REGISTRATION DOCUMENT DATED 2 JUNE 2020

HSBC UK BANK PLC

(a company incorporated with limited liability in England with registered number 09928412)

This document (which expression shall include this document and all documents incorporated by reference herein) has been prepared for the purpose of providing disclosure information with regard to HSBC UK Bank plc (the "**Issuer**") and has been approved by the Financial Conduct Authority (the "**FCA**") as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"), as a registration document ("**Registration Document**") issued in compliance with the Prospectus Regulation for the purpose of providing the information with regard to the Issuer of debt securities during the period of twelve months after the date hereof. The FCA has only approved this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such an approval should not be considered an endorsement of the Issuer that is the subject of the Registration Document. This Registration Document is valid for a period of twelve months from the date of approval.

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 or the United Kingdom and is registered as a Credit Rating Agency under Regulation (EU) No. 1060/2009, as amended (the "**CRA Regulation**"). As such, 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.

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RISK FACTORS

All references in this section of this Registration Document to "Issuer" refer to HSBC UK Bank plc, all references to the "Group" refer to HSBC UK 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 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

Impact of Covid-19

The outbreak of Covid-19 has had, and continues to have, a material impact on businesses around the world and the economic environments in which they operate.

The outbreak has caused disruption to the Issuer's customers, suppliers and staff. The United Kingdom ("**UK**") is among the jurisdictions that have implemented severe restrictions on the movement of their populations, with a resultant significant impact on economic activity. In the UK, these restrictions are being determined by the UK government, including through the implementation of emergency powers. The impacts of these restrictions, and any subsequent lifting of them, may differ from those in other jurisdictions. It remains unclear how these restrictions and the effects of them will evolve through 2020 and beyond, and the Issuer continues to monitor the situation closely.

In the UK, the Issuer has initiated measures to support its personal and business customers through these challenging times, including payment holidays, the waiving of certain fees and charges, and additional lending (some of it fully or partially government-backed) for businesses facing market uncertainty and supply chain disruption. The actions taken by the various governments and central banks, in particular in the UK, provide an indication of the potential severity of the downturn and post-recovery environment, which, from a commercial, regulatory and risk perspective, could be significantly different from past crises and persist for a prolonged period. An immediate financial impact of the outbreak is an increase in expected credit losses ("**ECL**") driven by a change in the forward-looking economic scenarios used to calculate ECL. The outbreak has led to a weakening in gross domestic product and an increase in unemployment, both key inputs for calculating ECL, in countries globally, including the UK, and the probability of a more adverse economic scenario for at least the short to medium term is substantially higher than at 31 December 2019. The impact of the outbreak on the long-term prospects of businesses is uncertain and may lead to significant ECL charges on certain exposures.

Should the Covid-19 outbreak continue to cause disruption to economic activity in the UK and Europe through 2020 and beyond, there could be further adverse impacts on the Issuer's income due to lower lending and transaction volumes and lower wealth management revenue due to equity markets volatility.

Lower interest rates, and potentially negative interest rate policies by central banks, will adversely impact net interest income.

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

The Covid-19 outbreak will likely have a detrimental impact on capital adequacy. This may include downward migration of customer credit ratings, which could negatively impact the Issuer's risk-weighted assets and capital position. In addition, it may include a stress on liquidity due, among other factors, to increased customer drawdowns, notwithstanding the significant initiatives that the UK government and the Bank of England have put in place to support funding and liquidity. The Bank of England's Financial Policy Committee has however reduced the UK countercyclical capital buffer rate to zero per cent., which is intended to support the ability of banks to supply credit to businesses and households through this period of economic disruption.

There remain significant uncertainties in assessing the duration of the Covid-19 outbreak and its impact. Any and all such events mentioned above (including, without limitation, a prolonged period of significantly reduced economic activity as a result of the impact of the outbreak) could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects, liquidity, capital position and credit ratings, as well as on the Issuer’s customers, employees and suppliers.

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 banks 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 Covid-19 outbreak and its impact on global economies could have a material adverse effect on (among other things) the profitability, capital and liquidity of financial institutions such as the Issuer (see "*Impact of Covid-19*");
- the retail sales environment continues to be heavily impacted by the current COVID-19 outbreak and with social distancing measures still in place it is currently uncertain when the level of UK household consumption will start to rise again;
- the demand for borrowing from creditworthy customers may diminish during periods of recession or where economic activity is slow or remains subdued;
- lower interest rates could have a negative impact on the Issuer's net interest income;
- the Issuer's ability 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 UK's exit from the European Union ("**EU**") on 31 January 2020 and the scheduled end of the transition period on 31 December 2020 may 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 cross-border businesses of the Issuer and its customers, to the extent they rely on unrestricted access to the European financial services market. In addition, the UK's departure from the EU is likely to impact the Issuer's clients' operating models, including their supply chains, working capital requirements, investment decisions and financial markets access. 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 could impact (i) the Issuer's product offering, (ii) the Issuer's clients and (iii) the Issuer's employees.

