12,870
Profit/(loss) attributable to shareholders of the parent company ¹	1,370	1,496	(212)	1,942
At period-end (£m)				
Total equity attributable to shareholders of the parent company	41,493	40,823	39,930	37,497
Total assets	832,380	887,661	816,829	727,941
Risk-weighted assets	239,703	243,648	245,237	229,382
Loans and advances to customers (net of impairment allowances) ..	278,214	266,614	272,760	258,506
Customer accounts	385,766	363,651	375,252	332,830
Capital ratios (%)				
Common equity tier 1	10.9	9.6	10.2	9.6
Total tier 1	13.0	11.6	12.3	11.8
Total capital	16.4	15.3	15.7	15.5
Performance, efficiency and other ratios (annualised %)				
Annualised return on average shareholders' equity (reported basis) ^{1,5}	7.2	8.2	(1.2)	5.9
Return on average risk-weighted assets (reported basis) ^{1,6}	1.5	1.8	0.4	1.2
Return on average risk-weighted assets (adjusted basis) ^{1,6}	2.1	1.6	1.7	1.7
Cost efficiency ratio (reported basis) ^{1,7}	73.3	65.0	90.3	73.2
Cost efficiency ratio (adjusted basis) ^{1,7}	63.8	64.1	63.9	64.1
Jaws (adjusted basis) ^{1,8}	0.5	(7.4)	0.4	0.3
Ratio of customer advances to customer accounts	72.1	73.3	72.7	77.7

¹ In late 2016, a macro cash flow hedge was identified as not having met the hedge accounting criteria of IAS 39 during the half-year to 30 June 2016. The hedge was partially discontinued as a result. Profit before tax has been restated to reflect a gain of £134m that should have been transferred from the cash flow hedge reserve to the income statement during the half-year to 30 June 2016.

² Adjusted performance is computed by adjusting reported results for the effect of significant items as detailed on pages 8 to 10 of the Unaudited Consolidated Interim Report of the Issuer for the six month period ended 30 June 2017.

³ For the half-year ended 31 December 2016, the main adjustment was a £2.2bn impairment of goodwill relating to the Global Banking and Markets ("GB&M") business.

⁴ Net operating income before loan impairment charges and other credit risk provisions is also referred to as revenue.

⁵ The return on average total shareholders' equity is defined as profit attributable to shareholders of the parent company divided by the average total shareholders' equity.

⁶ Reported return on average risk-weighted assets ("RoRWA") is calculated using annualised reported profit before tax and reported average risk-weighted assets ("RWAs"). Adjusted RoRWA is calculated using adjusted profit before tax and reported average RWAs, adjusted for the effect of significant items.

⁷ Reported cost efficiency ratio is defined as total reported operating expenses reported divided by net reported operating income before loan impairment charges and other credit risk provisions, while adjusted cost efficiency ratio is defined as total adjusted

operating expenses divided by net adjusted operating income before loan impairment charges and other credit risk provisions. Net adjusted operating income before loan impairment charges and other credit risk provisions is also referred to as adjusted revenue.
⁸ Adjusted jaws measures the difference between adjusted revenue and adjusted cost growth rates.

		<p>There has been no material adverse change in the prospects of the Issuer since 31 December 2016.</p> <p>There has been no significant change in the financial or trading position of the Issuer and its subsidiary undertakings since 30 June 2017.</p>
B.13	Recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency:	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:	<p>The Issuer is a wholly owned subsidiary of HSBC Holdings.</p> <p>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.</p>
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: Retail Banking and Wealth Management; Commercial 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.
B.17	Credit ratings:	<p>The Issuer has been assigned the following long term credit ratings: AA- by Standard & Poor's Credit Market Services Europe Limited ("Standard & Poor's"); Aa3 by Moody's Investors Service Limited ("Moody's"); and AA- by Fitch Ratings Limited ("Fitch").</p> <p>The Notes to be issued have not been rated.</p>

