

Final Terms dated: 24th May 2018

HSBC Bank plc

Programme for the Issuance of Notes and Warrants

Issue of

Up to GBP 25,000,000 Notes linked to Eukairos Investments Limited Preference Shares Series 1131

PART A – CONTRACTUAL TERMS

This document constitutes the Final Terms for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC, as amended) (the "**Prospectus Directive**") relating to the issue of the Tranche of Notes described herein and must be read in conjunction with (i) in relation to the period to and including 20 June 2018 (the "**2017 Prospectus Expiry Date**"), the Base Prospectus dated 21 June 2017 relating to Preference Share-Linked Notes issued under the above Programme, which together with each supplemental prospectus relating to the Programme published by the Issuer after 21 June 2017 but before the 2017 Prospectus Expiry Date, issue date or listing date of the Notes, whichever is later, to which these Final Terms relate constitutes a base prospectus (the "**2017 Prospectus**") for the purposes of the Prospectus Directive, and (ii) from but excluding the 2017 Prospectus Expiry Date, such base prospectus relating to Preference Share-Linked Notes issued under the above Programme as is published by the Issuer in replacement of the 2017 Prospectus, which together with each supplemental prospectus relating to the Programme published by the Issuer after such publication but before the issue date or listing date of the Notes, whichever is later, to which these Final Terms relate constitutes a base prospectus (the "**2018 Prospectus**") for the purposes of the Prospectus Directive. A summary of the issue of the Notes is annexed to these Final Terms.

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes set forth in the 2017 Prospectus (the "**Conditions**") and which are or will be incorporated by reference into the 2018 Prospectus.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and (i) in relation to the period to and including the 2017 Prospectus Expiry Date, the 2017 Prospectus, and (ii) from but excluding the 2017 Prospectus Expiry Date, the 2018 Prospectus. Each of the 2017 Prospectus and the 2018 Prospectus are available for viewing from their respective dates of publication during normal business hours at HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and www.hsbc.com (please follow links to 'Investor relations', 'Fixed income investors', 'Issuance programmes') and copies may be obtained from HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.

1. Issuer: HSBC Bank plc
2. Tranche Number: 1
3. Settlement Currency: Great British Pounds ("**GBP**")
4. Aggregate Principal Amount of Notes admitted to trading:
 - (i) Series: Up to GBP 25,000,000
 - (ii) Tranche: Up to GBP 25,000,000
5. Issue Price: 100 per cent. of the Aggregate Principal Amount

6. (i) Denomination (s): GBP 1
- (ii) Calculation Amount: GBP 1
- (iii) Aggregate Outstanding Nominal Amount Rounding: Not Applicable
7. Issue Date: 13 July 2018
8. Maturity Date: 14 January 2025 (or, if later, the date falling 2 Business Days following the Valuation Date), or if the Preference Shares become subject to the auto-call provisions contained in the terms and conditions of the Preference Shares, the date specified below in relation to the relevant Preference Share Valuation Date:

Preference Share Valuation Date <i>(subject to adjustment in accordance with sub-paragraph 10(vii) below)</i>	Maturity Date <i>(or, in each case, if later, the date falling 2 Business Days following the Valuation Date falling immediately after such Preference Share Valuation Date)</i>
29 June 2020	13 July 2020
29 December 2020	13 January 2021
29 June 2021	13 July 2021
29 December 2021	12 January 2022
29 June 2022	13 July 2022
29 December 2022	12 January 2023
29 June 2023	13 July 2023
29 December 2023	15 January 2024
28 June 2024	12 July 2024

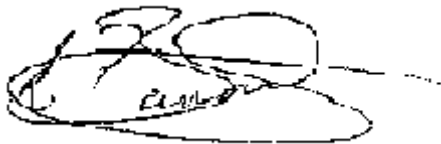
9. Type of Notes (for the purposes of Redemption): Autocallable Redemption Notes
10. Preference Share provisions:
- (i) Preference Shares: Eukairos Investments Limited Preference Shares Series 1131
- (ii) Index: FTSE® 100 Index Bloomberg Ticker Index:UKX
- (iii) Basket: Not Applicable
- (iv) Initial Valuation Date: Issue Date
- (v) Valuation Date: Eighth Business Day following the Preference Share Valuation Date

- (vi) Valuation Time: 5pm London time
- (vii) Preference Share Valuation Date: (1) if the Preference Shares become subject to the auto-call provisions contained in the terms and conditions of the Preference Shares (or would have become subject to such auto-call provisions but for the delay of the date for valuation or determination of the underlying Index of the Preference Shares on or about such date):
- (i) in the first half of the year 2020, the 29 June 2020
- (ii) in the second half of the year 2020, the 29 December 2020
- (iii) in the first half of the year 2021, the 29 June 2021
- (iv) in the second half of the year 2021, the 29 December 2021
- (v) in the first half of the year 2022, the 29 June 2022
- (vi) in the second half of the year 2022, the 29 December 2022
- (vii) in the first half of the year 2023, the 29 June 2023
- (viii) in the second half of the year 2023, the 29 December 2023
- (ix) in the first half of the year 2024, the 28 June 2024
- or
- (2) otherwise 30 December 2024 or, in each case, if such date for valuation of or any determination of the underlying Index of the Preference Shares falling on or about such day is to be delayed in accordance with the terms and conditions of the Preference Shares by reason of a disruption or adjustment event, the Preference Share Valuation Date shall be such delayed valuation or determination date, as determined by the Calculation Agent.
- (viii) Extraordinary Event: Condition 4(d) applies.
- (ix) Additional Disruption Event: Condition 4(e) applies.
11. Taxation: Condition 5B (*Taxation – Gross-up*) is applicable
(*Condition 5*)

12. Form of Notes: Uncertificated Registered Notes
13. If issued in bearer form: Not Applicable
14. Exchange Date for Not Applicable
exchange of
Temporary Global
Note:
15. If issued in registered Not Applicable
form (other than
Uncertificated
Registered Notes):
16. Payments:
- (i) Business London
 Centre(s):
- (ii) Relevant London
 Financial
 Centre Day:
17. Redenomination: Not Applicable

CONFIRMED

HSBC BANK PLC



By:

Authorised Signatory

Date:

PART B – OTHER INFORMATION

1. LISTING

- (i) Listing: Application will be made to admit the Notes to listing on the Official List of the United Kingdom Financial Conduct Authority. No assurance can be given as to whether or not, or when, such application will be granted.
- (ii) Admission to trading: Application will be made for the Notes to be admitted to trading on the regulated market of the London Stock Exchange plc. No assurance can be given as to whether or not, or when, such application will be granted.

2. RATINGS

Ratings: The Notes are not rated.

3. REASONS FOR THE OFFER AND USE OF PROCEEDS, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES AND TAXES SPECIFICALLY CHARGED TO THE SUBSCRIBER OR PURCHASER

- (i) Reasons for the offer and use of proceeds: Profit making and/or hedging activities
- (ii) Estimated net proceeds: Information not required
- (iii) Estimated total expenses and taxes specifically charged to the subscriber or purchaser: Information not required

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFER

The Notes may be on-sold by the Dealer(s) to the Initial Authorised Offerors at a discount to the Issue Price of up to 3 per cent. Such discount (the "**re-offer spread**") will be retained by the Initial Authorised Offerors.

Save for the re-offer spread retained by the Initial Authorised Offerors, no person involved in the issue of the Notes has, so far as the Issuer is aware, an interest material to the offer. The Dealer(s) and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business..

5. INFORMATION ON THE UNDERLYING

Information on past and future performance and volatility of the Index can be obtained from the websites of Financial Times Limited.

DISTRIBUTION

- 6. (i) If syndicated, name and address of Dealers: Not Applicable
- (ii) Date of subscription agreement: Not Applicable
- (iii) Indication of the overall amount of the underwriting: Not Applicable

commission and of the
placing commission:

- | | | |
|-----|--|---|
| 7. | If non-syndicated, name and address of Dealer: | HSBC Bank plc 8 Canada Square, London E14 5HQ |
| 8. | TEFRA Rules applicable to Bearer Notes: | TEFRA Not Applicable |
| 9. | Public Offer: | Applicable |
| | (i) Details of the Public Offer: | An offer of this Tranche of Notes may be made by the Dealer and Walker Crips Stockbrokers Limited (together with the Dealer, the " Initial Authorised Offerors ") other than pursuant to Article 3(2) of the Prospectus Directive in the United Kingdom only (the " Public Offer Jurisdiction ") during the period from and including 29 May 2018 until but excluding 29 June 2018 (the " Offer Period "). |
| | (ii) Conditions attached to the consent to use the Prospectus: | Not Applicable |
| 10. | Additional U.S. federal income tax considerations: | Not Applicable. The Notes are not Section 871(m) Notes for the purpose of Section 871(m) of the U.S. Internal Revenue Code of 1986. |

OPERATIONAL INFORMATION

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|-----|--|--------------------------|
| 11. | ISIN Code: | GB00BFZQ1Q08 |
| 12. | Common Code: | 182445533 |
| 13. | SEDOL: | BFZQ1Q0 |
| 14. | Clearing System: | CREST |
| 15. | Delivery: | Delivery against payment |
| 16. | Principal Paying Agent/Registrar/Issue Agent/Transfer Agent: | Not Applicable |
| 17. | Additional Paying Agent(s) (if any): | None |
| 18. | Common Depositary: | Not Applicable |
| 19. | Calculation Agent: | HSBC Bank plc |

TERMS AND CONDITIONS OF THE OFFER

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| 20. | Offer Price: | Issue Price |
| 21. | Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer: | Up to GBP 25,000,000 Notes will be issued and the criterion/condition for determining the final amount of Notes will be investor demand.

A copy of these Final Terms will be filed with the Financial Conduct Authority in the UK (the " FCA "). On or before the Issue Date, a notice pursuant to UK Prospectus Rule 2.3.2(2) of the |

final aggregate principal amount of the Notes will be (i) filed with the FCA and (ii) published in accordance with the method of publication set out in Prospectus Rule 3.2.4(2).

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| 22. | The time period, including any possible amendments, during which the offer will be open: | An offer of the Notes will be made other than pursuant to Article 3(2) of the Prospectus Directive during the Offer Period. |
| 23. | Conditions to which the offer is subject: | The Issuer may close the Offer Period prior to 29 June 2018 if the Notes are fully subscribed before such date. |
| 24. | Description of the application process: | A prospective investor should contact the Initial Authorised Offerors during the Offer Period. A prospective investor will subscribe for the Notes in accordance with the arrangements existing between the Initial Authorised Offeror and its customer relating to the subscription of securities generally and not directly with the Issuer.

Persons interested in purchasing Notes should contact their financial adviser. If an investor in any jurisdiction other than the United Kingdom wishes to purchase Notes, such investor should (a) be aware that sales in the relevant jurisdiction may not be permitted; and (b) contact its financial adviser, bank or financial intermediary for more information. |
| 25. | Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: | Not Applicable |
| 26. | Details of the minimum and/or maximum amount of application: | Minimum of GBP 1,000 |
| 27. | Details of the method and time limits for paying up the securities and delivering of the securities: | Prospective Noteholders will be notified by the Initial Authorised Offerors of their allocations of Notes and the settlement arrangements in respect thereof. The Notes will be issued on the Issue Date on a delivery against payment basis. |
| 28. | Manner in and date on which results of the offer are to be made public: | The final size will be known at the end of the Offer Period.

A copy of these Final Terms will be filed with the Financial Conduct Authority in the UK (the "FCA"). On or before the Issue Date, a notice pursuant to UK Prospectus Rule 2.3.2(2) of the final aggregate principal amount of the Notes will be (i) filed with the FCA and (ii) published in accordance with the method of publication set out in Prospectus Rule 3.2.4(2). |
| 29. | Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: | Not Applicable |

30. Whether tranche(s) have been reserved for certain countries: Not Applicable
31. Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: At the end of the Offer Period, Walker Crips Stockbrokers Limited will proceed to notify the prospective Noteholders as to the amount of their allotment of the Notes.
32. Amount of any expenses and taxes specifically charged to the subscriber or purchaser: Not Applicable
33. Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: The Notes are to be offered to the public in the Public Offer Jurisdiction by the Initial Authorised Offerors.
Walker Crips Stockbrokers Limited: Old Change House, 128 Queen Victoria, London EC4V 4BJ
HSBC Bank plc: 8 Canada Square, London E14 5HQ
34. Name and address of any paying agents and depositary agents in each country: HSBC Bank plc, 8 Canada Square, London E14 5HQ
35. Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment: Not Applicable

ANNEX

ADDITIONAL PROVISIONS NOT REQUIRED BY THE SECURITIES NOTE RELATING TO THE UNDERLYING

The following Index disclaimer is applicable in respect of the FTSE® 100 Index, as agreed between the Index Sponsor and the Issuer:

STATEMENTS REGARDING THE FTSE® 100 INDEX

Neither the Notes nor the Preference Shares are in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("**FTSE**") or the London Stock Exchange Group companies ("**LSEG**") (together the "**Licensor Parties**") and none of the Licensor Parties make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to (i) the results to be obtained from the use of the FTSE® 100 Index (the "**Index**"), (ii) the figure at which the Index is said to stand at any particular time on any particular day or otherwise, or (iii) the suitability of the Index for the purpose to which it is being put in connection with the Notes or Preference Shares. None of the Licensor Parties have provided or will provide any financial or investment advice or recommendation in relation to the Index to the Issuer or to its clients. The Index is calculated by FTSE or its agent. None of the Licensor Parties shall be (a) liable (whether in negligence or otherwise) to any person for any error in the Index or (b) under any obligation to advise any person of any error therein.

All rights in the Index vest in FTSE. "FTSE®" is a trade mark of LSEG and is used by FTSE under licence.

The following are the completed terms and conditions of the Preference Shares:

ISSUE SPECIFIC SUMMARY

This section provides an overview of information included in this Base Prospectus. It includes blank placeholders for options provided for under the Programme which will only be known at the time of each issuance of Notes. A completed summary of each individual issue will be annexed to the relevant Final Terms.

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "Not Applicable".

