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 and must be read in conjunction with (i) the base prospectus dated 1 June 2017 relating to the issuance of Market Access Notes and Warrants under the Programme for the Issuance of Notes and Warrants and the supplements thereto dated 2 August 2017, 28 September 2017 and 23 February 2018 (the "**Market Access Base Prospectus**"); (ii) the base prospectus dated 21 June 2017 relating to the issuance of Index-Linked Notes and Warrants under the Programme for the Issuance of Notes and Warrants and the supplements thereto dated 2 August 2017, 28 September 2017 and 23 February 2018 (the "**Index-Linked Base Prospectus**"); (iii) 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 and the supplements thereto dated 2 August 2017, 28 September 2017 and 23 February 2018 (the "**Preference Share-Linked Base Prospectus"),** (iv) the base prospectus dated 10 November 2017 and the supplement thereto dated 23 February 2018 relating to the issuance of Interest Rate-Linked Notes and Inflation-Linked Notes under the Programme for the Issuance of Notes and Warrants (the "**Interest Rate-Linked and Inflation-Linked Base Prospectus**"), (the Market Access Base Prospectus, the Index-Linked Base Prospectus, the Preference Share-Linked Base Prospectus, the Interest Rate-Linked and the Inflation-Linked Base Prospectus together being hereafter referred to as the "**Base Prospectuses**"), each prepared by HSBC Bank plc (the "**Issuer**") in connection with the application made for Notes, Warrants or Certificates (as applicable) to be admitted to listing on the Official List of the Financial Conduct Authority (in its capacity as competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000 (the "**FSMA**")) and to trading on the regulated market of the London Stock Exchange plc.

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

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

The purpose of this Base Prospectus Supplement is to disclose the following:

- In order to illustrate the effect of the transfers and re-organisation activities (including capital contributions) required in connection with the Issuer's ring-fencing project implemented to comply with the Banking Reform Act and associated secondary legislation and regulatory rules that require UK deposit-taking banks with more than £25 billion of "core deposits" (broadly from individuals and small to medium-sized businesses) to separate their UK retail banking activities from other wholesale and investment banking activities by 1 January 2019, the Issuer has prepared an unaudited combined balance sheet of the businesses to be transferred to HSBC UK Bank plc ("**HSBC UK**") as part of such project (the "**Ring-fence Bank**") as at 31 December 2017 and an unaudited pro forma balance sheet of the Issuer as at 31 December 2017, in each case based on the assets, liabilities and shareholder's equity of the Issuer as at 31 December 2017, which are set out in Annex 1 hereto.

- The unaudited pro forma balance sheet of the Issuer as at 31 December 2017 has been prepared for illustrative purposes only and, due to the nature of such information, it addresses a hypothetical situation and therefore does not represent the Issuer's actual financial position at any time.

- It should also be noted that, both the unaudited combined balance sheet of the Ring-fence Bank as at 31 December 2017 and the unaudited pro forma balance sheet of the Issuer as at 31 December

2017 should not be construed as representing the Issuer's or the Ring-fence Bank's actual assets, liabilities or shareholders' equity on 1 July 2018 or indicative of their respective financial position on 1 July 2018 or thereafter.

- As at 31 December 2017, the Group had a CRD IV transitional common equity tier 1 capital ratio of 11.8 per cent and a CRD IV transitional total capital ratio of 16.9 per cent. Following completion of the legal separation of HSBC UK from the Issuer on 1 July 2018, the Issuer intends for its common equity tier 1 ratio and total capital ratio to exceed the minima required by CRD IV and other applicable requirements. During the first quarter of 2018, the Issuer increased its common equity tier 1 capital by £1.9 billion and its additional tier 1 capital by £0.8 billion through capital contributions from HSBC Holdings. As at the date of this Base Prospectus Supplement, following completion of the legal separation of HSBC UK from the Issuer, the targeted common equity tier 1 capital ratio of the Issuer is expected to be between 12 per cent. and 13 per cent.

PricewaterhouseCoopers LLP is a member firm of the Institute of Chartered Accountants in England and Wales and has given and has not withdrawn its written consent to the inclusion of its report in Part (C) of Annex 1 in the form and context in which it appears, and has authorised the contents of its report for the purposes of Rule 5.5.4R(2)(f) of the FCA's Prospectus Rules. A written consent under the FCA's Prospectus Rules is different from a consent filed with the U.S. Securities and Exchange Commission under Section 7 of the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). As the debt or derivative securities to which this Base Prospectus Supplement relates are not expected to be registered under the Securities Act, PricewaterhouseCoopers LLP has not filed a consent under Section 7 of the Securities Act.

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

In circumstances where Article 16(2) of the Prospectus Directive (as implemented in the United Kingdom by Section 87Q(4) of the FSMA) applies, investors who have agreed to purchase or subscribe any Notes, Warrants or Certificates (as the case may be) prior to the publication of this Base Prospectus Supplement may have the right to withdraw their acceptance. Investors wishing to exercise any such right should do so by giving notice in writing to the person from whom they agreed to purchase or subscribe such Notes, Warrants or Certificates no later than 23 April 2018 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.

19 April 2018

ANNEX 1

*All references in this Annex 1 to "**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.*

(A) UNAUDITED COMBINED BALANCE SHEET OF THE BUSINESSES TO BE TRANSFERRED TO HSBC UK BANK PLC ("HSBC UK") AS PART OF HSBC BANK PLC'S (THE "ISSUER") IMPLEMENTATION OF UK STRUCTURAL REFORM REQUIREMENTS (THE "RING-FENCE BANK") AS AT 31 DECEMBER 2017

Background

The unaudited combined balance sheet of the Ring-fence Bank as at 31 December 2017 set out below is not the actual balance sheet of HSBC UK but reflects the combined retail operations of the Issuer in the UK (excluding the Channel Islands and Isle of Man) and includes the qualifying components of the Issuer's UK Retail Banking and Wealth Management, Commercial Banking and Global Private Banking businesses, relevant Corporate Centre activities and qualifying subsidiaries, notably Marks and Spencer Financial Services plc, HSBC Private Bank (UK) Limited and a number of asset finance entities, to be transferred to HSBC UK on 1 July 2018. The unaudited combined balance sheet of the Ring-fence Bank as at 31 December 2017 has been extracted from the consolidation schedules used in preparing the Group's audited consolidated financial statements for the year ended 31 December 2017 with certain adjustments and estimations to reflect that the HSBC UK business did not comprise a separate legal entity or a separate group of entities as at 31 December 2017.

The unaudited combined balance sheet of the Ring-fence Bank as at 31 December 2017, which has been prepared specifically for the purposes of this Base Prospectus Supplement, is prepared on a basis that combines the assets and liabilities of the Ring-fence Bank by applying the principles underlying the consolidation procedures of International Financial Reporting Standard ("**IFRS**") 10 'Consolidated Financial Statements' as at 31 December 2017. IFRS does not provide for the preparation of combined financial information, accordingly, in preparing the unaudited combined balance sheet of the Ring-fence Bank as at 31 December 2017, certain accounting conventions commonly used for the preparation of combined or carve out financial information have been applied. The effects of IFRS 9 'Financial Instruments' are not incorporated as these are only applicable from 1 January 2018. The most material of these assumptions and judgements are set out in the notes to the unaudited combined balance sheet of the Ring-fence Bank as at 31 December 2017 below. As a result, subsequent financial information reported by HSBC UK may differ from that presented in the unaudited combined balance sheet of the Ring-fence Bank as at 31 December 2017 below.

The establishment of HSBC UK will be accounted for as a group restructuring. The HSBC Group's accounting policy for such transactions requires that assets and liabilities are recognised by HSBC UK at their existing carrying amounts in the financial statements of the Issuer. Equity reserves, relating to items such as cash flow hedging and available-for-sale fair values will not be recycled by the Issuer, but will be transferred across to continue the existing accounting basis in HSBC UK, as if HSBC UK had always been in place.

Unaudited combined balance sheet of the Ring-fence Bank as at 31 December 2017

	Notes	2017 £billion
Assets	1	
Liquid assets	2	59.1
Derivatives	3	0.1
Loans and advances to customers		162.0
Pension asset	4	6.1
Prepayments, accrued income and other assets	5	2.1
Goodwill and intangible assets	6	3.6
Total assets		**233.0**
Liabilities and equity		
Liabilities	1	
Customer accounts		203.5
Items in the course of transmission to other banks		0.4
Financial liabilities designated at fair value	7	1.0
Derivatives	3	0.2
Accruals, deferred income and other liabilities	5	1.6
Provisions	8	1.1
Deferred tax liabilities	9	1.2
Subordinated liabilities	7	3.9
Total liabilities		**212.9**
Total equity	10	**20.1**
Total liabilities and equity		**233.0**

Notes:

1. HSBC UK will combine the retail operations of the Issuer in the UK (excluding the Channel Islands and Isle of Man) and includes the qualifying components of the Issuer's UK Retail Banking and Wealth Management, Commercial Banking and Global Private Banking businesses, relevant Corporate Centre activities and qualifying subsidiaries, notably Marks and Spencer Financial Services plc, HSBC Private Bank (UK) Limited and a number of asset finance entities. The assets and liabilities of the Ring-fence Bank have been derived from the consolidated balance sheet of the Group as at 31 December 2017 based on the perimeter of the business that will be transferred on 1 July 2018. To the extent that there are material allocations and adjustments made these are further explained in notes 2 to 10.

2. Liquid assets include cash and balances at central banks, items in the course of collection from other banks and financial investments. The amount of liquid assets to be transferred on 1 July 2018 will depend on the net amount of qualifying assets and liabilities transferred to HSBC UK following completion of the legal separation from the Issuer.

3. The Ring-fence Bank derivative assets and liabilities relate solely to hedging instruments that will be used to manage the Ring-fence Bank's own risk.

4. The surplus on the UK principal defined benefit plan has been recognised entirely in the unaudited combined balance sheet of the Ring-fence Bank, as an immaterial amount will be retained by the Issuer. The transfer of such surplus to HSBC UK will be based on actuarial valuations.

5. For a number of high volume operational financial assets (£1.7 billion) and liabilities (£1.4 billion) the underlying businesses are not readily identifiable and these balances have been allocated equally between the Issuer and the Ring-fence Bank. Other financial assets and liabilities have been allocated to the Ring-fence Bank based on the underlying businesses to which such financial assets and liabilities relate.

6. While goodwill is an accounting concept and therefore will not form part of the legal transfer of assets and liabilities to HSBC UK, consistent with the accounting approach for other assets and liabilities, it is necessary to take a relative proportion of the goodwill accounting value previously recognised by the Group. Goodwill has therefore been allocated to the Ring-fence Bank based on estimated risk weighted assets. Following an acquisition, goodwill loses its original identity and is managed and monitored by cash generating units, which for the Group are the global businesses that have benefited from those historical acquisitions. Given a significant percentage of the global businesses that supported the goodwill will be transferred to HSBC UK, it therefore follows that a significant portion of the goodwill is also transferred with those businesses.

7. Tier 2 capital allocated to Ring-fence Bank in order to meet the requisite capital ratios. The tier 2 allocation is based on information available and assumptions made at the date of preparation, as such, subsequent amounts reported may differ.

8. Provisions have been allocated to the Ring-fence Bank based on the underlying business line that generated an obligating event resulting in the provision.

9. No current tax has been recognised on the unaudited combined balance sheet of the Ring-fence Bank as at 31 December 2017. HSBC UK will begin to accrue a current tax asset or liability arising from the business transferred from 1 July 2018, following separation from the Issuer. Deferred tax has been recognised in respect of the temporary differences arising on the underlying assets and liabilities transferred.

10. Total equity includes share capital, share premium, additional tier 1 capital instruments and reserves. Reserves include accounting reserves of approximately £7.6 billion relating to the recognition of goodwill and the pension asset which do not form part of regulatory capital. Equity is based on information available and assumptions made at the date of preparation, as such, subsequent amounts reported may differ.

(B) UNAUDITED PRO FORMA FINANCIAL INFORMATION IN RESPECT OF THE ISSUER AS AT 31 DECEMBER 2017

Background

The unaudited pro forma balance sheet of the Issuer as at 31 December 2017 set out below has been prepared to illustrate the effect of the transfers referred to in Annex 2 to the Base Prospectus Supplement dated 23 February 2018 published by the Issuer entitled "*Information relating to the Issuer's Structural Reform – Update on UK banking structural reform*", together with a number of additional transfers and re-organisation activities planned for 2018, as if each of the foregoing had taken place on 31 December 2017.

The unaudited pro forma balance sheet of the Issuer as at 31 December 2017 has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and, therefore, does not and will not represent the Issuer's actual balance sheet. The unaudited pro forma balance sheet of the Issuer as at 31 December 2017 does not constitute financial statements within the meaning of Section 434 of the Companies Act 2006.

Investors should read the whole of the Issuer's Base Prospectuses and not rely solely on the unaudited pro forma financial information set out below. PricewaterhouseCoopers LLP's report on the unaudited pro forma balance sheet of the Issuer as at 31 December 2017 is in Part (C) below.

Unaudited pro forma consolidated balance sheet of the Issuer as at 31 December 2017

	Group[1]	Adjustment for ring-fencing transfers to HSBC UK[2]	Pro forma[3]
	£billion	*£billion*	*£billion*
Assets			
Liquid assets[1]	157.6	(59.1)	98.5
Trading assets	145.7	-	145.7
Financial assets designated at fair value	9.3	-	9.3
Derivatives	143.3	(0.1)	143.2
Loans and advances to banks	14.1	-	14.1
Loans and advances to customers	280.4	(162.0)	118.4
Reverse repurchase agreements – non-trading	45.8	-	45.8
Pension asset	6.1	(6.1)	-
Prepayments, accrued income, other assets and current tax assets	10.2	(2.1)	8.1
Interest in associates and joint ventures	0.3	-	0.3
Goodwill and intangible assets	5.9	(3.6)	2.3
Deferred tax assets[4]	0.1	0.3	0.4
Total assets	**818.8**	**(232.7)**	**586.1**
Liabilities and equity			
Liabilities			
Deposits by banks	29.3	-	29.3
Customer accounts	381.6	(203.5)	178.1
Repurchase agreements – non-trading	37.8	-	37.8
Items in the course of transmission to other banks	1.1	(0.4)	0.7
Trading liabilities	106.5	-	106.5
Financial liabilities designated at fair value	18.2	(1.0)	17.2
Derivatives	140.1	(0.2)	139.9
Debt securities in issue	13.3	-	13.3
Accruals, deferred income, other liabilities and current tax liabilities	6.7	(1.6)	5.1
Provisions	1.8	(1.1)	0.7
Liabilities under insurance contracts	21.0	-	21.0
Deferred tax liabilities[4]	0.9	(0.9)	-
Subordinated liabilities	16.5	(3.9)	12.6
Total liabilities	**774.8**	**(212.6)**	**562.2**
Total equity[3]	**44.0**	**(20.1)**	**23.9**
Total liabilities and equity	**818.8**	**(232.7)**	**586.1**

Notes:

1. The consolidated balance sheet of the Group has been directly extracted from the audited consolidated financial statements of the Group for the year ended 31 December 2017 included in the 2017 Annual Report and Accounts. Liquid assets include cash and balances at central banks (£97.6 billion), items in the course of collection from other banks (£2.0 billion) and financial investments (£58.0 billion).

2. This adjustment reflects the separation from the Issuer of its combined retail operations in the UK (excluding the Channel Islands and Isle of Man) and includes the qualifying components of the Issuer's UK Retail Banking and Wealth Management, Commercial Banking and Global Private Banking businesses, relevant Corporate Centre activities and qualifying subsidiaries, notably Marks and Spencer Financial Services plc, HSBC Private Bank (UK) Limited and a number of asset finance entities. The financial information used in this adjustment has been extracted from the unaudited combined balance sheet of the Ring-fence Bank included in Part (A) above, with the exception of the adjustment to deferred tax assets and deferred tax liabilities as described in note 4.

3. As noted in this Base Prospectus Supplement, following completion of the legal separation of HSBC UK from the Issuer on 1 July 2018, the Issuer intends for its common equity tier 1 ratio and total capital ratio to exceed the minima required by CRD IV and other applicable requirements. During the first quarter of 2018, the Issuer increased its common equity tier 1 capital by £1.9 billion and its additional tier 1 capital by £0.8 billion through capital contributions from HSBC Holdings plc. The unaudited pro forma consolidated balance sheet of the Issuer as at 31 December 2017 above does not include the effect of these capital contributions from HSBC Holdings plc.

4. Deferred tax liabilities of £1.2 billion have been recognised in the Ring-fence Bank in respect of temporary differences arising on the underlying assets and liabilities transferred. This has been reflected in the unaudited pro forma consolidated balance sheet of the Issuer as at 31 December 2017 as an adjustment of £0.9 billion to deferred tax liabilities and an adjustment to deferred tax assets of £0.3 billion.

(C) ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ISSUER AS AT 31 DECEMBER 2017

pwc

The Directors

HSBC Bank plc
8 Canada Square
London
E14 5HQ

19 April 2018

Dear Sirs

HSBC Bank plc (the "Company")

We report on the pro forma financial information (the "**Pro Forma Financial Information**") set out in Part (B) of Annex 1 in the Company's Base Prospectus Supplement dated 19 April 2018 (the "**Base Prospectus Supplement**") which has been prepared on the basis described in the notes to the Pro Forma Financial Information, for illustrative purposes only, to provide information about how the impact of the legal separation of HSBC UK Bank plc from the Company might have affected the financial information of the Group as at 31 December 2017 on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period ended 31 December 2017. This report is required by item 7 of Annex II to the PD Regulation and is given for the purpose of complying with that PD Regulation and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Pro Forma Financial Information in accordance with Annex II of the PD regulation.

It is our responsibility to form an opinion, as required by item 7 of Annex II to the PD Regulation as to the proper compilation of the Pro Forma Financial Information and to report our opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under item 5.5.4R(2)(f) of the Prospectus Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 13.1 of Annex XI to the PD Regulation, consenting to its inclusion in the Base Prospectus Supplement.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing standards or other standards and practices generally accepted in the United States of America and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion
In our opinion:

a) the Pro Forma Financial Information has been properly compiled on the basis stated; and
b) such basis is consistent with the accounting policies of the Company.

Declaration
For the purposes of Prospectus Rule 5.5.4R(2)(f), we are responsible for this report as part of the Base Prospectus Supplement and we declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Base Prospectus Supplement in compliance with item 1.2 of Annex XI to the PD Regulation.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants