

Final Terms dated: 13 July 2023

**HSBC Bank plc**

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

**Programme for the Issuance of Notes and Warrants**

**Legal Entity Identifier (LEI): MP6I5ZYZBEU3UXPYFY54**

**Issue of**

**GBP 3,500,000 Autocallable Index-Linked Notes due 2025**

**PART A – CONTRACTUAL TERMS**

This document constitutes the Final Terms relating to the issue of the Tranche of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the "**Conditions**") set forth under the heading "*Terms and Conditions of the English Law Notes*" in the Base Prospectus dated 28 June 2023 in relation to the above Programme, together with each supplemental prospectus relating to the Programme published by the Issuer after 28 June 2023 but before the issue date or listing date of the Notes, whichever is later, to which these Final Terms relate which together constitute a base prospectus ("**Prospectus**") for the purposes of the Prospectus Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**"). This document constitutes the Final Terms of the Notes described herein for the purposes of the EU Prospectus Regulation and must be read in conjunction with such Prospectus. However, a summary of the issue of the Notes is annexed to these Final Terms.

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 the Prospectus. The Prospectus is available for viewing during normal business hours at HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and [www.hsbc.com/investors/fixed-income-investors/issuance-programmes?page=1&take=20](http://www.hsbc.com/investors/fixed-income-investors/issuance-programmes?page=1&take=20).

**PROHIBITION OF SALES TO SWISS PRIVATE CLIENTS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to investors that qualify as private (retail) clients according to Article 4 para. 2 Swiss Financial Services Act ("**FinSA**") and its implementing ordinance, the Swiss Federal Financial Services Ordinance ("**FinSO**"). Consequently, no key information document (or equivalent document) required by FinSA has been prepared and therefore offering or selling the Notes or otherwise making them available to any private (retail) client in, into or from Switzerland may be unlawful under FinSA.

|    |  |   |
|----|--|---|
| 1. | Issuer:  | HSBC Bank plc                                   |
| 2. | Tranche Number:  | 1   |
| 3. | (i) Settlement Currency:                                 | British pound sterling (" <b>GBP</b> ")         |
|    | (ii) Governing Law:                                      | English Law Notes                               |
| 4. | Aggregate Principal Amount of Notes admitted to trading: |   |
|    | (i) Series:  | GBP 3,500,000                                   |
|    | (ii) Tranche:  | GBP 3,500,000                                   |
| 5. | Issue Price:   | 100 per cent. of the Aggregate Principal Amount |
| 6. | (i) Denomination(s):                                     | GBP 1,000                                       |
|    | (ii) Calculation Amount:                                 | GBP 1,000                                       |

|     |       |  |  |
|-----|-------|--|--|
|     | (iii) | Aggregate Outstanding Nominal Amount Rounding: | Not Applicable   |
| 7.  | (i)   | Issue Date:                                    | 14 July 2023   |
|     | (ii)  | Trade Date:                                    | 7 July 2023  |
|     | (iii) | Interest Commencement Date:                    | Not Applicable   |
| 8.  |       | Maturity Date:                                 | 14 July 2025 adjusted in accordance with the Following Business Day Convention |
| 9.  |       | Interest basis:                                | Not Applicable   |
| 10. |       | Change of interest basis:                      | Not Applicable   |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

|     |  |                                |                |
|-----|--|--------------------------------|----------------|
| 11. |  | Fixed Rate Note provisions:    | Not Applicable |
| 12. |  | Floating Rate Note provisions: | Not Applicable |
| 13. |  | Coupon Trigger Event:          | Not Applicable |

**PROVISIONS RELATING TO REDEMPTION**

|     |        |   |                                |
|-----|--------|---|--------------------------------|
| 14. |        | Method for determining the Final Redemption Amount of each Note:                    | Digital with Buffer Redemption |
| 15. |        | Provisions relating to the calculation of the Final Redemption Amount of each Note: |                                |
|     | (i)    | Final Index Level   |                                |
|     |        | Specified Level:  | Single Observation             |
|     |        | Final Valuation Date:   | 7 July 2025                    |
|     | (ii)   | Barrier:  | Not Applicable                 |
|     | (iii)  | Lock-In Redemption Event:   | Not Applicable                 |
|     | (iv)   | Return Threshold:   | 93.00 per cent.                |
|     | (v)    | Cap:  | Not Applicable                 |
|     | (vi)   | Participation:  | Not Applicable                 |
|     | (vii)  | Strike Percentage:  | 70.00 per cent.                |
|     | (viii) | Conditional Protection Percentage:  | Not Applicable                 |
|     | (ix)   | Digital Return Percentage:  | 21.00 per cent.                |
|     | (x)    | Protection Level Percentage:  | Not Applicable                 |
|     | (xi)   | Minimum Redemption Percentage:  | Not Applicable                 |
|     | (xii)  | Minimum Return Percentage:  | Not Applicable                 |
|     | (xiii) | Fixed Amount Redemption Rate:   | Not Applicable                 |
| 16. |        | Early Redemption:   |                                |