The Issuer has taken steps to prepare for the UK's exit from the EU. However, there remain execution risks, many of them linked to the uncertain outcome of negotiations and potentially tight timelines to implement changes to the Issuer's UK and European operating models. If these risks materialise, some of 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 subject to political, social and other risks in the UK and globally

The Issuer's operations are subject to potentially unfavourable political, social, environmental and economic developments in the UK and globally, which may include:

- acts of terrorism;
- political and/or social instability;
- climate change and acts of God, such as natural disasters, epidemics and pandemics (such as the Covid-19 outbreak, further details on which can be found in "*Impact of Covid-19*"); 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, abnormally heavy rainfall events, land subsidence and ground slip could also impact credit risk-weighted assets, while the financial losses caused by these events could impair asset values and the creditworthiness of customers.

Any of the above events could also have a detrimental impact on the Issuer's customers and any financial losses caused thereby could affect the credit worthiness of those customers. Such developments may result in a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and strategy.

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 the EU's Second Payment Services Directive ("**PSD2**") and the Competition and Markets Authority's directions on Open Banking ("**Open Banking**") in the UK, as well as increased public scrutiny stemming from the financial crisis and a continued challenging macro-economic environment.

The Issuer targets clients based on their outlook and attitudes towards financial health. The Issuer generally competes 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 is subject to financial and non-financial risks associated with climate change

Climate change brings risks to the Issuer's business, customers and wider society. Climate change could impact the Issuer through both transition and physical channels:

- Transition, arising from the move to a low-carbon economy, such as through policy, regulatory and technological changes.

- Physical, through increasing severity and/or frequency of severe weather events or other climatic events (e.g. sea level rise, flooding).

The Issuer currently expects that the following are the most likely ways in which climate risk may materialise for the Issuer:

- Transition and physical risk may impact the Issuer's corporate customers, for example if regulatory, legislative or technological developments impact customers' business models resulting in financial difficulty for customers and/or stranded assets;

- Physical risk may impact the Issuer's mortgage portfolios, impacting the ability of customers to repay their mortgages as well as impacting the value of the underlying property.

- Physical risk may impact the bank's operations, for example if flooding or extreme weather events impacted the Issuer's critical operations;

- Increasing regulatory expectations in short timeframes;

- Conduct risks could develop associated with the increasing demand for 'green' products where there are as yet no agreed standards or taxonomies;

- Reputational risks may result from the Issuer's decisions on how it supports its customers in high-emitting sectors.

These events have potential to cause both idiosyncratic and systemic risks, resulting in potential financial impacts for the Issuer. These financial impacts could materialise through higher risk- weighted assets over the longer term, greater transactional losses and/or increased capital requirements. These risks are potentially enhanced by the complexity and availability of the data needed to model and measure climate-related risks over the long-term time horizon that such risks are likely to emerge.

Any of such climate-related risks could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and strategy.

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, bond and property prices, and the risk that the Issuer's customers act in a manner inconsistent with its business, pricing and hedging assumptions.

Since February 2020, market volatility has been high, particularly as a result of the ongoing Covid-19 outbreak, and ongoing market movements could 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 could in turn 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 pension plan is exposed to market risk from their assets and liabilities. The liability discount rate provides exposure to interest rate risk, credit spread risk and inflation risk which are only partially offset by fixed interest assets and swaps.

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 a significant 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, this may not continue.

The Issuer also plans to increase its access to wholesale markets in order to align asset and liability maturities and currencies.

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 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.

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

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 and the EU. This is particularly the case in the post-financial crisis regulatory environment, where the Issuer expects government and regulatory intervention in the banking sector to remain high for the foreseeable future. Such intervention includes government and central bank actions that are being taken in response to the ongoing Covid-19 outbreak: such actions provide an indication of the potential severity of downturn and post recovery environment, which from a commercial, regulatory and risk perspective could be significantly different to past crises and persist for a prolonged period. Additionally, many of these changes have an effect beyond the country in which they are enacted, as regulators deliberately enact regulation with extra-territorial impact.

In recent years, regulators in the UK and the EU 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. Regulators in the UK or the EU 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, as well as on the market value of the Securities, include, but are not limited to:

- government and central bank policies encouraging UK banks to take positive actions to support their customers during the Covid-19 outbreak;

- regulatory initiatives in the UK focused on the ways in which banks operate, including the Competition and Markets Authority's directions on Open Banking, the Financial Conduct Authority's ("**FCA**") call for input on Open Finance, possible new regulatory requirements resulting from the FCA's consultation exercise on a duty of care on regulated firms when dealing with consumers, the FCA's "Retail Distribution Review," "Mortgage Market Review", and reforms to the way banks, including the Issuer, charge for overdrafts as part of its High-Cost Credit Review (which includes proposed simplification of pricing and ending higher prices for unarranged overdrafts), which are now in force;

- general changes in government, central bank, regulatory or competition policy, or changes in regulatory regimes that may influence investor decisions. For example, the UK Financial Policy Committee ("**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 potential for developments in, and the consequences for breaches of, the 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). In particular, in order to comply with the ongoing requirements of the UK ring-fencing regime, the Issuer must ensure that its operations and infrastructure comply with the requirements set out in the UK ring-fencing legislation and rules such as independence, prohibition of "excluded activities", no exposure to relevant financial institutions, shared services and resolvability amongst others, which may involve associated operational risk and may result in increased costs and higher risk of breach of rules and regulations. Arrangements between HSBC Bank plc ("**HBEU**") 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 HBEU 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;