Section C – Securities

C.1	Description of type and class of securities:	<p>Notes and Warrants are derivative securities linked to the performance of a specified index or a basket of indices.</p> <p>Notes may or may not bear interest and Warrants do not bear interest. If Notes are interest-bearing, they will either bear interest at either a fixed or floating rate, or depending on the performance of a specified index.</p> <p>If Notes and Warrants are not redeemed or exercised early they will be redeemed or exercised on the scheduled maturity or exercise date and the amount payable will be an amount linked to the performance of a specified index or the performances of specified indices. Notes and Warrants may also be redeemed or exercised early in certain circumstances.</p> <p>Issuance in series: Notes will be issued in series ("Series") which may comprise one or more tranches ("Tranches").</p> <p>Each Tranche issued under a Series will have identical terms, except that different Tranches may comprise: Notes in bearer form ("Bearer Notes"), registered form ("Registered Notes") or uncertificated registered form ("Uncertificated Registered Notes").</p> <p>The issue dates, issue prices and amount of first interest payments under different Tranches may also vary.</p> <p>Form of Notes:</p>
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C.2	Currency of the securities issue:	Subject to compliance with all applicable laws and regulations, Notes and Warrants may be issued in any currency. The settlement currency of the Notes is [<i>Currency</i>] (the " Settlement Currency ").
C.5	Description of any restrictions on the free transferability of the securities:	Subject to restrictions on the offer and sale of Notes and Warrants in any relevant jurisdiction, the Notes and Warrants will be freely transferable. The Notes are freely transferable. However, there are restrictions on the offer and sale of the Notes and the Issuer and HSBC Bank plc (the " Dealer ") have agreed restrictions on the offer, sale and delivery of the Notes and on distribution of offering materials in Belgium, the Dubai International Financial Centre, the European Economic Area, France, Guernsey, Hong Kong, Isle of Man, Italy, Japan, Jersey, the Kingdom of Bahrain, The Netherlands, Norway, the People's Republic of China, Russia, Singapore, Spain, Switzerland, Taiwan, the United Arab Emirates (excluding the Dubai International Financial Centre), the United Kingdom and the United States of America.
C.8	The rights attaching to the securities, including ranking and limitations to those rights:	<p>Notes and Warrants are derivative securities linked to the performance of a specified index or the performances of specified indices.</p> <p>Notes may or may not bear interest and Warrants do not bear interest. If Notes are interest-bearing, they will either bear interest at either a fixed or floating rate, or depending on the performance of a specified index.</p> <p>If Notes and Warrants are not redeemed or exercised early they will be redeemed or exercised on the scheduled maturity or exercise date and the amount payable will be an amount linked to the performance of a specified index or the performances of specified indices. Notes and Warrants may also be redeemed or exercised early in certain circumstances.</p> <p>An investor will be entitled to the following cash amounts in respect of each Note, namely:</p> <ul style="list-style-type: none"> • if the Notes are redeemed on their stated maturity date, a "Final Redemption Amount"; and • as the "Fixed Rate Note provisions" apply in respect of the Notes, a fixed rate of interest will be paid as described below, an "Interest Amount" <p>Final Redemption Amount for Notes: Unless a Note has been redeemed (i.e. repaid) early, each Note will be redeemed on 15 April 2024 ("Maturity Date").</p> <p>The Final Redemption Amount will depend on the performance of the FTSE 100 Index (the "Index").</p> <p>The basis for calculating the Final Redemption Amount is "Reverse Convertible Redemption".</p> <p>Accordingly,</p> <ul style="list-style-type: none"> • If the Relevant Final Performance is equal to or greater than the Barrier Level of 60%, the Final Redemption Amount is the specified calculation amount of the Note (the "Calculation Amount").

