REGISTRATION DOCUMENT DATED 22 MAY 2019

HSBC Bank plc

(A company incorporated with limited liability in England with registered number 14259)

This document (the "**Registration Document**", which expression shall include this document and all documents incorporated by reference herein) constitutes a registration document for the purposes of Directive 2003/71/EC, as amended or superseded (the "**Prospectus Directive**"). It has been prepared in connection with debt or derivative securities ("**Securities**") of HSBC Bank plc (the "**Issuer**") which may be offered to the public or admitted to trading on a regulated market. When combined with the following documents approved by the United Kingdom Financial Conduct Authority (the "**FCA**"):

- a securities note, which contains information on the Securities; and
- a summary note (if required), which provides key information about the Issuer and the Securities in order to aid investors when considering whether to invest in the Securities,

the combination will form a prospectus in relation to the Securities for the purposes of the Prospectus Directive.

This Registration Document has been prepared for the purpose of providing disclosure information with regard to the Issuer and has been approved by the FCA, which is the competent authority in the United Kingdom, for the purposes of the Prospectus Directive and relevant implementing measures in the United Kingdom, as a registration document issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of providing information with regard to the Issuer of debt or derivative securities during the period of twelve months after the date hereof.

This Registration Document includes details of the long-term and short-term credit ratings assigned to the Issuer by S&P Global Ratings Europe Limited ("**S&P**"), Moody's Investors Service Limited ("**Moody's**") and Fitch Ratings Limited ("**Fitch**"). Each of S&P, Moody's and Fitch is established in the European Union and is registered as Credit Rating Agencies under Regulation (EU) No. 1060/2009, as amended (the "**CRA Regulation**"). Each of S&P, Moody's and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

Information on how to use this Registration Document is set out on page i.

Certain risk factors relating to the Issuer are set out in "Risk Factors" which commences on page 1.

HOW TO USE THIS REGISTRATION DOCUMENT

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

This Registration Document provides information about HSBC Bank plc (the "**Issuer**") and incorporates by reference the Annual Report and Accounts of the Issuer and its subsidiary undertakings for the year ended 31 December 2018 (the "**2018 Annual Report and Accounts**"). The 2018 Annual Report and Accounts includes the latest publicly available financial information relating to the Issuer and its subsidiary undertakings (the "**Group**") and other information in relation to the Group, which is relevant to investors. This Registration Document (including such information incorporated by reference) contains information necessary for investors to make an informed assessment of the Issuer. Investors must read this Registration Document together with the 2018 Annual Report and Accounts. Where further information is provided in the 2018 Annual Report and Accounts on matters covered by this Registration Document, this is highlighted in this Registration Document.

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

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

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

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

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

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

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RISK FACTORS

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

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

The risk factors relating to the Issuer specified in this section "Risk Factors" do not comprise an exhaustive list or explanation of all risks relating to the Issuer which investors may face when making an investment in Securities issued by the Issuer and should be used as guidance only. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that the Issuer currently deems immaterial, also may have, individually or cumulatively a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and, if any such risk should occur, the price of any Securities issued by the Issuer may decline and investors could lose all or part of their investment.

Risks Relating to the Issuer

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

Macroeconomic and geopolitical risk

Current economic and market conditions may adversely affect the Issuer's results.

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. In particular, the Issuer may face the following challenges to its operations and operating model in connection with these factors:

- the demand for borrowing from creditworthy customers may diminish if economic activity slows or remains subdued;
- if interest rates rise further, consumers and businesses may struggle with the additional debt burden, which could lead to increased delinquencies and expected credit losses ("**ECLs**");
- the Issuer's ability to borrow from other financial institutions or to engage in funding transactions may be adversely affected by market disruption; and
- market developments may depress consumer and business confidence beyond expected levels. If economic growth is subdued, for example, asset prices and payment patterns may be adversely affected, leading to greater than expected increases in the Issuer's delinquencies, default rates and ECLs. However, if growth is too rapid, new asset valuation bubbles could appear, particularly in the real estate sector, with potentially negative consequences for financial institutions such as the Issuer.

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

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

The circumstances of the United Kingdom's ("**UK**") anticipated withdrawal from the European Union ("**EU**") will likely have a significant impact on general economic conditions in the UK and the EU. The UK's future relationship with the EU and its trading relationships with the rest of the world will likely take a number of years to resolve. This may result in a prolonged period of uncertainty, unstable economic conditions and market volatility, including currency fluctuations. See "*Current economic and market conditions may adversely affect the Issuer's results*".

The Issuer also expects the UK's withdrawal to have implications for the Issuer's London-based cross-border operations, to the extent they rely on unrestricted access to the European financial services market. The extent of these implications will depend on the outcome of negotiations. To ensure continuity of service, independent of the outcome of negotiations, the Issuer assumes a scenario whereby the UK exits the EU without the existing passporting or regulatory equivalence framework that supports cross-border business. This scenario would impact (i) the Group's legal entities in the UK and the EU, (ii) the Issuer's product offering, (iii) the Issuer's clients and (iv) the Issuer's employees.

The Issuer is taking steps to prepare for the UK leaving the EU in 2019. This process involves execution risks, many of them linked to the uncertain outcome of negotiations and potentially tight timelines to implement significant changes to the Issuer's UK and European operating models. If these risks materialise, the Issuer's clients and employees are likely to be affected. The exact impact on the Issuer's clients will depend on their individual circumstances and, in a worst-case scenario, could include disruption to the provision of products and services.

The Issuer is likely to be affected by global geopolitical trends, including the risk of government intervention.

While economic globalisation appears to remain deeply embedded in the international system, it is increasingly challenged by nationalism and protectionism, and international institutions may be less capable of arresting this trend. In Europe, for example, there remains an uncertain economic and political outlook, particularly in light of the UK's anticipated withdrawal from the EU. A gradual shift in global power from the United States of America ("**U.S.**") and Europe towards China and emerging markets also appears to be occurring and may continue. Furthermore, sanctions targeting the Russian government, institutions and individuals have had (and are continuing to have) an adverse effect on the Russian economy, and further sanctions may be possible.

A rise in nationalism and protectionism, including trade barriers, may be driven by populist sentiment and structural challenges facing developed economies. Similarly, if capital flows are disrupted, some emerging markets may impose protectionist measures that could affect financial institutions and their clients, and other emerging, as well as developed, markets, may be tempted to follow suit. This rise could contribute to weaker global trade, potentially affecting the Issuer's traditional lines of business.

The Issuer's geographic coverage will make it and its customers susceptible to protectionist measures taken by national governments and authorities, including imposition of trade tariffs, restrictions on market access, restrictions on the ability to transact on a cross-border basis, expropriation, restrictions on international ownership, interest rate caps, limits on dividend flows and increases in taxation.

There may be uncertainty as to the conflicting nature of such measures, their duration, the potential for escalation, and their potential impact on global economies. Whether these emerging trends are cyclical or permanent is hard to determine, and their causes are likely to be difficult to address. The occurrence of any of these events or circumstances could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

The Issuer is subject to political, social and other risks in the countries in which it operates.

The Issuer operates through an international network of subsidiaries and affiliates. The Issuer's operations are subject to potentially unfavourable political, social, environmental and economic developments in such jurisdictions, which may include:

- coups, civil wars or acts of terrorism;
- social instability;
- currency fluctuations;
- climate change and acts of God, such as natural disasters and epidemics; and

- infrastructure issues, such as transportation or power failures.

These risk events may give rise to disruption to the Issuer's services and result in physical damage to its operations and/or risks to the safety of its personnel and customers.

Physical risks from natural disasters such as floods and hurricanes could also impact credit risk-weighted assets, while the financial losses caused by these events could impair asset values and the creditworthiness of customers.

Such developments may result in a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and strategy.

Changes in foreign currency exchange rates may affect the Issuer's results.

The Issuer prepares its accounts in pounds sterling. However, a substantial portion of the Issuer's assets, liabilities, assets under management, revenues and expenses are denominated in other currencies (primarily euro and U.S. dollars). Changes in foreign exchange rates have an effect on the Issuer's accounting standards, reported income, cash flows and shareholders' equity. Unfavourable changes in foreign exchange rates could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

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

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

The Issuer completed the ring-fencing of its UK retail banking activities on 1 July 2018, six months in advance of the legal requirement coming into force, transferring circa 14.5 million qualifying Retail Banking and Wealth Management ("**RBWM**"), Commercial Banking ("**CMB**") and Global Private Banking ("**GPB**") customers from the Issuer to HSBC UK Bank plc ("**HSBC UK**") (including the transfer of relevant retail banking subsidiaries). The two banking entities operate alongside each other, supported by services received from HSBC Global Services (UK) Limited ("**UK ServCo**").