- requirements flowing from arrangements for the resolution strategy of the Group and its individual operating entities;

- the abolition of certain interbank offered rate ("**Ibor**") reference rates 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 exit from the EU, and the transposition of existing EU financial services regulation into UK regulation, impacting the way the Issuer conducts its business;

- the treatment of 'third countries' under EU law (as discussed under "*The UK's withdrawal from the European Union may adversely affect the Issuer's operating model and financial results*");

- the adoption and implementation into UK law of the 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 including, without limitation, by Directive (EU) 2019/878, the "**CRR**") and (iii) Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (as amended, supplemented or replaced from time to time including, without limitation, by Directive (EU) 2019/878, "**CRD**") (collectively, the "Risk Reduction Measures"), designed to implement, amongst other things, 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**") and parts of the Basel Committee on Banking Supervision's ("**Basel Committee**") package of reforms to strengthen global capital and liquidity rules ("**Basel III**"), including changes to the market risk, counterparty risk, and equity investments in funds RWAs and the leverage ratio;

- the implementation of the remaining reforms to the Basel III package, which include changes to the approaches to credit risk, operational risk, and credit valuation adjustment RWAs and the application of capital floors. 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, although such implementation has been delayed by one year to provide additional operational capacity for banks and supervisors to respond to the immediate financial stability priorities resulting from the impact of the Covid-19 outbreak on the global banking system. 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 (the "**CRR3**") which, having been deferred by the Basel Committee due to Covid-19, are now expected to come into effect by January 2023. However, the precise timeframe remains subject to further changes. In addition, on 28 April 2020 the European Commission announced a banking package in response to the COVID-19 outbreak which, among other things, extends the transitional phase-in arrangements in relation to IFRS 9 under CRR to the end of 2024 and postpones the date of application of the new leverage ratio buffer requirement on Global Systemically Important Institutions (G-SIIs) by one year to 1 January 2023. These changes will require legislative approval and the European Commission is targeting an approval date in June 2020;

- 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 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, following supervisory review, including in relation to the scope of model permissions for measuring risk and as the result of industry wide reviews (e.g. structural foreign exchange risk);

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

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

- 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);

- the increasing focus by regulators, international bodies, organisations and unions on how institutions conduct business, particularly with regard to the delivery of fair outcomes for customers, promoting effective competition in the interests of consumers and ensuring the orderly and transparent operation of global financial markets;

- 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);

- the implementation of any conduct measures as a result of regulators' increased focus on institutional culture, employee behaviour and whistleblowing, including measures resulting from ongoing thematic reviews into the workings of the retail, SME and wholesale banking sectors and the provision of financial advice to consumers;

- 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 and data privacy 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; 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 Financial Stability Board has observed that the decline in interbank short-term unsecured funding poses structural risks for interest rate benchmarks that reference these markets. In response, regulators and central banks in various jurisdictions have convened national working groups to identify replacement risk-free benchmark rates ("**RFRs**") for these interbank offered rates ("**Ibors**") and, where appropriate, to facilitate an orderly transition to these RFRs.

Following the announcement by the UK's Financial Conduct Authority in July 2017 that it will no longer persuade or require banks to submit rates for the London Interbank Offered Rate ("**Libor**") after 2021, the national working groups for the affected currencies were tasked with facilitating an orderly transition of the relevant Libors to their chosen RFRs. The euro working group is also responsible for facilitating an orderly transition of Eonia to €STR as a result of the determination that Eonia cannot be made to comply with the European Benchmark Regulations and can therefore no longer be used beyond 2021. Although national working groups in other jurisdictions have identified RFRs for their respective Ibors, there are no current plans for these benchmark rates to be discontinued.

The expected discontinuation of certain key Ibors such as Libor, the adoption of RFRs by the market, and the development of alternate RFR products by the Issuer, introduce a number of risks for the Issuer, its clients, and the financial services industry more widely. These include, but are not limited to:

- Legal and execution risks, relating to documentation changes required for new RFR products and for the transition of legacy contracts to RFRs, which transition will, in turn, depend, to a certain extent, on the availability of RFR products and on the participation of customers and third-party market participants in the transition process; legal proceedings or other actions regarding the interpretation and enforceability of provisions in Libor-based contracts and regulatory investigations or reviews in respect of the Issuer's preparation and readiness for the replacement of Libor with alternative reference rates;

- Conduct risks, through potentially material adverse impacts on customers or financial markets if the Issuer's customers are not ready and able to adapt their own processes and systems to accommodate the RFR products;

- Financial risks, arising from any changes in the valuation of financial instruments linked to RFRs and the implementation of ISDA's proposed protocol for the transition of derivatives contracts, such as potential earnings volatility resulting from contract modifications, changes in hedge accounting and a large volume of product and associated process changes;

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

- Operational risks, due to the potential need for the Issuer, its customers and the market to adapt IT systems, trade reporting infrastructure, operational processes and controls to accommodate one or more RFRs.

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 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, capital position, results of operations, prospects and customers.

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 risks in its business relating to legal, regulatory or administrative actions and investigations. 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, and aiding and abetting tax evasion, 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. 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. Additionally, the Issuer's financial statements reflect provisioning for legal proceedings, regulatory and customer remediation matters. Provisions for legal proceedings, regulatory and customer remediation matters, such as, for example, the customer redress programme related to and any legal claims resulting from the mis-selling of payment protection insurance policies, typically require a higher degree of judgement than other types of provisions, and the actual costs resulting from such proceedings and matters may exceed existing provisioning.

