REGISTRATION DOCUMENT DATED 26 MAY 2020

HSBC Bank plc

(*a company incorporated in England with registered number 14259; the liability of its members is limited*)

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 Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). It has been prepared in connection with debt securities ("**Securities**") of HSBC Bank plc (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 Regulation.

This Registration Document has been prepared as a registration document issued in compliance with the Prospectus Regulation for the purpose of providing information with regard to the Issuer of debt securities during the period of twelve months after the date hereof. The FCA has only approved this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such an approval should not be considered an endorsement of the Issuer that is the subject of the Registration Document. This Registration Document is valid for a period of twelve months from the date of approval.

This Registration Document includes details of the long-term and short-term credit ratings assigned to the Issuer by S&P Global Ratings Europe Limited ("**S&P**"), Moody's Investors Service Limited ("**Moody's**") and Fitch Ratings Limited ("**Fitch**"). Each of S&P, Moody's and Fitch is established in the European Union or the United Kingdom and is 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.

HOW TO USE THIS REGISTRATION DOCUMENT

*All references in this section of this Registration Document to "**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 "**Issuer**") and incorporates by reference the Annual Report and Accounts of the Issuer and its subsidiary undertakings for the year ended 31 December 2019 (the "**2019 Annual Report and Accounts**") and the Annual Report and Accounts of the Issuer and its subsidiary undertakings for the year ended 31 December 2018 (the "**2018 Annual Report and Accounts**"). The 2019 Annual Report and Accounts include the latest publicly available financial information relating to the Issuer and its subsidiary undertakings (the "**Group**") and other information in relation to the Group, which is relevant to investors. This Registration Document (including such information incorporated by reference) contains information necessary for investors to make an informed assessment of the Issuer. Investors must read this Registration Document together with the 2019 Annual Report and Accounts and the 2018 Annual Report and Accounts. Where further information is provided in the 2019 Annual Report and Accounts or the 2018 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 Issuer that may affect the Issuer'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 Issuer's responsibility for this Registration Document and provides information about its authorised use.

The Issuer and its Subsidiary Undertakings provides information about the Issuer 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 Issuer, its credit ratings and its management.

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

CONTENTS

Page

RISK FACTORS

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

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

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

Risks Relating to the Issuer

A description of the risk factors relating to the Issuer that may affect the ability of the Issuer to fulfil its obligations to investors in relation to any of its Securities is set out below.

Macroeconomic and geopolitical risk

Impact of Covid-19

The outbreak of Covid-19 has had, and continues to have, a material impact on businesses around the world and the economic environments in which they operate.

The outbreak has caused disruption to the Issuer's customers, suppliers and staff globally. A number of jurisdictions in which the Issuer operates, such as the United Kingdom ("**UK**"), have implemented severe restrictions on the movement of their populations, with a resultant significant impact on economic activity. These restrictions are being determined by the governments of individual jurisdictions, including through the implementation of emergency powers. The impacts of these restrictions, and any subsequent lifting of restrictions, may vary from jurisdiction to jurisdiction. It remains unclear how this will evolve through 2020 and beyond, and the Issuer continues to monitor the situation closely.

In a number of jurisdictions in which the Issuer operates, the Issuer has initiated market-specific measures to support its personal and business customers through these challenging times, including mortgage assistance, payment holidays, the waiving of certain fees and charges, and liquidity relief for businesses facing market uncertainty and supply chain disruption. The Issuer is also working closely with governments and supporting national schemes that focus on the parts of the economy most impacted by Covid-19. The actions taken by the various governments and central banks, in particular in the UK and EU, provide an indication of the potential severity of the downturn and post-recovery environment, which from a commercial, regulatory and risk perspective could be significantly different to past crises and persist for a prolonged period. An immediate financial impact of the outbreak is an increase in expected credit losses and other credit impairment charges ("**ECL**"), driven by a change in the economic scenarios used to calculate ECL. The outbreak has led to a weakening in gross domestic product ("**GDP**") in many of the Issuer's markets, a key input used for calculating ECL, and the probability of a more adverse economic scenario for at least the short to medium term is substantially higher than at 31 December 2019. Furthermore, ECL will arise from other parts of the Issuer's business impacted by the disruption to supply chains. The impact will vary by sectors of the economy, with heightened risk to the oil and gas, transport and discretionary consumer sectors being observed in the first stages of the outbreak. The impact of the outbreak on the long-term prospects of businesses in these sectors is uncertain and may lead to significant ECL charges on specific exposures, which may not be fully captured by ECL modelling techniques. In addition, in times of crisis, fraudulent activity is often more prevalent, leading to potentially significant ECL charges.

Should the Covid-19 outbreak continue to cause disruption to economic activity in the UK and Europe through 2020, there could be further adverse impacts on the Issuer's income due to lower lending and transaction volumes and lower wealth and insurance manufacturing revenue due to equity markets volatility. Lower interest rates globally, and potentially negative interest rate policies being undertaken by more central banks, will adversely impact net interest income and increase the cost of guarantees for insurance manufacturing.

Moreover, the Issuer has financial instruments which are carried at fair value, and such fair values may be impacted by the market volatility resulting from the Covid-19 outbreak. This would in turn affect the market value of such instruments and result in markdowns on such instruments and an increase in the size of fair value adjustments.

The Covid-19 outbreak will also have material impacts on capital and liquidity. This may include downward customer credit rating migration, which could negatively impact the Issuer's risk-weighted assets and capital position, and potential liquidity stress due, among other factors, to increased customer drawdowns, notwithstanding the significant initiatives that governments and central banks, including the UK government and the Bank of England, have put in place to support funding and liquidity. Central banks in some markets have also initiated a series of capital measures, including the reduction of certain regulatory capital buffers, to support the ability of banks to supply credit to businesses and households through this period of economic disruption. For instance, the Bank of England's Financial Policy Committee reduced the UK countercyclical capital buffer rate to zero per cent.

Central bank and government actions and support measures may result in restrictions in relation to capital. These may limit management's flexibility in managing the business and taking action in relation to capital distribution and capital allocation.

There remain significant uncertainties in assessing the duration of the Covid-19 outbreak and its impact. A prolonged period of significantly reduced economic activity as a result of the impact of the outbreak would have a material adverse effect on the Issuer's financial condition, results of operations, prospects, liquidity, capital position and credit ratings.

Current economic and market conditions may adversely affect the Issuer's results

The Issuer's earnings are affected by global and local economic and market conditions.

Uncertain and at times volatile economic conditions can create a challenging operating environment for financial services companies such as the Issuer. In particular, the Issuer may face the following challenges to its operations and operating model in connection with these factors:

- the Covid-19 outbreak and its impact on global economies could have a material adverse effect on (among other things) the profitability, capital and liquidity of financial institutions such as the Issuer (see "*Impact of Covid-19*");

- the demand for borrowing from creditworthy customers may diminish during periods of recession or where economic activity is slow or remains subdued;

- lower interest rates could have a negative impact on the Issuer's net interest income;

- the Issuer's ability to borrow from other financial institutions or to engage in funding transactions may be adversely affected by market disruption; and

- market developments may depress consumer and business confidence beyond expected levels. If economic growth is subdued, for example, asset prices and payment patterns may be adversely affected, leading to greater than expected increases in the Issuer's delinquencies, default rates and ECLs. However, if growth is too rapid, new asset valuation bubbles could appear, particularly in the real estate sector, with potentially negative consequences for financial institutions such as the Issuer.

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

The UK's withdrawal from the European Union may adversely affect the Issuer's operating model and financial results

The circumstances of the UK's exit from the European Union ("**EU**") on 31 January 2020 and the scheduled end of the transition period on 31 December 2020 may have a significant impact on general economic conditions in the UK and the EU. The UK's future relationship with the EU and its trading relationships with the rest of the world will likely take a number of years to resolve. This may result in a prolonged period of uncertainty, unstable economic conditions and market volatility, including currency fluctuations. See "*Current economic and market conditions may adversely affect the Issuer's results*".

The Issuer also expects the UK's withdrawal to have implications for the Issuer's London-based cross-border operations, to the extent they rely on unrestricted access to the European financial services market. In addition, the UK's departure from the EU is likely to impact the Issuer's clients' operating models, including their supply chains, working capital requirements, investment decisions and financial markets access. The extent of these implications will depend on the outcome of negotiations. To ensure continuity of service, independent of the outcome of negotiations, the Issuer assumes a scenario whereby the UK will benefit from neither the existing passporting nor regulatory equivalence framework that supports cross-border business. This scenario could impact (i) the Group's legal entities in the UK and the EU, (ii) the Issuer's product offering, (iii) the Issuer's clients and (iv) the Issuer's employees.

The Issuer has taken steps to prepare for the UK's exit from the EU. However, there remain execution risks, many of them linked to the uncertain outcome of negotiations and potentially tight timelines to implement significant changes to the Issuer's UK and European operating models. If these risks materialise, the Issuer's clients and employees are likely to be affected. The exact impact on the Issuer's clients will depend on their individual circumstances and, in a worst-case scenario, could include disruption to the provision of products and services.