The Issuer is exposed to the following risks related to its revised structure and the applicable UK banking structural reform legislation:

- As a result of ring-fencing, customers were moved to HSBC UK and certain customers are required to deal with both HSBC UK and the Issuer to obtain the full range of products and services. The Issuer is unable to predict how some customers may still react to these and other required changes.

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

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

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

The Issuer is subject to unfavourable legislative or regulatory developments and changes in the policy of regulators or governments and the Issuer may fail to comply with all applicable regulations, particularly any changes thereto.

The Issuer's businesses are subject to ongoing regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies, voluntary codes of practice and interpretations in the UK, the EU and the other markets in which the Issuer operates. This is particularly the case given the current post-financial crisis regulatory and economic environment, where the Issuer expects government and regulatory intervention in the banking sector to remain high for the foreseeable future. Additionally, many of these changes have an effect beyond the country in which they are enacted, as either regulators deliberately enact regulation with extra-territorial impact or the Issuer's operations mean that the Group is obliged to give effect to 'local' laws and regulations on a wider basis.

In recent years, regulators and governments have focused on reforming both the prudential regulation of the financial services industry and the ways in which the business of financial services is conducted. Measures include enhanced capital, liquidity and funding requirements, the separation or prohibition of certain activities by banks, changes in the operation of capital markets activities, the introduction of tax levies and transaction taxes, changes in compensation practices and more detailed requirements on how business is conducted. The governments and regulators in the UK, the EU or elsewhere may intervene further in relation to areas of industry risk already identified, or in new areas, which could adversely affect the Issuer.

Specific areas where regulatory changes could have a material effect on the Issuer's business, financial condition, results of operations, prospects, capital position, and reputation include, but are not limited to:

- general changes in government, central bank, regulatory or competition policy, or changes in regulatory regimes that may influence investor decisions in particular markets in which the Issuer operates. For example, the regulatory structure in the UK comprising the Prudential Regulation Authority ("**PRA**"), the FCA and the Financial Policy Committee ("**FPC**") and the granting to the European Central Bank of supervisory powers, may affect the Issuer and its activities. In particular, the FPC has the ability to require UK banks to hold additional capital for lending to sectors perceived as higher risk and to increase the amount of capital that banks are required to hold when threats to financial stability are judged to be emerging;

- the structural separation of certain banking and other activities proposed or enacted in a number of jurisdictions, including proposals in France, Germany and of the European Commission for the ring-fencing of certain activities, including trading activities, and the prohibition of certain proprietary trading activities;

- the potential for developments in and the consequences of breaches of the relatively recent and untested Financial Services (Banking Reform) Act 2013, which requires (amongst other matters) the legal separation of core deposits from wholesale and investment banking activities (commonly referred to as ring-fencing);

- requirements flowing from arrangements for the resolution strategy of the Group and its individual operating entities that may have different effects in different countries;

- the implementation of extra-territorial laws, including initiatives to share tax information such as the Common Reporting Standard introduced by the Organisation for Economic Co-operation and Development;

- the abolition of certain interbank offered rates ("**Ibors**") across the world and the transition to new replacement rates (as discussed further under "*The Issuer may not manage risks associated with the replacement of benchmark indices effectively*");

- the UK's anticipated withdrawal from the EU, and the transposition of existing EU financial services regulation into UK regulation;

- the treatment of 'third countries' under EU law with regard to their access to EU markets (which may have an adverse impact on the UK in the absence of, or subject to the terms of, a withdrawal agreement between the UK and the EU);

- the implementation of the European Commission's proposals for amendments to (i) the EU Bank Recovery and Resolution Directive (Directive 2014/59/EU) ("**BRRD**"), (ii) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (as amended, supplemented or replaced from time to time, the "**CRR**") and (iii) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC ("**CRD IV**") (all together, the "**Risk Reduction Measures**"), designed to implement various changes to the EU prudential framework and the subsequent implementation of these amendments in the UK. The Risk Reduction Measures are designed, among others, to implement the Financial Stability Board standards for Total Loss Absorbing Capacity, which in the EU is implemented through the "Minimum Requirements for own funds and Eligible Liabilities" ("**MREL**"), together with various agreed reforms to the Basel prudential framework (including the final leverage ratio and net stable funding ratio requirements included in the Basel Committee on Banking Supervision's ("**Basel Committee**") package of reforms to strengthen global capital and liquidity rules ("**Basel III**"), and substantial changes to the market risk framework), as well as related EU-specific reforms on (among others) small and medium-sized enterprises ("**SME**") and infrastructure exposures. The Risk Reduction Measures also include a new requirement for global systemically important banks and certain other banking groups with two or more institutions in the EU, but whose ultimate parent is outside the EU, to establish an EU intermediate financial holding company, that would be subject to consolidated prudential supervision in the EU. After trilogue negotiations, the Council of the European Union, the European Commission and the European Parliament have agreed on the final terms of these proposals. The Risk Reduction Measures are expected to enter into force in 2019 and to apply from two years after the date of entry into force, although certain measures, such as the revisions to MREL and disclosure requirements, are expected to apply immediately from the date of entry into force of the relevant proposal. Moreover, discussions have started at EU level on the implementation of the remaining elements of the Basel III framework as endorsed by the Group of Central Bank Governors and Heads of Supervision in December 2017. These reforms would include, among others, a revised standardised approach for credit risk, revisions to the internal ratings-based approach for credit risk, revisions to the credit risk valuation adjustment framework, the adoption of an aggregate output floor and amendments to the leverage ratio. The additional reforms will be implemented in the EU through additional amendments to the CRR which are expected to be proposed in early 2020. However, the precise timeframe remains subject to further changes. It remains unclear, particularly in light of the UK's withdrawal from the EU, how these requirements will be implemented into UK law and, therefore, how they will affect the Issuer;

- the completion of the outstanding work by the Basel Committee in relation to the regulatory treatment of sovereign risk;

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

- the implementation of more stringent capital, liquidity and funding requirements, and adjustments in the use of models for measuring risk, particularly if capital requirements are increased;

- the increased focus by regulators and government authorities on the operational resilience capabilities of the wider financial services sector;

- the financial effects of climate changes being incorporated within the global prudential framework, including the transition risks resulting from a shift to a low carbon economy;

- a continuing interest in financial services activities by competition authorities at the UK and European level when enforcing laws against anticompetitive practices (in the UK, the FCA and the Payment Systems Regulator are competition law enforcers). This is also being accompanied by a rise in private damages litigation relating to alleged competition law infringements. Currently, much of this is brought in the UK (for example, ongoing litigation by UK retailers regarding consumer credit and debit card interchange fee levels under the Visa and MasterCard schemes), but in the future there is likely to be an increase in such litigation across Europe as a result of the EU Directive on Antitrust Damages Action;

- restrictions on the structure of remuneration and increasing requirements to detail management accountability within the Group (e.g. the requirements of the Senior Managers and Certification Regime in the UK and similar regimes elsewhere that are under consideration/implementation);

- the focus globally on data (including on data processing and subject rights/transfer of information), financial technology risks, operational resilience, crypto assets and cybersecurity and the introduction of new and/or enhanced standards in this area (as discussed further under "*The Issuer remains susceptible to a wide range of cyber risks that impact and/or are facilitated by technology", "The Issuer's operations are highly dependent on the HSBC Group's information technology systems*" and "*The Issuer's data management policies and processes may not be sufficiently robust*");

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

- external bodies applying or interpreting standards or laws differently to the Issuer;

- further requirements relating to financial reporting, corporate governance and employee compensation;

- expropriation, nationalisation, confiscation of assets and changes in legislation or regulations relating to foreign ownership; and

- the application and enforcement of anti-money laundering investigations and sanctions and economic sanctions, including those with extra-territorial effect.

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

The expected discontinuation of certain key Ibors such as the London Interbank Offered Rate ("**Libor**"), and the adoption of alternative risk-free benchmark rates ("**RFRs**") by the market, introduces a number of risks for the Issuer, its clients, and the financial services industry more widely. These include, but are not limited to:

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

- Financial risks, arising from any changes in the valuation of financial instruments linked to RFRs;

- Pricing risks, as changes to RFRs could impact pricing mechanisms on some instruments;

- Operational risks, due to the potential need to adapt IT systems, trade reporting infrastructure, operational processes and controls to accommodate one or more RFRs; and

- Conduct risks, through potentially material adverse impacts on customers or financial markets.

The benchmark specifications, together with the timetable and mechanisms for discontinuation of existing Ibors and implementation of RFRs, have not yet been agreed across the industry and regulatory authorities. Accordingly, it is not currently possible to determine whether, or to what extent, any such changes would affect the Issuer. However, the discontinuation of existing Ibors and implementation of RFRs could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and customers.

The Issuer may fail to meet the requirements of regulatory stress tests.

The Issuer is subject to regulatory stress testing in several jurisdictions, which are described under "*Report of the Directors – Risk Management – Our risk management framework – Stress testing*" on page 24 of the 2018 Annual Report and Accounts. These exercises are designed to assess the resilience of banks to potential adverse economic or financial developments and ensure that they have robust, forward-looking capital planning processes that account for the risks associated with their business profile. Assessment by regulators is on both a quantitative and qualitative basis, the latter focusing on the Issuer's data provision, stress testing capability and internal management processes and controls.

Failure to meet quantitative or qualitative requirements of regulatory stress test programmes, or the failure by regulators to approve the Issuer's stress test results and capital plans, could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects, capital position and reputation.

The Securities and the Issuer will be subject to certain bank resolution powers under the Banking Act.

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

Statutory intervention powers

The Issuer is subject to the Banking Act, which gives wide powers in respect of UK banks and their parent and other group companies to HM Treasury, the Bank of England ("**BoE**"), the PRA and/or the FCA (each a "**relevant UKRA**") in circumstances where a UK bank has encountered or is likely to encounter financial difficulties. These powers include powers to: (a) transfer all or some of the securities issued by a UK bank or its parent, or all or some of the property, rights and liabilities of a UK bank or its parent (which would include Securities issued by the Issuer), to a commercial purchaser or, in the case of securities, to HM Treasury or an HM Treasury nominee, or, in the case of property, rights or liabilities, to an entity owned by the BoE; (b) override any default provisions, contracts, or other agreements, including provisions that would otherwise allow a party to terminate a contract or accelerate the payment of an obligation; (c) commence certain insolvency procedures in relation to a UK bank; and (d) override, vary or impose contractual obligations, for reasonable consideration, between a UK bank or its parent and its group undertakings (including undertakings which have ceased to be members of the group), in order to enable any transferee or successor bank of the UK bank to operate effectively. The Banking Act also gives power to HM Treasury to make further amendments to the law for the purpose of enabling it to use the special resolution regime powers effectively, potentially with retrospective effect.

Write-down and conversion of capital instruments powers and/or bail-in powers

The powers granted to the relevant UKRA under the Banking Act also include powers to vary or extinguish the claims of certain creditors. In the case of the BoE, these powers include a "write-down and conversion of capital instruments" power and a "bail-in" power.

The write-down and conversion of capital instruments power may be used where the relevant UKRA has determined that the institution concerned has reached the point of non-viability, but that no bail-in of instruments other than capital instruments is required (however the use of the write-down power does not preclude a subsequent use of the bail-in power) or where the conditions to resolution are met. Any write-down effected using this power must reflect the insolvency priority of the written-down claims (and, therefore, common equity must be written off in full before subordinated debt is affected). Where the write-down and conversion of capital instruments power is used, the write-down is permanent and investors receive no compensation (save that common equity tier 1 ("**CET1**") instruments may be required to be issued to holders of written-down instruments). The write-down and conversion of capital instruments power is not subject to the "no creditor worse off" safeguard.

The bail-in power gives the relevant UKRA the power to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities (which could include the Securities) of a failing financial institution or its holding company, to convert certain debt claims (which could be amounts payable under the Securities) into another security, including ordinary shares of the surviving entity, if any and/or to amend or alter the terms of such claims, including the maturity of the Securities or amendment of the amount of interest payable on the Securities, or the date on which interest becomes payable, including by suspending payment for a temporary period. The Banking Act requires the relevant UKRA to apply the bail-in power in accordance with a specified preference order which differs from the ordinary insolvency order. In particular, the relevant UKRA must write-down or convert debts in the following order: (i) additional tier 1, (ii) tier 2, (iii) other subordinated claims and (iv) eligible senior claims. As a result, subordinated Securities which qualify as capital instruments may be fully or partially written down or converted even where other subordinated debt that does not qualify as capital is not affected. This could effectively subordinate such Securities to the Issuer's other subordinated indebtedness that is not additional tier 1 or tier 2 capital. The claims of some creditors whose claims would rank equally with those of the Securityholders may be excluded from bail-in. The more of such creditors there are, the greater will be the impact of bail-in on the Securityholders.

Although the exercise of bail-in power under the Banking Act is subject to certain pre-conditions, there remains uncertainty regarding the specific factors (including, but not limited to, factors outside the control of the Issuer or not directly related to the Issuer) which the relevant UKRA would consider in deciding whether to exercise such power with respect to the Issuer and its securities (including the Securities). Moreover, as the relevant UKRA may have considerable discretion in relation to how and when it may exercise such power, holders of the Issuer's securities may not be able to refer to publicly available criteria in order to anticipate a potential exercise of such power and consequently its potential effect on the Issuer and its securities, including the Securities.

Powers to direct the restructuring of the Group

As well as a write-down and conversion of capital instruments power and a bail-in power, the powers of the relevant UKRA under the Banking Act include the power to (i) direct the sale of the relevant financial institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply, (ii) transfer all or part of the business of the relevant financial institution to a "bridge institution" (an entity created for such purpose that is wholly or partially in public control) and (iii) separate assets by transferring impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only). In addition, the Banking Act gives the relevant UKRA power to amend the maturity date and/or any interest payment date of debt instruments or other eligible liabilities of the relevant financial institution and/or impose a temporary suspension of payments and/or discontinuing the listing and admission to trading of debt instruments.

The exercise by the relevant UKRA of any of the above powers under the Banking Act may limit the Issuer's capacity to meet its repayment obligations under the Securities and the exercise of any such powers (including especially the write-down and conversion of capital instruments power and the bail-in power) could lead to the holders of the Securities losing some or all of their investment.

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

Although the BRRD also makes provision for public financial support to be provided to an institution in resolution subject to certain conditions, it provides that the financial public support should only be used as a last resort after the relevant UKRA has assessed and exploited, to the maximum extent practicable, all the resolution tools, including the bail-in power. Accordingly, it is unlikely that investors in the Securities will benefit from such support even if it were provided.

The Issuer is subject to the risk of current and future legal, regulatory or administrative actions and investigations, the outcomes of which are inherently difficult to predict.

The Issuer faces significant legal, regulatory and administrative risks in its business. The volume and amount of damages claimed in litigation, regulatory proceedings, investigations, administrative actions and other adversarial proceedings against financial institutions are increasing for many reasons, including a substantial increase in the number of regulatory changes taking place globally, increased media attention and higher expectations from regulators and the public. In addition, criminal prosecutions of financial institutions for, among other things, alleged conduct breaches, breaches of anti-money laundering ("**AML**"), anti-bribery/corruption, sanctions and counter-terrorist financing regulations, antitrust violations, market manipulation, aiding and abetting tax evasion, and providing unlicensed cross-border banking services, have become more commonplace and may increase in frequency due to increased media attention and higher expectations from prosecutors and the public. Any such legal, regulatory or administrative action or investigation against the Issuer or one or more of its subsidiaries could result in, among other things, substantial fines, civil penalties, criminal penalties, cease and desist orders, forfeitures, the suspension or revocation of key licences, requirements to exit certain businesses, other disciplinary actions and/or withdrawal of funding from depositors and other stakeholders. Additionally, the Issuer's financial statements reflect provisioning for legal proceedings and regulatory matters. Provisions for legal proceedings and regulatory matters typically require a higher degree of judgement than other types of provisions, and the actual costs of any disciplinary action discussed above may exceed existing provisioning. Any threatened or actual litigation, regulatory proceeding, administrative action, investigation or other adversarial proceeding against the Issuer or one or more of its subsidiaries could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and reputation.

