

## BASE PROSPECTUS SUPPLEMENT



### HSBC Bank plc

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

*as Issuer*

This base prospectus supplement (the "**Base Prospectus Supplement**") is supplemental to and must be read in conjunction with (i) the base prospectus dated 24 May 2013 relating to the Debt Issuance Programme and the supplement thereto dated 22 August 2013 (the "**DIP Base Prospectus**"); (ii) the base prospectus dated 31 May 2013 relating to the Warrant and Certificate Programme and the supplement thereto dated 22 August 2013 (the "**WCP Base Prospectus**"); (iii) the base prospectus dated 24 June 2013 relating to the issuance of Fixed Rate Notes, Floating Rate Notes and Zero Coupon Notes under the Programme for the Issuance of Notes and Warrants and the supplement thereto dated 22 August 2013 (the "**Vanilla Rates Base Prospectus**"); (iv) the base prospectus dated 24 June 2013 relating to the issuance of Preference Share-Linked Notes under the Programme for the Issuance of Notes and Warrants and the supplement thereto dated 22 August 2013 (the "**Preference Share-Linked Base Prospectus**"); (v) the base prospectus dated 24 June 2013 relating to the issuance of Market Access Notes under the Programme for the Issuance of Notes and Warrants and the supplement thereto dated 22 August 2013 (the "**Market Access Base Prospectus**"); and (vi) the base prospectus dated 8 November 2013 relating to the issuance of Index-Linked Notes and Warrants under the Programme for the Issuance of Notes and Warrants (the "**Index-Linked Base Prospectus**") (the DIP Base Prospectus, the WCP Base Prospectus, the Vanilla Rates Base Prospectus, the Preference Share-Linked Base Prospectus, the Market Access Base Prospectus and the Index-Linked Base Prospectus together being hereafter referred to as the "**Base Prospectuses**") each prepared by HSBC Bank plc (the "**Bank**") in connection with the applications made for Notes, Warrants or Certificates (as applicable) to be admitted to listing on the Official List of the Financial Conduct Authority (in its capacity as competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000 (the "**FSMA**")) and to trading on the regulated market of the London Stock Exchange plc.

This Base Prospectus Supplement constitutes a supplement for the purposes of Directive 2003/71/EC, as amended (the "**Prospectus Directive**") and a supplementary prospectus for the purposes of section 87G of the FSMA. Terms defined in any of the Base Prospectuses shall have the same meaning when used in this Base Prospectus Supplement.

To the extent that there is any inconsistency between any statement in this Base Prospectus Supplement and any other statement in, or incorporated by reference in, any of the Base Prospectuses, the statements in this Base Prospectus Supplement will prevail.

The purpose of this Base Prospectus Supplement is to disclose (a) that the Financial Services (Banking Reform) Act 2013 (the "**Banking Reform Act**") has received Royal Assent, (b) certain changes to the Bank's Board of Directors and (c) certain restrictions and other information relating to the offering of Notes, Warrants and Certificates in Switzerland.

- (a) The Banking Reform Act is expected to enter into force during the first half of 2014 and, among other things, will make certain changes to the Banking Act 2009 (the "**Banking Act**"), including the introduction of a bail-in option, and to the FSMA, including the introduction of provisions relating to the ring-fencing of deposit-taking and other core activities of UK institutions such as the Bank. In particular,
- The bail-in option is introduced as an additional power available to the Bank of England, to enable recapitalisation of an institution which is failing or likely to fail, by allocating losses to its shareholders and unsecured creditors in a manner that ought to respect the hierarchy of claims in an insolvency of a relevant financial institution, consistent with shareholders and creditors of financial institutions not receiving less favourable treatment than they would have done in insolvency. The bail-in option includes the power to cancel a liability or modify the terms of

contracts for the purposes of reducing or deferring the liabilities of the bank under resolution and the power to convert a liability from one form to another. The conditions for use of the bail-in option are, in summary, that (i) the Prudential Regulation Authority determines that the bank is failing or likely to fail, (ii) it is not reasonably likely that any other action can be taken to avoid the bank's failure and (iii) the Bank of England determines that it is in the public interest to exercise the bail-in power.

- On 11 December 2013, European Parliament and Council Presidency negotiators reached political agreement on the proposed Recovery and Resolution Directive (the "**RRD**"). The RRD is expected to enter into force on 1 January 2015 and will introduce a bail-in principle which will apply from 1 January 2016. The UK Government has expressed confidence that the bail-in powers under the Banking Reform Act can be introduced without the risk of having to adapt to a radically different regime when the RRD is implemented.
  - The bail-in option under the Banking Act would potentially apply to any debt and derivative securities issued by a bank under resolution, regardless of when they were issued, and would therefore potentially apply to Notes, Warrants and Certificates issued by the Bank.
  - Despite there being pre-conditions for the exercise of the powers under the bail-in option, there remains uncertainty regarding the specific factors which the Bank of England would consider in deciding whether to exercise such powers with respect to the Bank and its securities. Moreover, as the Bank of England has considerable discretion in relation to how and when it may exercise such powers, holders of the Bank's securities may not be able to refer to publicly available criteria in order to anticipate a potential exercise of any such powers and consequently its potential effect on the Bank and its securities.
  - Details relating to the implementation of the ring-fencing provisions introduced by the Banking Reform Act remain subject to the passing of secondary legislation. A consultation on drafts of such secondary legislation has been completed and the UK Government has stated that it remains committed to having all secondary legislation necessary to implement the recommendations of the Independent Committee on Banking in relation to ring-fencing passed by the end of the current Parliament. However, until such final secondary legislation is passed there remains some uncertainty as to the detailed implementation of the ring-fencing provisions introduced by the Banking Reform Act.
- (b) J W Leng retired as the Bank's Chairman and from the Bank's Board of Directors with effect from 31 December 2013 and J F Trueman was appointed as the Bank's Deputy Chairman on 19 December 2013. P M Shawyer resigned from the Bank's Board of Directors with effect from 6 January 2014.
- (c) The following applies to offers and sales of the Notes, Certificates and Warrants in Switzerland:
- The Notes, Certificates and Warrants do not constitute participations in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 ("**CISA**"). Therefore, the Notes, Certificates and Warrants are not subject to the approval of, or supervision by, the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**"), and investors in the Notes will not benefit from protection under the CISA or supervision by FINMA.
  - None of the Base Prospectuses nor any offering or marketing material relating to the Notes, Certificates or Warrants constitute a prospectus within the meaning of (i) Articles 652a or Article 1156 of the Swiss Federal Code of Obligations, (ii) Article 5 CISA and its implementing regulations or (iii) Article 21 of the Additional Rules for the Listing of Derivatives of SIX Swiss Exchange.
  - The Bank reserves the right to set forth all information which may be required to be disclosed in a simplified prospectus pursuant to Article 5 CISA in a separate document referred to as "Final Terms" and/or "Simplified Prospectus" (the "**Simplified Prospectus**") for Notes, Certificates and Warrants distributed (such term including any offering and advertising) to qualified investors according to Article 10 Paras. 3 to 4 CISA ("**Qualified Investors**") and/or non-qualified investors within the meaning of CISA ("**Non-Qualified Investors**").

- Except as described below, Notes, Certificates and Warrants constituting structured products within the meaning of Article 5 CISA may not be distributed to Non-Qualified Investors in or in and from Switzerland.
- Any Notes, Certificates and Warrants constituting structured products within the meaning of Article 5 CISA which are intended to be distributed to Non-Qualified Investors in or in and from Switzerland may only be offered or advertised in accordance with the provisions of the CISA and its implementing regulations. In particular, CISA requires that a Simplified Prospectus complying with Article 5 CISA, its implementing regulations and the *SwissBanking Guidelines on Informing Investors about Structured Products* (as amended from time to time) must be published. A provisional version of such Simplified Prospectus including indicative information must be made available free of charge to any interested person prior to subscribing the Notes, Certificates or Warrants or prior to concluding an agreement to subscribe for the Notes, Certificates or Warrants. The definitive version must be made available free of charge to any interested person on issue or on concluding an agreement to subscribe for the Notes, Certificates or Warrants.
- Notes, Certificates or Warrants constituting structured products within the meaning of Article 5 CISA which are not intended to be distributed to Non-Qualified Investors in or in and from Switzerland may only be offered or advertised, and any Final Terms, fact sheets or any other marketing material relating to such Notes, Certificates or Warrants may only be distributed, offered or made available to Qualified Investors in or in and from Switzerland by way of private placement which is exclusively addressed to and available for such Qualified Investors. The respective Final Terms, fact sheets or any other marketing material may not be distributed, copied, published or otherwise made public or available for Non-Qualified Investors.

Save as disclosed in this Base Prospectus Supplement, no significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectuses has arisen since the publication of the Base Prospectuses.

In circumstances where Article 16(2) of the Prospectus Directive (as implemented in the United Kingdom by Section 87Q(4) of the FSMA) applies, investors who have agreed to purchase or subscribe for any Notes, Warrants or Certificates (as the case may be) prior to the publication of this Base Prospectus Supplement may have the right to withdraw their acceptance. Investors wishing to exercise any such right should do so by giving notice in writing to the person from whom they agreed to purchase or subscribe for such Notes, Warrants or Certificates no later than 27 January 2014, which is the final date for the exercise of such right to withdraw.

The Bank accepts responsibility for the information contained in this Base Prospectus Supplement. To the best of the knowledge and belief of the Bank (which has taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

22 January 2014