The Issuer and its subsidiaries continue to be subject to a number of material legal proceedings, regulatory actions and investigations, a number of which are described in Note 26 ("*Legal proceedings and regulatory matters*") on pages 114 to 115 of the Issuer's Annual Report and Accounts 2019 (the "**2019 Annual Report and Accounts**"). 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. 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, such as any disputes resulting from the global market volatility associated with the Covid-19 outbreak. 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 may fail to meet the requirements of regulatory stress tests

The Issuer is subject to regulatory stress testing, which is described under "*Report of the Directors – Our Approach to Risk – Risk Management – Stress testing*" on page 18 of the 2019 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 result in the Issuer being required to enhance its capital position and this could, in turn, 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

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.

(a) *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 Prudential Regulation Authority ("**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.

(b) *Write-down and conversion of capital instruments powers and/or bail-in powers*

The powers granted to the relevant UKRA also include powers to vary or extinguish the claims of certain creditors. 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 and conversion power does not preclude a subsequent use of the bail-in power) or where the conditions to resolution are met. Any write-down or conversion effected using this power must be carried out in a specific order such that common equity must be written off, cancelled or appropriated from the existing shareholders in full before additional tier 1 instruments are affected and additional tier 1 instruments must be written off or converted in full before tier 2 instruments are 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 (unlike the bail-in power described below). This power will, in due course, be extended to enable the write-down of certain other MREL/TLAC-eligible liabilities (in addition to capital instruments).

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. 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. The bail-in power is subject to the "no creditor worse off" safeguard, under which any shareholder or creditor which receives less favourable treatment than they would have had if the institution entered into insolvency may be entitled to compensation.

Although the exercise of the 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.

(c) *Powers to direct 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 obligation under the Securities and the exercise of any such powers (including especially 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 tax-related risks

The Issuer is subject to the substance and interpretation of UK tax laws 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, including as a result of policy changes by governments and/or regulators, 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, including those who are or who could be identified as vulnerable, 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, particularly risks associated with the mis-selling of financial products (such as payment protection insurance policies) or the mis-handling of customer complaints, 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 operations

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 (including the Issuer's payment systems, which are now operational), financial control, risk management, credit analysis and reporting, accounting, customer service and other information technology systems, the communication networks between the Issuer's branches and main data processing centres, and the ability of the Issuer's customers to access their accounts, is important 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, 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.

The most prevalent threats are destructive malware (including ransomware), organised cyber- attacks targeting banking systems and customer transactions, distributed denial of service ("**DDOS**") attacks and attacks on the HSBC Group's Personal Internet Banking (PIB) platform. In 2019, the HSBC Group was subjected to a small number of attacks on its PIB platform that were successfully mitigated across the HSBC Group with no destructive malware (including ransomware) or payment infrastructure attacks reported. Although cyber-attacks in 2019 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 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 or by inherent limitations arising from the uncertainty inherent in predicting or estimating future outcomes.

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 or if those models are subject to review and challenge, 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 the use of models, including reputational, could have a material adverse effect on the Issuer's business, financial condition, capital position, 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.

Risks related to the Issuer's governance and internal controls

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

Critical business processes across the HSBC 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, data privacy 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 HSBC Group's (including the Issuer'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 HSBC 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 the General Data Protection Regulation (EU) 2016/679 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.

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 and sanctions 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. 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 prevent third parties from using the Issuer (and the Issuer's relevant counterparties) as a conduit for money laundering without the Issuer's knowledge (and that of the Issuer's relevant counterparties). Further, 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 sanctions. Becoming a party to, associated with, or even accusations of being associated with, money laundering, or violations of sanctions laws or regulations could 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 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 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, or regulatory sanctions if a regulator deems the Issuer's actions to deter such activity to be insufficient, 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 and the Issuer may not achieve any of the expected benefits of its strategic initiatives

The Issuer's strategy (which is described under "*Strategic Report – Our strategy*" on pages 4 to 5 of the 2019 Annual Report and Accounts) is built around four strategic priorities – customer experience, people engagement, shareholder value growth and simplification. The development and implementation of the Issuer's strategy requires difficult, subjective and complex judgements, including forecasts of customer needs and economic conditions in the UK, as well as development and deployment of modernised platforms, architecture and products. The Issuer may fail to correctly identify the trends it seeks to exploit and the relevant factors in making decisions as to deployment of resources.

The Issuer's ability to execute its strategy may be limited by its operational capacity and the increasing complexity of the regulatory environment in which the Issuer operates. 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 requirements and Ibor transition), 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.

The HSBC Group's strategy is supported by global trends – the continued economic development in emerging markets, growth of international trade and capital flows, and wealth creation, particularly in faster-growing markets. The HSBC Group takes into consideration global trends along with its strategic advantages to help it better deploy capital. 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 relevant factors in making decisions as to capital deployment and cost reduction.