	<ul style="list-style-type: none"> • If the Relevant Final Performance is less than the Barrier Level of [], the Final Redemption Amount is the Calculation Amount multiplied by the Relevant Final Performance. <p>The "Initial Index Level" of the Index is the level of such Index as determined by the "Calculation Agent" as of the specified "Valuation Time" on the relevant exchange (the "Exchange") on 06 April 2018 (the "Strike Date") as rounded up to four decimal places (with 0.00005 being rounded up).</p> <p>The "Relevant Level" of the Index is used to determine the performance of the Index and is calculated using the Final Index Level of such Index. Accordingly, the Calculation Agent will determine the closing level of the Index on the specified "Valuation Date".</p> <p>The "Relevant Final Performance" is used to determine the amount payable on maturity and is equal to the Relevant Level divided by the Initial Index Level of such Index and expressed as a percentage.</p> <p>Interest Payments for Notes: The "Fixed Rate Note provisions" apply to the Notes. Accordingly, the "Rate of Interest" on the Notes is 4% per annum.</p> <p>The interest on the Notes will be paid on specified "Interest Payment Dates". The "Interest Amount" payable on each Interest Payment Date will be in respect of a period from the last Interest Payment Date (or the Interest Commencement Date on Issue Date) until the Interest Payment Date in question (each, an "Interest Period").</p> <p>The Interest Amount for an Interest Period is the Rate of Interest of 4% multiplied by a specified calculation amount of the Notes (the "Calculation Amount"), and the product is multiplied by the specified "Day Count Fraction". The Day Count Fraction reflects the number of days in the period for which interest is being calculated.</p> <p>The Notes specify that a "Fixed Coupon Amount" of GBP 0.01 is payable in respect of each Interest Period. The Fixed Coupon Amount will be paid on each Interest Payment Date relating to those Interest Periods.</p> <p>Status of the Notes and Warrants: The Notes and Warrants issued will be direct, unsecured and unsubordinated obligations of the Issuer and will rank equally 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).</p> <p>Early redemption for illegality: If the Calculation Agent determines that the performance of the Issuer's obligations has become unlawful or, unless otherwise specified in the Final Terms, impracticable, in whole or in part for any reason, the Issuer will be entitled to redeem the Notes early and pay the relevant investor an amount per Note equal to the fair market value of such Note.</p> <p>Early redemption for taxation reasons: If the Issuer were required under the terms and conditions of the Notes or Warrants (the "Conditions") to pay additional amounts in respect of tax, the Issuer may subject to prior notice to the Noteholders or Warrantheolders, redeem or terminate (as applicable) all, but not some only, of such Notes or Warrants and pay the relevant investor an amount per Note equal to the fair market value of such Note.</p> <p>Modification and substitution: Modifications to the Conditions may be made without the consent of any Noteholders or Warrantheolders provided that: (i) the modification is not materially prejudicial to the interest of Noteholders and Warrantheolders; (ii) the modification is of a formal, minor or technical nature or is made to correct a manifest error or is to comply with mandatory provisions of the law of the Issuer's jurisdiction of incorporation; or (iii) the modification corrects an inconsistency between the Final Terms and the relevant termsheet relating to the Notes or Warrants. The Notes or Warrants permit the substitution of the Issuer with an affiliate without the consent of any Noteholders or Warrantheolders where the Issuer provides an irrevocable guarantee of the affiliate's obligations.</p> <p>Events of default: The following events constitute events of default (each, an "Event of Default") under the Notes and would entitle the Noteholder to accelerate the Notes: (i) a continuing default in the repayment of any principal or interest due on the Notes for more than 14 days, provided that the reason for non-payment is not compliance with any fiscal or other law or regulation or court order, or that there is</p>
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C.9	<p>The rights attaching to the securities, the nominal interest rate, the date from which interest becomes payable and due dates for interest, where the rate is not fixed a description of the underlying on which it is based, maturity date and arrangements for amortisation of the loan including repayment procedures, an indication of yield and the name of the representative of debt security holders:</p>	<p>Notes and Warrants are derivative securities linked to the performance of a specified index or the performances of specified indices.</p> <p>Notes may or may not bear interest and Warrants do not bear interest. If Notes are interest-bearing, they will either bear interest at either a fixed or floating rate, or depending on the performance of a specified index.</p> <p>If Notes and Warrants are not redeemed or exercised early they will be redeemed or exercised on the scheduled maturity or exercise date and the amount payable will be an amount linked to the performance of a specified index or the performances of specified indices. Notes and Warrants may also be redeemed or exercised early in certain circumstances.</p> <p>The Notes will be issued on 13 April 2018 (the "Issue Date") at 100 per cent. of their aggregate principal amount (the "Issue Price").</p> <p>Interest Payments for Notes: The "Fixed Rate Note provisions" apply to the Notes. Accordingly, the "Rate of Interest" on the Notes is 4% per annum.</p> <p>The interest on the Notes will be paid on specified "Interest Payment Dates". The "Interest Amount" payable on each Interest Payment Date will be in respect of a period from the last Interest Payment Date (or the Interest Commencement Date on Issue Date) until the Interest Payment Date in question (each, an "Interest Period").</p> <p>The Interest Amount for an Interest Period is the Rate of Interest of 4% multiplied by a specified calculation amount of the Notes (the "Calculation Amount"), and the product is multiplied by the specified "Day Count Fraction". The Day Count Fraction reflects the number of days in the period for which interest is being calculated.</p> <p>The Notes specify that a "Fixed Coupon Amount" of GBP 0.01 is payable in respect of each Interest Period. The Fixed Coupon Amount will be paid on each Interest Payment Date relating to those Interest Periods.</p>

