REGISTRATION DOCUMENT

HSBC Bank plc

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

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

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

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

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

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

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

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

28 April 2015

HOW TO USE THIS REGISTRATION DOCUMENT

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

This Registration Document provides information about HSBC Bank plc (the "**Bank**") and incorporates by reference the Annual Report and Accounts of the Bank (the "**2014 Annual Report and Accounts**") and the additional information document in relation to the year ended 31 December 2014 (the "**Additional Information**"). The 2014 Annual Report and Accounts includes the latest publicly available financial information relating to the Bank and its subsidiary undertakings (the "**Group**") and other information in relation to the Group, which is relevant to investors. The Additional Information is additional financial information, which is intended to be read in conjunction with the 2014 Annual Report and Accounts, but which is not required to be included in the 2014 Annual Report and Accounts by either the UK Companies Act 2006 or by International Financial Reporting Standards. It includes commentary on the results of the Group in 2013 versus 2012 and certain statistics and other information. This Registration Document (including such information incorporated by reference) contains information necessary for investors to make an informed assessment of the Bank. Investors must read this Registration Document together with the 2014 Annual Report and Accounts and the Additional Information. Where further information is provided in the 2014 Annual Report and Accounts on matters covered by this Registration Document, this is highlighted in this Registration Document.

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

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

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

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

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

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

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RISK FACTORS

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

Prospective investors in any Securities issued by the Bank should carefully consider risk factors associated with the business of the Bank 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 Bank considers to be the principal risk factors relating to the Bank that may affect the Bank's ability to fulfil its obligations under its Securities. References to the Bank in this section "Risk Factors" should be taken to mean the Bank, together with its subsidiary undertakings, unless the context requires otherwise.

The risk factors relating to the Bank specified in this section "Risk Factors" do not comprise an exhaustive list or explanation of all risks relating to the Bank which investors may face when making an investment in Securities issued by the Bank and should be used as guidance only. Additional risks and uncertainties relating to the Bank that are not currently known to the Bank, or that the Bank 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 Bank and, if any such risk should occur, the price of any Securities issued by the Bank may decline and investors could lose all or part of their investment.

Risks Relating to the Bank

A description of the risk factors relating to HSBC Bank plc (the "**Bank**") that may affect the ability of the Bank to fulfil its obligations to investors in relation to any of its Securities is set out below.

Macroeconomic and geopolitical risk

Current economic and market conditions could materially adversely affect the Bank.

The Bank's earnings are affected by global and local economic and market conditions. Economic growth in emerging markets remained weak in 2014, while concerns remained over the sustainability of economic growth in many developed markets. The significant decline in oil prices since the middle of 2014 as a result of increasing global demand-supply imbalances may lead to fiscal and financing challenges for energy exporters, and although it may bring benefits for oil importers, it also accentuates deflationary risks among some of these (particularly in the eurozone). The prospect of low oil prices for a prolonged period also may reduce investment in exploration and thus poses the danger of significantly reducing future supply.

The economic recovery in the eurozone is still at risk. Deflationary pressures persist as a result of low oil prices and despite much looser monetary policy. Acceleration in the structural reform agenda could also accentuate deflationary pressures in the short term.

The uncertain economic conditions continue to create a challenging operating environment for financial services companies such as the Bank. In particular, the Bank may face the following challenges to its operations and operating model in connection with these factors:

- the demand for borrowing from creditworthy customers may diminish if economic activity slows or remains subdued;
- as capital flows are increasingly disrupted, some emerging markets could be tempted to impose protectionist measures that could affect financial institutions and their clients;
- European banks may come under renewed stress as a result of the interdependencies between economic conditions;
- geopolitical risks, which remain elevated in many parts of the world, directly affect the economies of the countries in which the Bank operates and present a clear risk of disruption to the global resources supply chain;

- a prolonged period of low or negative interest rates will constrain the net interest income the Bank earns from its investment of excess deposits, for example, through margin compression and low returns on assets;

- the Bank's ability to borrow from other financial institutions or to engage in funding transactions may be adversely affected by market disruption, for example, in the event of contagion from stress in the eurozone sovereign and financial sectors; and

- market developments may depress consumer and business confidence beyond expected levels. If economic growth remains subdued, for example, asset prices and payment patterns may be adversely affected, leading to greater than expected increases in the Bank's delinquencies, default rates, write-offs and loan impairment charges.

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

The Bank is subject to political and economic risks in the countries in which the Bank operates, including the risk of government intervention and high levels of indebtedness.

The Bank operates through an international network of subsidiaries and affiliates. The Bank's results are subject therefore to the risk of loss from unfavourable political developments, currency fluctuations, social instability and changes in government policies on such matters as expropriation, authorisations, international ownership, interest-rate caps, limits on dividend flows and tax in the jurisdictions in which the Bank operates.

For example, a break-up of the eurozone or continued social unrest triggered by the on-going economic crisis and related austerity programmes may result in political or social disruption throughout Europe. In particular, although in recent years the EU has introduced a series of legislative changes designed to better equip it to deal with a financial crisis and to reduce the risks of contagion in the event of an EU member country experiencing financial difficulties, the outcome of current negotiations on the terms of the Greek bail out is highly uncertain. The debt may be rescheduled or Greece may default on its debts; there is also the possibility that Greece may eventually exit the euro. Any default on the sovereign debt of Greece or any eurozone nation and the resulting impact on other eurozone countries could result in (a) significant market dislocation, (b) heightened counterparty risk and (c) an adverse effect on the management of market risk. Moreover, a significant number of financial institutions throughout Europe have substantial exposures to sovereign debt issued by eurozone nations that are under severe financial stress. Should any of those nations default on their debt, or experience a significant widening of credit spreads, major financial institutions and banking systems throughout Europe could be destabilised, resulting in, among other things, significant disruptions in financial activities.

Furthermore, military escalation and/or civil war remain a possibility in Ukraine, while sanctions targeting the Russian government, institutions and individuals, together with falling oil prices, have had an adverse effect on the Russian economy. In the Middle East, the civil war in Syria has been complicated by the seizure of parts of Iraq and Syria by Islamic State, a terrorist group. Elsewhere in the region, chaos in Libya, on-going tensions between Israel and Palestine and fraught negotiations over Iran's nuclear programme are combining to increase risks to stability.

Civil unrest and demonstrations in a number of countries during 2014, including Turkey, have also contributed to geopolitical risk as governments took measures to contain them. Moreover, a number of emerging and developed markets will hold elections in 2015, which could lead to further market volatility. In addition, a sustained period of low oil prices may affect stability in countries that rely heavily on oil production as a significant source of revenue.

Any such unfavourable political or economic events or developments could result in deteriorating business, consumer or investor confidence leading to reduced levels of client activity and consequently a decline in revenues and/or higher costs; foreign exchange losses; mark to market losses in trading books resulting from adjustments to credit ratings, share prices and counterparty solvency; or higher levels of impairment and rates of default. Such consequences could have a material adverse effect on the Bank's business, its financial condition and prospects, the results of the Bank's operations and/or the Bank's customers.

The Bank's financial results are affected by changes in foreign currency exchange rates.

The Bank prepares its financial statements in pounds sterling, but a substantial portion of the Bank's assets, liabilities, assets under management, cash flows, revenues and expenses are denominated in other currencies (mainly euro and US dollars). Changes in foreign exchange rates have an effect on the Bank's income, expenses, cash flows, assets and liabilities and shareholders' equity and accordingly could have a material adverse effect on the Bank's business, its financial condition and prospects, the results of the Bank's operations and/or the Bank's customers.

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

Failure of the Bank's parent company or any of the Bank's affiliates to implement its obligations under deferred prosecution agreements could materially adversely affect the Bank.

In December 2012, HSBC Holdings plc ("**HSBC Holdings**"), the Bank's parent company, HSBC North America Holdings, Inc. ("**HNAH**") and HSBC Bank USA, National Association ("**HBUS**") entered into agreements with US and UK government agencies regarding past inadequate compliance with the US Bank Secrecy Act (the "**BSA**") and anti-money laundering ("**AML**") and sanctions laws. Among other agreements, HSBC Holdings and HBUS entered into a five-year deferred prosecution agreement with the US Department of Justice ("**DoJ**"), the US Attorney's Office for the Eastern District of New York and the US Attorney's Office for the Northern District of West Virginia ("**US DPA**"); HSBC Holdings entered into a two-year deferred prosecution agreement with the New York County District Attorney (the "**DANY DPA**"); HSBC Holdings consented to a cease-and-desist order and HSBC Holdings and HNAH consented to a civil monetary penalty order with the Federal Reserve Board (the "**FRB**"). In addition, HBUS entered into a civil monetary penalty order with the Financial Crimes Enforcement Network and a separate civil monetary penalty order with the Office of the Comptroller of the Currency (the "**OCC**"). HSBC Holdings entered into an agreement with the Office of Foreign Assets Control ("**OFAC**") regarding historical transactions involving parties subject to OFAC sanctions and an undertaking with the Financial Services Authority (now the Financial Conduct Authority, the "**FCA**") to comply with certain forward-looking obligations with respect to AML and sanctions requirements (the "**FCA Direction**"). HBUS is also subject to an agreement entered into with the OCC and other consent orders.

