**BASE PROSPECTUS SUPPLEMENT**

# HSBC Bank plc

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

*as Issuer*

This base prospectus supplement (the "**Base Prospectus Supplement**") is supplemental to and must be read in conjunction with the base prospectus dated 21 June 2017 relating to the issuance of Preference Share-Linked Notes under the Programme for the Issuance of Notes and Warrants (the "**Base Prospectus**") prepared by HSBC Bank plc (the "**Issuer**") in connection with the applications made for Notes to be admitted to listing on the Official List of the Financial Conduct Authority (in its capacity as competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000 (the "**FSMA**")) and to trading on the regulated market of the London Stock Exchange plc.

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

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

The purpose of this Base Prospectus Supplement is to:

- disclose that on 31 July 2017 the Issuer published its unaudited consolidated interim report for the six month period ended 30 June 2017 (the "**Unaudited Consolidated Interim Report**"). The Unaudited Consolidated Interim Report is available at http://www.hsbc.com/investor-relations/subsidiary-company-reporting. The Unaudited Consolidated Interim Report, other than information incorporated by reference therein, is hereby incorporated by reference into the Base Prospectus;

- update the Summary contained in the Base Prospectus (extracts of such revised elements to the Summary being set out in Annex 1 hereto) with certain of the information disclosed in the Unaudited Consolidated Interim Report, namely:

    - updated trend information relating to the economic outlook in the global economy, eurozone and the UK as set out in Element B.4b (*Known trends affecting the Issuer and the industries in which it operates*); and

    - updated financial information relating to the six month period ended 30 June 2017, as set out in Element B.12 (*Selected key financial information, no material adverse change and no significant change statement*).

- disclose that the Issuer continues to monitor the likely impact on the Issuer of the implementation of its ring-fencing plan pursuant to the Banking Reform Act and that it considers that the resultant structural changes to the Issuer could result in changes to the Issuer's credit rating and increases in its cost of funding; and

- update the Summary contained in the Base Prospectus to reflect the matter disclosed in the preceding paragraph by updating the key risk entitled "*UK banking structural reform legislation and proposals could materially adversely affect the Issuer*" in paragraph 5 of Element D.2 (*Key risks specific to the Issuer*) by amending and restating it as set out in Annex 1 hereto.

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

In circumstances where Article 16(2) of the Prospectus Directive (as implemented in the United Kingdom by Section 87Q(4) of the FSMA) applies, investors who have agreed to purchase or subscribe for any Notes prior to the publication of this Base Prospectus Supplement may have the right to withdraw their acceptance. Investors wishing to exercise any such right should do so by giving notice in writing to the person from whom they agreed to purchase or subscribe for such Notes no later than 4 August 2017, which is the final date for the exercise of such right to withdraw.

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

2 August 2017

**ANNEX I**
**EXTRACTS OF THE AMENDED ELEMENTS TO THE SUMMARY OF THE BASE PROSPECTUS**

| | | |
|---|---|---|
| **B.4b** | **Known trends affecting the Issuer and the industries in which it operates[1]:** | UK real Gross Domestic Product ("**GDP**") growth slowed from 0.7% quarter-on-quarter in the fourth quarter of 2016 to 0.2% in the first quarter of 2017. Real UK GDP was 2.0% higher than the same quarter a year earlier. The unemployment rate stood at 4.5% in May, a 42-year low. Employment as a percentage of the workforce stood at a record high of 74.9%. However, annual wage growth slowed to 2.1% in the three months to April. The annual rate of growth of the Consumer Price Index ("**CPI**") measure of inflation stood at 2.9% in May 2017. Activity in the housing market softened, with price growth moderating but remaining positive.<br><br>The outlook remains uncertain following the UK electorate's vote to leave the European Union ("**EU**") and the invocation of Article 50 (triggering a two-year countdown to leaving) in March 2017. The annual pace of UK real GDP growth is now expected to slow from 1.8% in 2016 to 1.6% in 2017. Investment could be hit by uncertainty over the UK's future relationship with the EU, and the risk of leaving without a transition deal. CPI inflation is expected to continue to rise, reflecting the fall in sterling's value. Wages are not expected to grow as fast as inflation, meaning a decline in real incomes, which is expected to weigh on consumption. Offsetting this, net trade has started to improve on the back of the fall in sterling, and government spending may also prove supportive later in the year. Due to higher inflation, some members of the Monetary Policy Committee have already started to vote for rate rises. However, due to weaker growth and an uncertain outlook, the Bank of England base rate is expected to remain low until at least the end of 2018.<br><br>The eurozone continues to exhibit modest growth. Real GDP grew by 0.6% in the first quarter of 2017, following growth of 0.4% and 0.5% in the third and fourth quarters of 2016, respectively. Among the four largest eurozone countries, Spain continues to out-perform, with quarterly growth of 0.8% in the first quarter of 2017. Germany grew by 0.6%, while France and Italy each experienced expansions of 0.4%. Household consumption has continued to grow steadily. Although inflation is higher than last year – hitting a 2% annual rate in February, compared to near-zero rates experienced in early 2016 – market sentiment remains firm and unemployment is falling. Investment has picked up sharply, with quarterly growth of 3.4% and 1.3% in the fourth quarter and first quarter respectively. Companies are now playing their part in the recovery as improved confidence and loose credit conditions are supporting investment. Meanwhile the political risks posed by elections in the Netherlands (March) and France (May) have receded.<br><br>One possibility is that the eurozone is entering a virtuous circle where higher investment leads to faster productivity growth, rising incomes and improved confidence. But there is still reason for caution and HSBC Global Research expects GDP growth to accelerate from 1.7% in 2016 to 1.9% in 2017, before easing back to 1.6% in 2018.<br><br>CPI inflation peaked at 2.0% in February but has already fallen back to 1.3% in June. With wage growth showing little sign of reacting to a strengthening labour market, the European Central Bank ("**ECB**") is maintaining its |

[1] Element B.4b (*Known trends affecting the Issuer and the industries in which it operates*) of the Summary has been amended for the updated trend information relating to the economic outlook predominately in the UK and the eurozone, as set out in the Issuer's unaudited consolidated interim report for the six month period ended 30 June 2017.

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|---|---|---|
| | | EUR60bn-a-month quantitative easing ("**QE**") programme. HSBC Global Research expects the ECB to begin 'tapering' QE asset purchases in 2018, as the economy continues to recover. That will be preceded by German federal elections in September and, possibly, an early Italian election. |
| **B.12** | **Selected key financial information, no material adverse change and no significant change statement:**[2] | The selected key financial information regarding the Issuer set out below has been extracted without material adjustment from the audited consolidated financial statements of the Issuer for the years ended 31 December 2015 and 31 December 2016 and the Unaudited Consolidated Interim Report of the Issuer for the six month period ended 30 June 2017. |

| | **Half-year to** | | **Year ended** | |
|---|---|---|---|---|
| | **30 June 2017** | **30 June 2016** | **31 December 2016** | **31 December 2015** |
| **For the period (£m)** | | | | |
| Profit/(loss) before tax (reported basis)[1] | 1,858 | 2,125 | 874 | 2,971 |
| Profit before tax (adjusted basis)[1,2,3] | 2,530 | 1,944 | 4,234 | 4,068 |
| Net operating income before loan impairment charges and other credit risk provisions[1,4] | 6,913 | 6,871 | 13,305 | 12,870 |
| Profit/(loss) attributable to shareholders of the parent company[1] | 1,370 | 1,496 | (212) | 1,942 |
| **At period-end (£m)** | | | | |
| Total equity attributable to shareholders of the parent company | 41,493 | 40,823 | 39,930 | 37,497 |
| Total assets | 832,380 | 887,661 | 816,829 | 727,941 |
| Risk-weighted assets | 239,703 | 243,648 | 245,237 | 229,382 |
| Loans and advances to customers (net of impairment allowances) | 278,214 | 266,614 | 272,760 | 258,506 |
| Customer accounts | 385,766 | 363,651 | 375,252 | 332,830 |
| **Capital ratios (%)** | | | | |
| Common equity tier 1 | 10.9 | 9.6 | 10.2 | 9.6 |
| Total tier 1 | 13.0 | 11.6 | 12.3 | 11.8 |
| Total capital | 16.4 | 15.3 | 15.7 | 15.5 |
| **Performance, efficiency and other ratios (annualised %)** | | | | |
| Annualised return on average shareholders' equity (reported basis)[1,5] | 7.2 | 8.2 | (1.2) | 5.9 |
| Return on average risk-weighted assets (reported basis)[1,6] | 1.5 | 1.8 | 0.4 | 1.2 |
| Return on average risk-weighted assets (adjusted basis)[1,6] | 2.1 | 1.6 | 1.7 | 1.7 |
| Cost efficiency ratio (reported basis)[1,7] | 73.3 | 65.0 | 90.3 | 73.2 |
| Cost efficiency ratio (adjusted basis) [1,7] | 63.8 | 64.1 | 63.9 | 64.1 |
| Jaws (adjusted basis)[1,8] | 0.5 | (7.4) | 0.4 | 0.3 |
| Ratio of customer advances to customer accounts | 72.1 | 73.3 | 72.7 | 77.7 |

