

## SUPPLEMENTARY LISTING PARTICULARS



### HSBC Bank plc

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

*as Issuer*

### PROGRAMME FOR THE ISSUANCE OF NOTES AND WARRANTS

This supplement (the "**Supplement**") to the offering memorandum dated 9 June 2017 relating to the Programme for the Issuance of Notes and Warrants and the supplementary listing particulars thereto dated 2 August 2017 and 2 October 2017 (the "**Offering Memorandum**"), which constitutes listing particulars for the purposes of listing on the Official List of the Irish Stock Exchange ("**Listing**") and trading on the Global Exchange Market of the Irish Stock Exchange and, for the avoidance of doubt, which does not constitute (i) a prospectus for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended) or (ii) a base prospectus for the purposes of Directive 2003/71/EC (as amended)) constitutes supplementary listing particulars (pursuant to rule 3.10 of the Global Exchange Market Listing and Admission to Trading Rules) for the purposes of Listing.

Terms defined in the Offering Memorandum have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Offering Memorandum and any other supplements to the Offering Memorandum prepared by HSBC Bank plc, as issuer (the "**Issuer**") in relation to its Programme for the Issuance of Notes and Warrants.

This Supplement has been approved by the Irish Stock Exchange for the purposes of Listing.

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

The purpose of this Supplement is to:

- disclose that on 20 February 2018 the Issuer published its annual report and accounts for the year ended 31 December 2017 (the "**Annual Report and Accounts**"). The Annual Report and Accounts are available at <http://www.hsbc.com/investor-relations/subsidiary-company-reporting>. The Annual Report and Accounts, other than (i) information incorporated by reference therein and (ii) the section entitled '*Structural Reform*' on pages 16 to 18 of the Annual Report and Accounts, are hereby incorporated by reference into the Offering Memorandum;
- replace paragraph 7 of the '*General Information*' section of the Offering Memorandum with the following statement:

"There has been no significant change in the financial or trading position of the Issuer and its subsidiary undertakings since 31 December 2017 nor any material adverse change in the prospects of the Issuer since 31 December 2017."; and

- update the Offering Memorandum with information set out in Annex 1 hereto relating to the Issuer's structural reform plans.

To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in or incorporated by reference in the Offering Memorandum prior to the date of this Supplement, the statement in this Supplement will prevail.

Save as disclosed in this Supplement, no significant new factor, material mistake or inaccuracy relating to information included in the Offering Memorandum has arisen or been noted, as the case may be, since the publication of the Offering Memorandum.

23 February 2018

## ANNEX 1

### INFORMATION RELATING TO THE ISSUER'S STRUCTURAL REFORM

#### Update on UK banking structural reform

The Banking Reform Act and associated secondary legislation and regulatory rules require UK deposit-taking banks with more than £25bn of "core deposits" (broadly from individuals and small to medium-sized businesses) to separate their UK retail banking activities from their other wholesale and investment banking activities by 1 January 2019. The resulting UK ring-fenced bank entities need to be legally distinct, operationally separate and economically independent from non-ring-fenced bank entities and must operate in accordance with the PRA's ring-fencing rules.

HSBC UK, which is the HSBC Group's UK ring-fenced bank, was incorporated in December 2015 and was set up to hold the qualifying components of the Issuer's UK RBWM, CMB and GPB businesses. The UK GB&M business and current overseas subsidiaries and branches will remain in the Issuer, which will become HSBC's non-ring-fenced bank. HSBC UK is a wholly-owned subsidiary of HSBC UK Holdings Limited, a wholly owned subsidiary of the Issuer's parent company HSBC Holdings. HSBC UK received a restricted banking licence from the PRA in July 2017 and is expected to receive an unrestricted banking licence in 2018 pursuant to an agreed mobilisation plan.

In order to complete the ring-fencing project, the Issuer will need to undertake a number of legal transfers. These include the transfer of customer and non-customer assets, liabilities and contractual arrangements to HSBC UK. The majority of these transfers will be made via a court-approved ring-fencing transfer scheme (the "RFTS") as provided for in Part VII of FSMA. In addition to these transfers, certain items will be transferred via alternative arrangements. In March 2017, the Issuer's share premium totalling £20.7 billion was converted to distributable reserves through a court-approved process in preparation for the transfer of businesses and related capital to HSBC UK.

The RFTS process was initiated in January 2018 with the submission of an application to the UK High Court. It is expected that the final court hearing to sanction the RFTS will take place in May 2018 and HSBC UK will commence operations on 1 July 2018. Immediately prior to commencing operations, three transfers will take place on 1 July 2018 under an agreement between HSBC Holdings, the Issuer, HSBC UK and HSBC UK Holdings Limited: (1) the transfer of the Issuer's UK RBWM and the qualifying components of its CMB businesses and related items to HSBC UK through the RFTS; (2) the transfer of the Issuer's qualifying subsidiaries, notably Marks and Spencer Financial Services plc, HSBC Private Bank (UK) Limited and a number of asset finance entities to HSBC UK as part of the RFTS; and (3) the transfer of the Issuer's excess reserves to HSBC UK through a capital contribution.

Furthermore, as part of the HSBC Group's reorganisation plans, it is expected that the Issuer will become a wholly-owned subsidiary of HSBC UK Holdings Limited in the second half of 2018.

The cost to the Issuer of the ring-fencing project was £0.3 billion in 2017 (compared to £0.1 billion in 2016).

If the various transfers referred to above had occurred on 31 December 2017, the Issuer estimates that they would have amounted to transfers to HSBC UK of approximately 28% of the Issuer's total assets and 27% of the Issuer's total liabilities, transfers of external RWAs of approximately 35% of the Issuer's total RWAs, plus an equity capital contribution from the Issuer amounting to approximately 37% of the Issuer's total equity capital, in each case based on the assets, liabilities, RWAs and equity capital of the Issuer as at 31 December 2017.

Estimates of what the Issuer's assets, liabilities, total shareholder's equity and RWAs would have been as at 31 December 2017, had the various transfers referred to above occurred on 31 December 2017, have not been provided as the Issuer will be undergoing a number of additional transfers and re-organisation activities (including capital contributions) during 2018, which are designed to ensure that the Issuer and HSBC UK can operate as separate legal entities from 1 July 2018. The Issuer expects that it will have a reduced balance sheet as a result of the structural changes described above, including a reduction in its RWAs, and a reduced and potentially more volatile revenue stream given that the Issuer's GB&M business will represent a higher proportion of its business compared to the position prior to such changes. Furthermore, the structural changes to the Issuer could result in changes to the Issuer's credit rating and increases in its cost of funding.

It should also be noted that the above percentages are estimates only and should not be construed as representing HSBC UK's actual assets, liabilities or shareholders' equity on 1 July 2018 or indicative of its financial position on 1 July 2018 or thereafter.