Section A – Introduction and Warnings		
A.1	Introduction and Warnings:	<p>This summary must be read as an introduction to this prospectus and any decision to invest in the Notes should be based on a consideration of the prospectus as a whole by the investor, including any information incorporated by reference and read together with the relevant final terms.</p> <p>Where a claim relating to the information contained in the prospectus is brought before a court in a Member State of the European Economic Area, the claimant may, under the national legislation of the Member States, be required to bear the costs of translating the prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such Notes.</p>
A.2	Consent by the Issuer to the use of the prospectus in subsequent resale or final placement of the Notes, indication of offer period and conditions to consent for subsequent resale or final placement and warning:	<p>The Issuer expressly consents to the use of the prospectus in connection with an offer of Notes in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus (a "Public Offer") of the Notes by the Dealer and Walker Crips Stockbrokers Limited (the "Authorised Offerors") during the period from and including 29 May 2018 to but excluding 29 June 2018 (the "Offer Period") and in the United Kingdom only (the "Public Offer Jurisdiction"), provided that the relevant Authorised Offeror is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) and any other applicable laws. The Issuer also accepts responsibility for the content of the prospectus with respect to the subsequent resale or final placement of the Notes by the Authorised Offerors.</p> <p>The Authorised Offeror will provide information to investors on the terms and conditions of the Public Offer of the relevant Notes at the time such Public Offer is made by the Authorised Offeror to the investors.</p>
Section B – Issuer		
B.1	Legal and commercial name of the Issuer:	The legal name of the issuer is HSBC Bank plc (the " Issuer ") and, for the purposes of advertising, the Issuer uses an abbreviated version of its name, HSBC.
B.2	Domicile and legal form of the Issuer, the legislation under	The Issuer is a public limited company registered in England and Wales under registration number 14259. The liability of its members is limited. The Issuer was constituted by Deed of Settlement on 15 August 1836 and in 1873, registered under the Companies Act 1862 as an unlimited company. It was re-

	<p>which the Issuer operates and its country of incorporation:</p>	<p>registered as a company limited by shares under the Companies Acts 1862 to 1879 on 1 July 1880. On 1 February 1982 the Issuer re-registered under the Companies Acts 1948 to 1980 as a public limited company.</p> <p>The Issuer is subject to primary and secondary legislation relating to financial services and banking regulation in the United Kingdom, including, <i>inter alia</i>, the UK Financial Services and Markets Act 2000, as amended, 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.</p>
<p>B.4b</p>	<p>Known trends affecting the Issuer and the industries in which it operates:</p>	<p>UK real Gross Domestic Product ("GDP") rose by 0.5% in the fourth quarter of 2017 - a small improvement on 0.4% in the preceding quarter. The annual rate of growth slowed to 1.5% (from 2.0% in the same quarter of 2016). The unemployment rate stood at 4.3% in the three months to November 2017 - its lowest level since 1975. Employment as a percentage of the population aged 16-64 was 75.5% in November 2017 - a series high. Annual wage growth (excluding bonuses) stood at 2.4% in the three months to November 2017. The annual rate of growth in the Consumer Price Index ("CPI") was 3.0% in December 2017. Activity in the housing market weakened over the year, with price growth moderating but remaining positive. However, the Bank of England raised rates by 25bps to 0.5% in November 2017.</p> <p>The annual pace of UK real GDP growth is now expected to slow from 1.8% in 2017 to 1.5% in 2018. Though CPI inflation may be at or near its peak, it looks set to continue to outpace wage growth throughout 2018, with employment growth slowing. Together, these factors could weigh on consumption growth. Political uncertainty may also keep investment growth weak, while net trade is not expected to contribute to GDP growth in 2018. Although the rate of growth is lower than it has been in recent years, it is still close to what the Bank of England considers to be the new 'speed limit'. It may therefore raise the Bank Rate again in 2018.</p> <p>The eurozone continued on a steady growth path in 2017, with GDP increasing at a 0.6% quarterly rate in the fourth quarter of the year, following 0.7% in the previous two quarters. This took full year growth to 2.5% in the eurozone last year, the fastest rate in ten years. So far we only have the data for two of the Big 4 eurozone countries: France and Spain. GDP increased by 0.6% quarter-on-quarter in France, led by strong exports growth and investment, and by 0.7% quarter-on-quarter in Spain, taking the full year growth to 3.1%, the third year in a row in excess of 3%. Domestic consumption is likely to have remained an important driver of growth in the fourth quarter, fuelled by strong job creation, but HSBC Global Research expects it to have eased a little as the recent oil price increase is reducing households' purchasing power. Investment has also been picking up recently, particularly in the business sector, also helped by important fiscal incentives, while net exports are also likely to have contributed positively to growth, thanks to the highly synchronised global cycle, and so far with limited impact from the appreciation of the euro (circa 9% in trade-weighted terms) since last spring.</p> <p>The latest survey data point to a continuation of the strong growth momentum, although HSBC Global Research expects a marginal slowdown in growth in 2018 (to 2.3%) due to stalling real wage growth putting a lid on domestic consumption, against the background of rising energy prices, while the stronger euro might have a dampening effect on export growth. The European Central Bank ("ECB") Quantitative Easing ("QE") programme has been extended for 9 months from January 2018 albeit at a slightly lower pace (€30bn of asset purchases per month, compared to €60bn previously), which should continue to provide fiscal support to countries, while the ECB forward guidance on rates should help prevent a further appreciation of the euro by pushing expectations for a possible rate hike further into the future. HSBC Global Research expects</p>

		QE to end in October 2018. With nominal wage growth stalling, HSBC Global Research expects inflation to continue to undershoot the ECB's inflation target, at 1.5% both in 2018 and 2019, even if the recent oil price increase has added some pressures to inflation in the short term, only partly offset by the stronger euro. The main political risk is the Italian election on 4 March 2018, with polls pointing to a likely hung parliament. The outcome of the Catalan independence threat remains uncertain, after pro-independence parties re-gained a majority of seats in the Catalan parliament at the regional election on 21 December 2017, while Germany is still without a government after last September's election.
B.5	The group and the Issuer's position within the group:	The whole of the issued ordinary and preference share capital of the Issuer is beneficially owned by HSBC Holdings plc (" HSBC Holdings ", together with its subsidiaries, the " HSBC Group "). The Issuer is the HSBC Group's principal operating subsidiary undertaking in Europe.
		The HSBC Group is one of the largest banking and financial services organisations in the world, with an international network of more than 4,700 branches in 71 countries and territories across five geographical regions: Europe, Asia, Middle East and North Africa, North America and Latin America. Its total assets as at 31 December 2016 were U.S.\$ 2,374,986 million.
B.9	Profit forecast or estimate:	Not Applicable. There are no profit forecasts or estimates made in the prospectus.
B.10	Nature of any qualifications in the audit reports on the historical financial information:	Not Applicable. There are no qualifications in the audit reports on the audited, consolidated financial statements of the Issuer for the financial years ended 31 December 2015 or 31 December 2016.
B.12	Selected key financial information, no material adverse change and no significant change statement:	The selected key financial information regarding the Issuer set out below has been extracted without material adjustment from the audited consolidated financial statements of the Issuer for the years ended 31 December 2016 and 31 December 2017.

	Footnotes	2017	2016
For the year (£m)			
Profit before tax (reported basis)		2,370	874
Profit before tax (adjusted basis)	1	3,832	4,234
Net operating income before loan impairment charges and other credit risk provisions	2	13,052	13,305
Profit/(loss) attributable to shareholders of the parent company		1,809	(212)
At year end (£m)			
Total equity attributable to shareholders of the parent company		43,462	39,930
Total assets		818,868	816,829
Risk-weighted assets		233,073	245,237
Loans and advances to customers (net of impairment allowances)		280,402	272,760
Customer accounts		381,546	375,252
Capital ratios (%)			
Common Equity tier 1	3	11.8	10.2
Tier 1 ratio		13.8	12.3
Total capital		16.9	15.7
Performance, efficiency and other ratios (annualised %)			
Return on average ordinary shareholders' equity	4	4.2	(1.2)
Return on average risk-weighted assets		1.0	0.4
Adjusted return on average risk-weighted assets		1.6	1.7
Cost efficiency ratio (reported basis)	5	78.2	90.3
Cost efficiency ratio (adjusted basis)	5	67.5	63.9
Jaws (adjusted basis)	6	(5.8)	0.4
Ratio of customer advances to customer accounts		73.5	74.8
<p>¹ Adjusted performance is computed by adjusting reported results for the effect of significant items as detailed on pages 10 to 12 of the Issuer's Annual Report and Accounts for the year ended 31 December 2017.</p> <p>² Net operating income before loan impairment charges and other credit risk provisions is also referred to as revenue.</p> <p>³ Capital ratios as detailed on the capital section on pages 56 to 58 of the Issuer's Annual Report and Accounts for the year ended 31 December 2017.</p> <p>⁴ The return on average ordinary shareholders' equity is defined as profit attributable to shareholders of the parent company divided by the average total shareholders' equity</p> <p>⁵ Reported cost efficiency ratio is defined as total operating expenses (reported) divided by net operating income before loan impairment charges and other credit risk provisions (reported), while adjusted cost efficiency ratio is defined as total operating expenses (adjusted) divided by net operating income before loan impairment charges and other credit risk provisions (adjusted). Net operating income before loan impairment charges and other credit risk provisions (adjusted) is also referred to as revenue (adjusted).</p> <p>⁶ Adjusted jaws measures the difference between adjusted revenue and adjusted cost growth rates.</p>			
		There has been no material adverse change in the prospects of the Issuer since 31 December 2017.	
		There has been no significant change in the financial or trading position of the Issuer and its subsidiary undertakings since 31 December 2017.	
B.13	Recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency:	Not Applicable. There have been no recent events particular to the Issuer which are to a material extent relevant to the evaluation of its solvency.	
B.14	Dependence upon other entities within the group:	The Issuer is a wholly owned subsidiary of HSBC Holdings. The Issuer and its subsidiaries form a UK-based group (the "Group"). The Issuer conducts part of its business through its subsidiaries and is accordingly dependent upon those members of the Group.	

B.15	The Issuer's principal activities:	The Group provides a comprehensive range of banking and related financial services. The Group divides its activities into four business segments: Retail Banking and Wealth Management; Commercial Banking; Global Banking and Markets; and Global Private Banking.
B.16	Controlling persons:	The whole of the issued ordinary and preference share capital of the Issuer is owned directly by HSBC Holdings.
B.17	Credit ratings:	The Issuer has been assigned the following long term credit ratings: AA- by Standard & Poor's Credit Market Services Europe Limited (" Standard & Poor's "); Aa3 by Moody's Investors Service Limited (" Moody's "); and AA- by Fitch Ratings Limited (" Fitch "). The Notes to be issued have not been rated.
Section C – Securities		
C.1	Description of type and class of securities:	<p>Issuance in series:</p> <p>Notes will be issued in series ("Series") which may comprise one or more tranches ("Tranches"). Each Tranche issued under a Series will have identical terms, except that different Tranches may comprise Notes in bearer form ("Bearer Notes"), registered form ("Registered Notes") or uncertificated registered form ("Uncertificated Registered Notes"). The issue dates and issue prices of different Tranches may also vary.</p> <p>The Uncertificated Registered Notes being issued are Tranche 1 Notes (the "Notes")</p> <p>Form of Notes:</p> <p>Uncertificated Registered Notes:</p> <p>Uncertificated Registered Notes will be issued in uncertificated registered form and deposited with Euroclear UK and Ireland Limited ("CREST"). Legal title to Uncertificated Registered Notes is recorded by CREST on the Operator register of corporate securities (the "Operator Register") and will pass by registration of a transfer of ownership in the Operator Register. CREST will maintain a record of uncertificated corporate securities which reflects the Operator Register.</p> <p>Security Identification Numbers:</p> <p>The Uncertificated Registered Notes have been accepted for clearance through CREST and will be allocated the following Security Identification Numbers</p> <p>ISIN Code: GB00BFZQ1Q08 Common Code: 182445533 SEDOL: BFZQ1Q0</p>
C.2	Currency of the securities issue:	The settlement currency of the Notes is GBP (the " Settlement Currency ").
C.5	Description of any restrictions on the free transferability of the securities:	The Notes are freely transferable. However, there are restrictions on the offer and sale of the Notes and the Issuer and HSBC Bank plc (the " Dealer ") have agreed restrictions on the offer, sale and delivery of the Notes and on distribution of offering materials in the European Economic Area (including the United Kingdom), Guernsey, Isle of Man, Jersey and the United States of America.

C.8	<p>The rights attaching to the securities, including ranking and limitations to those rights:</p>	<p>Status of the Notes: The Notes issued will be direct, unsecured and unsubordinated obligations of the Issuer and will rank equally and without preference among themselves and, at their date of issue, with all other unsecured and unsubordinated obligations of the Issuer (unless preferred by law).</p> <p>Interest Payments: The Notes will not be interest-bearing.</p> <p>Redemption of the Notes at Maturity: The Notes will be redeemed on their maturity date, unless they are subject to early redemption.</p> <p>Early redemption of the Notes: In addition the Notes may be redeemed prior to their stated maturity in the following circumstances:</p> <p><i>For illegality:</i> at the option of the Issuer if the Calculation Agent determines that the performance of the Issuer's obligations has become unlawful or impracticable in whole or in part for any reason.</p> <p><i>For taxation reasons:</i> at the option of the Issuer if the Issuer were required under the terms and conditions of the Notes (the "Conditions") to pay additional amounts in respect of tax.</p> <p><i>For a Preference Share Early Redemption Event:</i> following the receipt by the Issuer or any of its affiliates of a notice from Eukairos Investments Limited (the "Preference Share Issuer") that the relevant series of preference shares issued by the Preference Share Issuer (the "Preference Shares") are to be redeemed early.</p> <p><i>For an Extraordinary Event and/or Additional Disruption Event:</i> at the option of the Issuer if the Calculation Agent determines that a merger event, tender offer or insolvency (each, an "Extraordinary Event") and/or change in law or insolvency filing (each, an "Additional Disruption Event") has occurred in relation to the Preference Shares and/or the Preference Share Issuer.</p> <p><i>For an Event of Default:</i> at the option of the Noteholder in the following circumstances: (i) a continuing default in the repayment of any amount due on the Notes for more than 14 days, provided that the reason for non-payment is not compliance with any fiscal or other law or regulation or court order, or that there is doubt as to the validity of such law, regulation or order in accordance with independent legal advice from advisers which is acceptable to HSBC Bank plc, acting in its capacity as principal paying agent (the "Principal Paying Agent"); or (ii) the passing of a winding-up order in relation to the Issuer.</p> <p>Payments of Principal: Payments of principal in respect of Notes will in all cases be calculated by reference to the percentage change in value of one or more Preference Shares issued by the Preference Share Issuer in respect of the relevant series of Notes. The terms of each series of Preference Shares will be contained in the Articles of Eukairos Investments Limited and the Preference Share terms and conditions relating to such series, which will be annexed to the Final Terms.</p> <p>The redemption price of each class of Preference Shares will be calculated by reference to an index or a basket of indices (the "Underlying"). The Underlying for the Notes is an index.</p> <p>Modification and substitution: Modifications to the Conditions may be made without the consent of any Noteholders provided that: (i) the modification is not materially prejudicial to the interest of Noteholders; (ii) the modification is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the Issuer's jurisdiction of incorporation; or (iii) the modification corrects an inconsistency between the Final Terms and the relevant termsheet relating to the Notes. The Notes permit the substitution of the Issuer with an affiliate without the consent of any Noteholders where the Issuer provides an irrevocable guarantee of the affiliate's obligations.</p>
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		<p>Meetings of Noteholders: The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.</p> <p>No guarantee or security: The Notes are the obligations of the Issuer only and are unsecured.</p> <p>Taxation: All payments by the Issuer of any amount in respect of the Notes will be made without deduction of any taxes, duties and other similar charges, including United Kingdom taxes unless the Issuer is required by law to withhold or deduct any such taxes. Therefore, Noteholders will be liable for and/or subject to any taxes, duties and other similar charges, including withholding tax, stamp duty, stamp duty reserve tax and/or similar transfer taxes, payable in respect of the Notes.</p> <p>Governing Law: English law.</p>
C.9	<p>The rights attaching to the securities, the nominal interest rate, the date from which interest becomes payable and due dates for interest, where the rate is not fixed a description of the underlying on which it is based, maturity date and arrangements for amortisation of the loan including repayment procedures, an indication of yield and the name of the representative of debt security holders:</p>	<p>The Notes will be issued on 13 July 2018 (the "Issue Date") at 100 per cent. of their aggregate principal amount (the "Issue Price"). The Notes will not be interest-bearing.</p> <p>Representative of the Noteholders: Not Applicable. There is no representative appointed to act on behalf of the Noteholders.</p>
C.10	<p>Derivative components in interest payment:</p>	<p>Not Applicable. The Notes will not be interest-bearing.</p>
C.11	<p>Listing and trading:</p>	<p>Application will be made to admit the Notes to the Official List of the United Kingdom Financial Conduct Authority and to trading on the regulated market of the London Stock Exchange plc.</p>
C.15	<p>Description of how the value of the investment is affected by the value of the underlying instrument:</p>	<p>The performance of an Underlying determines the redemption price and final value of a series of Preference Shares issued by Eukairos Investments Limited, a company incorporated in England which is independent of the Issuer and whose business consists of the issuance of Preference Shares.</p> <p>The percentage change in the final value of the relevant Preference Share compared to its issue price is then used to calculate the value and return on the Notes.</p> <p>As a result, the potential effect of the value of the Underlying on the return on the Notes means that investors may lose some or all of their investment.</p>

	<p>For the avoidance of doubt, the Notes are not backed by or secured on the Preference Shares and, accordingly, only a nominal amount of the Preference Shares may be issued by Eukairos Investments Limited regardless of the principal amount of the Notes issued by the Issuer.</p> <p>In this section, for ease of explanation rather than refer to the Notes being linked to the value of the Preference Share which is in turn linked to the Underlying, the Notes (including the return on the Notes) are described as being linked to the Underlying.</p> <p>The redemption amount of the Notes is linked to the performance of the FTSE® 100 Index ("Index").</p> <p>A Noteholder will be entitled to the following cash amounts in respect of each Note, namely:</p> <ul style="list-style-type: none"> • if the Notes are redeemed on their stated maturity date, a "Final Redemption Amount"; or • as the Notes are "Autocallable Redemption Notes", if the Notes are redeemed prior to their stated maturity in the circumstances described below, an "Early Redemption Amount". <p>The basis for calculating the Final Redemption Amount is:</p> <p>"Autocallable Redemption Notes". Accordingly, a Noteholder is entitled to an amount per Note equal to the principal amount of the Note multiplied by the following:</p> <p>If Index Performance is equal to or greater than the Final Trigger Level, then 139%</p> <p>If Index Performance is less than the Final Trigger Level, and</p> <ul style="list-style-type: none"> • Final Index Level is equal to or greater than the product of the Initial Index Level and the Barrier Level, then 100% • Final Index Level is less than the product of the Initial Index Level and the Barrier Level, then Index Performance <p>For the purposes of the above:</p> <p>"Barrier Level" means 60%, being the percentage against which the performance of the Index will be measured in order to determine the Final Redemption Amount.</p> <p>"Final Trigger Level" means 80%, being a percentage against which the performance of the Index will be measured in order to determine the Final Redemption Amount.</p> <p>"Index Performance" means in respect of an Index the percentage appreciation or depreciation of level of such Index compared to the initial index level for such Index which is specified in the relevant Final Terms.</p> <p>"Initial Index Level" means in respect of an Index the initial level of such Index on the initial valuation date.</p> <p>"Final Index Level" means in respect of an Index the final level of such Index on the valuation date.</p> <p>In addition, as the Notes are Autocallable Redemption Notes, they may be redeemed in the following circumstances and Noteholders would then receive an Early Redemption Amount calculated as follows:</p> <p>If on an Auto-Call Valuation Date, the Index Performance is equal to or greater than the Auto-Call Trigger Level specified below, then the Noteholder would be entitled to a cash amount equal to the principal amount of the Note multiplied by the Auto-Call Trigger Rate, specified below.</p>
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		<p>For these purposes:</p> <p>"Auto-Call Trigger Level" means each of the percentages set out below which will trigger redemption of the Notes and entitles Noteholders to the Early Redemption Amount; and</p> <p>"Auto-Call Trigger Rate" means each of the percentages set out below, being in each case a fixed percentage of the principal amount of a Note which a Noteholder will receive in the event of an Early Redemption for Autocallable Redemption Notes.</p> <table border="1" data-bbox="774 488 1295 1137"> <thead> <tr> <th>Auto-Call Valuation Date*</th> <th>Auto-Call Trigger Level</th> <th>Auto-Call Trigger Rate</th> </tr> </thead> <tbody> <tr> <td>29 June 2020</td> <td>100.00%</td> <td>112.00%</td> </tr> <tr> <td>29 December 2020</td> <td>100.00%</td> <td>115.00%</td> </tr> <tr> <td>29 June 2021</td> <td>95.00%</td> <td>118.00%</td> </tr> <tr> <td>29 December 2021</td> <td>95.00%</td> <td>121.00%</td> </tr> <tr> <td>29 June 2022</td> <td>90.00%</td> <td>124.00%</td> </tr> <tr> <td>29 December 2022</td> <td>90.00%</td> <td>127.00%</td> </tr> <tr> <td>29 June 2023</td> <td>85.00%</td> <td>130.00%</td> </tr> <tr> <td>29 December 2023</td> <td>85.00%</td> <td>133.00%</td> </tr> <tr> <td>28 June 2024</td> <td>80.00%</td> <td>136.00%</td> </tr> </tbody> </table> <p>*Provided that if the Auto-Call Valuation Date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day shall be the Auto-Call Valuation Date.</p>	Auto-Call Valuation Date*	Auto-Call Trigger Level	Auto-Call Trigger Rate	29 June 2020	100.00%	112.00%	29 December 2020	100.00%	115.00%	29 June 2021	95.00%	118.00%	29 December 2021	95.00%	121.00%	29 June 2022	90.00%	124.00%	29 December 2022	90.00%	127.00%	29 June 2023	85.00%	130.00%	29 December 2023	85.00%	133.00%	28 June 2024	80.00%	136.00%
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28 June 2024	80.00%	136.00%																														
C.16	<p>Expiration or maturity date of the securities:</p>	<p>The maturity date of the Notes (the "Maturity Date") is 14 January 2025 (or, if later, the date falling 2 Business Days following the final Valuation Date) (the "stated maturity date"), or, if on any Auto-Call Valuation Date the Index Performance is equal to or greater than the Auto-Call Trigger Level, the relevant date set out in the table below:</p> <table border="1" data-bbox="561 1451 1422 2024"> <thead> <tr> <th>Auto-Call Valuation Date*</th> <th>Maturity Date</th> </tr> </thead> <tbody> <tr> <td></td> <td><i>(or, in each case, if later, the date falling 2 Business Days following the Valuation Date falling immediately after such Auto-Call Valuation Date (the Valuation Date being the 8th business day following the relevant Auto-Call Valuation Date))</i></td> </tr> <tr> <td>29 June 2020</td> <td>13 July 2020</td> </tr> <tr> <td>29 December 2020</td> <td>13 January 2021</td> </tr> <tr> <td>29 June 2021</td> <td>13 July 2021</td> </tr> <tr> <td>29 December 2021</td> <td>12 January 2022</td> </tr> <tr> <td>29 June 2022</td> <td>13 July 2022</td> </tr> <tr> <td>29 December 2022</td> <td>12 January 2023</td> </tr> <tr> <td>29 June 2023</td> <td>13 July 2023</td> </tr> <tr> <td>29 December 2023</td> <td>15 January 2024</td> </tr> <tr> <td>28 June 2024</td> <td>12 July 2024</td> </tr> </tbody> </table>	Auto-Call Valuation Date*	Maturity Date		<i>(or, in each case, if later, the date falling 2 Business Days following the Valuation Date falling immediately after such Auto-Call Valuation Date (the Valuation Date being the 8th business day following the relevant Auto-Call Valuation Date))</i>	29 June 2020	13 July 2020	29 December 2020	13 January 2021	29 June 2021	13 July 2021	29 December 2021	12 January 2022	29 June 2022	13 July 2022	29 December 2022	12 January 2023	29 June 2023	13 July 2023	29 December 2023	15 January 2024	28 June 2024	12 July 2024								
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C.17	Settlement procedure:	All payments to Noteholders will be paid through CREST.
C.18	Return on securities:	The Notes do not bear interest. The Notes entitle holders to cash payments and do not entitle a Noteholder to physical delivery of Preference Shares. Unless redeemed early, the Notes will be automatically redeemed on the Maturity Date, at which time the Noteholder will be entitled to receive the Final Redemption Amount (if any).
C.19	Exercise price or final reference price of the underlying:	The performance of an underlying index or the worst performing index in a basket of indices determines the redemption price of a series of Preference Shares. Such redemption price is used to calculate the final value of such Preference Shares. The percentage change in the final value of the Preference Shares compared to its issue price is then used to calculate the return on the Notes. As a result, the potential effect of the value of the Index or Indices on the return on the Notes means that investors may lose some or all of their investment. The calculations which are required to be made to calculate the Final Redemption Amount and any early redemption amount, will be based on the level of the Index or the level of the worst performing of the Indices comprised in a basket of Indices (the " Index Level ") determined by the Calculation Agent being HSBC France. The Calculation Agent will determine the Index Level by reference to the level of the relevant Index quoted on a particular exchange or quotation system at a valuation time.
C.20	Type of the underlying:	The underlying for the Notes is one index, namely the FTSE [®] 100 Index. Information on the Index can be found at the websites of Financial Times Limited. In this section, for ease of explanation rather than refer to the Notes being linked to the value of the Preference Share which is in turn linked to the Index. Notes (including the return on the Notes) are described as being linked to the Index.
Section D – Risks		
D.2	Key risks specific to the Issuer:	<i>A description of the key risk factors relating to the Issuer that may affect the ability of the Issuer to fulfill its obligations to investors in relation to any of its debt or derivative securities is set out below.</i> <i>Current economic and market conditions could materially adversely affect the Issuer:</i> <i>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, including challenges arising from any of the following: reduced demand for borrowing from creditworthy customers; the imposition of protectionist measures; renewed stress as subdued economic conditions raise asset quality concerns, and uncertainties about the EU bank resolution regime raise funding costs; a prolonged period of low or negative interest rates constraining the amount of the Issuer's net interest income; market disruption adversely affecting funding transactions and the Issuer's ability to borrow from other financial institutions; subdued economic growth and/or asset valuation bubbles as a result of too rapid growth.</i> <i>The UK's withdrawal from the EU may adversely affect the Issuer's operating model and financial results:</i>

The UK electorate's vote to leave the EU may have a significant impact on general macroeconomic conditions in the UK, the EU and globally, and is likely to usher in a prolonged period of uncertainty. Negotiations of the UK's exit agreement, its future relationship with the EU and its trading relationships with the rest of the world will likely take a number of years to resolve. The period of uncertainty and market volatility that followed the UK's decision to leave the EU is likely to continue until the UK's future relationship with the EU and the rest of the world is clearer. Given the timeframe and the complex negotiations involved, a clearer picture is not expected to emerge for some time.

Uncertainty as to the precise terms of these arrangements, and the future legal and regulatory landscape, may lead to uncertain economic conditions, market volatility and currency fluctuations. Among other issues, the UK's future relationship with the EU may have implications for the future business model for the Issuer's London-based European cross-border banking operations, which relies on unrestricted access to the European financial services market.

The Issuer's parent company is subject to regulatory commitments and consent orders:

HSBC Holdings is subject to a deferred prosecution agreement with the US Department of Justice and related agreements and consent orders with US and UK government agencies to comply with certain remedial measures with respect to the HSBC Group's anti-money laundering and sanctions compliance programmes, including the appointment of an independent compliance monitor. Failure to comply with the terms of such agreements may have a material adverse effect on the Group, including loss of business and withdrawal of funding, restrictions on performing dollar-clearing functions, or revocation of bank licences.

UK banking structural reform legislation and proposals could materially adversely affect the Issuer:

Material changes to the corporate structure and business activities of the Issuer, including the establishment of a separate ring-fenced bank for retail banking activities, are expected pursuant to UK banking structural reform legislation and proposals. The restructuring will involve the transfer of qualifying components of the Issuer's UK Retail Banking and Wealth Management, Commercial Banking and Global Private Banking businesses from the Issuer to a new legal entity, HSBC UK. The Issuer expects the cost of implementing these plans to be material. In addition to the restructuring costs, the Issuer will have a reduced balance sheet, including a reduction in risk-weighted assets, and a reduced and potentially more volatile revenue stream. These structural changes could result in changes to the Issuer's credit rating and increases in its cost of funding.