As part of its updated restructuring strategy aimed at upgrading the return profile of its RWAs, the HSBC Group intends to reallocate the low-growth, low-returning assets in its European and U.S. businesses into opportunities in other parts of the HSBC Group, including the Issuer. The Issuer's ability to assist in executing the HSBC Group's strategy may be limited by its operational capacity, current macroeconomic conditions 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 HSBC Group's cost saving targets.

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, the Covid-19 outbreak, 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.

The failure to successfully deliver or achieve any of the expected benefits of these key strategic initiatives could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and reputation.

Concentration of credit and market risk could increase the Issuer's potential for losses

Concentrations of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or are engaged in similar activities, or operate in the same geographical areas/industry sectors, so that their collective ability to meet contractual obligations is uniformly affected by changes in economic, political or other conditions. The Issuer has exposure to concentration risk where its business activities focus particularly on a single obligor or a similar type of customer, product, industrial sector or geographic location.

In particular, the Issuer has significant exposure to UK residential mortgages and retail banking. The Issuer's UK mortgage and retail banking portfolios are strongly linked to the UK economy, and any deterioration in the UK's economic environment (including as a result of the Covid-19 outbreak) could materially and adversely affect the credit quality of such portfolios. See "*Current economic and market conditions may adversely affect the Issuer's results*" and "*The UK's withdrawal from the European Union may adversely affect the Issuer's operating model and financial results*." Additionally, any decreases in property values may also reduce the collateral values against the mortgage portfolios, which could negatively impact recovery values in default situations and lead to higher impairment charges.

The Issuer's efforts to diversify or manage its credit portfolio against concentration risks may not be successful and any concentration of credit risk could increase the potential for significant losses in its credit portfolio. Any of these factors could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

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 retail and wholesale credit risk, market risk, non-traded market risk, operational 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 or regulatory sanctions if a regulator deems the Issuer's risk management measures to be insufficient could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects, strategy and reputation.

Risks related to the Issuer's business

The Issuer's business has 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 actual or perceived 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 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, 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.

Non-Financial risks are inherent in the Issuer's business

The Issuer is exposed to many types of non-financial risks that are inherent in banking operations. Non-financial risk can be defined as the risk to the Issuer of achieving its strategy or objectives as a result of inadequate or failed internal processes, people and systems, or from external events. It includes fraudulent and other criminal activities (both internal and external), breakdowns in procedures, breaches of regulations or law and financial reporting and tax errors. These risks are also present when the Issuer relies on outside suppliers or vendors to provide services to the Issuer and its customers.

For example, 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. The adoption of the Contingent Reimbursement Code has increased customer protection from Authorised Push Payment (APP) scams which has the risk of significant additional costs, including contributions to industry funding of "no blame" claims.

These non-financial 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 relies on recruiting, retaining and developing appropriate senior management and skilled personnel

Meeting the demand to recruit, retain and develop appropriate senior management and skilled personnel remains subject to a number of challenges. These include rapidly changing skill requirements and ways of working, the evolving regulatory landscape plus increased requirements and expectations regarding diversity.

Ongoing talent shortages and capabilities, particularly where those with the scarce capabilities are globally mobile, add to the complexity of the Issuer's supply challenge.

The Issuer's continued success depends in part on the retention of key members of its management team and wider employee base, the availability of skilled management in each of its business units, and the ability to continue to attract, train, motivate and retain highly qualified professionals, each of 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.

Any reduction in the credit rating assigned to the Issuer or any of its Securities could increase the cost or decrease the availability of the Issuer's funding and materially adversely affect the Issuer's liquidity position and/or 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, as well as its Securities. Their ratings are based on a number of factors, including their assessment of the relative financial strength of the Issuer, as well as conditions affecting the financial services industry generally. There can be no assurance that the rating agencies will maintain the Issuer's current ratings or outlook, particularly given the risks relating to the ongoing Covid-19 outbreak (as discussed further under "*Impact of Covid-19*"). For example, on 14 May 2020, S&P downgraded the Issuer's long-term and short-term issuer credit ratings. This reflected the agency's assessment of the HSBC Group's muted earnings prospects and extensive restructuring and its view that the HSBC Group will not be shielded from the global economic downturn resulting from the measures taken against the spread of Covid-19. At the same time, S&P changed the outlook on the Issuer's long-term ratings from negative to stable.

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 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, including from the impact of the ongoing Covid-19 outbreak (see "*Impact of Covid-19*"), 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 (including GDP estimates) 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 may be required to make substantial contributions to its pension plans

The Issuer operates a pension plan which has a defined benefit section and a defined contribution section. Defined benefit pension 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 plan has a direct effect on its cash flow. To the extent plan assets are insufficient to cover existing liabilities, higher levels of contributions may be required.

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

On 26 October 2018, the High Court of Justice of England and Wales issued a judgment in a claim between Lloyds Banking Group Pension Trustees Limited as claimant and Lloyds Bank plc and others as defendants regarding the rights of men and women to equal treatment in relation to their benefits from certain pension schemes. The judgment concluded that the claimant is under a duty to amend the schemes to equalise benefits for men and women in relation to Guaranteed Minimum Pension ("**GMP**") benefits. The judgment also provided comments on the method to be adopted to equalise benefits, on the period during which a member can claim in respect of previously underpaid benefits, and on what should be done in relation to benefits that have been transferred into, and out of, the relevant schemes. Equalising benefits in respect of GMPs for the Issuer's pension plan will result in an increase in the plan's liabilities.

Risks related to the Issuer's financial statements and accounts

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, which may include estimates regarding the impact of Covid-19 (as discussed further under "*Impact of Covid-19*"), 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 interest income (effective interest rate), hedge accounting, post-employment benefit plans, impairment of loans and advances and provisions, which constitute "Critical accounting estimates and judgements" with respect to the Issuer's financial statements.

The measurement of impairment of loans and advances measured at amortised cost requires the use of complex models, significant assumptions about credit behaviour, and judgement to incorporate relevant information about past events, current conditions and forecasts of economic conditions, and in identifying significant increases in credit risk. The recognition and measurement of provisions involve significant judgements about the point at which a liability is recognised, and the estimation of the amount of any such liability. The effect of these changes on the future results of operations and the future financial position of the Issuer may be material, and 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 ("**IFRICS**") 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 uses models to calculate, report and disclose 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's restating prior period financial statements in material amounts.

IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Registration Document. To the best of the knowledge of the Issuer the information contained in this Registration Document is in accordance with the facts and this Registration Document 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.

DOCUMENTS INCORPORATED BY REFERENCE

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

- the 2019 Annual Report and Accounts of the Issuer and its subsidiary undertakings for the year ended 31 December 2019 submitted to and filed with the FCA (the "**2019 Annual Report and Accounts**");

- 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 FCA (the "**2018 Annual Report and Accounts**") other than the proforma financial information presented on pages 2, 8, 9, 10, 11 and 12 of the 2018 Annual Report and Accounts; and

- Note 35 (*Discontinued Information*) to HBEU's audited financial statements as set out in the 2018 Annual Report and Accounts of HBEU for the year ended 31 December 2018[1].

The Issuer will, at its registered office and at the specified offices of the principal paying agent specified on the final page of this Registration Document (the "**Principal Paying Agent**"), 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 the Principal Paying Agent. Additionally, this Registration Document and all the documents incorporated by reference herein will be available for viewing at www.hsbc.com (please follow links to 'Investors', 'Fixed income investors', 'Issuance programmes' for this Registration Document and 'Investors', 'Results and Announcements', 'All Reporting', 'Subsidiaries' for the remaining documents). For the avoidance of doubt, unless specifically incorporated by reference into this Registration Document, 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.

[1] *The information contained in Note 35 (Discontinued Information) to HBEU 's audited financial statements for the year ended 31 December 2018 is covered by the report on the audit of such financial statements. Such financial statements have not been audited by PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors ("**PwC**") acting in their capacity as the Issuer's auditors, but by PwC acting in their capacity as HBEU's auditors*

THE ISSUER AND ITS SUBSIDIARIES

Introduction

History and Development of the Issuer

The Issuer forms part of the HSBC Group (being HSBC Holdings and its subsidiaries). The Issuer and its subsidiaries (together, the "**Group**") largely comprise Retail Banking and Wealth Management ("**RBWM**"), Commercial Banking ("**CMB**"), Private Banking ("**PB**"), and a restricted Global Banking and Markets ("**GB&M**"), (RBWM, CMB, PB and GB&M together, the "**Relevant Businesses**"). The HSBC Group completed the ring-fencing of its UK retail banking activities on 1 July 2018, when it completed the transfer to the Issuer by HBEU of the qualifying components of the Relevant Businesses (the "**Transferred Businesses**"), together with supporting capital, following the Court approval of the ring-fenced transfer scheme to meet the regulatory ring-fencing requirements in accordance with the Financial Services (Banking Reform) Act 2013 and related legislation.

The Issuer is a public limited company registered in England and Wales under registration number 09928412. The liability of its members is limited. It has its registered and head office at 1 Centenary Square, Birmingham, B1 1HQ, United Kingdom; telephone number +44 3456 040 626. The Issuer was incorporated on 23 December 2015 under the Companies Act 2006 as a private limited company and then re-registered as a public limited company on 8 August 2017.

As at 31 December 2019, the Group had total consolidated assets of £257,102 million, and total consolidated shareholders' equity of £22,191 million.

As at 31 December 2019, HSBC UK, had over 15 million customers being served by 22,000 colleagues across the UK, supported by a further 10,000 employees based in its UK service company HSBC Global Services (UK) Limited who provide services to HSBC UK and the wider HSBC Group.

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 Financial Services and Markets Act 2000 (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 Companies Act 2006 (as amended).

Principal activities and markets

The Group manages its products and services through four businesses: RBWM, CMB, PB and a restricted Global Banking and Markets business. In addition, certain central operations of the Group business lines are managed through the Corporate Centre.

RBWM serves over 14 million active customers under four brands: the Group, first direct, M&S Bank and John Lewis Financial Services. As well as catering for the mass retail market, RBWM also provides services for emerging affluent to upper affluent individuals under the following propositions: HSBC UK Advance, HSBC UK Premier and Jade by HSBC UK Premier. RBWM offers a comprehensive set of banking products and services to support retail customers' everyday banking needs through a selection of channels, including branch, telephony and digital. RBWM offers full banking services, mortgages, unsecured lending, wealth solutions and general insurance.

CMB serves over 830,000 active customers across the UK, ranging from start-ups to multi-national corporates, through four customer groups: Large Corporates; Mid-Market Enterprises; Business Banking; and Small Business Banking. CMB supports customers with tailored financial products and services to allow them to operate efficiently and to grow, with a strong relationship focus. These include Credit and Lending, Global Liquidity and Cash Management ("**GLCM**"), and Global Trade and Receivables Finance ("**GTRF**"). Through close collaboration with HSBC Group, CMB can make available GB&M products and Securities Services to its customers.

PB serves high and ultra-high net worth individuals and families; including those with international banking needs. PB supports clients with investment management; including advisory, discretionary and brokerage services. PB also offer private wealth solutions, comprising trusts and estate planning, designed to protect wealth and preserve it for future generations. This is as well as a full range of lending and transactional banking services.

The Group is able to offer selected GB&M products to its customer base. For example, the Group maintains a markets team that help to support the sale of eligible markets products to its CMB customers from HBEU.

Corporate Centre comprises Central Treasury, including Balance Sheet Management, interests in a joint venture, and central stewardship costs that support the Issuer's businesses.

As part of a business update to simplify the HSBC Group's organisational structure, the Issuer intends to move from four lines of business to three, by merging PB and RBWM to create one new organisation, Wealth and Personal Banking.

The principal activities and markets of the Group are described in more detail on page 3 of the 2019 Annual Report and Accounts.

As at 31 December 2019, the Issuer's principal subsidiary undertakings and their country of incorporation were:

Name of Subsidiary Undertaking	*Location*
HSBC Equipment Finance (UK) Limited	England
HSBC Invoice Finance (UK) Limited	England
HSBC Private Bank (UK) Limited	England
HSBC Trust Company (UK) Limited	England
Marks and Spencer Financial Services plc	England

The subsidiaries, joint ventures and associates of the Issuer are described in more detail on page 118 of the 2019 Annual Report and Accounts.

Organisational Structure

The ordinary shares of the Issuer are wholly-owned by HSBC UK Holdings Limited. HSBC UK Holdings Limited is a wholly and directly owned subsidiary of HSBC Holdings.

Ratings

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

- A+ by S&P. This means that S&P is of the opinion that the Issuer has a strong capacity to meet its financial commitments;
- Aa3 by 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. 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 is established in the European Union or the United Kingdom and is registered as a Credit Rating Agency under the CRA Regulation.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Capital

The following table presents the Group's common equity tier 1 requirement as at 31 December 2019 on a CRD IV end point basis.

	As at 31 December 2019
Common equity tier 1 CRD IV end point requirement (%)	
Pillar 1	4.50
Pillar 2A	2.35
Capital conservation buffer	2.50
Systemic risk buffer	1.00
Countercyclical buffer	0.00
Total	**10.35**

DIRECTORS OF THE ISSUER

The directors of the Issuer, each of whose business address is 1 Centenary Square, Birmingham, B1 1HQ, United Kingdom, their functions in relation to the Group and their principal outside activities (if any) of significance to the Group are as follows:

Name	*Function(s) within the Group*	*Principal Outside Activities*
Dame Clara Furse	Chairman Independent non-executive Director Chairman of the Chairman's Nominations and Remuneration Committee	Non-executive director of Vodafone Group plc and Amadeus IT Group, S.A. Member of the Panel of Senior Advisors to Chatham House and of Bocconi University's International Advisory Council.
John David Stuart (known as Ian Stuart)	Executive Director and Chief Executive Officer Chairman of the Executive Committee	Group Managing Director of HSBC Holdings plc. Board member of UK Finance, the financial services industry association and attendee of the Economic Crime Strategic Board. Business ambassador for Meningitis Now.
Jonathan James Calladine (known as James Calladine)	Executive Director and Chief Risk Officer Member of the Executive Committee	—
James Coyle	Independent non-executive Director Chairman of the Audit Committee Member of the Risk Committee and Chairman's Nominations and Remuneration Committee	Chairman of Marks & Spencer Unit Trust Management Limited and non-executive director of Marks and Spencer Financial Services plc (together the M&S Bank),. Chairman of HSBC Trust Company (UK) Limited. Non-executive director and chairman of the Audit and Risk Committee of Scottish Water; a non-executive director and chairman of the Audit and Risk Committee of Honeycomb Investment Trust plc; and an independent non-executive member of Deloitte UK Oversight Board.
Mridul Hegde CB	Independent non-executive Director Chairman of the Risk Committee Member of the Audit Committee and the Chairman's Nominations and Remuneration Committee	—

Name	*Function(s) within the Group*	*Principal Outside Activities*
Dame Denise Holt	Independent non-executive Director Member of the Audit Committee	Chairs the Council of the University of Sussex.
Alan Keir	Non-executive Director Member of the Audit Committee and Risk Committee	Non-executive director of Sumitomo Mitsui Bank Europe and Majid Al Futtaim Holdings. Honorary President of Horizons, the Association for former HSBC employees.
Rosemary Leith	Independent non-executive Director Member of the Risk Committee	Non-executive director of YouGov plc and chairs the Remuneration Committee and is a member of the Audit Committee. Non-executive director of the World Wide Web Foundation and Trustee of the National Gallery where she chairs the Digital Advisory Board. Member of the Advisory Councils of Glasswing Ventures, Motive Partners and the Queens University School of Business. She is a Fellow at Harvard University's Berkman Klein Centre.
David Lister	Independent non-executive Director Member of the Audit Committee and Risk Committee.	Chairman and non-executive director of HSBC Private Bank (UK) Limited, Marks and Spencer Financial Services plc and FDM Group (Holdings) plc; and a member of the board of governors at Nuffield Health.
Philippe Leslie Van de Walle..	Independent non-executive Director Member of the Risk Committee and Chairman's Nominations and Remuneration Committee	The senior independent director and chairman of the Remuneration Committee of DCC plc; and non-executive chairman of Euromoney Institutional Investor plc.
David Watts	Executive Director and Chief Financial Officer Member of the Executive Committee	—

Management Committees

Executive Committee

The Issuer's Executive Committee, whose business address is 1 Centenary Square, Birmingham, B1 1HQ, 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(s) within the Group*	*Principal Outside Activities*
John David Stuart (known as Ian Stuart)	Chief Executive Officer and Chairman of the Committee	Group Managing Director, HSBC Holdings plc Board member of UK Finance, the financial services industry association and attendee of the Economic Crime Strategic Board. Business ambassador for Meningitis Now.
Ian Banks	Head of Global Markets and Balance Sheet Management	—
Nicola Black	Company Secretary	—
Charles Boulton	Chief Executive Officer, UK Private Banking	Director (CEO), HSBC Private Bank (UK) Limited.
Emma Bunnell	Chief Operating Officer	—
Lynne Burns	Head of HR	Vice-President of Chartered Bank.
Jonathan James Calladine (known as James Calladine)	Chief Risk Officer	—
Allan Clare	Head of Financial Crime Compliance	Member of the UK Finance Economic Crime Board and Private Sector Steering Group.
Kate Epworth	Head of Communications	—
Stuart Haire	Head of Wealth and Personal Banking	Director, Marks and Spencer Financial Services plc.; Group General Manager, HSBC Holdings plc. Chair of UK Finance Personal Finance Product and Service Board.
Esmond Kensington	Chief of Staff and Head of Strategy	—
Amanda Murphy	Head of Commercial Banking	Group General Manager, HSBC Holdings plc.
Ralph Nash	Chief Compliance Officer	Group General Manager, HSBC Holdings plc and Chief Compliance Officer Wealth & Personal Banking.
Christopher Pitt	Head of Marketing	—
Hugh Pugsley	General Counsel	Director, HSBC Bank Pension Trust (UK) Limited.
David Watts	Chief Financial Officer	—
Lucy Williams	Head of Regulatory Compliance	—

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.

GENERAL INFORMATION

1. There has been no significant change in the financial position or financial performance of the Group nor any material adverse change in the prospects of the Issuer since 31 December 2019.

2. Save as disclosed in Note 19 (*Provisions*) on pages 103 to 105 and in Note 26 (*Legal proceedings and regulatory matters*) on pages 114 to 115 of the 2019 Annual Report and Accounts, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened against the Issuer or any of its subsidiary undertakings of which the Issuer is aware) which may have, or have had during the 12 months prior to the date of this Registration Document, significant effects on the financial position or profitability of the Issuer and/or the Group.

3. The Issuer prepares its consolidated financial statements in accordance with IFRS.

4. PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors, of One Chamberlain Square, Birmingham, B3 3AX, 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 2018 and 2019.

5. 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, (a "**Prospectus**"), the following documents may be inspected during normal business hours at the registered office of the Issuer or at the website set out by each relevant document listed below for the 12 months from the date of this Registration Document:

   (a) the up to date memorandum and articles of the Issuer (website: www.hsbc.com (please follow links to 'Investors', 'Fixed income investors', 'Issuance programmes')); and

   (b) the 2018 Annual Report and Accounts and the 2019 Annual Report and Accounts (website: www.hsbc.com (please follow links to 'Investors', 'Results and Announcements', 'All Reporting', 'Subsidiaries')).

6. The Issuer will, at its registered office, and at the specified offices of the Principal Paying Agent, make available for inspection during normal office hours of the Principal Paying Agent, free of charge, upon oral or written request, a copy of this Registration Document and any Prospectus (as defined above). Written or oral requests for inspection of such documents should be directed to the specified office of the Principal Paying Agent.

7. This Registration Document and all the documents incorporated by reference herein will be available for viewing at www.hsbc.com (please follow links to 'Investors', 'Fixed income investors', 'Issuance programmes'). For the avoidance of doubt, unless specifically incorporated by reference into this Registration Document, information contained on the website does not form part of this Registration Document.

8. The Legal Entity Identifier (LEI) code of the Issuer is 21380081EP12LC86CB82

HEAD AND REGISTERED OFFICE OF THE ISSUER

HSBC UK Bank plc
1 Centenary Square
Birmingham B1 1HQ
United Kingdom

TRUSTEE

The Law Debenture Trust Corporation p.l.c.
Fifth Floor
100 Wood Street
London EC2V 7EX
United Kingdom

PRINCIPAL PAYING AGENT, REGISTRAR AND TRANSFER AGENT

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

AUDITORS TO THE ISSUER

PricewaterhouseCoopers LLP
One Chamberlain Square
Birmingham B3 3AX
United Kingdom