C.10	Derivative components in interest payment:	<p>Notes may or may not have a derivative component in the interest payment. Notes which have a derivative component in the interest payment will accrue interest according to the performance of a specified index or performances of specified indices. Warrants do not bear interest.</p> <p>Not Applicable. There is no derivative component in relation to the interest payable on the Notes.</p>
C.11	Listing and trading:	<p>Notes and Warrants may or may not be listed on the Official List of the United Kingdom Financial Conduct Authority and admitted to trading on the regulated market of the London Stock Exchange plc and the official list of Borsa Italiana S.p.A. and to trading on the Electronic Bond Market, being the regulated market of the Borsa Italiana S.p.A.</p> <p>Application will be made to admit the Notes to the Official List of the United Kingdom Financial Conduct Authority and to trading on the regulated market of the London Stock Exchange plc.</p>
C.15	Description of how the value of the investment is affected by the value of the underlying instrument:	<p>The return on, and value of, the Notes and Warrants will be linked to the performance of a specified index or the performances of specified indices. In addition, any interest payments will be calculated by reference to a fixed rate, floating rate or the performance of a specified index.</p> <p>Fluctuations in the level of the Index or the securities underlying an Index may affect the value of the Notes, but equally an investor in the Notes is subject to the risk that expectations of fluctuation in level of the Index or securities underlying an Index during the remaining period to the maturity of the Notes or any earlier redemption date would adversely affect amounts payable in respect of the Notes. The level of the Index or the securities underlying an Index may vary over time and may increase or decrease by reference to a variety of factors which may include corporate actions, macro-economic factors and speculation.</p>
C.16	Expiration or maturity date of securities:	<p>The Notes and Warrants respectively are scheduled to be redeemed or expire on a scheduled date.</p> <p>The maturity date of the Notes is 15 April 2024 (the "Maturity Date").</p>
C.17	Settlement procedure:	<p>The Notes or Warrants will be cash-settled and all payments will be made through the relevant clearing system.</p> <p>The Notes will be cash-settled.</p> <p>All payments to Noteholders will be paid through CREST.</p>
C.18	Return on securities:	<p>The return on, and value of, the Notes and Warrants will be linked to the performance of a specified index or the performances of specified indices. In addition, any interest payments will be calculated by reference to a fixed rate, floating rate or the performance of a specified index.</p> <p>The Notes entitle holders to cash payments and do not entitle an investor to physical delivery of securities.</p> <p>Unless redeemed early, the Notes will be automatically redeemed on the Maturity Date, at which time the investor will be entitled to receive the Final Redemption Amount (if any).</p>
C.19	Exercise price or final reference price of the underlying:	<p>Calculations which are required to be made in order to determine payments in respect of the Notes and Warrants and determinations of the levels of the specified index or specified indices will be made by the Calculation Agent.</p> <p>The calculations which are required to be made to calculate the Final Redemption Amount will be based on the level of the Index (the "Relevant Level") determined by the Calculation Agent being HSBC Bank plc. The Calculation Agent will determine the Relevant Level by reference to the level of the Index quoted on a particular exchange or quotation system at a valuation time.</p>

C.20	Type of the underlying:	<p>The return on, and value of, Notes and Warrants will be linked to the performance of a specified index or the performances of specified indices. In addition, any interest payments will be calculated by reference to a fixed rate, floating rate or the performance of a specified index.</p> <p>The underlying for the Notes is one index, namely the <i>FTSE™ 100 Index</i>.</p> <p>Information on the Index can be found at the websites of <i>Financial Times Limited</i>.</p>
Section D – Risks		
D.2	Key risks specific to the issuer:	<p><i>A description of the key factors relating to the Issuer that may affect the ability of the Issuer to fulfill its obligations to investors in relation to any of its debt or derivative securities is set out below.</i></p> <p><i>Current economic and market conditions could materially adversely affect the Issuer:</i></p> <p>The Issuer's earnings are affected by global and local economic and market conditions. Uncertain and at times volatile economic conditions can create a challenging operating environment for financial services companies such as the Issuer, including challenges arising from any of the following: reduced demand for borrowing from creditworthy customers; the imposition of protectionist measures; renewed stress as subdued economic conditions raise asset quality concerns, and uncertainties about the EU bank resolution regime raise funding costs; a prolonged period of low or negative interest rates constraining the amount of the Issuer's net interest income; market disruption adversely affecting funding transactions and the Issuer's ability to borrow from other financial institutions; subdued economic growth and/or asset valuation bubbles as a result of too rapid growth.</p> <p><i>The UK's withdrawal from the EU may adversely affect the Issuer's operating model and financial result:</i></p> <p>The UK electorate's vote to leave the EU may have a significant impact on general macroeconomic conditions in the UK, the EU and globally, and is likely to usher in a prolonged period of uncertainty. Negotiations of the UK's exit agreement, its future relationship with the EU and its trading relationships with the rest of the world will likely take a number of years to resolve. The period of uncertainty and market volatility that followed the UK's decision to leave the EU is likely to continue until the UK's future relationship with the EU and the rest of the world is clearer. Given the timeframe and the complex negotiations involved, a clearer picture is not expected to emerge for some time.</p> <p>Uncertainty as to the precise terms of these arrangements, and the future legal and regulatory landscape, may lead to uncertain economic conditions, market volatility and currency fluctuations. Among other issues, the UK's future relationship with the EU may have implications for the future business model for the Issuer's London-based European cross-border banking operations, which relies on unrestricted access to the European financial services market.</p> <p><i>The Issuer's parent company is subject to regulatory commitments and consent orders:</i></p> <p>HSBC Holdings is subject to a deferred prosecution agreement with the US Department of Justice and related agreements and consent orders with US and UK government agencies to comply with certain remedial measures with respect to the HSBC Group's anti-money laundering and sanctions compliance programmes, including the appointment of an independent compliance monitor. Failure to comply with the terms of such agreements may have a material adverse effect on the Group, including loss of business and withdrawal of funding, restrictions on performing dollar-clearing functions, or revocation of bank licences.</p> <p><i>UK banking structural reform legislation and proposals could materially adversely affect the Issuer:</i></p> <p>Material changes to the corporate structure and business activities of the Issuer, including the establishment of a separate ring-fenced bank for retail banking</p>