The Issuer is subject to a number of legal and regulatory actions and investigations:

The Issuer is subject to a number of legal and regulatory actions and investigations, the outcomes of which are inherently difficult to predict. An unfavourable result in one or more of these could result in the Issuer incurring significant expense, substantial monetary damages, loss of significant assets, other penalties and injunctive relief, potential regulatory restrictions on the Issuer's business and/or a negative effect on the Issuer's reputation.

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

The Issuer's businesses are subject to ongoing regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies, guidance, voluntary codes of practice and their interpretations in the UK, the EU and the other markets in which the Issuer operates. This is particularly so in the current environment, where the Issuer expects government and regulatory intervention in the banking sector to remain high for the foreseeable future.

The Issuer is subject to the substance and interpretation of tax laws in the jurisdictions in which it and members of the Group operate:

The Issuer is subject to the substance and interpretation of tax laws in all countries in which it and members of the Group operate, the risk associated with changes in tax law or in the interpretation of tax law, the risk of changes in tax rates and the risk of consequences arising from failing to comply with procedures required by tax authorities.

The Issuer's operations are highly dependent on its information technology systems:

The reliability and security of the Issuer's information and technology infrastructure and the Issuer's customer databases are crucial to maintaining the service availability of banking applications and processes and to protecting the HSBC brand. Critical systems failure, prolonged loss of service, cyber-attacks, or internet crime or a material breach of security could lead to financial loss and cause damage to the Issuer's business and brand.

The Issuer's operations have inherent reputational risk:

Reputational risk may arise from negative public opinion about the actual or perceived manner in which the Issuer conducts its business activities, its 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 keep and attract customers and, in particular, corporate and retail depositors, and retain and motivate staff which in turn could have a material adverse effect on the Issuer.

The Issuer has significant exposure to counterparty risk:

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 services institutions are necessarily interdependent because of trading, clearing, counterparty or other relationships, which could affect a financial services institution's funding and its ability to manage the risks of its business.

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

The Issuer's businesses are exposed to 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. It is difficult to predict with any accuracy changes in market conditions, and such changes could have a material adverse effect on the Issuer.

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

If the Issuer is unable to raise funds, its liquidity position could be adversely affected and the Issuer might be unable to meet deposit withdrawals or obligations under committed financing facilities and insurance contracts, to fund new loans, investments and businesses or to repay borrowings as they mature.

Any reduction in the credit rating of the Issuer or any of its debt securities could affect the availability of the Issuer's funding and affect its liquidity position and interest margins:

Credit ratings affect the cost and other terms upon which the Issuer is able to obtain market funding. Rating agencies regularly evaluate the Issuer, as well as its respective debt securities. There can be no assurance that the rating agencies will maintain the Issuer's current ratings or outlook. 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.

D.6	<p>Key risks specific to the securities and risk warning to investors:</p>	<p><i>Credit risk:</i> The Notes are direct, unsecured and unsubordinated obligations of the Issuer and not of any other person. If the Issuer's financial position were to deteriorate, there could be a risk that the Issuer would not be able to meet its obligations under the Notes (the Issuer's credit risk). If the Issuer becomes insolvent or defaults on its obligations under the Notes, in the worst case scenario, investors in the Notes could lose all of their invested amounts. In addition, the Notes are also subject to the credit risk of the Preference Share Issuer. If the Preference Share Issuer becomes insolvent there could be a risk that the Preference Shares are redeemed worthless and therefore the value of the Notes would become zero as well. In such worst case scenario Noteholders would lose all of their invested amount.</p> <p><i>The Notes are unsecured obligations:</i> The Notes are not secured over any asset. Therefore, the Noteholder would not be able to enforce security as a method of recouping payments due under the Notes if the Issuer were to become insolvent and cease to be able to pay such amounts.</p> <p><i>The Notes are not ordinary debt securities:</i> The Notes do not pay interest, and, upon redemption, either the Notes may return less than the amount invested or nothing.</p> <p><i>No ownership rights:</i> The Notes do not confer any legal or beneficial interest or any voting or dividend rights in the Preference Shares or the securities underlying the Index or Indices.</p> <p><i>There may be no active trading market or secondary market for liquidity for Notes:</i> Any Series of Notes may not be widely distributed and there may not be an active trading market, nor is there assurance as to the development of an active trading market. If there is no liquid market, Noteholders may not be able to realise their investment in the Notes until maturity of such Notes or may not realise a return that equals or exceeds the purchase price of their Notes.</p> <p><i>Illegality or changes in tax law may cause the Issuer's obligations under the Notes to be redeemed early:</i> If the Calculation Agent determines the performance of the Issuer's obligations under any Notes shall have become unlawful or impracticable, or if the Issuer determines that it has become liable for, or payments under the Notes have become subject to, any taxes, the Issuer may redeem the Notes and pay a sum determined by reference to the value of the Preference Shares at the time of such redemption. As a result, Noteholders will forgo any future appreciation in the underlying Index or Indices and may suffer a loss of some or all of their investments.</p> <p><i>Considerations regarding hedging:</i> The value of the Notes may not exactly correlate with the value of the Index or Indices to which the Notes relate.</p> <p><i>Applicable Bank Resolution Powers:</i> The Issuer is subject to the Banking Act 2009 which implements the BRRD in the UK and gives wide powers in respect of UK banks and their parent and other group companies to HM Treasury, the Bank of England, the Prudential Regulation Authority and the United Kingdom Financial Conduct Authority (each, a "relevant UKRA") in circumstances where a UK bank has encountered or is likely to encounter financial difficulties. These powers include a "bail-in" power, which 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 Notes) of a failing financial institution, to convert certain debt claims (which could be amounts payable under the Notes) into another security (including common shares), or alter the terms of such liabilities, including their maturity or the date on which interest becomes payable, including by suspending payments for a temporary period. The exercise by the relevant UKRA of any of its powers under the Banking Act 2009 (including especially the bail-in power) could lead to the holders of the Notes losing some or all of their investment or may adversely affect the rights of holders of the Notes, the market value thereof or the Issuer's ability to satisfy its obligations thereunder.</p>
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	<p>Taxation: All payments under the Notes will be made without deduction of United Kingdom taxes, duties or other similar charges unless otherwise required. Noteholders should therefore be aware that they may be subject to taxes, duties or other similar charges in respect of transactions involving Notes depending, amongst other things, upon the status of the potential purchaser and laws relating to transfer and registration taxes.</p> <p>Capital risks relating to Notes: The Notes are not principal protected and accordingly the repayment of any amount invested in Notes and any return on investment is not guaranteed. As a result the investors' capital can fall below the amount initially invested. Unlike a savings account or similar investment, an investment in the Notes is not covered by the UK Financial Services Compensation Scheme.</p> <p>Certain factors affecting the value and trading price of Notes: Amounts payable under the Notes may be affected by fluctuations in the value of an Index or securities underlying an Index, changes in interest rates, time remaining to redemption and dividend rates on the securities underlying an Index.</p> <p>Conflicts of interest may arise between the Issuer or its affiliates and the Noteholders: The Issuer or its affiliates may enter into hedging or other transactions (i) relating to an Index or to securities underlying an Index or (ii) with issuers of securities underlying an Index. The Issuer or its affiliates may also publish research or other reports relating to Indices or securities underlying an Index. Any such activities may have a positive or negative effect on the value of Notes relating to such Indices. In addition, the Issuer may assume roles as hedging counterparty or calculation agent under the Notes. In respect of any of these roles the Issuer may have interests that conflict with the interests of Noteholders.</p> <p>Furthermore, HSBC Bank plc or HSBC France is the calculation agent in respect of the Notes and also acts as calculation agent in respect of the Preference Shares. As a result of this relationship, potential conflicts of interest may arise for HSBC Bank plc and HSBC France in acting in their respective capacities. HSBC France or HSBC Bank plc may contract with the Preference Share Issuer and/or enter into transactions, including hedging transactions, which relate to the Preference Share Issuer or the Preference Shares. In respect of any of these roles HSBC Bank plc and HSBC France may have interests that conflict with the interests of Noteholders.</p> <p>Calculation Agent's discretion and valuations: Calculation of amounts payable in respect of redemption of the Notes may be made by reference to levels published on exchanges or other quotation systems and, in the absence of such display, at an amount determined by the Calculation Agent acting in good faith and a commercially reasonable manner. The Calculation Agent may be permitted to use its proprietary models to set the terms of adjustments which may be made under the Notes which may be difficult to verify without expertise in valuation models.</p> <p>Commission and cost of hedging: The Issue Price of the Notes may include the distribution commission or fee charged by Issuer and/or its affiliates and the cost or expected costs of hedging the Issuer's obligations under the Notes (if any). Accordingly, there is a risk that, upon issue the price of Notes in the secondary market would be lower than the original Issue Price of the Notes.</p> <p>Exchange rate risks: The Issuer will pay amounts in respect of the Notes in the Settlement Currency. Where the Settlement Currency is not the same as the Noteholder's preferred currency, the realisable value of the investment in the Noteholder's preferred currency may be at risk from fluctuations in the exchange rate.</p> <p>Extraordinary Event: If the Calculation Agent determines that a Merger Event (as defined in the Conditions) or Tender Offer (as defined in the Conditions) has occurred in relation to the Preference Shares or Insolvency (as defined in</p>
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		<p>the Conditions) has occurred in relation to the Company, the Issuer may elect to redeem the Notes. If the Issuer elects to redeem the Notes, Noteholders may suffer a loss of some or all of their investments.</p> <p>Market Disruption Events and Additional Disruption Events: A change in law or an insolvency filing in relation to the Preference Share Issuer may cause the Notes to be redeemed early and may have an adverse effect on the value of such Notes. As a result, Noteholders may suffer a loss of some or all of their investments.</p> <p>The value of the Notes is determined by reference to the performance of Preference Shares and any early redemption of the Preference Shares will result in the Notes being redeemed early. Therefore, in the case of early closure of the relevant exchange, disruption of such exchange or suspension of trading on such exchange ("Market Disruption Events") or a change in laws, hedging disruption or an increased cost of hedging ("Additional Disruption Events") or in case of an index cancellation or modification or disruption in the publication of the index (each, an "Index Adjustment Event"), postponement or adjustment of valuations (in the case of a Market Disruption Event) or adjustment of terms or redemption of the Preference Shares (in case of an Additional Disruption Event or Index Adjustment Event in respect of such Preference Shares) may have an adverse effect on the value of such Notes. As a result, Noteholders may suffer a loss of some or all of their investments.</p> <p>Preference Share Early Redemption Event: If the Preference Shares are redeemed early, the Issuer shall redeem all of the Notes. Accordingly, if the Notes are redeemed prior to the maturity date, the Noteholders may suffer a loss of some or all of their investment and will forego any future appreciation in the relevant Index or Indices that may occur following such redemption.</p> <p>Investors may lose the value of their entire investment or part of it, as the case may be.</p>
Section E – Offer		
E.2b	Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks:	The net proceeds from each issue of Notes will be used by the Issuer for profit making or risk hedging purposes.
E.3	Description of the terms and conditions of the offer:	<p>An investor intending to acquire or acquiring Notes from an offeror authorised by the Issuer, will do so, and the offer and sale of Notes to an investor by such Authorised Offeror will be made, in accordance with arrangements agreed between such Authorised Offeror and such investor including as to price, allocations and settlement arrangements.</p> <p style="text-align: center;">Offer Price: Issue Price</p>

		<p>Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer:</p> <p>The time period, including any possible amendments, during which the offer will be open:</p> <p>Conditions to which the offer is subject:</p> <p>Description of the application process:</p>	<p>Up to GBP 25,000,000 Notes will be issued and the criterion/condition for determining the final amount of securities will be investor demand.</p> <p>A copy of the Final Terms will be filed with the Financial Conduct Authority in the UK (the "FCA"). On or before the Issue Date, a notice pursuant to UK Prospectus Rule 2.3.2(2) of the final aggregate principal amount of the Notes will be (i) filed with the FCA and (ii) published in accordance with the method of publication set out in Prospectus Rule 3.2.4(2).</p> <p>The offer period for the Notes will commence on and include 29 May 2018 and end on but exclude 29 June 2018</p> <p>The Issuer may close the Offer Period prior to 29 June 2018 if the Notes are fully subscribed before such date.</p> <p>A prospective investor should contact the Initial Authorised Offerors during the Offer Period. A prospective investor will subscribe for the Notes in accordance with the arrangements existing between the Initial Authorised Offerors and its</p>
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E.4	Description of any interests material to the issue/offer,	The Issuer or its affiliates may engage in hedging or other transactions involving the relevant Index which may have a positive or negative effect on the value of such Index and therefore on the value of any Notes to which they relate. Certain affiliates of the Issuer may also be the counterparty to the hedge of the Issuer's

	<p>including conflicting interests:</p>	<p>obligations under an issue of Notes and the Calculation Agent is responsible for making determinations and calculations in connection with the Notes acting in good faith and a commercially reasonable manner. The Issuer or its affiliates may from time to time advise the issuer or obligors of securities underlying, or publish research reports relating to, the Index. The views or advice may have a positive or negative effect on the value of the Index and may be inconsistent with purchasing or holding the Notes relating to the Index.</p> <p>Furthermore, HSBC Bank plc or HSBC France is the calculation agent in respect of Notes and also acts as calculation agent in respect of the Preference Shares. As a result of this relationship, potential conflicts of interest may arise for HSBC Bank plc and HSBC France in acting in their respective capacities.</p> <p>The Notes may be on-sold by the Dealer(s) to the Initial Authorised Offerors at a discount to the Issue Price of up to 3%. Such discount will be retained by the Initial Authorised Offerors.</p> <p>Save as disclosed above no, person involved in the offer of the Notes has, so far as the Issuer is aware, an interest material to the offer.</p>
E.7	<p>Estimated expenses charged to the investor by the Issuer or the offeror:</p>	<p>Expenses in respect of the Notes are not charged directly by the Issuer to the Noteholder.</p>