The Issuer is likely to be affected by global geopolitical trends, including the risk of government intervention

While economic globalisation appears to remain deeply embedded in the international system, it is increasingly challenged by nationalism and protectionism, and international institutions may be less capable of arresting this trend. In Europe, for example, there remains an uncertain economic and political outlook, particularly in light of the UK's exit from the EU and the scheduled end of the transition period. A shift in global power from the United States of America ("**U.S.**") and Europe towards China and emerging markets, as well as U.S.-China competition and occasional confrontation also appears to be occurring and may continue. Furthermore, sanctions targeting the Russian government, institutions and individuals have had (and are continuing to have) an adverse effect on the Russian economy, and further sanctions may be possible.

A rise in nationalism and protectionism, including trade barriers, may be driven by populist sentiment and structural challenges facing developed economies. Similarly, if capital flows are disrupted, some emerging markets may impose protectionist measures that could affect financial institutions and their clients, and other emerging, as well as developed, markets, may be tempted to follow suit. This rise could contribute to weaker global trade, potentially affecting the Issuer's traditional lines of business.

The Issuer's geographic coverage will make it and its customers susceptible to protectionist measures taken by national governments and authorities, including imposition of trade tariffs, restrictions on market access, restrictions on the ability to transact on a cross-border basis, expropriation, restrictions on international ownership, interest rate caps, limits on dividend flows and increases in taxation.

There may be uncertainty as to the conflicting nature of such measures, their duration, the potential for escalation, and their potential impact on global economies. Whether these emerging trends are cyclical or permanent is hard to determine, and their causes are likely to be difficult to address. The occurrence of any of these events or circumstances could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

The Issuer is subject to political, social and other risks in the countries in which it operates and globally

The Issuer operates through an international network of subsidiaries and affiliates. The Issuer's operations are subject to potentially unfavourable political, social, environmental and economic developments in such jurisdictions and globally, which may include:

- coups, civil wars or acts of terrorism;

- political and/or social instability;
- climate change and acts of God, such as natural disasters, epidemics and pandemics (such as the Covid-19 outbreak, further details on which can be found in "*Impact of Covid-19*"); and
- infrastructure issues, such as transportation or power failures.

These risk events may give rise to disruption to the Issuer's services and result in physical damage to its operations and/or risks to the safety of its personnel and customers.

Physical risks from natural disasters such as floods and hurricanes could also impact credit risk-weighted assets, while the financial losses caused by these events could impair asset values and the creditworthiness of customers.

Any of the above events could also have a detrimental impact on the Issuer's customers and any financial losses caused thereby could affect the credit worthiness of those customers. Such developments may result in a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and strategy.

The Issuer operates in markets that are highly competitive

The Issuer competes with other financial institutions in a highly competitive industry that continues to undergo significant change as a result of financial regulatory reform, including the Competition and Markets Authority's directions on Open Banking in the UK, as well as increased public scrutiny stemming from the financial crisis and a continued challenging macro-economic environment.

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

Any of these factors could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and reputation.

The Issuer is subject to financial and non-financial risks associated with climate change

Climate change brings risks to the Issuer's business, customers and wider society. Climate change could impact the Issuer through both transition and physical channels:

- Transition, arising from the move to a low-carbon economy, such as through policy, regulatory and technological changes.
- Physical, through increasing severity and/or frequency of severe weather events or other climatic events (e.g. sea level rise, flooding).

The Issuer currently expects that the following are the most likely ways in which climate risk may materialise for the Issuer:

- Transition and physical risk may impact the Issuer's corporate customers, for example if regulatory, legislative or technological developments impact customers' business models resulting in financial difficulty for customers and/or stranded assets;
- Physical risk may impact the bank's operations, for example if flooding or extreme weather events impacted the Issuer's critical operations;
- Increasing regulatory expectations across multiple jurisdictions in short timeframes;
- Conduct risks could develop associated with the increasing demand for 'green' products where there are as yet no agreed standards or taxonomies;
- Reputational risks may result from the Issuer's decisions on how it supports its customers in high-emitting sectors.

These events have potential to cause both idiosyncratic and systemic risks, resulting in potential financial impacts for the Issuer. These financial impacts could materialise through higher risk- weighted assets over the longer term, greater transactional losses and/or increased capital requirements. These risks are potentially enhanced by the complexity and availability of the data needed to model and measure climate-related risks over the long-term time horizon that such risks are likely to emerge.

Any of such climate-related risks could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and strategy.

Changes in foreign currency exchange rates may affect the Issuer's results

The Issuer prepares its accounts in pounds sterling. However, a substantial portion of the Issuer's assets, liabilities, assets under management, revenues and expenses are denominated in other currencies (primarily euro and U.S. dollars). Changes in foreign exchange rates have an effect on the Issuer's accounting standards, reported income, cash flows and shareholders' equity. Unfavourable changes in foreign exchange rates could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Market fluctuations may reduce the Issuer's income or the value of its portfolios

The Issuer'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 Issuer's customers act in a manner inconsistent with its business, pricing and hedging assumptions.

Since February 2020, market volatility has been high, particularly as a result of the ongoing Covid-19 outbreak, and ongoing market movements could significantly affect the Issuer 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 and yield curves affect the interest rate spread realised between lending and borrowing costs. A change in the interest rate environment could affect prepayment activity and this could change the weighted average lives of the Issuer's interest-earning assets, which could in turn have a material adverse effect on the Issuer. The potential for future volatility and margin changes remains.

Competitive pressures on fixed rates or product terms in existing customer products sometimes restrict the Issuer's ability to change interest rates applying to customers in response to changes in official and wholesale market rates.

The Issuer's defined benefit pension plans are exposed to market risk from their assets and liabilities. The liability discount rate provides exposure to interest rate risk and credit spread risk which are only partially offset by fixed interest assets and swaps. The assets also provide exposure to fluctuations in the market value of equities.

The Issuer's insurance businesses are exposed to the risk that market fluctuations may cause mismatches to occur between product liabilities and the investment assets that back them.

Market risks can affect the Issuer'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 could bear some of the cost of such guarantees and options. The performance of the investment markets could thus have a direct effect upon the value embedded in the insurance and investment contracts and the Issuer's operating results, financial condition and prospects.

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

Liquidity, or ready access to funds, is essential to the Issuer's businesses

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

Current accounts and savings deposits payable on demand or at short notice form part of the Issuer's funding, and the Issuer places considerable importance on maintaining their stability. For deposits, stability depends upon preserving investor confidence in the Issuer's capital strength and liquidity, and on comparable and transparent pricing. The Issuer also accesses wholesale markets in order to provide funding for entities that do not accept deposits, 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 material adverse effect on the Issuer's liquidity.

Unfavourable macroeconomic developments, market disruptions or regulatory developments may increase the Issuer's funding costs or challenge the Issuer's ability to raise funds to support or expand the Issuer's businesses.

If the Issuer is unable to raise sufficient funds through deposits and/or in the capital markets, the Issuer's liquidity position could be adversely affected, and the Issuer might be unable to meet deposit withdrawals on demand or at their contractual maturity, to repay borrowings as they mature, to meet the Issuer's obligations under committed financing facilities and insurance contracts, to comply with regulatory funding requirements, to undertake certain capital and/or debt management activities or to fund new loans, investments and businesses. The Issuer may need to liquidate unencumbered assets to meet the Issuer's liabilities, including disposals of assets not previously identified for disposal, to reduce its funding commitments. In a time of reduced liquidity, the Issuer may be unable to sell some of the Issuer's assets, may be unable to maintain the run-down and sale of certain legacy portfolios, or the Issuer may need to sell assets at reduced prices, which in any such case could materially adversely affect the Issuer's business, financial condition, results of operations and prospects.

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

The Issuer is subject to unfavourable legislative or regulatory developments and changes in the policy of regulators or governments and the Issuer may fail to comply with all applicable regulations, particularly any changes thereto

The Issuer's businesses are subject to ongoing regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies, voluntary codes of practice and interpretations in the UK, the EU and the other markets in which the Issuer operates. This is particularly the case in the post-financial crisis regulatory environment, where the Issuer expects government and regulatory intervention in the banking sector to remain high for the foreseeable future. Such intervention includes government and central bank actions that are being taken in response to the ongoing Covid-19 outbreak: such actions provide an indication of the potential severity of downturn and post recovery environment, which, from a commercial, regulatory and risk perspective, could be significantly different to past crises and persist for a prolonged period. Additionally, many of these changes have an effect beyond the country in which they are enacted, as either regulators deliberately enact regulation with extra-territorial impact or the Issuer's operations mean that the Group is obliged to give effect to 'local' laws and regulations on a wider basis.

In recent years, regulators and governments have focused on reforming both the prudential regulation of the financial services industry and the ways in which the business of financial services is conducted. Measures include enhanced capital, liquidity and funding requirements, the separation or prohibition of certain activities by banks, changes in the operation of capital markets activities, the introduction of tax levies and transaction taxes, changes in compensation practices and more detailed requirements on how business is conducted. The governments and regulators in the UK, the EU or elsewhere may intervene further in relation to areas of industry risk already identified, or in new areas, which could adversely affect the Issuer.