- (i) Early Redemption Amount (upon redemption for taxation reasons or illegality): Fair Market Value  
*(Condition 5(d) (Redemption and Purchase – Redemption for Taxation Reasons) or 5(f) (Redemption and Purchase – Early Redemption for Illegality))*
- (ii) Early Redemption for taxation reasons on days other than Interest Payment Dates: Yes  
*(Condition 5(d) (Redemption and Purchase – Redemption for Taxation Reasons))*
- (iii) Early Redemption Amount following an Event of Default: Fair Market Value  
*(Condition 9 (Events of Default))*
- (iv) Redemption following FX Disruption Event: Applicable  
*(Condition 7(f) (Y) of the English Law Conditions or Condition 7(e) (Y) of the French Law Conditions (Payments – Price Source Disruption and FX Disruption))*
- (v) Early Redemption Amount following FX Disruption Event or Benchmark Trigger Event: Fair Market Value  
*(Condition 7(f) (Y) of the English Law Conditions or Condition 7(e) (Y) of the French Law Conditions (Payments – Price Source Disruption and FX Disruption) or 13A (Consequences of a Benchmark Trigger Event))*
- Interest Adjustment Not Applicable
17. Early Redemption for Autocallable Notes: Applicable

| Automatic Early Redemption Valuation Date(s) | Automatic Early Redemption Percentage(s) | Automatic Early Redemption Date(s) | Automatic Early Redemption Rate(s) |
|--|--|------------------------------------|------------------------------------|
| 8 July 2024                                  | 100.00%                                  | 15 July 2024                       | 110.50%                            |

- (i) Specified Level: Single Observation
- (ii) Business Day Convention with respect to Automatic Early Redemption Date(s): Following Business Day Convention
18. Redemption at the Option of the Issuer (Call Option) Not Applicable

19. Taxation: Condition 6B (*Taxation – Gross-up (HBEU)*) is applicable  
(Condition 6 (*Taxation*))

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

20. Form of Notes: Bearer Notes
21. If issued in bearer form: Applicable
- (i) Initially represented by a Temporary Global Note or Permanent Global Note: Temporary Global Note
- (ii) Temporary Global Note exchangeable for Permanent Global Note and/or Definitive Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only in limited circumstances specified in the Permanent Global Note
- (iii) Permanent Global Note exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation: Yes
- (iv) Coupons to be attached to Definitive Notes: Not Applicable
- (v) Talons for future Coupons to be attached to Definitive Notes: Not Applicable
22. Exchange Date for exchange of Temporary Global Note: Not earlier than 40 days after the Issue Date
23. If issued in registered form (other than Uncertificated Registered Notes): Not Applicable
24. Payments:
- (i) Relevant Financial Centre Day: London
- (ii) Business Centre(s): London
- (iii) Payment of Alternative Payment Currency Equivalent: Not Applicable
- (iv) Price Source Disruption: Not Applicable
25. Redenomination: Not Applicable
26. Provisions relating to the underlying Index :
- (i) Index: CAC 40  
Bloomberg Ticker: CAC
- (ii) Index Sponsor(s): Euronext Paris
- (iii) Index Rules: Not Applicable
- (iv) Exchange(s): Euronext Paris
- (v) Related Exchange(s): All Exchanges