activities, are expected pursuant to UK banking structural reform legislation and proposals. The restructuring will involve the transfer of qualifying components of the Issuer's UK Retail Banking and Wealth Management, Commercial Banking and Global Private Banking businesses from the Issuer to a new legal entity, HSBC UK. The Issuer expects the cost of implementing these plans to be material. In addition to the restructuring costs, the Issuer will have a reduced balance sheet, including a reduction in risk-weighted assets, and a reduced and potentially more volatile revenue stream. These structural changes could result in changes to the Issuer's credit rating and increases in its cost of funding.

The Issuer is subject to a number of legal and regulatory actions and investigations:

The Issuer is subject to a number of legal and regulatory actions and investigations, the outcomes of which are inherently difficult to predict. An unfavourable result in one or more of these could result in the Issuer incurring significant expense, substantial monetary damages, loss of significant assets, other penalties and injunctive relief, potential regulatory restrictions on the Issuer's business and/or a negative effect on the Issuer's reputation.

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

The Issuer's businesses are subject to ongoing regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies, guidance, voluntary codes of practice and their interpretations in the UK, the EU and the other markets in which the Issuer operates. This is particularly so in the current environment, where the Issuer expects government and regulatory intervention in the banking sector to remain high for the foreseeable future.

The Issuer is subject to the substance and interpretation of tax laws in the jurisdictions in which it and members of the Group operate:

The Issuer is subject to the substance and interpretation of tax laws in all countries in which it and members of the Group operate, the risk associated with changes in tax law or in the interpretation of tax law, the risk of changes in tax rates and the risk of consequences arising from failing to comply with procedures required by tax authorities.

The Issuer's operations are highly dependent on its information technology systems:

The reliability and security of the Issuer's information and technology infrastructure and the Issuer's customer databases are crucial to maintaining the service availability of banking applications and processes and to protecting the HSBC brand. Critical systems failure, prolonged loss of service, cyber-attacks, or internet crime or a material breach of security could lead to financial loss and cause damage to the Issuer's business and brand.

The Issuer's operations have inherent reputational risk:

Reputational risk may arise from negative public opinion about the actual or perceived manner in which the Issuer conducts its business activities, its financial performance, as well as actual or perceived practices in banking and the financial services industry generally. Negative public opinion may adversely affect the Issuer's ability to keep and attract customers and, in particular, corporate and retail depositors, and retain and motivate staff which in turn could have a material adverse effect on the Issuer.

The Issuer has significant exposure to counterparty risk:

The Issuer's ability to engage in routine transactions to fund its operations and manage its risks could be materially adversely affected by the actions and commercial soundness of other financial services institutions. Financial services institutions are necessarily interdependent because of trading, clearing, counterparty

