HSBC BANK PLC
CHANGE IN CAPITAL RECOGNITION
OF SELECTED CAPITAL SECURITIES

The recognition for solo and consolidated regulatory capital purposes of HSBC Bank plc’s outstanding US$300 million 7.650% Subordinated Notes due 2025 (ISIN US597433AC57) (the ‘Notes’) has changed.

The Notes were previously partially recognised by HSBC Bank plc in its solo and consolidated capital as tier 2 capital under transitional arrangements provided in the Capital Requirements Regulation (Regulation (EU) No 648/2012). From today, the Notes will be recognised as a fully eligible tier 2 instrument.

If the change had been effective on 31 December 2017, the impact would have been as set out below:

<table>
<thead>
<tr>
<th>Measurement basis</th>
<th>HSBC Bank plc consolidated total capital ratio at 31 Dec 2017</th>
<th>HSBC Bank plc consolidated total capital ratio if securities had been included as fully eligible tier 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transitional basis</td>
<td>16.9%</td>
<td>16.9%</td>
</tr>
<tr>
<td>End point basis</td>
<td>15.8%</td>
<td>15.9%</td>
</tr>
</tbody>
</table>

This announcement includes inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014.

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