Under the agreements with the DoJ, the FCA and the FRB, an independent monitor (the "**Monitor**", who is, for the purposes of the FCA, a 'skilled person' under Section 166 of the Financial Services and Markets Act 2000, as amended) is evaluating and regularly assessing the effectiveness of HSBC Holdings and its subsidiary undertakings' (the "**HSBC Group**") AML and sanctions compliance function and the HSBC Group's progress in implementing the HSBC Group's remedial obligations under the agreements. The Monitor began his work on 22 July 2013.

The HSBC Group has fulfilled all of the requirements imposed by the DANY DPA, which expired by its terms at the end of the two-year period of that agreement in December 2014.

Breach of the US DPA at any time during its term may allow the DoJ to prosecute HSBC Holdings or HBUS in relation to the matters which are the subject of the US DPA. Any such breach of the US DPA or the FCA Direction leading to further enforcement action, including the prosecution of the HSBC Group, would have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations, including the potential significant loss of business and withdrawal of funding.

The Bank's significant involvement in facilitating international capital flows and trade exposes the Bank to the risk of financial crime or inadvertently breaching restrictions and sanctions imposed by OFAC and other regulators. Moreover, HBUS, as clearer for all US dollar transactions for the HSBC Group globally, manages a significant AML risk in the global correspondent banking area because of its breadth and scale, especially as it relates to transactions involving affiliates and global correspondent banks in high-risk AML jurisdictions. A significant AML violation in this area or the utilisation of the global affiliate and correspondent banking network by terrorists or other perpetrators of financial crimes could have materially adverse consequences under the US DPA or the HSBC Group's other consent agreements. The design and execution of AML and sanctions remediation plans is complex and requires major investments in people, systems and other infrastructure. This complexity creates significant execution risk, which could impact the HSBC Group's ability to effectively manage financial crime risk and remedy AML and sanctions compliance deficiencies in a timely manner. This could, in turn, impact the HSBC Group's ability to satisfy the Monitor or comply with the terms of the US DPA, the FCA Direction, or the FRB's cease and desist order and may require the HSBC Group to take additional remedial measures.

UK and European banking structural reform legislation and proposals could materially adversely affect the Bank, as well as the market value of the Bank's outstanding Securities.

In December 2013, the Financial Services (Banking Reform) Act 2013 ("**Banking Reform Act**") received Royal Assent. Certain provisions of the Banking Reform Act are already in force and the remainder will come into force on dates specified in commencement orders by Her Majesty's Treasury ("**HM Treasury**"). The Banking Reform Act implements the recommendations of the Independent Commission on Banking ("**ICB**") and of the Parliamentary Commission on Banking Standards and, among other things, establishes a framework for 'ring-fencing' retail banking activities of UK banks from their wholesale banking activities, including trading activities. Other provisions of the Banking Reform Act have been implemented in the UK through secondary legislation. In October 2014, the Prudential Regulation Authority (the "**PRA**") published a consultation on ring-fencing rules in relation to group structures, governance and arrangements to ensure continuity of services and facilities. Finalised rules are expected to be published in 2016, with the implementation of ring-fencing by 1 January 2019. On 1 January 2015, The Financial Services and Markets Act 2000 (Ring-fenced Bodies and Core Activities) Order 2014 (the "**Core Activities Order**") came into force. The Core Activities Order defines which banks are ring-fenced bodies and defines the activities that can only be carried out by ring-fenced bodies. Specifically, the Core Activities Order exempts insurers, co-operatives and community benefit societies from the definition of "ring-fenced body", along with small banking groups which hold less than £25 billion in core deposits.

Material changes to the corporate structure and business activities conducted in the UK by the Bank are expected to be required as a result of this ring-fencing legislation. The most likely restructuring will involve separating the Bank's ring-fenced retail activities from the Bank. Considerable uncertainty remains over the likely cost of implementing structural separation at this time, although the Bank expects it to be material.

On a European level, in January 2014, the European Commission (the "**EC**") published legislative proposals for a regulation on structural measures to improve the resilience of the European banking sector which will, if they come into force, prohibit proprietary trading in financial instruments and commodities by any member of the HSBC Group, and may require certain trading activities, such as market-making, complex derivatives trading and securitisation operations, to be undertaken in a separate subsidiary (the "**trading entity**") from that which undertakes deposit taking activities (the "**core credit institution**"). The proposals include rules governing the economic, legal, governance and operational separation of the trading entity and the core credit institution. The EC's proposals are currently subject to discussion in the European Parliament and the Council of Ministers (representing the EU member states) and are not expected to be finalised and implemented before 2018.

The EC's proposals allow for derogation from the requirement for the above mentioned trading activities to be undertaken in a separate trading entity for super-equivalent national regimes. However, it is currently not known whether derogations, if permitted by the regulation as enacted, would be granted to enable the Bank, and certain of its subsidiaries that operate outside of the UK in countries with their own national regimes, such as HSBC France, to avoid multiple and potentially conflicting ring-fencing regimes. The relationship between EC proposals and the UK and other national proposals has still to be clarified (as does the interaction between these proposals and the Volcker Rule).

Structural changes could result in significant increased costs related to the implementation of the restructuring and running of the Bank's operations going forward, in particular where EU and national legislation do not overlap (or it is unclear whether they overlap) and derogations are not granted they could also result in a significant reduction in the Bank's assets. Any of these increased costs and restrictions could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations. Moreover, the structural changes due to ring-fencing legislation described above could have a material adverse effect on the market value of the Bank's outstanding Securities.

The Securities will be subject to the capital instruments write-down and conversion power and/or the bail-in tool under the Banking Act.

The Bank is subject to the "Special Resolution Regime" under the UK Banking Act 2009, as amended (the "**Banking Act**"), that gives wide powers in respect of UK banks and their parent and other group companies to HM Treasury, the Bank of England (the "**BoE**"), the PRA and the FCA (each a "**UK resolution authority**") in circumstances where a UK bank has encountered or is likely to encounter financial difficulties.

On 1 January 2015, the Banking Act and other primary and secondary legislative instruments were amended to give effect to the Directive 2014/59/EU (the "**BRRD**") in the UK. The stated aim of the BRRD is to provide supervisory authorities, including the relevant UK resolution authority, with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' contributions to bank bail-outs and/or exposure to losses. In particular, the Banking Act was amended to implement the power to write-down and convert capital instruments (the "**capital instruments write-down and conversion power**") and a "**bail-in tool**", both of which may be exercised by the BoE.

The capital instruments write-down and conversion power may be exercised independently of, or in combination with, the exercise of a resolution tool (other than the bail-in tool, which would be used instead of the capital instruments write-down and conversion power), and it allows resolution authorities to cancel all or a portion of the principal amount of capital instruments and/or convert such capital instruments into common equity Tier 1 instruments when an institution is no longer viable. The point of non-viability for such purposes is the point at which the BoE or the PRA determines that the institution meets the conditions for resolution or will no longer be viable unless the relevant capital instruments are written down or extraordinary public support is provided and without such support the appropriate authority determines that the institution would no longer be viable. The BoE will exercise the capital instruments write-down and conversion power in accordance with the priority of claims under normal insolvency proceedings such that common equity Tier 1 items will be written down before additional Tier 1 and Tier 2 instruments, successively, are written down or converted into common equity Tier 1 instruments. The capital instruments write-down and conversion power does not include a safeguard designed to leave no creditor worse off than in the case of insolvency.

Similarly, where the conditions for resolution exist, the BoE may use the bail-in tool (in combination with other resolution tools under the Banking Act) to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities of a failing financial institution and/or convert certain debt claims into another security, including ordinary shares of the surviving entity. In addition, the BoE may use the bail-in tool to, among other things, replace or substitute the issuer as obligor in respect of debt instruments, modify the terms of debt instruments (including altering the maturity (if any) and/or the amount of interest payable and/or imposing a temporary suspension on payments) and discontinue the listing and admission to trading of financial instruments. The BoE must apply the bail-in tool in accordance with a specified preference order. In particular, the Banking Act requires resolution authorities to write-down or convert debts in the following order: (i) additional Tier 1 instruments, (ii) Tier 2 instruments, (iii) other subordinated claims that do not qualify as additional Tier 1 or Tier 2 instruments and (iv) eligible senior claims. Unlike the capital instruments write-down and conversion power, the bail-in tool has a safeguard designed to leave no creditor worse off than in the case of insolvency.

As a result, the Securities will be subject to the capital instruments write-down and conversion power or the bail-in tool and may be subject to a partial or full write-down or conversion to common equity Tier 1 instruments.

Moreover, to the extent the capital instruments write-down and conversion power or the bail-in tool is exercised, the Bank does not expect any securities issued upon conversion of the Securities to meet the listing requirements of any securities exchange. Any securities received upon conversion of the Securities (whether debt or equity) may not be listed for at least an extended period of time, if at all, or may be on the verge of being delisted by the relevant exchange. Additionally, there may be limited, if any, disclosure with respect to the business, operations or financial statements of the issuer of any securities issued upon conversion of the Securities, or the disclosure with respect to any existing issuer may not be current to reflect changes in the business, operations or financial statements as a result of the exercise of the capital instruments write-down and conversion power or the bail-in tool. In addition, the exercise of the capital instruments write-down and conversion power or the bail-in tool and/or other actions implementing the capital instruments write-down and conversion power or the bail-in tool may require interests in the Securities to be held or taken, as the case may be, through clearing systems, intermediaries or persons other than the Depository Trust Company, Euroclear Bank S.A./N.V. and Clearstream Banking *société anonyme*. Furthermore, any trustee may be unwilling to continue serving in its capacity as trustee for the Securities. As a result, there may not be an active market for any securities held after the exercise of the capital instruments write-down and conversion power or the bail-in tool.