- (vi) Initial Index Level: 7,111.88
- Strike Date: 7 July 2023
- Specified Level: Single Observation
- (vii) Alternative Pre-nominated Index: Not Applicable
- (viii) Additional Disruption Event: The following Additional Disruption Events apply: Change in Law, Hedging Disruption, and Increased Cost of Hedging
- (ix) Index Substitution: Not Applicable
- (x) Number of local banking days for the purpose of postponing Relevant Benchmark Related Payment Date pursuant to Condition 13A(f) (*Consequences of a Benchmark Trigger Event*): 3
- 27. Provisions relating to the underlying Security: Not Applicable
- 28. Adjustment Provisions with respect to Scheduled Valuation Dates and Scheduled Observation Dates:
  - (i) Specified Maximum Number of Disrupted Days: The definition in Condition 1 applies
  - (ii) Number of local banking days for the purpose of postponing Disrupted Day Related Payment Dates pursuant to Condition 16 of the English Law Conditions or Condition 15 of the French Law Conditions: 3
- 29. Valuation Time: The definition in Condition 1 applies
- 30. Additional U.S. federal income tax considerations: The Notes are not Section 871(m) Notes for the purpose of Section 871(m).
- 31. Governing law: The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.

**CONFIRMED**

**HSBC BANK PLC**



By: Baljee Swaminathan  
 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 Euronext Dublin. 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 Euronext Dublin. 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

- (i) Reasons for the offer and use of proceeds: See the "*Use of Proceeds*" section of the Base Prospectus.
- (ii) Estimated net proceeds: GBP 3,500,000
- (iii) Estimated total expenses: EUR 1,000 (admission to trading)

### 4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Dealer(s) (if any) so far as the Issuer is aware, no person involved in the issue of the Notes has, so far as the Issuer is aware, an interest material to the issue. The Dealer(s), any distributor(s) and their respective affiliates have, or may 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 ABOUT THE UNDERLYING

Information on the past and future performance and volatility of the Index can be obtained from the following website <https://live.euronext.com>

Such information can be obtained free of charge.

### 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 commission and of the placing commission: Not Applicable
7. If non-syndicated, name and address of Dealer: Not Applicable
8. TEFRA Rules applicable to Bearer Notes: TEFRA D Rules

- |     |   |   |
|-----|---|---|
| 9.  | Selling restrictions, United States of America: | 40-day Distribution Compliance Period: Not Applicable |
| 10. | Public Offer:                                   | Not Applicable  |
| 11. | Prohibition of Sales to EEA Retail Investors:   | Not Applicable  |
| 12. | Prohibition of Sales to UK Retail Investors:    | Not Applicable  |

#### **OPERATIONAL INFORMATION**

- |     |  |                                       |
|-----|--|---------------------------------------|
| 13. | ISIN Code:   | XS2651080678                          |
| 14. | Common Code:   | 265108067                             |
| 15. | Valoren Number:  | 126561518                             |
| 16. | SEDOL:   | Not Applicable                        |
| 17. | Other identifier / code:   | Not Applicable                        |
| 18. | Clearing System:   | Euroclear and Clearstream, Luxembourg |
| 19. | Central Depository:  | Not Applicable                        |
| 20. | Delivery:  | Delivery against payment              |
|     | (i) Principal Paying Agent/Registrar/Issue Agent/Transfer Agent: | HSBC Bank plc                         |
|     | (ii) Additional Paying Agent(s) (if any):                        | Not Applicable                        |
| 21. | Common Depository:   | HSBC Bank plc                         |
| 22. | Calculation Agent:   | HSBC Bank plc                         |

#### **BENCHMARKS**

- |     |   |   |
|-----|---|---|
| 23. | Details of benchmarks administrators and registration under EU Benchmarks Regulation: | The CAC 40 Index is provided by Euronext Paris. As at the date hereof, CAC 40 Index appears in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the EU Benchmarks Regulation. |
|-----|---|---|

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

**The following Index disclaimer is applicable in respect of the CAC 40 Index, as agreed between the Index Sponsor and the Issuer:**

**STATEMENTS REGARDING THE CAC 40 INDEX**

Euronext N.V. or its subsidiaries holds all (intellectual) proprietary rights with respect to the CAC 40 Index. Euronext N.V. or its subsidiaries do not sponsor, endorse or have any other involvement in the issue and offering of the Notes or the Warrants. Euronext N.V. and its subsidiaries disclaim any liability for any inaccuracy in the data on which the CAC 40 Index is based, for any mistakes, errors, or omissions in the calculation and/or dissemination of the CAC 40 Index, or for the manner in which it is applied in connection with the issue and offering thereof.

"CAC 40®" and "CAC®" are registered trademarks of Euronext N.V. or its subsidiaries.



## ISSUE SPECIFIC SUMMARY

### SECTION A - INTRODUCTION

*This summary should be read as an introduction to the prospectus for the Notes (as defined below) comprised of the base prospectus dated 28 June 2023 relating to the issuance of Notes and Warrants under the Programme for the Issuance of Notes and Warrants and the supplements thereto (the "Base Prospectus") and the final terms in relation to the Notes (the "Final Terms" and together with the Base Prospectus, the "Prospectus" in relation to the Notes). Any decision to invest in the Notes should be based on consideration of the Prospectus as a whole by the investor. Investors could lose all or part of their invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the relevant national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only where this summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or where 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 the Notes.*

- (a) The Notes are called the "GBP 3,500,000 Autocallable Index-Linked Notes due 2025" (the "**Notes**") and the ISIN is XS2651080678.
- (b) The Issuer is HSBC Bank plc and its LEI is MP6I5ZYZBEU3UXPYFY54. The Issuer can be contacted at its registered office at 8 Canada Square, London, E14 5HQ.
- (c) The Issuer will apply for the admission of Notes on the regulated market of the Irish Stock Exchange plc (trading as Euronext Dublin). The Issuer's contact details are set out in paragraph (b) above.
- (d) The competent authority for the purposes of the approval of the Base Prospectus and the Notes is the Central Bank of Ireland, which is the Republic of Ireland competent authority having its head office at New Wapping Street, North Wall Quay, Dublin 1, D01 F7X3, Ireland (telephone number: +353 (0)1 224 6000).
- (e) The Base Prospectus was approved on 28 June 2023.

### SECTION B – KEY INFORMATION ON THE ISSUER

*Who is the Issuer of the Notes?*

- (a) The Issuer, HSBC Bank plc, is a public limited company under the laws of England and Wales. The liability of its members is limited. HSBC Bank plc is registered in England and Wales under registration number 14259. The Issuer's LEI is MP6I5ZYZBEU3UXPYFY54.
- (b) The Issuer and its subsidiaries form a UK head-quartered group (the "**Group**") and provide a comprehensive range of banking and related financial services. The Group divides its activities into three business segments: Global Banking and Markets; Commercial Banking; and Wealth and Personal Banking.
- (c) The whole of the issued ordinary and preference share capital of the Issuer is owned by HSBC Holdings plc.
- (d) The executive directors of the Issuer's board of directors are Colin Bell (Chief Executive Officer) and David Watts (Chief Financial Officer).
- (e) The statutory auditors of the Issuer are PricewaterhouseCoopers LLP.

*What is the key financial information regarding the Issuer?*

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 2021 and 31 December 2022. References in the accompanying footnotes to numbered pages are to the corresponding numbered pages of the Issuer's 2022 Form 20-F unless otherwise stated.

| For the period (£m) | Footnote | Year Ended       |                  |
|---------------------|----------|------------------|------------------|
|                     |          | 31 December 2021 | 31 December 2022 |
| Net interest income |          | 1,754            | 1,904            |

| For the period (£m)  | Footnote | Year Ended                    |                               |
|--|----------|-------------------------------|-------------------------------|
|  |          |                               |                               |
| Net fee income   |          | 1,413                         | 1,261                         |
| Change in expected credit losses and other credit impairment charges                             |          | 174                           | (222)                         |
| Net operating income before change in expected credit losses and other credit impairment charges | 2        | 6,120                         | 4,646                         |
| (Loss)/profit before tax (reported basis)  |          | 1,023                         | (959)                         |
| (Loss)/profit before tax (adjusted basis)  | 1        | 1,577                         | 1,724                         |
| Profit/(loss) attributable to the parent company   |          | 1,041                         | (408)                         |
| <b>At period-end (£m)</b>  |          | <b>As at 31 December 2021</b> | <b>As at 31 December 2022</b> |
| Total assets   |          | 596,611                       | 717,353                       |
| Senior debt  |          | 36,801                        | 32,771                        |
| Subordinated liabilities   |          | 14,713                        | 15,337                        |
| Loans and advances to customers  |          | 91,177                        | 72,614                        |
| <b>At period-end (£m)</b>  |          | <b>As at 31 December 2021</b> | <b>As at 31 December 2022</b> |
| Customer accounts  |          | 205,241                       | 215,948                       |
| Total equity   |          | 23,715                        | 24,016                        |
| <b>Capital Ratios (%)</b>  | 3, 5     | <b>As at 31 December 2021</b> | <b>As at 31 December 2022</b> |
| Common equity tier 1   |          | 17.8                          | 16.8                          |
| Total capital ratio  |          | 31.9                          | 31.7                          |
| Leverage Ratio (fully phased in)   | 4, 5     | 4.2                           | 5.5                           |

1. Adjusted performance is computed by adjusting reported results for the effect of significant items as detailed in the Issuer's 2022 Form 20-F on pages 16 to 19.
2. Net operating income before change in expected credit losses and other credit impairment charges is also referred to as revenue.
3. Unless otherwise stated, regulatory capital ratios and requirements are based on the transitional arrangements of the Capital Requirements Regulation in force at the time. These include the regulatory transitional arrangements for IFRS 9 'Financial Instruments', which are explained further in the Issuer's 2022 Form 20-F on page 90. References to EU regulations and directives (including technical standards) should, as applicable, be read as references to the UK's version of such regulation and/or directive, as onshored into UK law under the European Union (Withdrawal) Act 2018, and as may be subsequently amended under UK law.
4. The leverage ratio is calculated using the end point definition of capital and the IFRS 9 regulatory transitional arrangements, in line with the UK leverage rules that were implemented on 1 January 2022, and excludes central bank claims and cash pooling netting. Comparatives for 2021 are reported based on the disclosure rules in force at that time, and include claims on central banks.
5. From 30 September 2022, investments in non-financial institution subsidiaries or participations have been measured on an equity accounting basis in compliance with UK regulatory requirements. Comparatives for prior periods have been represented on a consistent basis with the current year.

*What are the key risks that are specific to the Issuer?*

All references to "Group" refer to the Issuer and its subsidiary undertakings.

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

The Group's earnings are affected by global and local economic and market conditions. In particular, the Group has faced and may continue to face the following challenges to its operations and operating model in connection with these factors: market developments may continue to depress consumer and business confidence; significant uncertainties remain in assessing the duration and impact of the ongoing the Russia-Ukraine war; the impact of the Covid-19 pandemic on global economies; the demand for borrowing from creditworthy customers may diminish during periods of recession or where economic activity slows or remains subdued and the Group's ability to borrow from other financial institutions or to engage in funding transactions may be adversely affected by market disruption. The occurrence of any of these events or circumstances could have a material adverse effect on the Group's business, financial condition, results of operations, prospects and customers.

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

The Group's operations are subject to potentially unfavourable political, social, environmental and economic developments in the jurisdictions in which the Group operates, which may include; coups, wars or acts of terrorism; political and/or social instability; geopolitical tensions; climate change, acts of God, including epidemics and pandemics and natural disasters; and infrastructure issues, such as transportation and power failures. Each of the above could impact credit risk-weighted assets, and the financial losses caused by any of these risk events or developments could impair asset values and the creditworthiness of customers.

These risk events or developments could also give rise to disruption to the Group's services and some could result in physical damage to its operations and/or risks to the safety of its personnel and customers. Geopolitical tensions could have significant ramifications for the Group and its customers and could have a material adverse impact on the Group's business, financial condition, results of operations, prospects, strategy and reputation, as well as on the Group's customers.

*Risks to the Group's strategy*

The Group's strategy has been supported by the global economic, geopolitical, legal and regulatory environment. The Group has taken into consideration global trends such as technology, customer needs and competition. The development and implementation of the Group's strategy requires difficult, subjective and complex judgements, including forecasts of economic conditions in various parts of the region. The Group may fail to correctly identify the relevant factors in making decisions as to capital deployment and cost reduction. The Group may also encounter unpredictable changes in the external environment that are unfavourable to its strategy, such as the Russia-Ukraine war. The Group's ability to execute strategic change may be limited by its operational capacity, effectiveness of its change management controls and the potential for unforeseen changes in the market and/or regulatory environment in which it operates. The European economic outlook continues to remain uncertain due to the likelihood of economic recession, heightened inflation, changes in legislation and geopolitical tensions. Therefore, there remains a risk that, in the absence of an improvement in economic conditions, the Group's cost and investment actions may not be sufficient to achieve the expected benefits. The failure to successfully deliver or achieve the expected benefits of these key strategic initiatives could have a material adverse effect on the Group's customers, business, financial condition, results of operations, prospects, operational resilience and reputation.

*The Group is subject to financial and non-financial risks associated with Environmental, Social and Governance ('ESG') related matters, such as climate change, nature-related and human rights issues*

ESG-related matters such as climate change, society's impact on nature and human rights issues bring risks to the Group's business, customers and wider society. If any of these risks materialise, this could have financial and non-financial impacts for the Group which could, in turn, have a material adverse effect on its business, financial condition, results of operations, reputation, prospects and strategy.

*The Group 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. If one of the Group's business units fails to staff its operations appropriately or loses one or more of their 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 Group's strategy, the Group's business, financial condition, results of operations, reputation and prospects, including control and operational risks, could be materially adversely affected.

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

The Group 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. HSBC Bank plc 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. If key capital models significantly underestimate risks or do not meet critical regulatory requirements, the Group could be required to hold additional capital. Risks arising from the use of models, could have a material adverse effect on the Group's business, financial condition, results of operations, prospects and capital position and reputation.

*The Group is subject to numerous new and existing legislative and regulatory requirements, and to the risk of failure to comply with applicable regulations*

The Group's businesses are subject to ongoing regulation, policies, voluntary codes of practice and interpretations in the UK, the EU and the other markets in which the Group operates. A number of regulatory changes impacting the Group's business have effects beyond the country in which they are enacted. 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 taken 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 and changes in compensation practices. The Group is also seeing more detailed requirements on how business is conducted, with a focus on protecting vulnerable customers. Such regulatory changes could have a material effect on the Group's business, financial condition, results of operations, prospects, capital position, reputation and strategy.

## SECTION C – KEY INFORMATION ON THE NOTES

*What are the main features of the Notes?*

- (a) Payments with respect to the Notes are linked to the CAC 40 Index (the "**Index**").
- (b) *Coupon Payments.* The Notes do not bear interest.
- (c) *Redemption Amounts.* Payments of principal in respect of Notes will in all cases be calculated by reference to the percentage change in value of the CAC 40 Index. A Noteholder will be entitled to the following cash amounts in respect of each Note, namely:
  - if the Notes are redeemed on their stated maturity date, a "**Final Redemption Amount**"; or
  - as "Autocallable Redemption" applies to the Notes, if the Notes are redeemed prior to their stated maturity in the circumstances described below, an "**Automatic Early Redemption Amount**".
- (i) The Final Redemption Amount will be an amount per Note equal to the principal amount of the Note *multiplied* by the following:
  - (A) if the Relevant Final Performance is equal to or greater than the Return Threshold, then 100% plus the Digital Return Percentage; or
  - (B) if the Relevant Final Performance is less than the Return Threshold, and:
    - (1) greater than or equal to the Strike Percentage, then 100%; or
    - (2) less than the Strike Percentage, then the percentage determined by *dividing* (x) the Relevant Final Performance by (y) the Strike Percentage.

For these purposes:

"**Closing Level**" means the closing level of the Index.

"**Digital Return Percentage**" means 21.00 per cent.

"**Final Valuation Date**" means 7 July 2025 (or, if such date is not a scheduled trading day, the next following scheduled trading day).

"**Initial Index Level**" means the Closing Level of the Index on the Strike Date, being 7,111.88.

"**Relevant Final Performance**" means, with respect to the Index and the Final Valuation Date, (x) the Closing Level on such date (y) *divided by* its Initial Index Level (expressed as a percentage and rounded to the nearest four decimal places (with 0.00005 being rounded up)).

"**Return Threshold**" means 93.00 per cent.

"**Strike Date**" means 7 July 2023 (or, if such date is not a scheduled trading day, the next following scheduled trading day).

"**Strike Percentage**" means 70.00 per cent.

- (ii) In addition, as "Autocallable Redemption" applies to the Notes, they may be redeemed on an Automatic Early Redemption Date if on the relevant Automatic Early Redemption Valuation Date, the Relevant Observation Performance is equal to or greater than the Automatic Early Redemption Percentage specified below (an "**Automatic Early Redemption Event**"). In such circumstances the Noteholder would be entitled to an "**Automatic Early Redemption Amount**", being a cash amount equal to the principal amount of the Note multiplied by the Automatic Early Redemption Rate specified below.

For these purposes:

In respect of each "**Automatic Early Redemption Valuation Date**", the "**Automatic Early Redemption Percentage**", "**Automatic Early Redemption Rate**" and "**Automatic Early Redemption Date**" shall be as specified in relation to such Automatic Early Redemption Valuation Date in the table below.

| <b>Automatic Early Redemption Valuation Date(s)</b> | <b>Automatic Early Redemption Date(s)</b> | <b>Automatic Early Redemption Rate(s)</b> | <b>Automatic Early Redemption Percentage(s)</b> |
|---|---|---|---|
| 8 July 2024   | 15 July 2024                              | 110.50 per cent.                          | 100 per cent.                                   |

"**Relevant Observation Performance**" means, in respect of the Index and an Automatic Early Redemption Valuation Date, (x) the Closing Level on such date *divided by* (y) its Initial Index Level (expressed as a percentage and rounded to the nearest four decimal places (with 0.00005 being rounded up)).

- (d) The Notes are tranche 1 and will be initially represented by a temporary global note exchangeable for a permanent global note, which is exchangeable for definitive notes only in limited circumstances specified in the permanent global note, deposited with common depositary (or its nominee) for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"). The ISIN of the Notes is XS2651080678.
- (e) The settlement currency of the Notes is British pound sterling ("**GBP**") (the "**Settlement Currency**"). The aggregate principal amount of the Notes to be issued is GBP 3,500,000. The denomination of the Notes is GBP 1,000. The Maturity Date of the Notes is 14 July 2025.
- (f) Rights attaching to the Notes:

*Early redemption for illegality* - 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, the Issuer may redeem all but not some only of the Notes prior to their stated maturity and pay the relevant investor an amount per Note equal to the fair market value of such Note.

*Early redemption for taxation reasons* - If the Issuer were required under the terms and conditions of the Notes (the "**Conditions**") to pay additional amounts in respect of tax, the Issuer may redeem all but not some only of the Notes prior to their stated maturity and pay the relevant investor an amount per Note equal to the fair market value of such Note.

*Early Redemption for Additional Disruption Events, Index Cancellation or Benchmark Trigger Event* – If a change in law, hedging disruption or increased cost of hedging occurs (each an "**Additional Disruption Event**") or certain events occur in relation to an Index (including its suspension or cancellation) the Issuer may redeem

all but not some only of the Notes prior to their stated maturity and pay the relevant investor an amount per Note equal to the fair market value of such Note.

*Events of default of the Notes* - at the option of the Noteholder in the following circumstances: (i) the Issuer fails to remedy a default in the repayment of any principal due on the Notes within 14 days of notice of such default having been given to the Principal Paying Agent or other Paying Agent or the Registrar (as the case may be) by any Noteholder, provided that it shall not be such a default to withhold or refuse any such payment (1) if the Issuer determines, acting in good faith, that there is a material risk of the payment being contrary to any fiscal or other law or regulation or the order of any court of competent jurisdiction, or any statement, guidance, policy, recommendation or interpretation of any governmental or regulatory body (whether or not having the force of law), in each case applicable to such payment or (2) in cases of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice given at any time by independent legal advisers as to such validity or applicability; or (ii) an order is made or a resolution is passed for the winding-up of the Issuer.

*Meetings of Noteholders* - The Conditions of the Notes 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.

*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 as are imposed by or on behalf of the United Kingdom unless the Issuer is required by law to withhold or deduct any such taxes. In the event that the Issuer is so required by law to withhold or deduct, the Issuer will, subject to certain exceptions as outlined in the Conditions, pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of such withholding or deduction.

*Governing Law* – The Notes will be governed by English law.

- (g) The Notes 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). The exercise by HM Treasury, the Bank of England, the Prudential Regulation Authority and the United Kingdom Financial Conduct Authority (as applicable) of any 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.
- (h) The Notes are freely transferable. However, there are restrictions on the offer and sale of the Notes. The Issuer and HSBC Bank plc, 8 Canada Square, London E14 5HQ (the "**Dealer**") have agreed restrictions on the offer, sale and delivery of the Notes and on distribution of offering materials, including without limitation, in the European Economic Area, France, Switzerland, the United Kingdom and the United States of America.

In addition, investors of the Notes, by their purchase of the Notes, will be deemed to have given certain representations, warranties, undertakings, acknowledgements and agreements.

- (i) Where will the Notes be traded?

Application will be made to admit the Notes to the Official List of Euronext Dublin and admitted to trading on the regulated market of Euronext Dublin.

- (j) What are the key risks specific to the Notes?

*The Notes are direct, unsubordinated and unsecured 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), and investors would not be able to enforce security as a method of recouping payments due under the Note. In such worst-case scenario Noteholders would lose all of their invested amount.

*The Notes are not ordinary debt securities and investors are exposed to the risks relating to an Index.* Depending on the performance of an Index as well as certain other factors (including changes in currency exchange rates, changes in interest rates, time remaining to redemption, economic and market conditions, dividend rates on the securities underlying an Index), investors, may receive less than the amount invested or nothing upon redemption. Past performance of an Index is not indicative of its future performance.

*There may be no active trading market or secondary market liquidity for the Notes and the secondary value of Notes may depend on a number of factors.* It is not possible to predict whether any trading market for the Notes will develop or, if it does, the price at which Notes will trade in the secondary market or whether such market will be liquid or illiquid. The value of Notes prior to maturity is expected to depend on a number of factors including, without limitation: (i) the financial condition and funding costs of the Issuer; (ii) the value, volatility and liquidity of an Index; (iii) the time remaining to maturity; (iv) any change(s) in interest rates and dividend yields and inflation rates; (v) any change(s) in currency exchange rates; (vi) economic and market conditions and (vii) any related transaction costs. As a result of these factors the price at which a Noteholder will be able to sell Notes prior to maturity may be less than the initial amount invested. Each of these factors interrelate in complex ways (for example, one factor may offset an increase in the value of the Notes caused by another).

*An investment in the Notes is not equivalent to an investment in the securities underlying an Index.* Ownership of the Notes does not confer any legal or beneficial interest or any voting or dividend rights in the securities underlying an Index and the value of the Notes may not exactly correlate with the level of an Index.

*Disruption Events.* Upon the occurrence of certain events (including an early closure of the relevant exchange, disruption of such exchange or suspension of trading on such exchange, an Additional Disruption Event, an index cancellation or modification or disruption in the publication of an Index, certain events relating to the administrator(s) of an Index and/or certain events affecting the settlement currency), valuations of an Index may be subject to postponement or adjustment or the terms of the Notes may be subject to adjustment and/or (in certain circumstances) Notes may be subject to early redemption. Any such postponement, adjustment or early redemption may have an adverse effect on the value of such Notes and/or the amount payable to the investor under the Notes on redemption (as applicable). As a result, Noteholders may suffer a loss of some or all of their investments.

*Illegality or changes in tax law may cause the Notes to be redeemed early.* In such circumstances, the Issuer may pay a sum representing the fair market value of the Notes. As a result, holders of Notes will forgo any future appreciation in an Index and may suffer a loss of some or all of their investments.

*Commission, cost of hedging and taxes may be borne by Noteholders.* The Issue Price of the Notes may include fees, commission and hedging costs. Accordingly, there is a risk that, upon issue the price of Notes in the secondary market (if any) would be lower than the original Issue Price of the Notes. Payments under the Notes may be decreased to take into account the effect of taxes, duties or other similar charges and Noteholders will bear the cost of all taxes, duties or other similar charges payable in connection with the subscription, purchase or holding of such Note and any payments under the Notes (in each case including any taxes or duties imposed or increased by a change of tax law or practice).

#### **SECTION D – KEY INFORMATION ON THE OFFER AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET**

*Under which conditions and timetable can I invest in this security?*

The Prospectus has been prepared solely in connection with the admission of Notes to trading on a regulated market pursuant to the EU Prospectus Regulation. There will be no public offer of the Notes.

*Why is this Prospectus being produced?*

The Prospectus has been prepared solely in connection with the admission of Notes to trading on a regulated market pursuant to the EU Prospectus Regulation.

*Use of Proceeds:* The net proceeds from the issue of Notes will be used by the Issuer for profit making or risk hedging purposes.

*Conflicts of Interest:* The Issuer and/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 an Index or securities underlying an Index. Any such activities may have a positive or negative effect on the value of Notes relating to such Index. In undertaking any such activities, neither the Issuer nor any affiliate of the Issuer is under any obligation to consider the interests of the Noteholders. 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.