The Issuer and its affiliates continue to be subject to a number of material legal proceedings, regulatory actions and investigations including, for example, in relation to the HSBC Group's historical foreign exchange sales and trading activities, which concluded with the entry by HSBC Holdings into a deferred prosecution agreement with the Criminal Division of the U.S. Department of Justice (the "**FX DPA**") (see Note 32 ("*Legal proceedings and regulatory matters*") on pages 151 to 154 of the 2018 Annual Report and Accounts for further details). It is inherently difficult to predict the outcome of many of the legal, regulatory and other adversarial proceedings involving the Issuer's businesses, particularly those cases in which the matters are brought on behalf of various classes of claimants, seek damages of unspecified or indeterminate amounts or involve novel legal claims. Additionally, potential consequences of breaching the FX DPA could include the imposition of additional terms and conditions on the Issuer, an extension of the agreement or the criminal prosecution of members of the HSBC Group, which could, in turn, entail further financial penalties and collateral consequences. Moreover, the Issuer may face additional legal proceedings, investigations or regulatory actions in the future, including in other jurisdictions and/or with respect to matters similar to, or broader than, the existing legal proceedings, investigations or regulatory actions. An unfavourable result in one or more of these proceedings could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and reputation.

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

The Issuer is subject to the substance and interpretation of tax laws in all countries in which it operates and is subject to routine review and audit by tax authorities in relation thereto. The Issuer's interpretation or application of these tax laws may differ from those of the relevant tax authorities, and the Issuer provides for potential tax liabilities that may arise on the basis of the amounts expected to be paid to the tax authorities. The amounts ultimately paid may differ materially from the amounts provided depending on the ultimate resolution of such matters. In general, changes to tax laws and tax rates, and penalties for failing to comply, could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects, capital position and reputation.

The Issuer may be subject to increased regulation regarding culture and accountability.

Financial institutions remain under considerable scrutiny by regulators, international bodies, organisations and unions regarding conduct of business, particularly in relation to fair outcomes for customers, promoting effective competition in the interests of customers, driving higher standards of both personal and corporate conduct and ensuring the orderly and transparent operation of global financial markets. As a result, the Issuer and its personnel may be subject to increased regulation in connection with institutional culture, employee behaviour and whistleblowing, including measures arising from ongoing thematic reviews into the workings of the SME and wholesale banking sectors and the provision of financial advice to consumers (particularly the FCA's Senior Managers and Certification Regime and the continued focus in the UK on the progress being made in implementing wider recommendations made by the Parliamentary Commission on Banking Standards). Regulators, prosecutors, the media and the public all have heightened expectations as to the behaviour and conduct of financial institutions, and any shortcomings or failure to demonstrate adequate controls are in place to mitigate such risks, could result in regulatory sanctions, fines or an increase in civil litigation, and could have a material adverse effect on the Issuer's business, financial condition, results of operations and reputation.

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

The Issuer's operations are highly dependent on the HSBC Group's information technology systems.

The reliability and security of the HSBC Group's information and technology infrastructure, and customer databases are crucial to maintaining the service availability of banking applications and processes and to protecting the HSBC brand. The proper functioning of the HSBC Group's payment systems, financial control, risk management, credit analysis and reporting, accounting, customer service and other information technology systems, as well as the communication networks between the Issuer's branches and main data processing centres, are critical to the Issuer's operations.

Critical system failure, any prolonged loss of service availability or any material breach of data security, particularly involving confidential customer data, could cause serious damage to the Issuer's ability to service its clients, could breach regulations under which it operates and could cause long-term damage to its business and brand that could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and reputation.

The Issuer remains susceptible to a wide range of cyber risks that impact and/or are facilitated by technology.

The threat from cyber-attacks remains a concern for the Issuer's organisation, and failure to protect the Issuer's operations from internet crime or cyber-attacks may result in financial loss, business disruption and/or loss of customer services and data or other sensitive information that could undermine its reputation and its ability to attract and keep customers.

Destructive malware (including ransomware), distributed denial of service ("**DDOS**") attacks and organised cyber criminals targeting payments are increasingly dominant threats across the industry. In 2018, the HSBC Group was subjected to a small number of DDOS attacks on its external facing websites that were successfully mitigated across the HSBC Group with no destructive malware (including ransomware) or payment infrastructure attacks reported. Although cyber-attacks in 2018 had a negligible effect on the Issuer's customers, services or firm, due to the increasing sophistication of cyber-attacks there is the potential for future attacks to have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and reputation.

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

Critical business processes across the Group rely on large volumes of data from a number of different systems and sources. If data governance (including data retention and deletion, data quality and data architecture policies and procedures) is not sufficiently robust, manual intervention, adjustments and reconciliations may be required to reduce the risk of error in the Group's external reports or in reporting to senior management or regulators. Inadequate policies and processes may also affect the Issuer's ability to use data within the Group to service customers more effectively and/or improve the Issuer's product offering. Moreover, financial institutions that fail to comply with in-country (local) and global regulatory and compliance requirements may face supervisory measures. In addition, failure to comply with emerging and recently implemented laws and regulations concerning data privacy and localisation in a number of jurisdictions across the globe may result in regulatory sanctions. Any of these failures could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and reputation.

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

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

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

Evolving regulatory requirements have resulted in changes to the Issuer's approach to model risk management, which poses execution challenges. The adoption of more sophisticated modelling approaches and technology by both the Issuer and the financial services industry could also lead to increased model risk.

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

The Issuer's operations utilise third-party suppliers and service providers.

The Issuer relies on third parties to supply goods and services. The use of third-party service providers by financial institutions is of particular focus to global regulators, including with respect to how outsourcing decisions are made and how key relationships are managed. The inadequate management of third-party risk could impact the Issuer's ability to meet strategic, regulatory and client expectations. This may lead to a range of effects, including regulatory censure, civil penalties or damage to the Issuer's reputation, which could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and strategy.

The Issuer relies on recruiting, retaining and developing appropriate senior management and skilled personnel.

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

The Issuer's continued success depends in part on the retention of key members of its management team and wider employee base. The ability to continue to attract, train, motivate and retain highly qualified professionals is a key element of the Issuer's strategy. The successful implementation of the Issuer's growth strategy depends on the availability of skilled management in each of its business units, which may depend on factors beyond the Issuer's control, including economic, market and regulatory conditions.

If one of the Issuer's business units fails to staff its operations appropriately or loses one or more of its key senior executives and fails to successfully replace them in a satisfactory and timely manner, or fails to implement successfully the organisational changes required to support the Issuer's business, this could place the Issuer at a significant competitive disadvantage and prevent it from successfully implementing its strategy, which could have a material adverse effect on the Issuer's financial condition, results of operations and prospects, including control and operational risks.

The Issuer may suffer losses due to employee misconduct.

The Issuer's businesses are exposed to risk from potential non-compliance with the HSBC Group's policies, including the HSBC Values (the HSBC Values describe how the Issuer's employees should interact with each other and with customers, regulators and the wider community, see "*Purpose and Strategy – HSBC Values*" on page 3 of the 2018 Annual Report and Accounts for further details), and related behaviours and employee misconduct such as fraud or negligence, all of which could result in regulatory sanctions and/or reputational or financial harm. In recent years, a number of multinational financial institutions have suffered material losses due to the actions of 'rogue traders' or other employees. It is not always possible to deter employee misconduct, and the precautions the Issuer takes to prevent and detect this activity may not always be effective. Employee misconduct could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and reputation.

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

Effective management of transformation projects is required to effectively deliver the Issuer's strategic priorities, involving delivering both on externally driven programmes (e.g. regulatory), as well as key business initiatives to deliver revenue growth, product enhancement and operational efficiency outcomes. Additionally, the cumulative impact of the collective change initiatives underway within the HSBC Group is significant and has direct implications on resourcing. The magnitude, complexity and, at times, concurrent demands of the projects required to meet these can result in heightened execution risk, which the Issuer endeavours to manage through appropriate governance. The failure to successfully deliver these key strategic initiatives may have material adverse effect on the Issuer's business, financial condition, results of operations, prospects and reputation.

The Issuer may not achieve any of the expected benefits of its strategic initiatives and the delivery of the Issuer's strategic actions is subject to execution risk.

The HSBC Group's strategy is built around two trends – the continued growth of international trade and capital flows, and wealth creation, particularly in faster-growing markets. The HSBC Group has analysed those trends and developed criteria to help it better deploy capital in response. The development and implementation of the HSBC Group's strategy requires difficult, subjective and complex judgements, including forecasts of economic conditions in various parts of the world. The HSBC Group may fail to correctly identify the trends it seeks to exploit and the relevant factors in making decisions as to capital deployment and cost reduction.

Key to achieving the HSBC Group's growth strategy is increasing the number of HSBC products held by the Issuer's customers through cross-selling and driving synergies across its global businesses to grow revenue and earnings. Key opportunities to drive business synergies arise between CMB and the Global Banking and Markets ("**GB&M**") business, and separately in RBWM. However, these are business areas where many competitors of HSBC Group also focus. Additionally, as part of the ring-fencing exercise in 2018, the UK CMB and RBWM businesses were transferred to HSBC UK while GB&M remained with the Issuer. In both instances, this may limit the Issuer's ability to cross-sell additional products to its customers or may influence the Issuer to sell its products at lower prices, reducing its net interest income and revenue from its fee-based products. A failure to deliver the cross-selling and/or business synergies required to achieve the HSBC Group's growth strategy could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and reputation.

The Issuer's ability to assist in executing the HSBC Group's strategy may be limited by its operational capacity and the increasing complexity of the regulatory environment in which the Issuer operates. The Issuer continues to pursue cost management initiatives, though they may not be as effective as expected, and the Issuer may be unable to meet the cost saving targets included in the HSBC Group's productivity programmes.

In addition, factors beyond the Issuer's control, including but not limited to economic and market conditions, could limit the Issuer's ability to achieve any of the expected benefits of these initiatives. The global economic outlook is more uncertain, particularly with regard to UK economic risks, global trade tensions and revised interest rate expectations. There remains a risk that, in the absence of an improvement in economic conditions, the Issuer's cost and investment actions may not be sufficient to achieve the expected benefits.

Failure to achieve any of the expected benefits of HSBC Group's strategic initiatives could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and reputation.

The Issuer operates in markets that are highly competitive.

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

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

In many markets, there is increased competitive pressure to provide products and services at current or lower prices.

Consequently, the Issuer's ability to reposition or reprice its products and services from time to time may be limited, and could be influenced significantly by the actions of its competitors who may or may not charge similar fees for their products and services. Any changes in the types of products and services that the Issuer offers its customers, and/or the pricing for those products and services, could result in a loss of customers and market share.

Further, new entrants to the market or new technologies could require the Issuer to spend more to modify or adapt its products to attract and retain customers. The Issuer may not respond effectively to these competitive threats from existing and new competitors, and may be forced to increase its investment in its business to modify or adapt its existing products and services or develop new products and services to respond to its customers' needs.

Any of these factors could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and reputation.

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

The management of risk is an integral part of all the Issuer's activities. Risk constitutes the Issuer's exposure to uncertainty and the consequent variability of return. Specifically, risk equates to the adverse effect on profitability or financial condition arising from different sources of uncertainty, including wholesale credit risk, market risk, non-traded market risk, operational risk, insurance risk, concentration risk, liquidity and funding risk, litigation risk, conduct risk, reputational risk, strategic risk, pension risk and regulatory risk.

While the Issuer employs a broad and diversified set of risk monitoring and mitigation techniques, such methods and the judgements that accompany their application cannot anticipate every unfavourable event or the specifics and timing of every outcome. Failure to manage risks appropriately could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects, strategy and reputation.

Operational risks are inherent in the Issuer's business, including the risk of fraudulent activity.

The Issuer is exposed to many types of operational risk that are inherent in banking operations, including fraudulent and other criminal activities (both internal and external), breakdowns in processes or procedures and systems failure or non-availability. These risks are also present when the Issuer relies on outside suppliers or vendors to provide services to the Issuer and its customers.

In particular, fraudsters may target any of the Issuer's products, services and delivery channels, including lending, internet banking, payments, bank accounts and cards. This may result in financial loss to the Issuer and/or its customers, an adverse customer experience, reputational damage and potential litigation, regulatory proceeding, administrative action or other adversarial proceeding in any jurisdiction in which the Issuer operates, depending on the circumstances of the event.

These operational risks could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects, strategy and reputation. Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuer will necessarily be unable to comply with its obligations as a company with securities admitted to the Official List or as a supervised firm regulated by the FCA and the PRA.

The Issuer's operations have inherent reputational risk.

Reputational risk is the risk of failing to meet stakeholder expectations as a result of any event, behaviour, action or inaction, either by the Issuer or a member of the HSBC Group, the Issuer's employees or those with whom the Issuer is associated. Any material lapse in standards of integrity, compliance, customer service or operating efficiency may represent a potential reputational risk. Stakeholder expectations constantly evolve, and so reputational risk is dynamic and varies between geographical regions, groups and individuals.

Modern technologies, in particular online social media channels and other broadcast tools that facilitate communication with large audiences in short time frames and with minimal costs, may significantly enhance and accelerate the distribution and effect of damaging information and allegations. Reputational risk could also arise from negative public opinion about the actual, or perceived, manner in which the Issuer conducts its business activities, or the Issuer's 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 retain and attract customers, in particular, corporate depositors, and to retain and motivate staff, and could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

The Issuer's financial statements are based in part on judgements, estimates and assumptions that are subject to uncertainty.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, particularly those involving the use of complex models, actual results reported in future periods may be based upon amounts that differ from those estimates. Estimates, judgements, assumptions and models are continually evaluated, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The accounting policies deemed critical to the Issuer's results and financial position, based upon materiality and significant judgements and estimates, include impairment of loans and advances, goodwill, valuation of financial instruments, deferred tax assets, provisions and impairment of interests in associates, which constitute "Critical accounting estimates and judgements" with respect to the Issuer's financial statements.

The valuation of financial instruments measured at fair value can be subjective, in particular where models are used that include unobservable inputs. Given the uncertainty and subjectivity associated with valuing such instruments, future outcomes may differ materially from those assumed using information available at the reporting date.

If the judgements, estimates and assumptions the Issuer uses in preparing its consolidated financial statements are subsequently found to be materially different from those assumed using information available at the reporting date, it could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

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

The Issuer prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("**IFRSs**") as issued by the International Accounting Standards Board ("**IASB**"), including interpretations issued by the IFRS Interpretations Committee, and as endorsed by the EU. From time to time, the IASB or the IFRS Interpretations Committee may issue new accounting standards or interpretations that could materially impact how the Issuer reports and discloses its financial results and financial condition as well as affect the calculation of the Issuer's capital ratios, including the CET1 ratio. The Issuer could also be required to apply new or revised standards retrospectively, resulting in the Issuer restating prior period financial statements in material amounts.

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

The Issuer is required to comply with applicable AML laws and regulations, and has adopted various policies and procedures, including internal control and 'know your customer' procedures, aimed at preventing use of its products and services for the purpose of committing or concealing financial crime. A major focus of U.S. and UK government policy relating to financial institutions in recent years has been combating money laundering and enforcing compliance with U.S. and EU economic sanctions. This focus is reflected in part by agreements between members of the HSBC Group and U.S. and UK authorities relating to various investigations regarding past inadequate compliance with AML and sanctions laws. These consent orders do not preclude additional enforcement actions by bank regulatory, governmental or law enforcement agencies or private litigation.

A number of remedial actions have been taken as a result of the matters related to HSBC Holdings' expired U.S. deferred prosecution agreement with the U.S. Department of Justice, which are intended to ensure that the HSBC Group's businesses are better protected in respect of these risks. However, there can be no assurance that these will be completely effective.

Moreover, in relevant situations, and where permitted by regulation, the Issuer may rely upon certain counterparties to maintain and properly apply their own appropriate AML procedures. While permitted by regulation, such reliance may not be effective in preventing third parties from using the Issuer (and the Issuer's relevant counterparties) as a conduit for money laundering, including illegal cash operations, without the Issuer's knowledge (and that of the Issuer's relevant counterparties). Becoming a party to money laundering, association with, or even accusations of being associated with, money laundering will damage the Issuer's reputation and could make it subject to fines, sanctions and/or legal enforcement. Any one of these outcomes could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and reputation.

The Issuer has significant exposure to counterparty risk.

The Issuer is exposed to counterparties that are involved in virtually all major industries, and the Issuer routinely executes transactions with counterparties in financial services, including brokers and dealers, central clearing counterparties, commercial banks, investment banks, mutual and hedge funds, and other institutional clients.

Many of these transactions expose the Issuer to credit risk in the event of default by its counterparty or client. The Issuer's ability to engage in routine transactions to fund its operations and manage its risks could be materially adversely affected by the actions and commercial soundness of other financial services institutions. Financial institutions are necessarily interdependent because of trading, clearing, counterparty or other relationships. As a consequence, a default by, or decline in market confidence in, individual institutions, or anxiety about the financial services industry generally, can lead to further individual and/or systemic difficulties, defaults and losses.

Mandatory central clearing of over-the-counter derivatives, including under the Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank**") and the EU's European Market Infrastructure Regulation poses risks to the Issuer. As a clearing member, the Issuer is required to underwrite losses incurred at a Central Counterparty ("**CCP**") by the default of other clearing members and their clients. Increased moves towards central clearing brings with it a further element of interconnectedness between clearing members and clients that the Issuer believes may increase rather than reduce the Issuer's exposure to systemic risk. At the same time, the Issuer's ability to manage such risk itself will be reduced because control has been largely outsourced to CCPs, and it is unclear at present how, at a time of stress, regulators and resolution authorities will intervene.

Where bilateral counterparty risk has been mitigated by taking collateral, the Issuer's credit risk may remain high if the collateral the Issuer holds cannot be realised or has to be liquidated at prices that are insufficient to recover the full amount of the Issuer's loan or derivative exposure. There is a risk that collateral cannot be realised, including situations where this arises by change of law that may influence the Issuer's ability to foreclose on collateral or otherwise enforce contractual rights.

The Issuer also has credit exposure arising from mitigants, such as credit default swaps ("**CDSs**"), and other credit derivatives, each of which is carried at fair value. The risk of default by counterparties to CDSs and other credit derivatives used as mitigants affects the fair value of these instruments depending on the valuation and the perceived credit risk of the underlying instrument against which protection has been purchased. Any such adjustments or fair value changes could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

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

The Issuer's businesses are inherently subject to risks in financial markets and in the wider economy, including changes in, and increased volatility of, interest rates, inflation rates, credit spreads, foreign exchange rates, commodity, equity, bond and property prices, and the risk that the Issuer's customers act in a manner inconsistent with its business, pricing and hedging assumptions.

Market movements will continue to significantly affect the Issuer in a number of key areas. For example, banking and trading activities are subject to interest rate risk, foreign exchange risk, inflation risk and credit spread risk. Changes in interest rate levels, interbank spreads over official rates and yield curves affect the interest rate spread realised between lending and borrowing costs. A change in the interest rate environment could affect prepayment activity and this could change the weighted average lives of the Issuer's interest-earning assets, which in turn could have a material adverse effect on the Issuer. The potential for future volatility and margin changes remains.

Competitive pressures on fixed rates or product terms in existing customer products sometimes restrict the Issuer's ability to change interest rates applying to customers in response to changes in official and wholesale market rates.

The Issuer's defined benefit pension plans are exposed to market risk from their assets and liabilities. The liability discount rate provides exposure to interest rate risk and credit spread risk which are only partially offset by fixed interest assets and swaps. The assets also provide exposure to fluctuations in the market value of equities. The Issuer's insurance businesses are exposed to the risk that market fluctuations will cause mismatches to occur between product liabilities and the investment assets that back them.

Market risks can affect the Issuer's insurance products in a number of ways depending upon the product and associated contract. For example, mismatches between assets and liability yields and maturities give rise to interest rate risk. Some of these risks are borne directly by the customer and some are borne by the insurance businesses, with their excess capital invested in the markets. Some insurance contracts involve guarantees and options that increase in value in adverse investment markets. There is a risk that the insurance businesses will bear some of the cost of such guarantees and options. The performance of the investment markets will thus have a direct effect upon the value embedded in the insurance and investment contracts and the Issuer's operating results, financial condition and prospects.

It is difficult to predict with any degree of accuracy changes in market conditions, and such changes could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Liquidity, or ready access to funds, is essential to the Issuer's businesses.

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

Current accounts and savings deposits payable on demand or at short notice form part of the Issuer's funding, and the Issuer places considerable importance on maintaining their stability. For deposits, stability depends upon preserving investor confidence in the Issuer's capital strength and liquidity, and on comparable and transparent pricing. Although deposits have been a stable source of funding historically, the majority of retail deposits were transferred to and are held by HSBC UK as part of the ring-fencing of the Issuer's UK retail banking activities, requiring the Issuer to diversify its sources of funding and capital.

The Issuer also accesses wholesale markets in order to provide funding for entities that do not accept deposits, to align asset and liability maturities and currencies, and to maintain a presence in local markets.

An inability to obtain financing in the unsecured long-term or short-term debt capital markets, or to access the secured lending markets, could have a material adverse effect on the Issuer's liquidity.

Unfavourable macroeconomic developments, market disruptions or regulatory developments may increase the Issuer's funding costs or challenge the Issuer's ability to raise funds to support or expand the Issuer's businesses.

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

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

Credit ratings affect the cost and other terms upon which the Issuer is able to obtain market funding. Rating agencies regularly evaluate the Issuer and certain of its subsidiaries, as well as their respective debt securities. Their ratings are based on a number of factors, including their assessment of the relative financial strength of the Issuer or of the relevant subsidiary, as well as conditions affecting the financial services industry generally. There can be no assurance that the rating agencies will maintain the Issuer's or the relevant subsidiary's current ratings or outlook, particularly given the rating agencies' current review of their bank rating methodologies and the potential impact on the Issuer's or its subsidiaries' ratings. For example, in February 2018, Moody's placed the credit rating of the Issuer under review for downgrade due to the likely impact of UK ring-fencing legislation. This review concluded in May 2018 with the confirmation of the Issuer's long-term senior unsecured debt ratings and long-term deposit ratings. At the same time, Moody's downgraded the Issuer's dated subordinated debt and the junior subordinated debt. See "*UK banking structural reform legislation and proposals could materially adversely affect the Issuer, as well as the market value of the Issuer's outstanding securities*".

On 1 March 2019 Fitch placed the Long-Term Issuer Default Ratings of the Issuer and certain of its affiliates on Rating Watch Negative ("**RWN**"). The RWN reflects the heightened uncertainty over the ultimate outcome of the UK's withdrawal from the EU, and the increased risk that the UK may leave the EU without a withdrawal agreement in place, which could result in negative rating action.

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 and, consequently, materially adversely affect the Issuer's interest margins and its liquidity position.

Risks concerning borrower credit quality are inherent in the Issuer's businesses.

Risks arising from changes in credit quality and the recoverability of loans and amounts due from borrowers and counterparties (e.g. reinsurers and counterparties in derivative transactions) are inherent in a wide range of the Issuer's businesses. Adverse changes in the credit quality of the Issuer's borrowers and counterparties arising from a general deterioration in economic conditions or systemic risks in the financial systems could reduce the recoverability and value of the Issuer's assets, and require an increase in the Issuer's ECLs.

The Issuer estimates and recognises ECLs in the Issuer's credit exposure. This process, which is critical to the Issuer's results and financial condition, requires difficult, subjective and complex judgements, including forecasts of how the economic conditions might impair the ability of the Issuer's borrowers to repay their loans and the ability of other counterparties to meet their obligations. This assessment considers multiple alternative forward-looking economic conditions and incorporates this into the ECL estimates to meet the measurement objective of IFRS 9. As is the case with any such assessments, the Issuer may fail to estimate accurately the effect of factors that it identifies or fail to identify relevant factors. Further, the information the Issuer uses to assess the creditworthiness of its counterparties may be inaccurate or incorrect. Any failure by the Issuer to accurately estimate the ability of its counterparties to meet their obligations could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

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

The Issuer provides various insurance products for customers with whom the Issuer has a banking relationship, including several types of life insurance products. The cost of claims and benefits can be influenced by many factors, including mortality and morbidity rates, lapse and surrender rates and, if the policy has a savings element, the performance of assets to support the liabilities.

Adverse developments in any of these factors could materially adversely affect the Issuer's business, financial condition, results of operations and prospects.

The Issuer may be required to make substantial contributions to its pension plans.

The Issuer operates a number of pension plans, including defined benefit plans. Pension scheme obligations fluctuate with changes in long-term interest rates, inflation, salary levels and the longevity of scheme members. They can also be affected by operational and legal risks. The level of contributions the Issuer makes to its pension plans has a direct effect on its cash flow. To the extent plan assets are insufficient to cover existing liabilities, higher levels of contributions will be required.

As a result, deficits in those pension plans could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Registration Document:

- the 2018 Annual Report and Accounts of the Issuer and its subsidiary undertakings for the year ended 31 December 2018 submitted to and filed with the UK Listing Authority (the "**2018 Annual Report and Accounts**"); and

- the 2017 Annual Report and Accounts of the Issuer and its subsidiary undertakings for the year ended 31 December 2017 submitted to and filed with the UK Listing Authority, other than the section entitled "*Structural Reform*" on pages 16 to 18 of the 2017 Annual Report and Accounts (the "**2017 Annual Report and Accounts**").

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

Any information incorporated by reference in the above documents does not form part of this Registration Document and, to the extent that only certain parts of the above documents are specified to be incorporated by reference hereunder, the non-incorporated parts of such documents are either not relevant for investors or are covered elsewhere in this Registration Document.

IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Registration Document. To the best of the knowledge of the Issuer, which has taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Registration Document is to be read and construed with all documents incorporated by reference into it.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Registration Document, including any documents incorporated by reference herein, and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, or any trustee or any dealer appointed in relation to any issue of Securities by the Issuer.

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

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

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

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

THE ISSUER AND ITS SUBSIDIARY UNDERTAKINGS

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

History and Development of the Issuer

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

Legislation

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

Principal activities and markets

The information in this "*Principal activities and markets*" section is as at the date of this Registration Document. The Group is a UK-based group, which provides a comprehensive range of banking and related financial services.

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

RBWM helps over 1.2 million customers across Europe to manage their finances, buy their homes, and save and invest for the future. RBWM's Insurance and Asset Management businesses support all HSBC Group's global businesses in meeting their customers' needs. RBWM offers a range of services, including personal banking, mortgages, loans, credit cards, savings and investments and insurance. This includes HSBC Jade, Premier and Advance propositions, wealth solutions and financial planning, personal banking and international services. RBWM serves its customers through four main channels: branches, self-service terminals, telephone service centres and digital (internet and mobile banking). RBWM makes a significant contribution to the overall success of the HSBC Group. RBWM's Insurance and Asset Management provide services to clients across all of the global businesses; and the foreign exchange and wealth management needs of RBWM clients create opportunities for GB&M and the private bank. There is also collaboration between CMB and RBWM in order to provide services to a broad range of business customers. RBWM's priorities are to deliver growth, improve returns and enhance customer and employee experience, as it continues to enhance customer centricity and customer service through investments in technology.

CMB customers range from small enterprises focused primarily on their domestic markets through to corporates operating globally. CMB supports its customers with a range of financial products and services to enable them to operate efficiently and meet their business aspirations. CMB supports its customers' operational and transaction banking needs through working capital facilities, payment services and trade solutions. CMB also offer expertise in capital financing, mergers and acquisitions, and access to financial markets to CMB'S customers. CMB is at the centre of creating revenue synergies within the HSBC Group. For example, CMB works closely with GB&M to provide expertise in capital finance solutions to support its clients. The trade teams within CMB also provide import and export finance solutions to GB&M clients. The HSBC Group is focused on creating value from its network. The HSBC Group is investing heavily in digital and technology aspects of its core Global Liquidity and Cash Management and Global Trade and Receivables Finance propositions.

GB&M is a client-focused business that provides tailored financial solutions to major government, corporate and institutional clients worldwide. GB&M operates in 18 countries across Europe and contributes significant revenues to other regions through its European client base. Managed as a global business, GB&M offers clients geographical reach and deep local knowledge. GB&M's clients are served by teams that bring together relationship managers and product specialists to develop financial solutions that meet individual client needs. GB&M delivers a comprehensive range of services including capital financing, transaction and advisory banking services, trade services, research, securities services and global liquidity and cash management. Deepening client relationships, maximising synergies with the HSBC Group and other businesses, investments in transaction banking platforms and digital programmes focused on clients remains a priority. Ongoing focus on cost discipline should result in further simplification of the business through streamlining business lines, operations and technology. GB&M's growth will be underpinned by a focus on highest standards of conduct and financial crime risk management.

GPB serves high net worth individuals and families, including those with international banking needs, through six strategic booking centres located in the EMEA region covering 19 target markets. GPB's products and services include: Investment Management, incorporating advisory, discretionary and brokerage services; Private Wealth Solutions, comprising trusts and estate planning, designed to protect wealth and preserve it for future generations; and a full range of private banking services. GPB collaborates closely with GB&M, CMB and RBWM to offer propositions to clients that leverage the HSBC Group's expertise in asset management, research, insurance, trade finance and capital financing. GPB aspires to be the private bank of choice to the families of owners and principals of its best corporate clients, and help them preserve their wealth from generation to generation.

At 31 December 2018, the Issuer and its subsidiaries had a physical presence in Armenia, Belgium, Czech Republic, France, Germany, Greece, Ireland, Israel, Italy, Luxembourg, Malta, the Netherlands, Poland, Russia, South Africa, Spain, Switzerland and the United Kingdom.

The principal activities and markets of the Group are described in more detail on pages 3 and 4 of the 2018 Annual Report and Accounts (incorporated by reference herein).

As at 31 December 2018, the Issuer's principal subsidiary undertakings and their country of incorporation or registration were:

Name of Subsidiary Undertaking	*Location*
HSBC Investment Bank Holdings Limited	England
HSBC Asset Finance (UK) Limited	England
HSBC Life (UK) Limited	England
HSBC France (99.99 per cent. owned)	France
HSBC Trinkaus & Burkhardt AG (80.67 per cent. owned)	Germany
HSBC Bank Malta p.l.c. (70.03 per cent. owned)	Malta

The subsidiaries, joint ventures and associates of the Issuer are described in more detail on pages 162 to 164 of the 2018 Annual Report and Accounts (incorporated by reference herein).

Organisational Structure

Following the completion of the HSBC Group's ring-fencing of its UK retail banking activities on 1 July 2018, and as part of the implementation of HSBC Group's reorganisation plans, the Issuer became a wholly-owned subsidiary of HSBC UK Holdings Limited in October 2018. HSBC UK Holdings Limited is a wholly and directly owned subsidiary of HSBC Holdings.

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

HSBC Holdings and the HSBC Group is one of the largest banking and financial services organisations in the world with an international network which covers 66 countries and territories in Europe, Asia, the Middle East and Africa, North America and Latin America. As at 31 December 2018 the total assets of the HSBC Group were U.S.$2,558,124 million.

Trend Information

UK real gross domestic product ("**GDP**") rose by 0.2 per cent. in the last quarter of 2018, a sharp slowdown from the Q3 growth rate of 0.6 per cent. quarter-on-quarter. The year-on-year GDP growth rate was 1.3 per cent., the joint slowest pace since 2012. The unemployment rate was broadly steady over the second half of 2018 - in November 2018 it stood at 4.0 per cent., the lowest since February 1975. Employment as a percentage of the population aged 16-64 was 75.8 per cent. in November 2018, a series high. The annual rate of wage growth rose over the course of 2018, increasing to a new ten-year high of 3.4 per cent. for the three months to November 2018. The annual Consumer Price Index inflation rate dropped to 1.8 per cent. in January 2019, down from 3.0 per cent. in January 2018, due to lower energy prices and a waning inflationary impact of the drop in sterling in 2016. The Bank of England increased its official bank rate ("**Bank Rate**") in August 2018, from 0.50 per cent. to 0.75 per cent.

Eurozone economic growth slowed through the course of 2018. GDP increased by 0.2 per cent. in the fourth quarter of 2018, unchanged versus Q3. The annual growth rate slowed from 1.6 per cent. to 1.2 per cent., the weakest since 2013. In terms of quarterly growth in the fourth quarter, Germany's economy stagnated following a 0.2 per cent. contraction in Q3. Italy's economy contracted for the second successive quarter (-0.2 per cent. quarter-on-quarter following -0.1 per cent. in Q3). France saw an expansion of 0.3 per cent. for the second quarter in a row, while the Spanish economy continued its robust expansion by growing 0.7 per cent. Relative to strong growth seen in 2017, the 2018 slowdown was largely driven by a softening in net exports and investment. The labour market remained fairly robust, though. The unemployment rate fell to a ten-year low of 7.9 per cent. in November 2018, while annual wage growth climbed to a ten-year high of 2.5 per cent. in the third quarter of 2018. The Harmonised Index of Consumer Prices rate of inflation softened towards the end of year, dropping to 1.4 per cent. in January 2019, reflecting the impact of lower oil prices.

Ratings

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

- AA- by S&P Global Ratings Europe Limited ("**S&P**"). This means that S&P is of the opinion that the Issuer has a very strong capacity to meet its financial commitments;
- Aa3 by Moody's Investors Service Limited ("**Moody's**"). This means that Moody's is of the opinion that the Issuer is judged to be of high quality and is subject to very low credit risk; and
- AA- by Fitch Ratings Limited ("**Fitch**"). This means that Fitch is of the opinion that the Issuer poses expectations of very low credit risk, indicates very strong capacity for payment of financial commitments and this capacity is not significantly vulnerable to foreseeable events.

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

- A-1+ by S&P. This means that S&P is of the opinion that the Issuer's capacity to meet its financial commitments on its short-term obligations is strong.
- P-1 by Moody's. This means that Moody's is of the opinion that the Issuer has a superior ability to repay short-term debt obligations; and
- F1+ by Fitch. This means that Fitch is of the opinion that the Issuer has the strongest intrinsic capacity for timely payment of short-term financial commitments.

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

Management

Directors

The directors of the Issuer, each of whose business address is 8 Canada Square, London, E14 5HQ, United Kingdom, their functions in relation to the Issuer and their principal outside activities (if any) of significance to the Issuer are as follows (please refer to page 72 of the 2018 Annual Report and Accounts (incorporated by reference herein) for more information):

Name	Function within the Group	Other principal activities outside of the Issuer
S O'Connor*	Chairman	Chairman, Quantile Technologies Limited Non-executive Director, Chair of the Risk Committee, Member of both the Audit Committee and the Nomination Committee, The London Stock Exchange Group plc
J Trueman*	Deputy Chairman	Chairman, HSBC Global Asset Management Limited Director and Member of the Audit and Risk Committee, HSBC Private Bank (UK) Limited
J Emmett	Chief Executive Officer	Group General Manager, HSBC Holdings plc Director, HSBC France Member of the Supervisory Board of HSBC Trinkaus & Burkhardt AG and its Remuneration Committee and Mediation Committee
J Fleurant	Chief Finance Officer	—
Dame Mary Marsh*	Director	Non-executive Chair of Trustees, Royal College of Paediatrics and Child Health Director, London Symphony Orchestra A member of the Governing Body, London Business School Trustee, Teach First
Y Omura*	Director	Non-executive Director, The Private Infrastructure Development Group Limited (PIDG) Non-executive Director, Assured Guaranty Limited as well as Chair of GuarantCo Limited, a subsidiary of PIDG Member of the Supervisory Board, Nishimoto HD Co Limited
E Strutz*	Director	Member of the Supervisory Board and Chairman of the Risk and Audit Committees, HSBC Trinkaus & Burkhardt AG Member of the Board of Directors and Chairman of the Risk and Audit Committee, Partners Group Holding AG Member of the Board of Directors, Global Blue S.A. Member of the Advisory Board and Chairman of the Audit and Risk Committee of Luxembourg Investment Company 261 Sarl
A Wright*	Director	Treasurer to TRHs the Prince of Wales and the Duchess of Cornwall

Notes:

* Independent Non-executive Director

Management Committees

Executive Committee

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

Name	Function	Other principal activities outside the Issuer
J Emmett	Chairman Chief Executive Officer, Europe	Group General Manager, HSBC Holdings plc Director, HSBC France Member of the Supervisory Board of HSBC Trinkaus & Burkhardt AG, the Remuneration Committee and the Mediation Committee
C Allen	Head of Global Private Banking, EMEA	—
E Barr	Chief Operating Officer, Europe and Chief Operating Officer, HSBC France	—
J Beunardeau	Chief Executive Officer, HSBC France	Group General Manager, HSBC Holdings plc Director, HSBC France
M Charles	Interim General Counsel, Europe	—
C Davies	Chief Executive Officer, International, Europe and Deputy Chief Executive, HSBC France	Group General Manager, HSBC Holdings plc Director, HSBC Bank Malta plc Director, HSBC Bank Bermuda Limited
J Fleurant	Chief Finance Officer, Europe	—
A Hewitt	Head of Regulatory Compliance, Europe	—
R Montgomerie	Head of Human Resources, HBEU	—
P Reid	Chief Risk Officer, Europe	Director, HSBC Investment Bank Holdings Ltd
T Roland	Head of Global Banking and Markets, Europe	Group General Manager, HSBC Holdings plc
C Graefin von Schmettow	Chief Executive Officer, HSBC Germany	Director, HSBC France

Name	**Function**	**Other principal activities outside the Issuer**
		Director, HSBC Trinkaus & Burkhardt AG
T Turan	Head of Retail Banking and Wealth Management, Continental Europe	—
M Wallis	Head of Communications, Europe	—
A Wild	Head of Commercial Banking, Continental Europe and Deputy Chief Executive, HSBC France	Director, HSBC France
S Kingsbury	Head of Financial Crime Compliance, Continental Europe	—
D Klier	Head of Strategy and Planning, Europe	Group General Manager, HSBC Holdings plc

Conflicts of Interest

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

Major Shareholders

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

Dividends

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

Year	**Aggregate Dividends (in £m)**	**Comments**
2016	581	Including payments of £53,959,275 under the Non-Cumulative Third Dollar Preference Shares.
2017	651	Including payments of £50,172,018 under the Non-Cumulative Third Dollar Preference Shares.
2018	868	Including payments of £51,389,977 under the Non-Cumulative Third Dollar Preference Shares.

A second interim dividend of £406 million, in lieu of a final dividend in respect of 2018, was declared on 12 February 2019 and paid on 26 February 2019.

In addition, a special dividend of £674 million on the ordinary share capital of HSBC Bank plc in respect of 2018 was declared on 12 February 2019 and paid on 26 February 2019.

GENERAL INFORMATION

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

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

2. There has been no significant change in the financial position of the Issuer and its subsidiary undertakings (the "**Group**") nor any material adverse change in the prospects of the Issuer since 31 December 2018.

3. Save as disclosed in Note 25 "*Provisions*" on pages 142 to 143, and Note 32 "*Legal proceedings and regulatory matters*" on pages 151 to 154, of the 2018 Annual Report and Accounts (incorporated by reference herein), there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12-month period before the date of this Registration Document which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and/or the Group.

4. PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors, of 7 More London Riverside, London, SE1 2RT, United Kingdom has audited without qualification the financial statements contained in the Annual Report and Accounts of the Issuer for the financial years ended 31 December 2017 and 31 December 2018.

5. The date of the articles of association of the Issuer is 23 November 2018.

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

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

   (a) the articles of association of the Issuer;

   (b) the 2018 Annual Report and Accounts; and

   (c) the 2017 Annual Report and Accounts.

8. The Issuer will, at its registered office and on its website http://www.hsbc.com (follow links to 'Investors', 'Fixed income investors' and/or 'Issuance programmes'), and at the specified offices of the Paying Agents, make available for inspection during the normal office hours, free of charge, upon oral or written request, a copy of this Registration Document including any document incorporated by reference herein. Written or oral requests for inspection of such documents should be directed to the specified office of the paying agents specified on the final page of this Registration Document.

9. Generally, any notice, document or information to be sent or supplied by the Issuer may be sent or supplied in accordance with the UK Companies Act 2006 (the "**Companies Act**") (whether authorised or required to be sent or supplied by, the Companies Act or otherwise) in hard copy form or in electronic form. If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Issuer is unable effectively to convene a general meeting by notices sent through the post, subject to the Companies Act, a general meeting may be convened by a notice advertised in at least one United Kingdom national newspaper. Such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day on which the advertisement first appears. In any such case the Issuer shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

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

HEAD AND REGISTERED OFFICE OF THE ISSUER

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

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