Securityholders should consider the risk that they may lose all of their investment, including the principal amount plus any accrued interest, if the capital instruments write-down and conversion power or the bail-in tool is acted upon or that any remaining outstanding Securities or securities into which the Securities are converted may be of little value at the time of conversion and thereafter. In addition, trading behaviour, including prices and volatility, may be affected by the threat of bail-in and, as a result, the Securities are not necessarily expected to follow the trading behaviour associated with other types of securities. See also "*—Macro-prudential, regulatory and legal risks to the Bank's business model—Other powers contained in the Special Resolution Regime under the Banking Act may affect securityholders' rights under, and the value of securityholders' investment in, the Securities*."

Other powers contained in the Special Resolution Regime under the Banking Act may affect securityholders' rights under, and the value of securityholders' investment in, the Securities.

The "Special Resolution Regime" under the Banking Act also includes 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 the Securities), to a commercial purchaser or, in the case of securities, into temporary public ownership (to HM Treasury or an HM Treasury nominee), or, in the case of property, rights or liabilities, to a bridge bank (an entity owned by the BoE); (b) together with another resolution tool only, transfer 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; (c) 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; (d) commence certain insolvency procedures in relation to a UK bank; and (e) 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.

In addition, the Bank is a banking group company under the Banking Act in relation to other entities within the HSBC Group, which include UK banks, EU institutions or third-country institutions under the Banking Act. As a result, the Bank may be subject to the exercise of Special Resolution Regime powers if any such entity is failing or is likely to fail, notwithstanding that the Bank is not failing or is not likely to fail.

The powers set out in the Banking Act could affect how credit institutions (and their parent companies) and investment firms are managed as well as, in certain circumstances, the rights of creditors. Accordingly, the taking of any actions contemplated by the Banking Act may affect securityholders' rights under the Securities, and the value of the Securities may be affected by the exercise of any such powers or threat thereof.

Securityholders' rights may be limited in respect of the exercise of the resolution powers under the Banking Act.

There may be limited protections, if any, that will be available to holders of securities subject to the resolution powers under the Banking Act (including the Securities) and to the broader resolution powers of the relevant UK resolution authority. For example, although under the Banking Act the BoE's resolution instrument with respect to the exercise of the bail-in tool must set out the provisions allowing for securities to be transferred, cancelled or modified (or any combination of these), the resolution instrument may make any other provision that the BoE considers to be appropriate in exercising its specific powers. Such other provisions are expected to be specific and tailored to the circumstances that have led to the exercise of the bail-in tool under the Banking Act and there is uncertainty as to the extent to which usual processes or procedures under English law will be available to holders of securities (including the Securities). Accordingly, securityholders may have limited or circumscribed rights to challenge any decision of the BoE or other relevant UK resolution authority to exercise its resolution powers under the Banking Act.

The circumstances under which the relevant UK resolution authority would exercise its resolution powers under the Banking Act or future legislative or regulatory proposals are uncertain, which may affect the value of the Securities.

There remains significant uncertainty regarding the manner in which the resolution powers under the Banking Act (and any other resolution powers or tools enacted under future legislative or regulatory proposals) would affect the Bank and the Securities if such powers were exercised.

For example, although the exercise of the capital instruments write-down and conversion power and other resolution tools under the Banking Act are subject to certain pre-conditions thereunder, there remains uncertainty regarding the specific factors (including, but not limited to, factors outside the Bank's control or not directly related to the Bank) which the BoE would consider in deciding whether to exercise such powers with respect to the Bank or the Securities. In particular, because the Banking Act allows for the BoE to exercise its discretion in choosing which resolution tool or tools to apply, it will be difficult to predict whether the exercise of the BoE's resolution powers will result in a principal write-off or conversion to equity. Securityholders may not be able to refer to publicly available criteria in order to anticipate a potential exercise of any such resolution powers and consequently its potential effect on the Bank or the Securities.

Accordingly, it is not yet possible to assess the full impact of the exercise of the resolution powers under the Banking Act on the Bank, and there can be no assurance that the taking of any actions contemplated therein would not adversely affect securityholders' rights, the price or value of securityholders' investment in the Securities and/or the Bank's ability to satisfy its obligations under the Securities.

The Bank is subject to a number of legal and regulatory actions and investigations, the outcomes of which are inherently difficult to predict.

The Bank faces significant legal and regulatory risks in its business. See "*—Macro-prudential, regulatory and legal risks to the Bank's business model—Failure of the Bank's parent company or any of the Bank's affiliates to implement its obligations under deferred prosecution agreements could materially adversely affect the Bank" and "—Macro-prudential, regulatory and legal risks to the Bank's business model—Unfavourable legislative or regulatory developments, or changes in the policy of regulators or governments could materially adversely affect the Bank"*. The volume and amount of damages claimed in litigation, regulatory proceedings 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 alleged conduct, breaches of AML and sanctions regulations, antitrust violations, market manipulation, aiding and abetting tax evasion, and providing unlicensed cross-border banking services, have become more commonplace and may increase in frequency due to increased media attention and higher expectations from prosecutors and the public.

For example, various tax administration, regulatory and law enforcement authorities around the world, including Argentina, Belgium, France, India and Switzerland are conducting investigations and reviews of HSBC Private Bank (Suisse) SA ("**HSBC Swiss Private Bank**"), the Bank's sister company, in connection with allegations of tax evasion or tax fraud, money laundering and unlawful cross border banking solicitation. In the United Kingdom, the FCA is in correspondence with the Bank and HSBC Holdings in relation to HSBC Swiss Private Bank. HSBC Swiss Private Bank has been placed under formal criminal examination by magistrates in both Belgium and France. In February 2015, the HSBC Group was informed that the French magistrates are of the view that they have completed their investigation with respect to HSBC Swiss Private Bank and have referred the matter to the public prosecutor who has submitted a recommendation on any potential charges to be brought, whilst reserving the right to continue investigating other conduct at the HSBC Group. In addition, in April 2015, HSBC Holdings was informed that it has been placed under formal criminal investigation by the French magistrates in connection with the conduct of HSBC Swiss Private Bank in 2006 and 2007 for alleged tax-related offences, and a EUR 1 billion bail was imposed.

Any prosecution of HSBC Holdings or one or more of its subsidiaries could result in substantial fines, penalties and/or forfeitures and could have a material adverse effect on the Bank's business, financial condition, results of operations, prospects and reputation, including the potential loss of key licences, requirement to exit certain businesses and withdrawal of funding from depositors and other stakeholders.

Additionally, the Bank continues to be subject to a number of material legal proceedings, regulatory actions and investigations (see Note 37 ("Legal proceedings and regulatory matters") on pages 186 to 190 of the 2014 Annual Report and Accounts for further details). It is inherently difficult to predict the outcome of many of the legal, regulatory and other adversarial proceedings involving the Bank'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 Bank may face additional legal proceedings, investigations or regulatory actions in the future (including criminal), including in other jurisdictions and/or with respect to matters similar to, or broader than, the existing legal proceedings, investigations or regulatory actions.

An unfavourable result in one or more of these proceedings could result in the Bank incurring significant expense, substantial monetary damages, loss of significant assets, other penalties and injunctive relief, potential regulatory restrictions on the Bank's business and/or a negative effect on the Bank's reputation, any of which could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

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

The Bank's businesses are subject to on-going regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies, guidance, voluntary codes of practice and their interpretations in the UK, the EU and the other markets in which the Bank operates ("**Regulations**"). This is particularly so in the current environment, where the Bank expects government and regulatory intervention in the banking sector to remain high for the foreseeable future. Additionally, many of these changes increasingly have an impact beyond the country in which they are effected, as Regulations increasingly have extra-territorial effect or the Bank's operations mean that the Bank is obliged to give effect to local Regulations on a wider basis.

Regulatory reforms which could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations include:

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

- the structural separation of banking and trading activities proposed or enacted in a number of jurisdictions;

- the proposals from the FSB which are subject to consultation and translation into national regulations. The HSBC Group has been classified by the FSB as a global systemically important bank ("**G-SIB**") and therefore is subject to what the FSB refers to as a 'multi-pronged and integrated set of policies'. These include proposals that would place additional capital and Total Loss Absorbing Capacity ("**TLAC**") buffers on the HSBC Group and require enhanced reporting As a member of the HSBC Group, the Bank may itself be subject to a minimum TLAC requirement;

- the introduction of the EU Capital Requirements Directive and Regulation ("**CRD IV**") which implements in the EU the Basel III measures, the publication by the PRA of its final rules on implementing CRD IV, each of which relates to the quality and quantity of capital that eurozone banks must hold. Despite the rules published to date, there remains continued uncertainty as to the on-going amount and quality of capital that banks will be required to hold under CRD IV. This includes uncertainty in relation to the quantification of, and the interaction between, CRD IV capital buffers and the Pillar 2 capital planning buffer. The PRA is currently consulting on their revised approach to Pillar 2, and the interaction of this with the CRD IV buffers. Furthermore, there are a significant number of draft and unpublished European Banking Authority ("**EBA**") technical standards due in 2015 that will potentially impact the Bank's capital position and risk weighted assets ("**RWA**"). The EBA's discussion paper "Future of the IRB Approach" published in March 2015 outlines a programme of risk-based model related activity running through to 2018 that will have potential impacts on the Bank's RWA calculations;

- the implementation of the BRRD's minimum requirements for eligible liabilities ("**MREL**") by the BoE (which applies to all credit institutions and investment firms, including the Bank) and its interaction with TLAC requirements for G-SIBs (as described above). Specifically, the BRRD introduces requirements for banks to maintain at all times a sufficient aggregate amount of own funds and 'eligible liabilities' (that is, liabilities that may be bailed in using the bail-in tool). The BoE is required to issue further secondary legislation to implement MREL requirements by 2016, which will take into account the regulatory technical standards to be developed by the EBA. The EBA has stated that these technical standards would be compatible with the proposed term sheet published by the FSB on TLAC requirements for G-SIBs, but the extent to which MREL and TLAC requirements may differ remains uncertain. Such differences may affect the Bank in a resolution event, particularly if the Bank is subject to a minimum TLAC requirement as a resolution entity;

- final implementation of the Banking Reform Act which gives effect to the recommendations of the ICB in relation to the future ring-fencing of retail banking activities of UK bank's from their wholesale banking activities, and proposals in France, Germany and of the EC for the ring-fencing of certain activities, including trading activities, and the prohibition of certain proprietary trading activities;

- the increasing focus by regulators on how institutions conduct business, particularly with regard to the delivery of fair outcomes for customers and orderly/transparent markets, 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 imposed under CRD IV and UK regulations and increasing requirements to detail management accountability within the Bank to meet the requirements of the Senior Managers' Regime in the UK (including the continued focus in the UK on the progress being made in implementing wider recommendations made by the Parliamentary Commission on Banking Standards on matters relating to institutional 'culture', employee conduct and obligations more generally such as whistleblowing);

- changes in the regime for the operation of capital markets, including the introduction of central clearing, reporting and margin requirements through the EU's European Market Infrastructure Regulation ("**EMIR**") and the revised Markets in Financial Instruments Directive/Regulation;

- full implementation of the trading book framework resulting from the Basel Committee on Banking Supervision's (the "**Basel Committee**") "Fundamental Review of the Trading Book" consultative document and the potential impact the measures proposed therein will have on the Bank's RWA calculations and capital position;

- requirements flowing from arrangements for the recovery and resolution of the Bank and its main operating entities, which may have different effects in different countries;

- the implementation of extra-territorial laws, including the US Foreign Account Tax Compliance Act and other related initiatives to share tax information such as those being pursued by the OECD more generally;

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

- continuing stress-tests by supervisory authorities and the implication for capital requirements and capital transfers within the HSBC Group;

- the tightening by regulators in a number of countries of credit controls on mortgage lending and unsecured portfolios;

- the continued risk of further changes to regulation relating to taxes affecting financial service providers, including financial transaction taxes;

- the continued focus of competition law enforcement agencies at national and European level on the financial sector when enforcing laws against anticompetitive practices (including, in the UK, the FCA and the Payment Systems Regulator becoming competition law enforcers for the first time as of 1 April 2015). In the UK this is also being accompanied by a rise in private damages litigation relating to alleged competition law infringements, including ongoing litigation by UK retailers regarding consumer credit and debit card interchange fee levels under the Visa and MasterCard schemes; and

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

Regulators and governments also continue to focus on the ways in which business is conducted. Relevant regulatory initiatives in the UK include the FCA's 'Retail Distribution Review' and the FCA's 'Mortgage Market Review', the FCA's February 2015 announced plans to launch its first wholesale market study into investment and corporate banking to assess whether competition in the sector is working properly, changes to the consumer credit regime and an ever greater focus by the Bank's regulators on conduct risk, including in relation to sales processes and incentives, product and investment suitability and conduct of business concerns more generally. There remains uncertainty regarding the details and timing of some of these reforms and the effect they will ultimately have on the Bank. These reforms are concerned principally with the conduct of business with retail customers (although the focus is expected to widen to wholesale markets in 2015), and in conjunction with this focus, the UK regulators are making increasing use of existing and new powers of intervention and enforcement, including powers to consider past business undertaken and to implement customer compensation and redress schemes or other potentially significant remedial work. Moreover, dealing with regulatory investigations into the effective functioning of competition will continue to place very significant burdens on the Bank's resources. Regulators have extensive powers to intervene to force change following such investigations, which in principle could extend to forcing structural change on the industry (for example, by mandating divestments of all or parts of a business), introducing price or tariff regulation, or forcing other changes to business models or business conduct.

Additionally, UK and other regulators may increasingly take action in response to customer complaints either specific to an institution or more generally in relation to a particular product. The Bank has seen recent examples of this approach in the context of the possible mis-selling of payment protection insurance ("**PPI**"), of interest rate derivative products to small and medium-sized enterprises and of wealth management products. The Financial Ombudsman Service in the UK and/or any court decisions in relation to customer complaints (or any overseas equivalent that has jurisdiction) could also be applied to a wider class or grouping of customers or products, such as the recent decision of the UK Supreme Court applying the unfair relationship provisions of the UK Consumer Credit Act to the non-disclosure of commissions in connection with the sale of PPI. Moreover, the UK government and governments of other jurisdictions, the Bank's regulators in the UK, the EU or elsewhere, may intervene further in relation to areas of industry risk already identified, or in new areas.

Further, regulators in the UK and elsewhere are increasingly pursuing investigations in relation to employee activities in relation to benchmark, index and other rate setting, in relation to the operation of other (non-retail) markets, including foreign exchange markets and in relation to alleged anti-competitive activity in the credit derivative market. While these investigations are generally focused on the wholesale sector, regulators may not only exercise powers in relation to relevant market participants in that sector, but may also consider the wider effects of such activities for customers more generally and impose appropriate measures, including, for example, customer redress or compensation schemes, as well as fines and/or other actions against involved companies and relevant individuals.

The Bank will be subject to increased costs in order to comply with all applicable Regulations, including changes in such Regulations or their interpretations. In addition, the Bank may fail to comply with such applicable Regulations, particularly in areas where applicable Regulations may be unclear or are interpreted differently in different jurisdictions, or where regulators revise existing guidance or courts overturn previous rulings. Authorities in many jurisdictions have the power to bring administrative or judicial proceedings against the Bank, which could result in, among other things, increased costs in connection with any administrative or judicial enforcement action, the suspension or revocation of the Bank's licenses, cease and desist orders, fines, civil penalties, criminal penalties or other disciplinary action.

More stringent regulatory requirements, including those relating to enhanced capital, liquidity and funding requirements and those governing the development of parameters and assumptions applied to, and controls around, models used for measuring risk, can give rise to changes that may adversely affect the Bank's business, including increases in capital requirements, increases in the funding costs, reductions in the return on equity and changes in the manner in which the Bank conducts its activities and is structured. Moreover, uncertainty and lack of international regulatory coordination as enhanced supervisory standards are developed and implemented may adversely affect the Bank's ability to engage in effective business, capital and risk management planning.

Given the focus of regulators on the conduct of business (including incentive structures, remuneration and product governance and sales processes), there is a significant risk that the UK and other regulators may identify future industry-wide mis-selling, market misconduct or other issues that could affect the Bank. Such focus on the conduct of business, as well as on management accountability, may affect the industry in areas such as employee recruitment and retention, product pricing and profitability in both retail and wholesale markets. This may lead to: (i) significant direct costs or liabilities (including in relation to mis-selling or improper activities); and (ii) changes in the practices of the Bank's businesses.

Each of the risks and possible outcomes identified above could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

Failure to meet the requirements of regulatory stress tests could adversely affect the Bank.

The Bank is subject to regulatory stress testing in many jurisdictions. These have increased both in frequency and in the granularity of information required by supervisors.

These exercises are designed to assess the resilience of banks to 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 our data provision, stress testing capability and internal management processes and controls.

Supervisory stress test requirements are increasing in frequency and in the granularity of information required. The Bank is subject to supervisory stress testing in many jurisdictions. These exercises include the programmes of the BoE, the EBA and the ECB, as well as stress tests undertaken in many other jurisdictions. For example, since 2014 the BoE has undertaken an annual concurrent stress test across the UK banking system.

Failure to meet requirements of regulatory stress tests, or the failure by regulators to approve the stress test results and capital plans of members of the HSBC Group, could result in the Bank being required to increase capital, reduce leverage exposure (through asset sales or through making changes to the Bank's business model), reduce lending to customers and/or take additional measures to strengthen the Bank's capital position, which could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

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

The Bank is subject to the substance and interpretation of tax laws in all countries in which the Bank operates and is subject to routine review and audit by tax authorities in relation thereto. The Bank 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 for, depending on the ultimate resolution of such matters. Changes to tax law, tax rates and penalties for failure to comply could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

Risks related to the Bank's business operations, governance and internal control systems including compliance

The delivery of the Bank's strategic priorities is subject to execution risk.

The financial services industry is currently facing an unprecedented period of scrutiny. Regulatory requests, legal matters and business initiatives all require a significant amount of time and resources to implement. The magnitude and complexity of projects within the Bank required to meet these demands has resulted in heightened execution risk. Organisational change and external factors, including the challenging macroeconomic environment and the extent and pace of regulatory change also contribute to execution risk.

There also remains heightened risk around the execution of a number of disposals across the HSBC Group in line with the HSBC Group's strategy. The potential risks of disposals include regulatory breaches, industrial action, loss of key personnel and interruption to systems and processes during business transformation.

These factors could adversely affect the successful delivery of the Bank's strategic priorities, as well as have both adverse financial and reputational implications, all of which could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

The Bank operates in markets that are highly competitive.

The Bank competes with other financial institutions in a highly competitive industry that is undergoing significant changes as a result of financial regulatory reform and increased public scrutiny stemming from the financial crisis and continued challenging economic conditions.

The Bank targets internationally mobile clients who need sophisticated global solutions and generally compete on the basis of the quality of the Bank's customer service, the wide variety of products and services that the Bank can offer its customers and the ability of those products and services to satisfy the Bank's customers' needs, the extensive distribution channels available for the Bank's customers, the Bank's innovation, and its reputation. Continued and increased competition in any one or all of these areas may negatively affect the Bank's market share and/or cause the Bank to increase its capital investment in its businesses in order to remain competitive. Additionally, the Bank'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 Bank'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 the Bank's 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 Bank 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 Bank to spend more to modify or adapt its products to attract and retain customers. The Bank may not respond effectively to these competitive threats from existing and new competitors, and the Bank 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 the Bank's customers' needs.

As a result, continued or increased competition could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

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

The management of risk is an integral part of all the Bank's activities. Risk constitutes the Bank'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, operational risk, non-traded market risk, insurance risk, concentration risk, liquidity and funding risk, litigation risk, conduct risk, reputational risk, strategic risk, pension obligation risk and regulatory risk. While the Bank employs a broad and diversified set of risk monitoring and risk mitigation techniques, such techniques and the judgements that accompany their application cannot anticipate every unfavourable event or the specifics and timing of every outcome. Failure to manage risks appropriately could have an adverse effect on the Bank's income, cash flows and the value of assets and liabilities, which could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

Operational risks are inherent in the Bank's business.

The Bank is exposed to many types of operational risk that are inherent in banking operations, including fraudulent and other criminal activities (both internal and external), breakdowns in processes or procedures and systems failure or non-availability. These risks apply equally when the Bank relies on outside suppliers or vendors to provide services to the Bank and the Bank's customers. These operational risks could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations. Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Bank 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 Bank's operations are subject to the threat of fraudulent activity.

Fraudsters may target any of the Bank's products, services and delivery channels including lending, internet banking, payments, bank accounts and cards. This may result in financial loss to the Bank, an adverse customer experience, reputational damage and potential regulatory action depending on the circumstances of the event. Any manifestation of such risks could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

The Bank's operations are subject to disruption from the external environment.

The Bank operates in many geographical locations that are subject to events outside the Bank's control. These events may be acts of God, such as natural disasters and epidemics, geopolitical risks including acts of terrorism, political instability and social unrest and infrastructure issues such as transport or power failure. These events may give rise to disruption to the Bank's services and/or result in physical damage and/or loss of life, which could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

The Bank may fail to adequately manage its third-party suppliers and service providers.

The Bank places reliance on third-party firms for the supply of goods and services or outsourcing of certain activities. There has been increased scrutiny by global regulators of the use by financial institutions of third-party service providers, including how outsourcing decisions are made and how the key relationships are managed. Risks arising from the use of third-party service providers may be less transparent and therefore more challenging to manage or influence. The risk of inadequate management of risks associated with the use of significant third-party service providers could lead to a failure to meet the Bank's operational and business requirements, which in turn may involve regulatory breaches, financial crime, loss of confidential information, civil or monetary penalties or damage both to shareholder value and to the Bank's reputation/brand image. Any such failure could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

The Bank's operations are highly dependent on the Bank's information technology systems, which are subject to failures resulting from cyber-attacks or otherwise.

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

The Bank is increasingly exposed to fraudulent and criminal activities as a result of increased usage of internet and mobile services by customers. The Bank also faces the risk of breakdowns in processes or procedures and systems failure or unavailability, and its business is subject to disruption from events that are wholly or partially beyond its control, such as internet crime and acts of terrorism.

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 Bank's ability to service its clients, could breach regulations under which the Bank operates and could cause long-term damage to the Bank's business and brand. For example, a cyber-security breach at one of the Bank's subsidiaries in November 2014 exposed the details of credit and debit card information for 2.7 million customers. Although the exposure was not linked to fraudulent transactions and the breach was detected through internal security controls, customers and the local regulator were informed. Moreover, the Bank remains susceptible to a wide range of cyber risks that impact and/or are facilitated by technology.

The threat from internet crimes and cyber-attacks is a concern for the Bank's organisation and failure to protect the Bank's operations from future internet crime or cyber-attacks may result in financial loss and/or loss of customer data or other sensitive information, which could undermine the Bank's reputation and its ability to attract and keep customers. They may also lead to potentially large costs to rectify any issues and reimburse losses incurred by customers.

Each of these risks and related risks could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

The Bank may not be able to meet regulatory requests for data and such failure could materially adversely affect the Bank.

The volume, granularity, frequency and scale of regulatory and other reporting requirements necessitate a clear data strategy to enable consistent data aggregation, reporting and management. Inadequate management information systems or processes, including those relating to risk data aggregation and risk reporting, could lead to a failure to meet regulatory reporting requirements or other internal or external information demands, which could lead to fines or other regulatory action. In particular, financial institutions that fail to comply with the principles for effective risk data aggregation and risk reporting as set out by the Basel Committee by the required deadline may face supervisory measures. Any such fines or other regulatory action could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

The Bank's operations have inherent reputational risk.

Reputational risk is the risk of failure to meet stakeholder expectations as a result of any event, behaviour, action or inaction, either by the Bank, its employees or those with whom it is associated, that may cause stakeholders to form a negative view of the Bank. It also could arise from negative public opinion about the actual, or perceived, manner in which the Bank conducts its business activities, its financial performance, as well as actual or perceived practices in banking and the financial services industry generally.

Reputational risk could lead to adverse financial or non-financial consequences, including loss of confidence or adverse effects on the Bank's ability to retain and attract customers. Any lapse in standards of integrity, compliance, customer service or operating efficiency represents a potential reputational risk.

Modern technologies, in particular online social media channels and other broadcast tools which facilitate communication with large audiences in short time frames and with minimal costs, may significantly enhance and accelerate the impact of damaging information and allegations. Negative public opinion may adversely affect the Bank's ability to keep and attract customers, in particular, corporate and retail depositors, which could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

The Bank is subject to the risk of employee misconduct and non-compliance with regulations and policies.

The Bank's businesses are exposed to risk from potential non-compliance with regulations and policies, including the "**HSBC Values**" (the HSBC Values describe how the Bank's employees should interact with each other and with customers, regulators and the wider community, see pages 3 and 4 of the 2014 Annual Report and Accounts for further details) and related behaviours, and employee misconduct, such as fraud or negligence, all of which could result in regulatory sanctions 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 Bank takes to prevent and detect this activity may not always be effective. Any manifestation of this risk could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

Failure of the Bank to recruit, retain and develop appropriate senior management and skilled personnel could have a material adverse effect on the Bank.

The demands being placed on the human capital of the Bank are unprecedented. The cumulative workload arising from a regulatory reform programme that is often extra-territorial and still evolving is hugely consumptive of human resources, placing increasingly complex and conflicting demands on a workforce where the required expert capabilities are in short supply and globally mobile.

Moreover, certain regulatory changes may affect the Bank's ability to attract and/or retain employees. For example, changes in remuneration policy and practice resulting from the new regulations under CRD IV apply globally to all employees of EU headquartered banks. The key change is the application of a cap on variable pay that can be paid to any "**material risk-taker**" (being employees who have been identified as having a material impact on the institution's risk profile). This presents significant challenges given that, as a worldwide business, a significant number of the Bank's material risk-takers are based outside the EU. In addition, the policy statement issued by the PRA extends its Remuneration Code to require all PRA-authorised firms to apply clawback to vested/paid variable remuneration on an HSBC Group-wide basis for any material risk takers receiving variable pay from 1 January 2015. Furthermore, the PRA and FCA have introduced in the UK the Senior Managers and Certification regimes and the related Rules of Conduct (the detail of which is currently subject to consultation), which are intended to set clearer expectations of the accountabilities and behaviour of both senior and more junior employees. However, there are a number of uncertainties around the precise impact of these regimes at present (including on more senior employees, on non-UK based employees and on non-executive directors)

The Bank's continued success depends in part on the retention of key members of its management team and wider employee base. The ability to continue to attract, train, motivate and retain highly qualified professionals is a key element of the Bank's strategy. The successful implementation of the Bank's growth strategy depends on the availability of skilled management in each of its business units. If one of the Bank's business units fails to staff its operations appropriately or loses one or more of its key senior executives, and fails to replace them in a satisfactory and timely manner, or fails to implement successfully the organisational changes required to support the Bank's business, this could place the Bank at a significant competitive disadvantage and prevent the Bank from successfully implementing its strategy, which could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

The Bank's financial statements are based in part on judgments, 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. Estimates, judgements and assumptions 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. Due to the inherent uncertainties in making estimates, judgements and assumptions, particularly those involving the use of complex models, actual results reported in future periods may differ from those reported in prior periods. The accounting policies deemed critical to the Bank's results and financial position, based upon materiality and significant judgements and estimates, include impairment of loans and advances, goodwill impairment, valuation of financial instruments and provisions for liabilities, which constitute "Critical accounting estimates and judgements" with respect to the Bank's financial statements.

An example of where the inherent uncertainty in making estimates, judgements and assumptions may cause actual results reported in future periods to differ from those reported in prior periods is in relation to the valuation of financial instruments measured at fair value, which can be subjective, in particular where models are used that include unobservable inputs. Given the uncertainty and subjectivity associated with valuing such instruments, future outcomes may differ materially from those assumed using information available at the reporting date.

Changes in estimates, judgements or assumptions used in the preparation of the Bank's future financial statements from estimates, judgements or assumptions used in prior periods could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

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

The Bank uses models for a range of purposes in managing its business, including regulatory and economic capital calculations, stress testing, granting credit, pricing and financial reporting, including the valuation of financial instruments measured at fair value, as explained under "*—Risks related to the Bank's business operations, governance and internal control systems including compliance—The Bank's financial statements are based in part on judgments, estimates and assumptions that are subject to uncertainty*." The Bank could face adverse consequences as a result of decisions, which 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.

In addition, supervisory concerns over the internal models and assumptions used by banks in the calculation of regulatory capital have led to the imposition of risk weight and loss given default floors, which has the potential to increase the Bank's capital requirement. In December 2014, the Basel Committee published consultation papers on the "Revisions to the Standardised Approach for credit risk" (which seeks to strengthen the existing regulatory capital standard) and on "Capital floors" (which outlines the Basel Committee's proposals to design a capital floor based on standardised, non-internal modelled approaches), both of which are expected to lead to new regulatory legislation that would impact the Bank's RWA calculations and capital requirements.

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

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

The Bank is required to comply with applicable AML and regulations and has adopted various policies and procedures, including internal control and 'know-your-customer' procedures, aimed at preventing use of the Bank's products and services for the purposes of committing or concealing a financial crime. A major focus of US and UK government policy relating to financial institutions in recent years has been combating money laundering and enforcing compliance with US and EU economic sanctions, and this prioritisation is evidenced by agreements between members of the HSBC Group with US and UK authorities relating to various investigations regarding past inadequate compliance with AML and sanctions laws.

HSBC Holdings consented to a cease-and-desist order with the FRB which requires the implementation of improvements to compliance procedures regarding obligations under the BSA, the FCA Direction and AML rules across the HSBC Group, including the Bank. This consent order does not preclude additional enforcement actions by bank regulatory, governmental or law enforcement agencies or private litigation. Moreover, a number of the remedial actions taken or being taken across the HSBC Group, including the Bank, as a result of the matters to which the US DPA relates are intended to ensure that the HSBC Group's businesses are better protected in respect of these risks. However, there can be no assurance that the steps that continue to be taken to address the requirements of the US DPA will be completely effective. Breach of the US DPA at any time during its term may allow the DoJ to prosecute the HSBC Group in relation to the matters which are the subject of the US DPA.

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

The Bank has significant exposure to counterparty risk.

The Bank is exposed to counterparties that are involved in virtually all major industries, and the Bank routinely executes transactions with counterparties in financial services, including brokers and dealers, central clearing counterparties, commercial banks, investment banks, mutual and hedge funds and other institutional clients. Many of these transactions expose the Bank to credit risk in the event of default by its counterparty or client. The Bank's ability to engage in routine transactions to fund its operations and manage its risks could be materially adversely affected by the actions and commercial soundness of other financial services institutions. Financial institutions are necessarily interdependent because of trading, clearing, counterparty or other relationships. As a consequence, a default by, or decline in market confidence in, individual institutions, or anxiety about the financial services industry generally, can lead to further individual and/or systemic difficulties, defaults and losses.

Mandatory central clearing of over the counter derivatives, including under the Dodd-Frank Act and EMIR, brings new risks to the Bank because the Bank, together with other clearing members, will be required to underwrite losses incurred at Central Counterparty ("**CCP**"). As a result, central clearing members, including the Bank, may suffer losses due to the default of other clearing members or their clients. Hence central clearing brings with it a new element of interconnectedness between clearing members and clients, which the Bank believes may increase rather than reduce the Bank's exposure to systemic risk. At the same time, the Bank's ability to manage such risk will be reduced because the management of such risk has been largely outsourced to CCP and it is unclear at present how, at a time of stress, regulators and resolution authorities will intervene.

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

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

The Bank is subject to risks associated with market fluctuations.

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

Market movements will continue to significantly affect the Bank 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, yield curves and spreads affect the interest rate spread realised between lending and borrowing costs. The potential for future volatility and margin changes remains. Competitive pressures on fixed rates or product terms in existing loans and deposits sometimes restrict the Bank's ability to change interest rates applying to customers in response to changes in official and wholesale market rates. The Bank's pension scheme assets include equity and debt securities, the cash flows of which change as equity prices and interest rates vary.

The Bank's insurance businesses are exposed to the risk that market fluctuations will cause mismatches to occur between product liabilities and the investment assets which back them. Market risks can affect the Bank's insurance products in a number of ways depending upon the product and associated contract. For example, mismatches between assets and liability yields and maturities give rise to interest rate risk.

Some of these risks are borne directly by the customer and some are borne by the insurance businesses, with their excess capital invested in the markets. Some insurance contracts involve guarantees and options that increase in value in adverse investment markets. There is a risk that the insurance businesses will bear some of the cost of such guarantees and options. The performance of the investment markets will thus have a direct effect upon the value embedded in the insurance and investment contracts.

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

The Bank may experience periods of reduced liquidity or be unable to raise funds, each of which is essential to the Bank's businesses.

The Bank's ability to borrow on a secured or unsecured basis and the cost of so doing 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 Bank or the banking sector, including the Bank's perceived or actual creditworthiness.

Current accounts and savings deposits payable on demand or at short notice form a significant part of the Bank's funding, and the Bank places considerable importance on maintaining their stability. For deposits, stability depends upon preserving investor confidence in the Bank's capital strength and liquidity, and on comparable and transparent pricing. Although deposits have been, over time, a stable source of funding, this may not continue.

The Bank also accesses wholesale markets in order to align asset and liability maturities and currencies and to maintain a presence in local markets. An inability to obtain financing in the unsecured long-term or short-term debt capital markets, or to access the secured lending markets, could have a substantial adverse effect on the Bank's liquidity. Unfavourable macroeconomic developments, market disruptions or regulatory developments may increase the Bank's funding costs or challenge its ability to raise funds to support or expand its businesses, materially adversely affecting the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

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

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

Credit ratings affect the cost and other terms upon which the Bank is able to obtain market funding. Rating agencies regularly evaluate the Bank and certain of its subsidiaries, as well as their respective debt securities. Their ratings are based on a number of factors, including their assessment of the relative financial strength of the Bank or of the relevant entity, as well as conditions affecting the financial services industry generally. There can be no assurance that the rating agencies will maintain the Bank's or the relevant entity's current ratings or outlook, particularly given the rating agencies' current review of their bank rating methodologies and the potential impact on the Bank's and its subsidiaries' ratings.

As of the date of this Registration Document, the Bank's long-term debt was rated AA-, AA- and Aa3 by Fitch, Standard & Poor's ("**S&P**") and Moody's, respectively. Fitch's rating outlook on the Bank is stable, whereas Moody's rating is under review and S&P's rating outlook is credit watch negative. Among other factors, Moody's rating outlook reflects the introduction of Moody's new bank rating methodology, and S&P's rating outlook reflects the potential removal of government support (in whole or in part) as a factor in the Bank's rating due to the European resolution framework, including BRRD and the UK bail-in power.

Any reductions in these ratings and outlook could increase the cost of the Bank's funding, limit access to capital markets and require additional collateral to be placed and, consequently, materially adversely affect the Bank's interest margins and/or the Bank's liquidity position, which in turn could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

The Bank may experience adverse changes in the credit quality of the Bank's borrowers.

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

The Bank estimates and recognises impairment allowances for credit losses inherent in the Bank's credit exposure. This process, which is critical to the Bank's results and financial condition, requires difficult, subjective and complex judgements, including forecasts of how these economic conditions might impair the ability of the Bank's borrowers to repay their loans and the ability of other counterparties to meet their obligations. As is the case with any such assessments, the Bank may fail to estimate accurately the effect of factors that the Bank identifies or fail to identify relevant factors. Further, the information the Bank uses to assess the creditworthiness of its counterparties may be inaccurate or incorrect. Any failure by the Bank to accurately estimate the ability of the Bank's counterparties to meet their obligations could result in significant losses for the Bank which have not been provided for. Such losses may have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

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

The Bank provides various insurance products for customers with whom the Bank has a banking relationship, including several types of life insurance products. The cost of claims and benefits can be influenced by many factors, including mortality and morbidity rates, lapse and surrender rates and, if the policy has a savings element, the performance of assets to support the liabilities. Adverse developments in any of these factors could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

The Bank may be required to make substantial contributions to the Bank's pension plans, which could affect the Bank's cash flow.

The Bank operates a number of pension plans, including defined benefit plans. Pension scheme obligations fluctuate with changes in long-term interest rates, inflation, salary levels and the longevity of scheme members. The level of contributions the Bank makes to the Bank's pension plans has a direct effect on the Bank's 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 those pension plans could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

DOCUMENTS INCORPORATED BY REFERENCE

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

- the 2013 Annual Report and Accounts of HSBC Bank plc (the "**Bank**") and its subsidiary undertakings for the year ended 31 December 2013 submitted to and filed with the UK Listing Authority (the "**2013 Annual Report and Accounts**") and the additional financial information document in relation to the year ended 31 December 2013 submitted to and filed with the UK Listing Authority (the "**2013 Additional Information**"). The 2013 Additional Information is additional financial information, which is intended to be read in conjunction with the 2013 Annual Report and Accounts, but which is not required to be included in the 2013 Annual Report and Accounts by either the UK Companies Act 2006 (the "**Companies Act**") or by International Financial Reporting Standards. It includes commentary on the results of the Bank and its subsidiaries (the "**Group**") in 2012 versus 2011 and certain statistics and other information, including adjusted 2012 and 2011 segmental information comparatives to reflect changes to the Bank's management structure. The 2013 Additional Information was published by the Bank together with the 2013 Annual Report and Accounts; and

- the 2014 Annual Report and Accounts of the Bank and its subsidiary undertakings for the year ended 31 December 2014 submitted to and filed with the UK Listing Authority (the "**2014 Annual Report and Accounts**") and the additional financial information document in relation to the year ended 31 December 2014 submitted to and filed with the UK Listing Authority (the "**Additional Information**"). The Additional Information is additional financial information, which is intended to be read in conjunction with the 2014 Annual Report and Accounts, but which is not required to be included in the 2014 Annual Report and Accounts by either the Companies Act or by International Financial Reporting Standards. It includes commentary on the results of the Group in 2013 versus 2012 and certain statistics and other information. The Additional Information was published by the Bank together with the 2014 Annual Report and Accounts.

The Bank will, at its registered office and at the specified offices of the paying agents specified on the final page of this Registration Document (the "**Paying Agents**"), make available for inspection during normal business hours and free of charge, upon oral or written request, a copy of this Registration Document including any document incorporated by reference herein. Written or oral requests for inspection of such documents should be directed to the specified office of any Paying Agent. Additionally, this Registration Document and all the documents incorporated by reference herein will be available for viewing at www.hsbc.com (please follow links to 'Investor relations', 'Fixed income securities' and 'Issuance programmes').

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

IMPORTANT NOTICES

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

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

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

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

*Neither the delivery of this Registration Document or any documents incorporated by reference herein or any prospectus prepared by the Issuer ("**Prospectus**") or any final terms nor 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 Bank since the date hereof, or that the information contained in this Registration Document 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 Bank expressly does not undertake to review the financial condition or affairs of the Bank 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 Bank 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 Bank 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 Bank 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.

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

HSBC BANK PLC AND ITS SUBSIDIARY UNDERTAKINGS

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

History and Development of the Bank

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

Legislation

The Bank 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, as amended ("**FSMA**"), for the purposes of which the Bank 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.

Principal activities and markets

The Bank and its subsidiary undertakings (the "**Group**") is a UK-based group, which provides a comprehensive range of banking and related financial services.

The Bank divides its activities into four business segments: Retail Banking and Wealth Management, Commercial Banking, Global Banking and Markets and Global Private Banking.

Retail Banking and Wealth Management ("**RBWM**") takes deposits and provides transactional banking services to enable customers to manage their day-to-day finances and save for the future. The Group offers credit facilities to assist customers in their short or longer-term borrowing requirements, provides financial advisory, broking, insurance and investment services to customers to help customers manage and protect their financial future. The products are designed to meet the needs of specific customer segments, which may include a range of different service and delivery channels. RBWM offers four main types of service: (i) *HSBC Premier*: providing a dedicated relationship manager to RBWM's mass affluent customers and their immediate family, offering specialist and tailored advice; (ii) *HSBC Advance*: offering emerging affluent customers control over day-to-day finances and access to a range of preferential products, rates and times; (iii) *Wealth Solutions and Financial Planning*: a financial planning process designed around individual customer needs to help RBWM clients to protect, grow and manage their wealth; and (iv) *Personal Banking*: providing reliable, easy to understand, good-value banking products and services using global product platforms and globally set service standards.

Commercial Banking provides a broad range of banking and financial series to enable customers to manage and grow their businesses domestically and internationally. The Group aims to be recognised as the leading international trade and business bank by connecting customers to markets and by enhancing collaboration within the Group, both geographically and between global businesses. The Group's range of products, services and delivery channels is tailored to meet the needs of specific customer segments, which is organised around customers' needs and degree of complexity, with three distinct segments: Business Banking, Mid-Market and Large Corporates.

Global Banking and Markets ("**GB&M**") provides tailored financial solutions to major government, corporate and institutional clients worldwide. Managed as a global business with regional oversight, GB&M operates a long-term relationship management approach to build a full understanding of clients' financial requirements and strategic goals. Client coverage is centralised in the banking division of GB&M, which contains relationship managers organised by sector, region and country who work to understand client needs and provide holistic solutions by bringing together the Bank's broad array of product capabilities and utilising its extensive global network. GB&M's client coverage and product teams are supported by a unique customer relationship management platform and comprehensive client planning process. GB&M's teams utilise these platforms to better serve global client relationships, which facilitates its ability to connect clients to international growth opportunities.

Global Private Banking ("**GPB**") provides Private Banking, Investment Management and Private Wealth solutions to high net worth and ultra-high net worth individuals and their families in the Group's home and priority markets. GPB aims to meet the needs of its clients by providing excellent customer service and offering a comprehensive suite of solutions. Drawing on the strength of the Group and the most suitable products from the marketplace, GPB works with its clients to provide solutions to grow, manage and preserve wealth for today and for the future.

As at 31 December 2014, the Bank had 1,066 branches in the United Kingdom, and 13 branches in the Isle of Man and the Channel Islands. Outside the United Kingdom, the Bank has branches in Belgium, the Czech Republic, France, Greece, the Hong Kong Special Administrative Region, Ireland, Israel, Italy, Luxembourg, Netherlands, South Africa, Spain and Switzerland. Its subsidiaries have banks, branches and offices in Armenia, the Channel Islands, France, Germany, Greece, the Hong Kong Special Administrative Region, Ireland, Kazakhstan, Luxembourg, Malta, Poland, Russia, South Africa, Switzerland and Turkey.

The principal activities and markets of the Group are described in more detail on pages 5 to 7 of the Annual Report and Accounts of the Group for the year ended 31 December 2014 (the "**2014 Annual Report and Accounts**") (incorporated by reference herein).

As at 31 December 2014, the Bank's principal subsidiary undertakings and their country of incorporation or registration were (see page 166 of the 2014 Annual Report and Accounts (incorporated by reference herein) for more information):

Name of Subsidiary	*Location*
HSBC France (99.99% owned)	France
HSBC Asset Finance (UK) Limited	England
HSBC Bank A.S.	Turkey
HSBC Bank International Limited	Jersey
HSBC Bank Malta p.l.c. (70.03% owned)	Malta
HSBC Invoice Finance (UK) Limited	England
HSBC Life (UK) Limited	England
HSBC Private Bank (UK) Limited	England
HSBC Private Bank (C.I.) Limited	Guernsey
HSBC Trinkaus & Burkhardt AG (80.65% owned)	Germany
HSBC Trust Company (UK) Limited	England
Marks and Spencer Retail Financial Services Holdings Limited	England

Organisational Structure

HSBC Bank plc is the Group's principal operating subsidiary undertaking in Europe. The Bank is a wholly and directly owned subsidiary of HSBC Holdings plc ("**HSBC Holdings**"), the UK holding company of the Group.

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

The Group is one of the largest banking and financial services organisations in the world. Its international network covers 73 countries and territories across five geographical regions: Europe; Asia; Middle East and North Africa; North America and Latin America. Its total assets as at 31 December 2014 were U.S. $2,634 billion.

Trend Information

The UK recovery continued through the second half of 2014, though the pace of expansion moderated towards the end of the year. Preliminary estimates indicate that the annual rate of growth of real Gross Domestic Product ("**GDP**") was 2.6 per cent. The unemployment rate fell to 5.7 per cent in the three months to December and wage growth accelerated slightly from a very low level. The annual Consumer Price Index ("**CPI**") measure of inflation reached a 14-year low of 0.5 per cent in December. After a period of rapid activity in 2013 and the early months of 2014, there were signs that both economic activity and price inflation in the housing market were moderating as the year ended. The Bank of England kept the Bank Rate steady at 0.5 per cent.

The recovery in eurozone economic activity in 2014 was slow and uneven across Member States. Real GDP in the region as a whole grew by 0.9 per cent in the year. The German and Spanish economies grew by 1.6 per cent and 1.5 per cent, respectively, while French GDP grew by a more modest 0.4 per cent. Eurozone inflation fell to minus 0.2 per cent in December, prompting fears that the region could move towards a sustained period of deflation. The likelihood that low growth and inflation could persist for an extended period prompted the European Central Bank ("**ECB**") to cut the main refinancing rate and the deposit rate to 0.05 per cent and minus 0.2 per cent, respectively, in September and embark on a policy of balance sheet expansion starting with purchases of covered bonds and asset-backed securities.

In Turkey, the annual rate of GDP growth slowed in the third quarter to 1.7 per cent largely driven by a slowdown in private consumption. The annual rate of private investment has been particularly weak throughout 2014, averaging minus 1.6 per cent in the first three quarters. CPI inflation remained elevated at 8.2 per cent in December, well above the Central Bank of Turkey's ("**CBRT**") target of 5.0 per cent. Despite elevated inflation and the sizeable deficit in Turkey's current account position, the CBRT began easing monetary policy in the second quarter, cutting the key interest rate in May, June and July to reach 8.25 per cent down from 10 per cent at the start of the year (refer to page 13 of the 2014 Annual Report and Accounts (incorporated by reference herein) for more information).

Ratings

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

- AA- by Standard & Poor's Credit Market Services Europe Limited ("**S&P**"). This means that S&P is of the opinion that the Bank has a very strong capacity to meet its financial commitments;

- Aa3 by Moody's Investors Service Limited ("**Moody's**"). This means that Moody's is of the opinion that the Bank is judged to be of high quality and is subject to very low credit risk; and

- AA- by Fitch Ratings Limited ("**Fitch**"). This means that Fitch is of the opinion that the Bank 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 Bank 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 Bank'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 Bank has a superior ability to repay short-term debt obligations; and

- F1+ by Fitch. This means that Fitch is of the opinion that the Bank has the strongest intrinsic capacity for timely payment of short-term financial commitments.

Each of S&P, Moody's and Fitch are established in the European Union and registered under Regulation (EU) No. 1060/2009 (as amended).

Management

Directors

The directors of the Bank, each of whose business address is 8 Canada Square, London, E14 5HQ, United Kingdom, their functions in the Bank and their principal activities (if any) outside the Bank where these are significant with respect to the Bank are as follows (refer to page 94 of the 2014 Annual Report and Accounts (incorporated by reference herein) for more information):

Name	Nationality	Function	Other principal activities outside of the Bank
J Symonds**	British	Chairman	Independent non-executive Director, HSBC Holdings plc Chairman of Innocoll AG and an Independent Executive Director, Genomics England Limited and Proteus Digital Health Inc.
A M Keir	British	Chief Executive	Group Managing Director, HSBC Holdings plc Member of the Advising Council of The City UK and the Advisory Board of Bradford University School of Management
S Assaf	French	Director	Group Managing Director, HSBC Holdings plc Chairman of Global Financial Markets Association and HSBC Finance and a director of HSBC Trinkaus & Burkhardt AG.
S N Cooper	British	Director	Group Managing Director, HSBC Holdings plc Independent Executive Director of Iberdrola SA and Nuffield Health
Dame Denise Holt**	British	Director	Director and Chairman of Marks and Spencer Financial Services Group
S W Leathes**	British	Director	Member of the Supervisory Board and Risk Committee of HSBC Trinkaus & Burkhardt AG Chairman of Assured Guaranty (Europe) Limited and Assured Guaranty (UK) Limited and a Independent Executive Director of Assured Guaranty Limited and HSB Engineering Insurance Limited
Dame Mary Marsh**	British	Director	Part-time executive of the Clore Social Leadership Programme, Chair of INSSO (UK) Ltd and Governor of London Business School.
R E S Martin**	British	Director	General Counsel and Company Secretary, Vodafone Group plc
T B Moulonguet**	French	Director	Director and Chairman of the Audit and Risk Committee, HSBC France, a director of Fitch Rating Group Inc., Fimalac, Groupe Lucien Barrière and Valéo.
A P Simoes	Portuguese	Deputy Chief Executive Head of UK Bank Head of Retail	Group General Manager, HSBC Holdings plc Chairman of HSBC Global Asset Management (UK) Limited

Name	Nationality	Function	Other principal activities outside of the Bank
		Banking and Wealth Management, Europe Director	
J F Trueman**	British	Deputy Chairman	Non-executive Director and Chairman of HSBC Asset Management Limited and HSBC Private Bank (UK) Limited.

* Non-executive Director

** Independent non-executive Director

Management Committees

Executive Committee

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

Name	Function	Other principal activities outside the Bank
A M Keir	Chief Executive Chairman of the Executive Committee	Group Managing Director, HSBC Holdings plc
J Beunardeau	Chief Executive, HSBC France	Group General Manager, HSBC Holdings plc
A Beane	Chief of Staff, EMEA	-
A Berry	Head of Communications, EMEA	-
C Clark	Global Head of Marketing	Group General Manager, HSBC Holdings plc
C Davies	Chief Executive, International	-
J Emmett	Chief Executive Officer, HSBC Bank A.S., Turkey	Group General Manager, HSBC Holdings plc
R J H Gray	General Counsel, Europe	Group General Manager, HSBC Holdings plc
J-L Guerrero	Heading of Global Banking and Markets, EMEA	Group General Manager, HSBC Holdings plc
A Halton	Head of Financial Crime Compliance, EMEA	-
J Hackett	Chief Operating Officer, EMEA	
A Hewitt	Head of Regulatory Compliance, EMEA	-
T Kapilashramii	Head of Human Resources, EMEA	Group General Manager, HSBC Holdings plc
M Lobner	Head of Strategy and Planning,	-

Name	Function	Other principal activities outside the Bank
	EMEA	
F Morra	Head of Global Private Banking Europe	-
P J Reid	Chief Financial Officer, Europe	-
T Reid	Co-Head of Commercial Banking, Europe	-
A Schmitz	Chief Executive, HSBC Trinkhaus & Burkhardt AG	-
A P Simoes	Deputy Chief Executive, HSBC Bank plc and Chief Executive, UK	Group General Manager, HSBC Holdings plc
M Smith	Chief Risk Officer, EMEA	Group General Manager, HSBC Holdings plc
M Spurling	Head of Retail Banking and Wealth Management, EMEA	Group General Manager, HSBC Holdings plc
I Stuart	Co-Head of Commercial Banking, Europe	-

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

Major Shareholders

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

Dividends

HSBC Bank plc paid the following dividends during the previous five years:

Year	Aggregate Dividends £(m)	Comments
2010	1,868	Including payments of (i) £41,377,680 under the Non-cumulative Third Dollar Preference Shares and (ii) £76,972,192 under issues of Perpetual Subordinated Debt which in 2010 for accounting purposes both qualified as equity.
2011	1,815	Including payments of (i) £41,066,959 under the Non-cumulative Third Dollar Preference Shares and (ii) £58,774,274 under issues of Perpetual Subordinated Debt which in 2011 for accounting purposes both qualified as equity.
2012	2,816	Including payments of £41,002,811 under the Non-cumulative Third Dollar Preference Shares.
2013	2,011	Including payments of £40,702,747 under the Non-cumulative Third Dollar Preference Shares.
2014	1,271	Including payments of £40,664,890 under the Non-Cumulative Third Dollar Preference Shares.

On 25 February 2015, the Bank paid a cash dividend of £315 million to HSBC Holdings plc.

GENERAL INFORMATION

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

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

2. There has been no significant change in the financial position of the Bank and its subsidiary undertakings (the "**Group**") nor any material adverse change in the prospects of the Bank since 31 December 2014.

3. Save as disclosed in Note 37 "*Legal proceedings and regulatory matters*" on pages 186 to 190 of the Annual Report and Accounts of the Group for the year ended 31 December 2014 (the "**2014 Annual Report and Accounts**") (incorporated by reference herein), there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Bank is aware) during the 12 month period before the date of this Registration Document which may have, or have had in the recent past, significant effects on the financial position or profitability of the Bank and/or the Group.

4. KPMG Audit Plc ("**KPMG**") Chartered Accountants of 15 Canada Square, London E14 5GL, United Kingdom has audited without qualification the Financial Statements contained in the Annual Report and Accounts of the Bank for the financial years ended 31 December 2013 and 2014. On 2 August 2013, HSBC Holdings plc and its subsidiary undertakings (the "**HSBC Group**") announced its intention to appoint PricewaterhouseCoopers LLP ("**PwC**") as auditor of the HSBC Group companies for the year ending 31 December 2015. PwC was appointed on 23 February 2015 to fill the casual vacancy arising from KPMG's resignation. A resolution to appoint PwC as auditor of the Bank will be proposed at the forthcoming Annual General Meeting.

5. The date of the articles of association of the Bank is 20 October 2010.

6. The Bank does not have a specific purpose or objects clause in its articles of association. The Bank is an authorised institution under the FSMA and provides a comprehensive range of banking and related financial services.

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

    (a) the articles of association of the Bank;

    (b) the 2014 Annual Report and Accounts and the additional information document for the year ended 31 December 2014; and

    (c) the 2013 Annual Report and Accounts and the additional information document for the year ended 31 December 2013.

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

9. Generally, any notice, document or information to be sent or supplied by the Bank may be sent or supplied in accordance with the UK Companies Act 2006 (the "**Companies Act**") (whether authorised or required to be sent or supplied by, the Companies Act or otherwise) in hard copy form or in electronic form. If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Bank is unable effectively to convene a general meeting

by notices sent through the post, subject to the Companies Act, a general meeting may be convened by a notice advertised in at least one United Kingdom national newspaper. Such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day on which the advertisement first appears. In any such case the Bank shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

HEAD AND REGISTERED OFFICE OF THE ISSUER

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