1 *In late 2016, a macro cash flow hedge was identified as not having met the hedge accounting criteria of IAS 39 during the half-year to 30 June 2016. The hedge was partially discontinued as a result. Profit before tax has been restated to reflect a gain of £134m that should have been transferred from the cash flow hedge reserve to the income statement during the half-year to 30 June 2016.*

2 *Adjusted performance is computed by adjusting reported results for the effect of significant items as detailed on pages 8 to 10 of the Unaudited Consolidated Interim Report of the Issuer for the six month period ended 30 June 2017.*

3 *For the half-year ended 31 December 2016, the main adjustment was a £2.2bn impairment of goodwill relating to the Global Banking and Markets ("GB&M") business.*

4 *Net operating income before loan impairment charges and other credit risk provisions is also referred to as revenue.*

5 *The return on average total shareholders' equity is defined as profit attributable to shareholders of the parent company divided by the average total shareholders' equity.*

6 *Reported return on average risk-weighted assets ("RoRWA") is calculated using annualised reported profit before tax and reported average risk-weighted assets ("RWAs"). Adjusted RoRWA is calculated using adjusted profit before tax and reported average RWAs, adjusted for the effect of significant items.*

7 *Reported cost efficiency ratio is defined as total reported operating expenses reported divided by net reported operating income before loan impairment charges and other credit risk provisions, while adjusted cost efficiency ratio is defined as total adjusted*

2 Element B.12 (*Selected key financial information, no material adverse change and no significant change statement*) of the Summary has been amended for the updated financial information, as set out in the Issuer's unaudited consolidated interim report for the six month period ended 30 June 2017.

*operating expenses divided by net adjusted operating income before loan impairment charges and other credit risk provisions. Net adjusted operating income before loan impairment charges and other credit risk provisions is also referred to as adjusted revenue.*

8 *Adjusted jaws measures the difference between adjusted revenue and adjusted cost growth rates.*

| | | |
|---|---|---|
| | | There has been no material adverse change in the prospects of the Issuer since 31 December 2016.<br><br>There has been no significant change in the financial or trading position of the Issuer and its subsidiary undertakings since 30 June 2017. |
| **D.2** | **Key risks specific to the issuer:**[3] | ***UK banking structural reform legislation and proposals could materially adversely affect the Issuer:***<br>Material changes to the corporate structure and business activities of the Issuer, including the establishment of a separate ring-fenced bank for retail banking activities, are expected pursuant to UK banking structural reform legislation and proposals. The restructuring will involve the transfer of qualifying components of the Issuer's UK Retail Banking and Wealth Management, Commercial Banking and Global Private Banking businesses from the Issuer to a new legal entity, HSBC UK. The Issuer expects the cost of implementing these plans to be material. In addition to the restructuring costs, the Issuer will have a reduced balance sheet, including a reduction in risk-weighted assets, and a reduced and potentially more volatile revenue stream. These structural changes could result in changes to the Issuer's credit rating and increases in its cost of funding. |

[3] Element D.2 (*Key risks specific to the issuer*) of the Summary has been amended to amend and restate the the key risk entitled "*UK banking structural reform legislation and proposals could materially adversely affect the Issuer*".