Specific areas where regulatory changes could have a material effect on the Issuer's business, financial condition, results of operations, prospects, capital position, and reputation as well as on the market value of the Securities, include, but are not limited to:

- government and central bank policies encouraging UK and EU banks to take positive actions to support their customers during the Covid-19 outbreak;

- general changes in government, central bank, regulatory or competition policy, or changes in regulatory regimes that may influence investor decisions in particular markets in which the Issuer operates. For example, the regulatory structure in the UK comprising the Prudential Regulation Authority ("**PRA**"), the Financial Conduct Authority ("**FCA**") and the Financial Policy Committee ("**FPC**") and the granting to the European Central Bank of supervisory powers, may affect the Issuer and its activities. In particular, the FPC has the ability to direct that UK banks be required 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 certain banking and other activities proposed or enacted in a number of jurisdictions, including legislation in France and Germany which provide for the ring-fencing of certain activities, including trading activities, and the prohibition of certain proprietary trading activities;

- the potential for developments in, and the consequences for breaches of, the Financial Services (Banking Reform) Act 2013, which requires (amongst other matters) the legal separation of core deposits from wholesale and investment banking activities (commonly referred to as ring-fencing). In particular, in order to comply with the ongoing requirements of the UK ring-fencing regime, the Issuer must ensure that its operations and infrastructure comply with the shared services, independence and resolvability requirements set out in the UK ring-fencing legislation and rules, including in areas such as information technology infrastructure, human resources and critical service providers, which may involve associated operational risk and may result in increased costs and higher risk of breach of rules and regulations. Arrangements between HSBC UK and the Issuer also need to meet these requirements and the requirement that all such transactions take place on an arm's length basis. The duplication of certain infrastructure or functions between HSBC UK and the Issuer that are required to comply with the UK ring-fencing legislation and rules, and inefficiencies resulting therefrom, have in turn resulted in additional costs and/or changes to the Issuer's business and operations;

- requirements flowing from arrangements for the resolution strategy of the Group and its individual operating entities that may have different effects in different countries;

- the implementation of extra-territorial laws, including initiatives to share tax information such as the Common Reporting Standard introduced by the Organisation for Economic Co-operation and Development;

- the abolition of certain interbank offered rate ("**Ibor**") reference rates across the world and the transition to new replacement rates (as discussed further under "*The Issuer may not manage risks associated with the replacement of benchmark indices effectively*");

- the UK's exit from the EU, and the transposition of existing EU financial services regulation into UK regulation, impacting the way the Issuer conducts its business;

- the treatment of 'third countries' under EU law with regard to their access to EU markets (as discussed under "*The UK's withdrawal from the European Union may adversely affect the Issuer's operating model and financial results*");

- the adoption and implementation into UK law of the amendments to (i) the EU Bank Recovery and Resolution Directive (Directive 2014/59/EU) ("**BRRD**"), (ii) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (as amended, supplemented or replaced from time to time including, without limitation, by Directive (EU) 2019/878, the "**CRR**") and (iii) Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (as amended, supplemented or replaced from time to time including, without limitation, by Directive (EU) 2019/878, "**CRD**") (collectively, the "**Risk Reduction Measures**"), designed to implement, amongst other things, the Financial Stability Board standards for Total Loss Absorbing Capacity, which in the EU is implemented through the "Minimum Requirements for own funds and Eligible Liabilities" ("**MREL**") and parts of the Basel Committee on Banking Supervision's ("**Basel Committee**") package of reforms to strengthen global capital and liquidity rules ("**Basel III**"), including changes to the market risk, counterparty risk, and equity investments in funds RWAs and the leverage ratio;

- the implementation of the remaining reforms to the Basel III package, which include changes to the approaches to credit risk, operational risk, and credit valuation adjustment RWAs and the application of capital floors. Discussions have started at EU level on the implementation of the remaining elements of the Basel III framework as endorsed by the Group of Central Bank Governors and Heads of Supervision in December 2017, although such implementation has been delayed by one year to provide additional operational capacity for banks and supervisors to respond to the immediate financial stability priorities resulting from the impact of the Covid-19 outbreak on the global banking system. These reforms would include, among others, a revised standardised approach for credit risk, revisions to the internal ratings-based approach for credit risk, revisions to the credit risk valuation adjustment framework, the adoption of an aggregate output floor and amendments to the leverage ratio. The additional reforms will be implemented in the EU through additional amendments to the CRR (the "**CRR3**") which, having been deferred by the Basel Committee due to Covid-19, are now expected to come into effect by January 2023. However, the precise timeframe remains subject to further changes. In addition, on 28 April 2020 the European Commission announced a banking package in response to the COVID-19 outbreak which, among other things, extends the transitional phase-in arrangements in relation to IFRS 9 under CRR to the end of 2024 and postpones the date of application of the new leverage ratio buffer requirement on Global Systemically Important Institutions (G-SIIs) by one year to 1 January 2023. These changes will require legislative approval and the European Commission is targeting an approval date in June 2020;

- the completion of the outstanding work by the Basel Committee in relation to the regulatory treatment of sovereign risk;

- the completion of the outstanding work by the Basel Committee in relation to the long-term regulatory treatment for IFRS 9 provisions within the Basel prudential framework. See "*Changes in accounting standards may have a material impact on how the Issuer reports its financial results and financial condition*;"

- the implementation of more stringent capital, liquidity and funding requirements, following supervisory review, including in relation to the scope of model permissions for measuring risk and as the result of industry wide reviews (e.g. structural foreign exchange risk);

- the financial effects of climate change being incorporated within the global prudential framework, including the transition risks resulting from a shift to a low carbon economy;

- the increased focus by regulators and government authorities on the operational resilience capabilities of the wider financial services sector;

- a continuing interest in financial services activities by competition authorities at the UK and European level when enforcing laws against anticompetitive practices (in the UK, the FCA and the Payment Systems Regulator are competition law enforcers). This is also being accompanied by a rise in private damages litigation relating to alleged competition law infringements. Currently, much of this is brought in the UK (for example, ongoing litigation by UK retailers regarding consumer credit and debit card interchange fee levels under the Visa and MasterCard schemes), but in the future there is likely to be an increase in such litigation across Europe as a result of the EU Directive on Antitrust Damages Action;

- the increasing focus by regulators, international bodies, organisations and unions on how institutions conduct business, particularly with regard to the delivery of fair outcomes for customers, 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 and increasing requirements to detail management accountability within the Group (e.g. the requirements of the Senior Managers and Certification Regime in the UK and similar regimes elsewhere that are under consideration/implementation);

- the implementation of any conduct measures as a result of regulators' increased focus on institutional culture, employee behaviour and whistleblowing, including measures resulting from ongoing thematic reviews into the workings of the retail, SME and wholesale banking sectors and the provision of financial advice to consumers;

- the focus globally on data (including on data processing and subject rights/transfer of information), financial technology risks, operational resilience, crypto assets and cybersecurity and the introduction of new and/or enhanced standards in this area (as discussed further under "*The Issuer remains susceptible to a wide range of cyber risks that impact and/or are facilitated by technology,*" *"The Issuer's operations are highly dependent on the HSBC Group's information technology systems"* and "*The Issuer's data management and data privacy policies and processes may not be sufficiently robust*");

- changes in national or supra-national requirements regarding the ability to offshore or outsource the provision of services and resources or transfer material risk to financial services companies located in other countries, which impact the Issuer's ability to implement consistent and efficient operating models; and

- the application and enforcement of anti-money laundering investigations and sanctions and economic sanctions, including those with extra-territorial effect.

The Issuer may not manage risks associated with the replacement of benchmark indices effectively

The Financial Stability Board has observed that the decline in interbank short-term unsecured funding poses structural risks for interest rate benchmarks that reference these markets. In response, regulators and central banks in various jurisdictions have convened national working groups to identify replacement risk-free benchmark rates ("**RFRs**") for these interbank offered rates ("**Ibors**") and, where appropriate, to facilitate an orderly transition to these RFRs.

Following the announcement by the UK's Financial Conduct Authority in July 2017 that it will no longer persuade or require banks to submit rates for the London Interbank Offered Rate ("**Libor**") after 2021, the national working groups for the affected currencies were tasked with facilitating an orderly transition of the relevant Libors to their chosen RFRs. The euro working group is also responsible for facilitating an orderly transition of Eonia to €STR as a result of the determination that Eonia cannot be made to comply with the European Benchmark Regulations and can therefore no longer be used beyond 2021. Although national working groups in other jurisdictions have identified RFRs for their respective Ibors, there are no current plans for these benchmark rates to be discontinued.