		<p>or other relationships, which could affect a financial services institution's funding and its ability to manage the risks of its business.</p> <p>Market fluctuations may reduce the Issuer's income or the value of its portfolios: The Issuer's businesses are exposed to changes in, and increased volatility of, interest rates, inflation rates, credit spreads, foreign exchange rates, commodity, equity, bond and property prices and the risk that the Issuer's customers act in a manner inconsistent with its business, pricing and hedging assumptions. It is difficult to predict with any accuracy changes in market conditions, and such changes could have a material adverse effect on the Issuer.</p> <p>Liquidity, or ready access to funds, is essential to the Issuer's business: If the Issuer is unable to raise funds, its liquidity position could be adversely affected and the Issuer might be unable to meet deposit withdrawals or obligations under committed financing facilities and insurance contracts, to fund new loans, investments and businesses or to repay borrowings as they mature.</p> <p>Any reduction in the credit rating of the Issuer or any of its debt securities could affect the availability of the Issuer's funding and affect its liquidity position and interest margins: Credit ratings affect the cost and other terms upon which the Issuer is able to obtain market funding. Rating agencies regularly evaluate the Issuer, as well as its respective debt securities. There can be no assurance that the rating agencies will maintain the Issuer's current ratings or outlook. Any reductions in these ratings and outlook could increase the cost of the Issuer's funding, limit access to capital markets and require additional collateral to be placed.</p>
D.3	<p>Key risks specific to the securities and risk warning to investors:</p>	<p>Credit risk: The Notes and Warrants are direct, unsecured and unsubordinated 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 Notes and Warrants (the Issuer's credit risk). If the Issuer becomes insolvent or defaults on its obligations under the Notes and Warrants, in the worst case scenario, investors in the Notes and Warrants could lose all of their invested amounts.</p> <p>The Notes and Warrants are unsecured obligations: The Notes and Warrants are not secured. If the Issuer becomes unable to pay amounts owed to investors under the Notes and Warrants, such investors would not have recourse to securities underlying the Index or any other security or collateral, and may not receive any payments under the Notes and Warrants.</p> <p>The Notes and Warrants are not ordinary debt securities: The Notes may not pay interest, the Warrants do not pay interest and, upon redemption or expiry (as applicable), either the Notes or Warrants may return less than the amount invested or nothing.</p> <p>No ownership rights: The Notes and Warrants do not confer any legal or beneficial interest or any voting or dividend rights in securities underlying the Index.</p> <p>There may be no active trading market or secondary market for liquidity for Notes and Warrants: Any series of Notes and 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 Notes and Warrants until maturity or expiry of such Notes and Warrants or may not realise a return that equals or exceeds the purchase price of their Notes and Warrants.</p> <p>Illegality or changes in tax law may cause the Issuer's obligations under the Notes to be redeemed early or the Warrants to be terminated early: If the Calculation Agent determines the performance of the Issuer's obligations under any Notes and Warrants shall after the trade date have become unlawful or, unless otherwise specified in the Final Terms, impracticable, or if the Issuer determines that it has become liable for, or payments under the Notes have become subject to, any taxes the Issuer may redeem the Notes or terminate its obligations under the Warrants and pay a sum representing the fair value of the Notes or Warrants (as applicable). As</p>

	<p>a result, Noteholders and Warrantholders will forgo any future appreciation in the relevant Index and any further interest payments, and may suffer a loss of some or all of their investments.</p> <p>Considerations regarding hedging: The value of the Notes and Warrants may not exactly correlate with the value of the Index to which the Notes and Warrants relate.</p> <p>Applicable Bank Resolution Powers: The Issuer is subject to the Banking Act 2009 which implements the BRRD in the UK and gives wide powers in respect of UK banks and their parent and other group companies to HM Treasury, the Bank of England, the Prudential Regulation Authority and the United Kingdom Financial Conduct Authority (each, a "relevant UKRA") in circumstances where a UK bank has encountered or is likely to encounter financial difficulties. These powers include a "bail-in" power, which gives the relevant UKRA the power to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities (which could include the Notes and/or Warrants) of a failing financial institution, to convert certain debt claims (which could be amounts payable under the Notes and/or Warrants) into another security (including common shares), or alter the terms of such liabilities, including their maturity or expiry or the date on which interest becomes payable, including by suspending payments for a temporary period. The exercise by the relevant UKRA of any of its powers under the Banking Act 2009 (including especially the bail-in power) could lead to the holders of the Notes or Warrants losing some or all of their investment or may adversely affect the rights of holders of the Notes or Warrants, the market value thereof or the Issuer's ability to satisfy its obligations thereunder.</p> <p>Taxation: All payments under the Notes and Warrants will be made without deduction of United Kingdom taxes unless otherwise required. Investors should therefore be aware that they may be subject to taxes in respect of transactions involving Notes or Warrants depending, amongst other things, upon the status of the potential purchaser and laws relating to transfer and registration taxes.</p> <p>Capital risks relating to Notes and Warrants: Unless the relevant Series of Notes or Put and Call Warrants (when held as a pair) is fully principal protected, the repayment of any amount invested in Notes or Put and Call Warrants and any return on investment is not guaranteed. As a result the investors' capital can fall below the amount initially invested. Unlike a savings account or similar investment, an investment in the Notes or Warrants is not covered by the UK Financial Services Compensation Scheme.</p> <p>Certain factors affecting the value and trading price of Notes and Warrants: Amounts payable under the Notes and Warrants may be affected by fluctuation in value of the Index or securities underlying an Index, changes in interest rates, volatility of the securities underlying the Index, time remaining to redemption or exercise (as applicable) and dividend rates on the securities underlying an Index.</p> <p>Conflicts of Interest may arise between the Issuer or its affiliates and the Noteholders or Warrantholders: The Issuer or its affiliates may enter into hedging or other transactions (i) relating to an Index or to securities underlying an Index or (ii) with issuers of securities underlying an Index. The Issuer or its affiliates may also publish research or other reports relating to Indices or securities underlying an Index. Any such activities may have a positive or negative effect on the value of Notes and Warrants relating to such Indices. In addition, the Issuer may assume roles as hedging counterparty or calculation agent under the Notes and Warrants. In respect of any of these roles the Issuer may have interests that conflict with the interests of Noteholders or Warrantholders.</p> <p>Calculation Agent's discretion and valuations: Calculation of amounts payable in respect of redemption or exercise of the Notes or Warrants and any interest payments, if applicable, may be made by reference to specified screen rates or levels published on exchanges or other quotation systems and, in the absence of such display, at an amount determined by the Calculation Agent acting in good faith and a commercially reasonable manner. The Calculation Agent may be permitted to use its proprietary models to set the terms of adjustments which may be made under the Notes and Warrants which may be difficult to verify without expertise in valuation models.</p>
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		<p>[Commission and cost of hedging: The Issue Price of the Notes or Warrants may include the distribution commission or fee charged by the Issuer and/or its affiliates and the cost or expected costs of hedging the Issuer's obligations under the Notes and Warrants (if any). Accordingly, there is a risk that, upon issue, the price of the Notes or Warrants in the secondary market would be lower than the original Issue Price.]</p> <p>Exchange control risks: 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 the Issuer may make payments under the Notes or Warrants in U.S. dollars or another currency than the Settlement Currency. As a result, investors will forgo any future appreciation of the Settlement Currency.</p> <p>Exchange rate risks: The Issuer will pay amounts in respect of the Notes and Warrants in the Settlement Currency. Where the Settlement Currency is not the same as the investor's preferred currency, the realisable value of the investment in the investor's preferred currency may be at risk from fluctuations in the exchange rate.</p> <p>[Emerging markets currency risks: Notes and Warrants issued may settle in an emerging markets currency. Investors in such Notes and Warrants should be aware that these markets are subject to greater risks than well developed markets. Currencies of emerging markets countries may be volatile and subject to exchange controls. If the Settlement Currency is an emerging markets currency, the Notes and Warrants may provide that the Issuer is entitled to make payments in an alternative payment currency if it is not possible or it is impracticable for the Issuer to make payments in the Settlement Currency due to such emerging markets currency risks.]</p> <p>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 ("Additional Disruption Events") or in case of an index cancellation or modification or disruption in the publication of the index (each, an "Index Adjustment Event"), postponement or adjustment of valuations in case of a Market Disruption Event or adjustment of terms or termination of the Notes and Warrants in case of an Additional Disruption Event or Index Adjustment Event in respect of such Notes and Warrants may have an adverse effect on the value of such Notes and Warrants.</p> <p>Specific risk relating to Fixed Rate Notes: The rate of interest is fixed during the term of the Notes.</p> <p>Therefore, investors in Fixed Rate Notes will not benefit from any increases in market interest rates.</p> <p>Investors may lose the value of their entire investment or part of it, as the case may be.</p>
Section E – Offer		
E.2b	Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks:	<p>The net proceeds from each issue will be applied by the Issuer for profit making or risk hedging unless otherwise specified below.</p> <p>The net proceeds from the issue of the Notes will be used by the Issuer for profit making or risk hedging purposes.</p>
E.3	Description of the terms and conditions of the offer:	<p>An investor intending to acquire or acquiring Notes from an offeror authorised by the Issuer, will do so, and the offer and sale of Notes to an investor by such Authorised Offeror will be made, in accordance with arrangements agreed between such Authorised Offeror and such investor including as to price, allocations and settlement arrangements.</p> <p>Offer Price: Issue Price</p>

		<p>Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer:</p> <p>The time period, including any possible amendments, during which the offer will be open:</p> <p>Conditions to which the offer is subject:</p> <p>Description of the application process:</p>	<p>Up to GBP 25,000,000 Notes will be issued and the criterion/condition for determining the final amount of securities will be investor demand.</p> <p>A copy of the Final Terms will be filed with the Financial Conduct Authority in the UK (the "FCA"). On or before the Issue Date, a notice pursuant to UK Prospectus Rule 2.3.2(2) of the final aggregate principal amount of the Notes will be (i) filed with the FCA and (ii) published in accordance with the method of publication set out in Prospectus Rule 3.2.4(2).</p> <p>The offer period for the Notes will commence on and include 12 February 2018 and end on but exclude 06 April 2018.</p> <p>The Issuer may close the Offer Period prior to 06 April 2018 if the Notes are fully subscribed before such date.</p> <p>A prospective investor should contact the Initial Authorised Offerors during the Offer Period. A prospective investor will subscribe for the Notes in accordance with the arrangements existing between the Initial Authorised Offerors and its customer relating to the subscription of securities generally and not directly with the Issuer.</p> <p>Persons interested in purchasing Notes should contact their financial adviser. If an investor in any jurisdiction other than the United Kingdom wishes to purchase Notes, such investor should (a) be aware that sales in the relevant jurisdiction may not be permitted; and (b) contact its financial adviser, bank or financial intermediary for more information.</p>
		<p>Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:</p> <p>Details of the minimum and/or maximum amount of application:</p> <p>Details of the method and time limits for paying up the securities and delivering of the securities:</p> <p>Manner in and date on which results of the offer are to be made public:</p>	<p>Not Applicable</p> <p>The application must be for a minimum of GBP 1,000</p> <p>Prospective Noteholders will be notified by Walker Crips Stockbrokers Limited of their allocations of Notes and the settlement arrangements in respect thereof. The Notes will be issued on the Issue Date on a delivery against payment basis.</p> <p>The final size of the offer will be known at the end of the offer period. A copy of the Final Terms will be filed with the Financial Conduct Authority in the UK (the "FCA"). On or before the Issue Date, a notice pursuant to UK Prospectus Rule 2.3.2(2) of the final aggregate principal amount of the Notes will be (i) filed with the FCA and (ii) published in</p>

		<p>accordance with the method of publication set out in Prospectus Rule 3.2.4(2).</p> <p>Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:</p> <p>Whether tranche(s) have been reserved for certain countries:</p> <p>Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:</p> <p>Amount of any expenses and taxes specifically charged to the subscriber or purchaser:</p> <p>Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:</p> <p>Name and address of any paying agents and depositary agents in each country:</p>	<p>Not Applicable</p> <p>Not Applicable</p> <p>At the end of the Offer Period, Walker Crips Stockbrokers Limited will proceed to notify the prospective Noteholders as to the amount of their allotment of the Notes.</p> <p>Not Applicable</p> <p>The Notes are to be offered to the public in the Public Offer Jurisdiction by the Initial Authorised Offerors.</p> <p><i>Walker Crips Stockbrokers Limited:</i> Old Change House, 128 Queen Victoria, London EC4V 4BJ</p> <p><i>HSBC Bank plc:</i> 8 Canada Square, London E14 5HQ</p> <p>HSBC Bank plc 8 Canada Square, London E14 5HQ</p>
		<p>Name and address if the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment:</p>	<p>Not Applicable</p>
E.4	Description of any interests material to the issue/offer, including conflicting interests:	<p>The Issuer or its affiliates may engage in hedging or other transactions involving the relevant Index or securities underlying the Index (as applicable) which may have a positive or negative effect on the value of such Index and therefore on the value of any Notes or 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 the Notes or Warrants and the Calculation Agent is responsible for making determinations and calculations in connection with the Notes or Warrants acting in good faith and a commercially reasonable manner. The Issuer or its affiliates may from time to time advise the issuer or obligors of, or publish research reports relating to, the Index or the securities underlying an Index (as applicable). The views or advice may have a positive or negative effect on the value of the Index and may be inconsistent with purchasing or holding the Notes or Warrants relating to such Index.</p> <p>The Notes may be on-sold by the Dealer(s) to the Initial Authorised Offerors at a discount to the Issue Price of up to 3%. Such discount will be retained by the Initial Authorised Offerors.</p> <p>Save as disclosed above, no person involved in the offer of the Notes has, so far as the Issuer is aware, an interest material to the offer. The following additional interest(s) are material to issues of the Notes: HSBC Bank plc or HSBC France is</p>	

		the calculation agent in respect of Notes. As a result of this relationship, potential conflicts of interest may arise for HSBC Bank plc and HSBC France in acting in their respective capacities.
E.7	Estimated expenses charged to the investor by the Issuer or the offeror:	Expenses to investors in connection with any issue of Notes and Warrants may or may not be charged. Expenses in respect of Notes are not charged directly by the Issuer to the investor.