The expected discontinuation of certain key Ibors such as Libor, the adoption of RFRs by the market, and the development of alternate RFR products by the Issuer, introduce a number of risks for the Issuer, its clients, and the financial services industry more widely. These include, but are not limited to:

- Legal and execution risks, relating to documentation changes required for new RFR products and for the transition of legacy contracts to RFRs, which transition will, in turn, depend, to a certain extent, on the availability of RFR products and on the participation of customers and third-party market participants in the transition process; legal proceedings or other actions regarding the interpretation and enforceability of provisions in Libor-based contracts and regulatory investigations or reviews in respect of the Issuer's preparation and readiness for the replacement of Libor with alternative reference rates;

- Conduct risks, through potentially material adverse impacts on customers or financial markets if the Issuer's customers are not ready and able to adapt their own processes and systems to accommodate the RFR products;

- Financial risks, arising from any changes in the valuation of financial instruments linked to RFRs and the implementation of ISDA's proposed protocol for the transition of derivatives contracts, such as potential earnings volatility resulting from contract modifications, changes in hedge accounting and a large volume of product and associated process changes;

- Pricing risks, as changes to RFRs could impact pricing mechanisms on some instruments, assets and liabilities; and

- Operational risks, due to the potential need for the Issuer, its customers and the market to adapt IT systems, trade reporting infrastructure, operational processes and controls to accommodate one or more RFRs.

The benchmark specifications, together with the timetable and mechanisms for discontinuation of existing Ibors and implementation of RFRs, have not yet been agreed across the industry and regulatory authorities. Accordingly, it is not currently possible to determine to what extent any such changes would affect the Issuer. However, the discontinuation of existing Ibors and implementation of RFRs could have a material adverse effect on the Issuer's business, financial condition, capital position, results of operations, prospects and customers.

The Issuer is subject to the risk of current and future legal, regulatory or administrative actions and investigations, the outcomes of which are inherently difficult to predict

The Issuer faces significant risks in its business relating to legal, regulatory or administrative actions and investigations. The volume and amount of damages claimed in litigation, regulatory proceedings, investigations, administrative actions 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 things, alleged conduct breaches, breaches of anti-money laundering ("**AML**"), anti-bribery/corruption, sanctions and counter-terrorist financing 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. Any such legal, regulatory or administrative action or investigation against the Issuer or one or more of its subsidiaries could result in, among other things, substantial fines, civil penalties, criminal penalties, cease and desist orders, forfeitures, the suspension or revocation of key licences, requirements to exit certain businesses, other disciplinary actions and/or withdrawal of funding from depositors and other stakeholders. Any threatened or actual litigation, regulatory proceeding, administrative action, investigation or other adversarial proceeding against the Issuer or one or more of its subsidiaries could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and reputation. Additionally, the Issuer's financial statements reflect provisioning for legal proceedings, regulatory and customer remediation matters. Provisions for legal proceedings, regulatory and customer remediation matters typically require a higher degree of judgement than other types of provisions, and the actual costs resulting from such proceedings and matters may exceed existing provisioning.

The Issuer and its subsidiaries continue to be subject to a number of material legal proceedings, regulatory actions and investigations, a number of which are described in Note 32 ("**Legal proceedings and regulatory matters**") on pages 157 to 160 of the 2019 Annual Report and Accounts. It is inherently difficult to predict the outcome of many of the legal, regulatory and other adversarial proceedings involving the Issuer'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 Issuer may face additional legal proceedings, investigations or regulatory actions in the future, including in other jurisdictions and/or with respect to matters similar to, or broader than, the existing legal proceedings, investigations or regulatory actions, such as any disputes resulting from the global market volatility associated with the Covid-19 outbreak. An unfavourable result in one or more of these proceedings could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and reputation.

The Issuer may fail to meet the requirements of regulatory stress tests

The Issuer is subject to regulatory stress testing in several jurisdictions, which are described under "*Report of the Directors – Our Approach to Risk – Risk Management – Stress testing*" on page 21 of the 2019 Annual Report and Accounts. These exercises are designed to assess the resilience of banks to potential 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 the Issuer's data provision, stress testing capability and internal management processes and controls.

Failure to meet quantitative or qualitative requirements of regulatory stress test programmes, or the failure by regulators to approve the Issuer's stress test results and capital plans, could result in the Issuer being required to enhance its capital position and/or position additional capital in specific subsidiaries, and this could, in turn, have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects, capital position and reputation.

The Securities and the Issuer will be subject to certain bank resolution powers under the Banking Act

BRRD provides an EU-wide framework for the recovery and resolution of credit institutions and their parent companies and other group companies. The BRRD is designed to provide relevant authorities with a set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system. In the UK the Banking Act 2009, as amended from time to time ("**Banking Act**"), implements the provisions of the BRRD.

(a) *Statutory intervention powers*

The Issuer is subject to the Banking Act, which gives wide powers in respect of UK banks and their parent and other group companies to HM Treasury, the Bank of England ("**BoE**"), the PRA and/or the FCA (each a "**relevant UKRA**") in circumstances where a UK bank has encountered or is likely to encounter financial difficulties. These powers include 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 Securities issued by the Issuer), to a commercial purchaser or, in the case of securities, to HM Treasury or an HM Treasury nominee, or, in the case of property, rights or liabilities, to an entity owned by the BoE; (b) 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; (c) commence certain insolvency procedures in relation to a UK bank; and (d) 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.

(b) *Write-down and conversion of capital instruments powers and/or bail-in powers*

The powers granted to the relevant UKRA also include powers to vary or extinguish the claims of certain creditors. These powers include a "write-down and conversion of capital instruments" power and a "bail-in" power.

The write-down and conversion of capital instruments power may be used where the relevant UKRA has determined that the institution concerned has reached the point of non-viability, but that no bail-in of instruments other than capital instruments is required (however the use of the write-down and conversion power does not preclude a subsequent use of the bail-in power) or where the conditions to resolution are met. Any write-down or conversion effected using this power must be carried out in a specific order such that common equity must be written off, cancelled or appropriated from the existing shareholders in full before additional tier 1 instruments are affected and additional tier 1 instruments must be written off or converted in full before tier 2 instruments are affected. Where the write-down and conversion of capital instruments power is used, the write-down is permanent and investors receive no compensation (save that common equity tier 1 ("**CET1**") instruments may be required to be issued to holders of written-down instruments). The write-down and conversion of capital instruments power is not subject to the "no creditor worse off" safeguard (unlike the bail-in power described below). This power will, in due course, be extended to enable the write-down of certain other MREL/TLAC-eligible liabilities (in addition to capital instruments).

The bail-in power gives the relevant UKRA the power to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities (which could include the Securities) of a failing financial institution or its holding company, to convert certain debt claims (which could be amounts payable under the Securities) into another security, including ordinary shares of the surviving entity, if any and/or to amend or alter the terms of such claims, including the maturity of the Securities or amendment of the amount of interest payable on the Securities, or the date on which interest becomes payable, including by suspending payment for a temporary period. The Banking Act requires the relevant UKRA to apply the bail-in power in accordance with a specified preference order which differs from the ordinary insolvency order. In particular, the relevant UKRA must write-down or convert debts in the following order: (i) additional tier 1, (ii) tier 2, (iii) other subordinated claims and (iv) eligible senior claims. As a result, subordinated Securities which qualify as capital instruments may be fully or partially written down or converted even where other subordinated debt that does not qualify as capital is not affected. This could effectively subordinate such Securities to the Issuer's other subordinated indebtedness that is not additional tier 1 or tier 2 capital in the event that the bail-in power is applied by the relevant UKRA. The claims of some creditors whose claims would rank equally with those of the Securityholders may be excluded from bail-in. The more of such creditors there are, the greater will be the impact of bail-in on the Securityholders. The bail-in power is subject to the "no creditor worse off" safeguard, under which any shareholder or creditor which receives less favourable treatment than they would have had if the institution entered into insolvency may be entitled to compensation.

Although the exercise of the bail-in power under the Banking Act is subject to certain pre-conditions, there remains uncertainty regarding the specific factors (including, but not limited to, factors outside the control of the Issuer or not directly related to the Issuer) which the relevant UKRA would consider in deciding whether to exercise such power with respect to the Issuer and its securities (including the Securities). Moreover, as the relevant UKRA may have considerable discretion in relation to how and when it may exercise such power, holders of the Issuer's securities may not be able to refer to publicly available criteria in order to anticipate a potential exercise of such power and consequently its potential effect on the Issuer and its securities.

(c) *Powers to direct restructuring of the Group*

As well as a write-down and conversion of capital instruments power and a bail-in power, the powers of the relevant UKRA under the Banking Act include the power to (i) direct the sale of the relevant financial institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply, (ii) transfer all or part of the business of the relevant financial institution to a "bridge institution" (an entity created for such purpose that is wholly or partially in public control) and (iii) separate assets by transferring 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 (this can be used together with another resolution tool only). In addition, the Banking Act gives the relevant UKRA power to amend the maturity date and/or any interest payment date of debt instruments or other eligible liabilities of the relevant financial institution and/or impose a temporary suspension of payments and/or discontinuing the listing and admission to trading of debt instruments.

The exercise by the relevant UKRA of any of the above powers under the Banking Act may limit the Issuer's capacity to meet its repayment obligation under the Securities and the exercise of any such powers (including especially the write-down and conversion of capital instruments power and the bail-in power) could lead to the holders of the Securities losing some or all of their investment.

Moreover, trading behaviour in relation to the securities of the Issuer (including the Securities), including market prices and volatility, may be affected by the use of, or any suggestion of the use of, these powers and accordingly, in such circumstances, the Securities are not necessarily expected to follow the trading behaviour associated with other types of securities. There can be no assurance that the taking of any actions under the Banking Act by the relevant UKRA or the manner in which its powers under the Banking Act are exercised will not materially adversely affect the rights of holders of the Securities, the market value of an investment in the Securities and/or the Issuer's ability to satisfy its obligations under the Securities.

Although the BRRD also makes provision for public financial support to be provided to an institution in resolution subject to certain conditions, it provides that the financial public support should only be used as a last resort after the relevant UKRA has assessed and exploited, to the maximum extent practicable, all the resolution tools, including the bail-in power. Accordingly, it is unlikely that investors in the Securities will benefit from such support even if it were provided.

The Issuer is subject to tax-related risks in the countries in which it operates

The Issuer is subject to the substance and interpretation of tax laws in all countries in which it operates and is subject to routine review and audit by tax authorities in relation thereto. The Issuer's interpretation or application of these tax laws may differ from those of the relevant tax authorities, and the Issuer 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 depending on the ultimate resolution of such matters. In general, changes to tax laws and tax rates, including as a result of policy changes by governments and/or regulators, and penalties for failing to comply, could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects, capital position and reputation.

The Issuer may be subject to increased regulation regarding culture and accountability

Financial institutions remain under considerable scrutiny by regulators, international bodies, organisations and unions regarding conduct of business, particularly in relation to fair outcomes for customers, promoting effective competition in the interests of customers, driving higher standards of both personal and corporate conduct and ensuring the orderly and transparent operation of global financial markets. As a result, the Issuer and its personnel may be subject to increased regulation in connection with institutional culture, employee behaviour and whistleblowing, including measures arising from ongoing thematic reviews into the workings of the SME and wholesale banking sectors and the provision of financial advice to consumers (particularly the FCA's Senior Managers and Certification Regime and the continued focus in the UK on the progress being made in implementing wider recommendations made by the Parliamentary Commission on Banking Standards). Regulators, prosecutors, the media and the public all have heightened expectations as to the behaviour and conduct of financial institutions, and any shortcomings or failure to demonstrate adequate controls are in place to mitigate such risks, particularly risks associated with the mis-selling of financial products or the mis-handling of customer complaints, could result in regulatory sanctions, fines or an increase in civil litigation, and could have a material adverse effect on the Issuer's business, financial condition, results of operations and reputation.

Risks related to the Issuer's operations

The Issuer's operations are highly dependent on the HSBC Group's information technology systems

The reliability and security of the HSBC Group's information and technology infrastructure, and customer databases are crucial to maintaining the service availability of banking applications and processes and to protecting the HSBC brand. The proper functioning of the HSBC Group'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 Issuer's branches and main data processing centres, is important to the Issuer's operations.

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 Issuer's ability to service its clients, could breach regulations under which it operates and could cause long-term damage to its business and brand that could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and reputation.

The Issuer remains susceptible to a wide range of cyber risks that impact and/or are facilitated by technology.

The threat from cyber-attacks remains a concern for the Issuer, and failure to protect the Issuer's operations from internet crime or cyber-attacks may result in financial loss, business disruption and/or loss of customer services and data or other sensitive information that could undermine its reputation and its ability to attract and keep customers.

The most prevalent threats are destructive malware (including ransomware), organised cyber- attacks targeting banking systems and customer transactions and distributed denial of service ("**DDOS**") attacks. In 2019, the HSBC Group was subjected to a small number of attacks on its PIB platform that were successfully mitigated across the HSBC Group with no destructive malware (including ransomware) or payment infrastructure attacks reported. Although cyber-attacks in 2019 had a negligible effect on the Issuer's customers, services or firm, due to the increasing sophistication of cyber-attacks there is the potential for future attacks to have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and reputation.

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

The Issuer uses models for a range of purposes in managing its business, including regulatory capital calculations, stress testing, credit approvals, calculation of ECLs on an IFRS 9 basis, financial crime and fraud risk management and financial reporting. The Issuer could face adverse consequences as a result of decisions that 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 or by inherent limitations arising from the uncertainty inherent in predicting or estimating future outcomes.

Regulatory scrutiny and supervisory concerns over banks' use of models is considerable, particularly the internal models and assumptions used by banks in the calculation of regulatory capital. If regulatory approval for key capital models is not achieved in a timely manner or if those models are subject to review and challenge, the Issuer could be required to hold additional capital.

Evolving regulatory requirements have resulted in changes to the Issuer's approach to model risk management, which poses execution challenges. The adoption of more sophisticated modelling approaches and technology by both the Issuer and the financial services industry could also lead to increased model risk.

Risks arising from the use of models, including reputational, could have a material adverse effect on the Issuer's business, financial condition, capital position, results of operations and prospects.

The Issuer's operations utilise third-party suppliers and service providers

The Issuer relies on third parties to supply goods and services. The use of third-party service providers by financial institutions is of particular focus to global regulators, including with respect to how outsourcing decisions are made and how key relationships are managed. The inadequate management of third-party risk could impact the Issuer's ability to meet strategic, regulatory and client expectations. This may lead to a range of effects, including regulatory censure, civil penalties or damage to the Issuer's reputation, which could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and strategy.

Risks related to the Issuer's governance and internal controls

The Issuer's data management and data privacy policies and processes may not be sufficiently robust

Critical business processes across the HSBC Group rely on large volumes of data from a number of different systems and sources. If data governance (including data retention and deletion, data quality, data privacy and data architecture policies and procedures) is not sufficiently robust, manual intervention, adjustments and reconciliations may be required to reduce the risk of error in the HSBC Group's (including the Issuer's) external reports or in reporting to senior management or regulators. Inadequate policies and processes may also affect the Issuer's ability to use data within the HSBC Group to service customers more effectively and/or improve the Issuer's product offering. Moreover, financial institutions that fail to comply with in-country (local) and global regulatory and compliance requirements may face supervisory measures. In addition, failure to comply with the General Data Protection Regulation (EU) 2016/679 or similar laws and regulations concerning data privacy and localisation in a number of jurisdictions across the globe may result in regulatory sanctions. Any of these failures could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and reputation.

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

The Issuer is required to comply with applicable AML and sanctions laws and regulations, and has adopted various policies and procedures, including internal control and 'know your customer' procedures, aimed at preventing use of its products and services for the purpose of committing or concealing financial crime. Moreover, in relevant situations, and where permitted by regulation, the Issuer may rely upon certain counterparties to maintain and properly apply their own appropriate AML procedures. While permitted by regulation, such reliance may not prevent third parties from using the Issuer (and the Issuer's relevant counterparties) as a conduit for money laundering without the Issuer's knowledge (and that of the Issuer's relevant counterparties). Further, a major focus of U.S. and UK government policy relating to financial institutions in recent years has been combating money laundering and enforcing compliance with U.S. and EU sanctions. Becoming a party to, associated with, or even accusations of being associated with, money laundering, or violations of sanctions laws or regulations could damage the Issuer's reputation and could make it subject to fines, sanctions and/or legal enforcement. Any one of these outcomes could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and reputation.

The Issuer may suffer losses due to employee misconduct

The Issuer's businesses are exposed to risk from potential non-compliance with the HSBC Group's policies, including the HSBC Values (the HSBC Values describe how the Issuer's employees should interact with each other and with customers, regulators and the wider community, see "*Purpose and Strategy – HSBC Values*" on page 4 of the 2019 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 and/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 Issuer takes to prevent and detect this activity may not always be effective. Employee misconduct, or regulatory sanctions if a regulator deems the Issuer's actions to deter such activity to be insufficient, could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and reputation.

The delivery of the Issuer's strategic actions is subject to execution risk and the Issuer may not achieve any of the expected benefits of its strategic initiatives

Effective management of transformation projects is required to effectively deliver the Issuer's strategic priorities (which are described under "*About HSBC Bank plc – Our strategy*" on page 5 of the 2019 Annual Report and Accounts), involving delivering both on externally driven programmes (e.g. regulatory requirements and Ibor transition), as well as key business initiatives to deliver revenue growth, product enhancement and operational efficiency outcomes. Additionally, the cumulative impact of the collective change initiatives underway within the Issuer and the HSBC Group is significant and has direct implications on resourcing. The magnitude, complexity and, at times, concurrent demands of the projects required to meet these can result in heightened execution risk.

The HSBC Group's strategy is supported by global trends – the continued economic development in emerging markets, growth of international trade and capital flows, and wealth creation, particularly in faster-growing markets. The HSBC Group takes into consideration global trends along with its strategic advantages to help it better deploy capital. The development and implementation of the HSBC Group's strategy requires difficult, subjective and complex judgements, including forecasts of economic conditions in various parts of the world. The HSBC Group may fail to correctly identify the relevant factors in making decisions as to capital deployment and cost reduction.

As part of its updated restructuring strategy aimed at upgrading the return profile of its RWAs, the HSBC Group intends to reallocate the low-growth, low-returning assets in its European and U.S. businesses into high-growth, higher-returning opportunities in other parts of the HSBC Group. In particular, the HSBC Group plans to reduce its European RWAs and lower costs, with the gross RWA reductions expected to largely come from the Issuer. The execution of this strategic aim is likely to involve the Issuer reducing the capital allocated to its Rates business, exiting certain long-term derivative market-making in the UK, focusing its investment banking activities on supporting UK mid-market clients and international corporate clients through its London hub, combining its Retail Banking and Wealth Management ("RBWM") and Global Private Banking ("GPB") businesses and reducing its sales and research activities in European cash equities. The Issuer's ability to assist in executing the HSBC Group's strategy may be limited by its operational capacity, current macroeconomic conditions and the increasing complexity of the regulatory environment in which the Issuer operates. The Issuer continues to pursue cost management initiatives, though they may not be as effective as expected, and the Issuer may be unable to meet the HSBC Group's cost saving targets.

In addition, factors beyond the Issuer's control, including but not limited to economic and market conditions, could limit the Issuer's ability to achieve any of the expected benefits of these initiatives. The global economic outlook is more uncertain, particularly with regard to UK economic risks, the Covid-19 outbreak, global trade tensions and revised interest rate expectations. There remains a risk that, in the absence of an improvement in economic conditions, the Issuer's cost and investment actions may not be sufficient to achieve the expected benefits.

The failure to successfully deliver or achieve any of the expected benefits of these key strategic initiatives could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and reputation.

The Issuer's risk management measures may not be successful

The management of risk is an integral part of all the Issuer's activities. Risk constitutes the Issuer'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 wholesale credit risk, market risk, non-traded market risk, operational risk, insurance risk, concentration risk, liquidity and funding risk, litigation risk, conduct risk, reputational risk, strategic risk, pension risk and regulatory risk.

While the Issuer employs a broad and diversified set of risk monitoring and mitigation techniques, such methods 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 or regulatory sanctions if a regulator deems the Issuer's risk management measures to be insufficient could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects, strategy and reputation.

Risks related to the Issuer's business

The Issuer's business has inherent reputational risk

Reputational risk is the risk of failing to meet stakeholder expectations as a result of any event, behaviour, action or inaction, either by the Issuer or a member of the HSBC Group, the Issuer's employees or those with whom the Issuer is associated. Any actual or perceived lapse in standards of integrity, compliance, customer service or operating efficiency may represent a potential reputational risk. Stakeholder expectations constantly evolve, and so reputational risk is dynamic and varies between geographical regions, groups and individuals.

Modern technologies, in particular online social media channels and other broadcast tools that facilitate communication with large audiences in short time frames and with minimal costs, may significantly enhance and accelerate the distribution and effect of damaging information and allegations. Reputational risk could also arise from negative public opinion about the actual, or perceived, manner in which the Issuer conducts its business activities, or the Issuer's financial performance, as well as actual or perceived practices in banking and the financial services industry generally. Negative public opinion may adversely affect the Issuer's ability to retain and attract customers, in particular, corporate depositors, and to retain and motivate staff, and could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Non-Financial risks are inherent in the Issuer's business

The Issuer is exposed to many types of non-financial risks that are inherent in banking operations. Non-financial risk can be defined as the risk to the Issuer of achieving its strategy or objectives as a result of inadequate or failed internal processes, people and systems, or from external events. It includes fraudulent and other criminal activities (both internal and external), breakdowns in procedures, breaches of regulations or law and financial reporting and tax errors. These risks are also present when the Issuer relies on outside suppliers or vendors to provide services to the Issuer and its customers.

For example, fraudsters may target any of the Issuer's products, services and delivery channels, including lending, internet banking, payments, bank accounts and cards. This may result in financial loss to the Issuer and/or its customers, an adverse customer experience, reputational damage and potential litigation, regulatory proceeding, administrative action or other adversarial proceeding in any jurisdiction in which the Issuer operates, depending on the circumstances of the event.

These non-financial risks could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects, strategy and reputation. Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuer 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 Issuer relies on recruiting, retaining and developing appropriate senior management and skilled personnel

Meeting the demand to recruit, retain and develop appropriate senior management and skilled personnel remains subject to a number of challenges. These include rapidly changing skill requirements and ways of working, the evolving regulatory landscape plus increased requirements and expectations regarding diversity.

Ongoing talent shortages and capabilities, particularly where those with the scarce capabilities are globally mobile, add to the complexity of the Issuer's supply challenge.

The Issuer's continued success depends in part on the retention of key members of its management team and wider employee base, the availability of skilled management in each of its business units, and the ability to continue to attract, train, motivate and retain highly qualified professionals, each of which may depend on factors beyond the Issuer's control, including economic, market and regulatory conditions.

If one of the Issuer's business units fails to staff its operations appropriately or loses one or more of its key senior executives and fails to successfully replace them in a satisfactory and timely manner, or fails to implement successfully the organisational changes required to support the Issuer's business, this could place the Issuer at a significant competitive disadvantage and prevent it from successfully implementing its strategy, which could have a material adverse effect on the Issuer's financial condition, results of operations and prospects, including control and operational risks.

The Issuer has significant exposure to counterparty risk

The Issuer is exposed to counterparties that are involved in virtually all major industries, and the Issuer 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 Issuer to credit risk in the event of default by its counterparty or client. The Issuer'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 Wall Street Reform and Consumer Protection Act ("**Dodd-Frank**") and the EU's European Market Infrastructure Regulation poses risks to the Issuer. As a clearing member, the Issuer is required to underwrite losses incurred at a central counterparty by the default of other clearing members and their clients. Increased moves towards central clearing brings with it a further element of interconnectedness between clearing members and clients that the Issuer believes may increase rather than reduce the Issuer's exposure to systemic risk. At the same time, the Issuer's ability to manage such risk itself will be reduced because control has been largely outsourced to central counterparties, 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 Issuer's credit risk may remain high if the collateral the Issuer holds cannot be realised or has to be liquidated at prices that are insufficient to recover the full amount of the Issuer's loan or derivative exposure. There is a risk that collateral cannot be realised, including situations where this arises by change of law that may influence the Issuer's ability to foreclose on collateral or otherwise enforce contractual rights.

The Issuer also has credit exposure arising from mitigants, such as credit default swaps, and other credit derivatives, each of which is carried at fair value. The risk of default by counterparties to credit default swaps and other credit derivatives used as mitigants affects 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 such adjustments or fair value changes could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

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

Credit ratings affect the cost and other terms upon which the Issuer is able to obtain market funding. Rating agencies regularly evaluate the Issuer 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 Issuer or of the relevant subsidiary, as well as conditions affecting the financial services industry generally. There can be no assurance that the rating agencies will maintain the Issuer's or the relevant subsidiary's current ratings or outlook, particularly given the risks relating to the ongoing Covid-19 outbreak (as discussed further under "*Impact of Covid-19*"). For example, on 14 May 2020, S&P downgraded the Issuer's long-term and short-term issuer credit ratings. This reflected the agency's assessment of the HSBC Group's muted earnings prospects and extensive restructuring and its view that the HSBC Group will not be shielded from the global economic downturn resulting from the measures taken against the spread of Covid-19. At the same time, S&P changed the outlook on the Issuer's long-term ratings from negative to stable.

Any reductions in these ratings and outlook could increase the cost of the Issuer's funding, limit access to capital markets and require additional collateral to be placed and, consequently, materially adversely affect the Issuer's interest margins and its liquidity position.

Risks concerning borrower credit quality are inherent in the Issuer's businesses

Risks arising from changes in credit quality and the recoverability of loans and amounts due from borrowers and counterparties (e.g. reinsurers and counterparties in derivative transactions) are inherent in a wide range of the Issuer's businesses. Adverse changes in the credit quality of the Issuer's borrowers and counterparties arising from a general deterioration in economic conditions or systemic risks in the financial systems, including from the impact of the ongoing Covid-19 outbreak (see "*Impact of Covid-19*"), could reduce the recoverability and value of the Issuer's assets, and require an increase in the Issuer's ECLs.

The Issuer estimates and recognises ECLs in the Issuer's credit exposure. This process, which is critical to the Issuer's results and financial condition, requires difficult, subjective and complex judgements, including forecasts of how the economic conditions might impair the ability of the Issuer's borrowers to repay their loans and the ability of other counterparties to meet their obligations. This assessment considers multiple alternative forward-looking economic conditions (including GDP estimates) and incorporates this into the ECL estimates to meet the measurement objective of IFRS 9. As is the case with any such assessments, the Issuer may fail to estimate accurately the effect of factors that it identifies or fail to identify relevant factors. Further, the information the Issuer uses to assess the creditworthiness of its counterparties may be inaccurate or incorrect. Any failure by the Issuer to accurately estimate the ability of its counterparties to meet their obligations could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

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

The Issuer provides various insurance products for customers with whom the Issuer 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 materially adversely affect the Issuer's business, financial condition, results of operations and prospects.

The Issuer may be required to make substantial contributions to its pension plans

The Issuer 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. They can also be affected by operational and legal risks. The level of contributions the Issuer makes to its pension plans has a direct effect on its 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 Issuer's business, financial condition, results of operations and prospects.

Risks related to the Issuer's financial statements and accounts

The Issuer's financial statements are based in part on judgements, 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. Due to the inherent uncertainty in making estimates, particularly those involving the use of complex models, actual results reported in future periods may be based upon amounts that differ from those estimates. Estimates, judgements, assumptions and models 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. The accounting policies deemed critical to the Issuer's results and financial position, based upon materiality and significant judgements and estimates, include impairment of loans and advances, goodwill, valuation of financial instruments, deferred tax assets, provisions and impairment of interests in associates, which constitute "Critical accounting estimates and judgements" with respect to the Issuer's financial statements.

The measurement of impairment of loans and advances measured at amortised cost requires the use of complex models, significant assumptions about credit behaviour, and judgement to incorporate relevant information about past events, current conditions and forecasts of economic conditions, and in identifying significant increases in credit risk. The assessment of whether goodwill is impaired, and the measurement of any impairment, involves the application of judgement in determining key assumptions, including discount rates, estimated cash flows, and projecting nominal growth rates beyond initial cash flow projections. For example, in 2019 the Issuer reported a £1.2 billion goodwill impairment in connection with the RBWM, Commercial Banking ("CMB") and GPB businesses, which was fully written-off, reflecting refinements of the methodology, updates to inputs and assumptions in the model used to estimate value-in-use and reductions in forecast future cash flows, as a result of challenging market conditions and negative interest rates in the Eurozone. The recognition and measurement of deferred tax assets involves significant judgement in estimating future profitability required to absorb tax losses carried forward. The recognition and measurement of provisions involve significant judgements about the point at which a liability is recognised, and the estimation of the amount of any such liability. The valuation of financial instruments measured at fair value can be subjective, in particular where models are used that include unobservable inputs. Given the uncertainty and subjectivity associated with the above critical accounting judgements and estimates, future outcomes may differ materially from those assumed using information available at the reporting date. The effect of these changes on the future results of operations and the future financial position of the Issuer may be material, and could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Changes in accounting standards may have a material impact on how the Issuer reports its financial results and financial condition

The Issuer prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("**IFRSs**") as issued by the International Accounting Standards Board ("**IASB**"), including interpretations ("**IFRICS**") issued by the IFRS Interpretations Committee, and as endorsed by the EU. From time to time, the IASB or the IFRS Interpretations Committee may issue new accounting standards or interpretations that could materially impact how the Issuer uses models to calculate, report and disclose its financial results and financial condition as well as affect the calculation of the Issuer's capital ratios, including the CET1 ratio. The Issuer could also be required to apply new or revised standards retrospectively, resulting in the Issuer's restating prior period financial statements in material amounts.

IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Registration Document. To the best of the knowledge of the Issuer the information contained in this Registration Document is in accordance with the facts and this Registration Document 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 Issuer, or any trustee or any dealer appointed in relation to any issue of Securities by the Issuer.

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

None of the delivery of this Registration Document or any documents incorporated by reference herein or any prospectus prepared by the Issuer ("**Prospectus**"), other offering document referring to this Registration Document or any relevant Final Terms or Pricing Supplement or 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 Issuer since the date hereof, or that the information contained in this Registration Document including any documents incorporated by reference herein 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 Issuer expressly does not undertake to review the financial condition or affairs of the Issuer 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 Issuer 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 Issuer 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 Issuer 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 or other offering document.

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

DOCUMENTS INCORPORATED BY REFERENCE

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

- the 2019 Annual Report and Accounts of the Issuer and its subsidiary undertakings for the year ended 31 December 2019 submitted to and filed with the FCA (the "**2019 Annual Report and Accounts**"); and
- the 2018 Annual Report and Accounts of the Issuer and its subsidiary undertakings for the year ended 31 December 2018 submitted to and filed with the FCA (the "**2018 Annual Report and Accounts**").

The Issuer 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 'Investors', 'Fixed income investors', 'Issuance programmes' for this Registration Document and 'Investors', 'Results and Announcements', 'All Reporting', 'Subsidiaries' for the remaining documents). For the avoidance of doubt, unless specifically incorporated by reference into this Registration Document, any websites referred to in this Registration Document or any information appearing on such websites and pages do not form part of this Registration Document.

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.

THE ISSUER AND ITS SUBSIDIARY UNDERTAKINGS

*All references in this section of the Registration Document 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.*

History and Development of the Issuer

HSBC Bank plc (the "**Issuer**") 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 number is +44 20 7991 8888. The Issuer was constituted by Deed of Settlement on 15 August 1836 and in 1873 was 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 Issuer adopted the name of Midland Bank Limited which it held until 1 February 1982 when the Issuer 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 plc ("**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 Issuer uses the abbreviation HSBC.

Legislation

The Issuer is subject to primary and secondary legislation relating to financial services and banking regulation in the United Kingdom, including, *inter alia*, the FSMA, for the purposes of which the Issuer 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 UK Companies Act 2006 (as amended).

Principal activities and markets

The information in this "*Principal activities and markets*" section is as at the date of this Registration Document. The Group is a UK-based group, which provides a comprehensive range of banking and related financial services.

The Issuer manages its products and services through its four businesses: Retail Banking and Wealth Management ("**RBWM**"), Commercial Banking ("**CMB**"), Global Banking and Markets ("**GB&M**") and Global Private Banking ("**GPB**"). As part of a business update to simplify the HSBC Group's organisational structure, the Issuer intends to move from four lines of business to three, by merging GPB and RBWM to create one new organisation, Wealth and Personal Banking.

In Continental Europe, the Channel Islands and Isle of Man, RBWM helps around 1.2 million customers with their financial needs through Retail Banking, Wealth Management, Insurance and Asset Management. For customers with simpler banking needs, RBWM offers a full suite of products reflecting local requirements; including personal banking, mortgages, loans, credit cards, savings, investments and insurance. Alongside this, RBWM provides various propositions in certain markets, including Jade, Premier, and Advance; as well as wealth solutions, financial planning and international services. RBWM serves its customers through four main channels: branches, self-service terminals, telephone service centres and digital services (internet and mobile banking).

CMB serves customers in 19 markets and territories, ranging from small enterprises focused on their local market to corporates operating across borders. CMB supports multinationals across the region and provides the tools and expertise that European businesses need to thrive. CMB's network of relationship managers and product specialists work closely to meet customer needs, from term loans to region-wide treasury and trade solutions. CMB is at the centre of creating revenue synergies within the HSBC Group. CMB works closely with its GB&M colleagues to provide expertise in capital finance and advisory solutions to support CMB's clients. The trade teams within CMB also provide import and export finance solutions to GB&M clients.

GB&M operates in 20 markets across the UK, the European Union, Switzerland, Armenia, Israel, Russia, South Africa, the Channel Islands and Isle of Man offering clients geographical reach and deep local knowledge. GB&M delivers tailored financial solutions to major government, corporate and institutional clients worldwide. Operating as a global business, GB&M also contributes significant revenues to other regions through its European client base. GB&M provides a comprehensive suite of services across capital financing, transaction and advisory banking services, trade services, research, securities services and global liquidity and cash management. GB&M's business is underpinned by a focus on highest standards of conduct and financial crime risk management.

GPB serves high net worth and ultra-high net worth individuals and families in the Channel Islands and Isle of Man, France and Germany, including those with international banking needs. Services provided include Investment Management, which comprises discretionary, advisory and brokerage services, and Private Wealth Solutions, which includes trusts and estate planning and bespoke lending such as lending against financial assets and residential mortgage financing for high-end properties. GPB collaborates with the other HSBC Group businesses within the group and aspires to be the private bank of choice to its best corporate clients.

At 31 December 2019, the Issuer and its subsidiaries had a physical presence in Armenia, Belgium, the Channel Islands, Czech Republic, France, Germany, Greece, Ireland, Isle of Man, Israel, Italy, Luxembourg, Malta, Netherlands, Poland, Russia, South Africa, Spain, Sweden Switzerland and the United Kingdom.

The principal activities and markets of the Group are described in more detail on pages 4 to 6 of the 2019 Annual Report and Accounts (incorporated by reference herein).

As at 31 December 2019, the Issuer's principal subsidiary undertakings and their country of incorporation or registration were:

Name of Subsidiary Undertaking	*Location*
HSBC Investment Bank Holdings Limited	England
HSBC Asset Finance (UK) Limited	England
HSBC Life (UK) Limited	England
HSBC France (99.99 per cent. owned)	France
HSBC Trinkaus & Burkhardt AG (80.67 per cent. owned)	Germany
HSBC Bank Malta p.l.c. (70.03 per cent. owned)	Malta

The subsidiaries, joint ventures and associates of the Issuer are described in more detail on pages 163 to 164 of the 2019 Annual Report and Accounts (incorporated by reference herein).

Organisational Structure

Following the completion of the HSBC Group's ring-fencing of its UK retail banking activities on 1 July 2018, and as part of the implementation of HSBC Group's reorganisation plans, the Issuer became a wholly-owned subsidiary of HSBC UK Holdings Limited in October 2018. HSBC UK Holdings Limited is a wholly and directly owned subsidiary of HSBC Holdings plc.

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

The HSBC Group is one of the largest banking and financial services organisations in the world with an international network which covers 64 countries and territories in Europe, Asia, the Middle East and North Africa, North America and Latin America. As at 31 December 2019 the total assets of the HSBC Group were U.S.$ 2,715,152 million.

Ratings

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

- A+ by S&P. This means that S&P is of the opinion that the Issuer has a strong capacity to meet its financial commitments;
- Aa3 by Moody's. This means that Moody's is of the opinion that the Issuer is judged to be of high quality and is subject to very low credit risk; and
- AA- by Fitch. This means that Fitch is of the opinion that the Issuer 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 Issuer 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 Issuer'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 Issuer has a superior ability to repay short-term debt obligations; and
- F1+ by Fitch. This means that Fitch is of the opinion that the Issuer 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 or the United Kingdom and are registered as Credit Rating Agencies under the CRA Regulation.

Management

Directors

The directors of the Issuer, each of whose business address is 8 Canada Square, London, E14 5HQ, United Kingdom, their functions in relation to the Issuer and their principal outside activities (if any) of significance to the Issuer are as follows (please refer to pages 77 to 78 of the 2019 Annual Report and Accounts (incorporated by reference herein) for more information):

Name	**Function within the Group**	**Other principal activities outside of the Issuer**
S O'Connor*	Chairman	Chairman, Quantile Technologies Limited Non-executive Director, Chair of the Risk Committee, Member of both the Audit Committee and the Nomination Committee, The London Stock Exchange Group plc Non-executive Director, FICC Markets Standards Board
J Trueman*	Deputy Chairman	Chairman, HSBC Global Asset Management Limited
Nuno Matos	Chief Executive Officer	Member of the Supervisory Board, HSBC Trinkaus & Burkhardt AG Director, HSBC France
J Fleurant	Chief Financial Officer	—
Dame Mary Marsh*	Director	Non-executive Chair of Trustees, Royal College of Paediatrics and Child Health Director, London Symphony Orchestra A member of the Governing Body, London Business School Trustee, Teach First
Y Omura*	Director	Non-executive Director, The Private Infrastructure Development Group Limited (PIDG) Non-executive Director, Assured Guaranty Limited as well as Chair of GuarantCo Limited, a subsidiary of PIDG Member of the Supervisory Board, Nishimoto HD Co Limited

Name	Function within the Group	Other principal activities outside of the Issuer
E Strutz*	Director	Member of the Supervisory Board and Chairman of the Risk and Audit Committees, HSBC Trinkaus & Burkhardt AG Member and Vice Chairman of the Board of Directors and Chairman of the Risk and Audit Committee, Partners Group Holding AG Member of the Board of Directors, Chairman of the Audit Committee, Global Blue S.A. Member of the Advisory Board and Chairman of the Audit and Risk Committee of Luxembourg Investment Company 261 Sarl
S Moss	Director, Regional Chief Executive	— Director, HSBC Bank Canada, HSBC Middle East Holdings B.V., Saudi British Bank, HSBC Latin America Holdings (UK) Limited
A Wright*	Director	—

Notes:

* Independent Non-executive Director

Management Committees

Executive Committee

The Issuer'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 Issuer. The members of the Executive Committee and their functions in relation to the Issuer's Executive Committee and their principal outside activities (if any) of significance to the Issuer are as follows:

Name	Function	Other principal activities outside the Issuer
Nuno Matos	Chairman Chief Executive Officer, Europe	Member of the Supervisory Board, HSBC Trinkaus & Burkhardt AG Director, HSBC France
C Allen	Head of Global Private Banking, UK and Channel Islands	—
E Barr	Chief Operating Officer, Europe and Chief Operating Officer, HSBC France	—
A Beane	Chief of Staff and Head of Transformation, Europe	—
J Beunardeau	Chief Executive Officer, HSBC France	Group General Manager, HSBC Holdings plc Director, HSBC France
M Charles	General Counsel, Europe	—

Name	Function	Other principal activities outside the Issuer
M Colebrook	Head of Wealth and Personal Banking, Europe	—
C Davies	Chief Executive Officer, International, Europe and Deputy Chief Executive, HSBC France	Group General Manager, HSBC Holdings plc Director, HSBC Bank Malta plc Director, HSBC Bank Bermuda Limited
J Fleurant	Chief Finance Officer, Europe	—
P George	Head of Global Markets, Europe and North America	—
P Henry	Head of Global Banking, EMEA	—
P Jockelson	Interim Company Secretary, HSBC Bank plc and Europe Region	—
R Montgomerie	Head of Human Resources, Europe	—
P Reid	Chief Risk Officer, Europe	Director, HSBC Investment Bank Holdings Ltd
C Graefin von Schmettow	Chief Executive Officer, HSBC Germany	Director, HSBC France Director, HSBC Trinkaus & Burkhardt AG
A Sowter	Head of Regulatory Compliance	—
M Wallis	Global Head of Communications, Network and Head of Communications, Europe	—
A Wild	Head of Commercial Banking, Continental Europe	Director, HSBC France
M Wogart	Interim HSBC Bank plc Money Laundering Reporting Officer	—

Conflicts of Interest

There are no existing or potential conflicts of interest between any duties owed to the Issuer by its directors or 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 Issuer is beneficially owned by HSBC UK Holdings Limited.

Dividends

The Issuer paid the following dividends during the previous three years:

Year	Aggregate Dividends (in £m)	Comments
2017	651	Including payments of £50,172,018 under the Non-Cumulative Third Dollar Preference Shares.

Year	Aggregate Dividends (in £m)	Comments
2018	868	Including payments of £51,389,977 under the Non-Cumulative Third Dollar Preference Shares.
2019	2,838	Including payments of £50,722,677 under the Non-Cumulative Third Dollar Preference Shares.

GENERAL INFORMATION

*All references in this section of this Registration Document to "**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 "**Issuer**") prepares its consolidated financial statements in accordance with International Financial Reporting Standards.

2. There has been no significant change in the financial position or financial performance of the Issuer or the Group nor any material adverse change in the prospects of the Issuer since 31 December 2019.

3. Save as disclosed in Note 25 "*Provisions*" on pages 149 to 150 and Note 32 "*Legal proceedings and regulatory matters*" on pages 157 to 160, of the 2019 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 Issuer is aware) which may have, or have had during the 12-months prior to the date of this Registration Document, a significant effect on the financial position or profitability of the Issuer and/or the Group.

4. PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors, of 7 More London Riverside, London SE1 2RT, United Kingdom has audited without qualification the financial statements contained in the Annual Report and Accounts of the Issuer for the financial years ended 31 December 2018 and 2019.

5. The date of the articles of association of the Issuer is 23 November 2018.

6. The Issuer does not have a specific purpose or objects clause in its articles of association. The Issuer is an authorised institution under the UK Financial Services and Markets Act 2000 (as amended) ("**FSMA**") and provides a comprehensive range of banking and related financial services.

7. For so long as the Issuer may issue Securities with respect to which this Registration Document forms part of a prospectus prepared by the Issuer relating to such Securities, the following documents may be inspected during normal business hours at the registered office of the Issuer or at the website set out by each relevant document listed below for the 12 months from the date of this Registration Document:

    (a) the up to date memorandum and articles of the Issuer (website: www.hsbc.com (please follow links to 'Investors', 'Fixed income investors', 'Issuance programmes')); and

    (b) the 2018 Annual Report and Accounts and the 2019 Annual Report and Accounts (website: www.hsbc.com (please follow links to 'Investors', 'Results and Announcements', 'All Reporting', 'Subsidiaries')).

8. The Issuer will, at its registered office 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 such documents should be directed to the specified office of any Paying Agent.

9. This Registration Document (including any document incorporated by reference herein) will be available for viewing at www.hsbc.com (please follow links to 'Investors', 'Fixed income investors', 'Issuance programmes') . For the avoidance of doubt, unless specifically incorporated by reference into this Registration Document, information contained on the website does not form part of this Registration Document.

10. The Legal Entity Identifier (LEI) code of the Issuer is MP6I5ZYZBEU3UXPYFY54.

HEAD AND REGISTERED OFFICE OF THE ISSUER

HSBC Bank plc
8 Canada Square
London
E14 5HQ
United Kingdom

PAYING AGENTS

HSBC Bank plc
8 Canada Square
London
E14 5HQ
United Kingdom

HSBC Bank USA, National Association
Issuer Services
452 Fifth Avenue
New York
New York 10018
United States of America

AUDITOR AND REPORTING ACCOUNTANT TO THE ISSUER

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT