

MTNs & Structured Notes

MTN Over Eukairos Investments Ltd Preference Shares Series 1467

Ref: P235277

This term sheet summarises certain details of the Notes described herein and contains indicative terms only which are subject to completion and amendment. This term sheet does not represent an offer to sell, purchase or subscribe to any investment nor a solicitation of such an offer. Any offers of the Notes described in this term sheet will be made on the basis of the information contained in the Offering Documentation (as specified below) and any such offers will be subject to terms and conditions and restrictions set out in the Offering Documentation. This term sheet is for discussion purposes only.

This termsheet has been prepared by HSBC for professional clients and eligible counterparties only. If a distributor provides this termsheet to a client, the distributor does so at its sole discretion and on the basis that it is appropriate for their client's needs and complies with all applicable laws, rules and regulations of the jurisdictions where it has been provided.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or the state securities laws of any state of the United States. The Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) at any time (whether as part of their distribution or otherwise).

This term sheet and the Notes referred to herein are not intended for distribution to, or use by, any person or entity in the United States or in any other jurisdiction or country where such distribution would be contrary to law or regulation including (but not limited to) the restrictions of the Prospectus Directive (as defined below) and any relevant implementing measure in the Relevant Member State. Potential investors into whose possession this term sheet comes are required to inform themselves about and to observe the restrictions which are set out in the Offering Documentation. Any offers made in violation of these restrictions will be unlawful.

Unless this term sheet indicates that the Notes described herein (i) are to be admitted to trading on a market that is a regulated market for the purposes of Directive 2014/65/EU, as amended, or (ii) are to be offered to the public in a Member State (other than pursuant to one or more of the exemptions set out in Article 3.2 of the Prospectus Directive), the Issuer is not required to publish a prospectus in accordance with the Prospectus Directive and the Issuer may elect not to publish a prospectus which complies with the Prospectus Directive and Prospectus Directive Regulation (EC/809/2004) (as amended).

Unless "Prohibition of Sales to EEA Retail Investors" is specified as "Applicable" below, distributors will be required to provide to retail investors in the European Economic Area ("EEA") a key information document as required by the PRIIPs Regulation. Such key information document will also be made available at the following web location, <http://www.gbm.hsbc.com/financial-regulation/market-structure/priips>, and distributors will be required to provide retail investors in the EEA with a unique identifier to locate the key information document on such website. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018") the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and are Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).

Capitalised terms not defined in this document will have the meaning as given to them in the Offering Documentation.

General Terms of the Notes

Issuer	HSBC Bank plc
Dealer	HSBC Bank plc
Status	Senior, unsecured
Ratings	The long term senior debt ratings of the Issuer are: Aa3 (Moody's) / AA- (S&P) / AA- (Fitch) The Notes will not carry an explicit rating.
Registered Offices of the Issuer	8, Canada Square Canary Wharf London E14 5HQ United Kingdom



Product Type

Preference Share Linked Notes

Offering Documentation

The most recent version of the offering memorandum for the Issuer's Programme for the Issuance of Notes and Warrants, any supplements thereto (the "**Offering Memorandum**") and the pricing supplement relating to the Notes.

Investors may obtain copies of the Offering Documentation free of charge on request from the Issuer's registered office and, where applicable, from the Issuer's website www.hsbc.com (please follow links to 'Investors', 'Fixed income investors' and 'Issuance programmes').

Investors should note that the Offering Memorandum does not comprise (i) a prospectus for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended) or (ii) a base prospectus for the purposes of Directive 2003/71/EC (as amended or superseded the "Prospectus Directive"). The Offering Memorandum has been prepared solely with regard to Notes that are not to be admitted to listing or trading on any regulated market for the purposes of Directive 2014/65/EU, as amended and not to be offered to the public in a Member State (other than pursuant to one or more of the exemptions set out in Article 3.2 of the Prospectus Directive).

Prospective investors should not subscribe for any Notes except on the basis of information contained in the Offering Documentation.

Product Description

The Notes shall be linked to the performance of the Eukairos Investments Ltd Preference Shares Series **1467**

Terms of the Notes

Security Identifiers	ISIN GB00BJ343Y63 Sedol BJ343Y6
Principal Amount	GBP 5 520 486
Settlement Currency	GBP
Denomination and Denomination Currency	GBP 1
Aggregate Outstanding Nominal Amount Rounding	Not Applicable
Minimum Investment Size	GBP 1
Trade Date	09 August 2019
Issue Date	23 August 2019
Valuation Date	8 Business Days following the Preference Share Valuation Date
Preference Share Valuation Date	Means (1) if the Preference Shares become subject to the Auto-call provisions contained in the terms of the Preference Shares (or would have become subject to such provisions but for a Preference Share valuation date delay, as referred to below):

1	in the year 2020,	the 10 August 2020
2	in the year 2021,	the 09 August 2021
3	in the year 2022,	the 09 August 2022
4	in the year 2023,	the 09 August 2023
5	in the year 2024,	the 09 August 2024
6	in the year 2025,	the 11 August 2025

or (2) otherwise **10 August 2026** or, in each case, if such date for valuation of or any determination of the underlying asset or reference basis (or any part thereof) for the Preference Shares falling on or about such day is to be delayed in accordance with the terms 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, all as determined by the Calculation Agent

Maturity Date	Means (1) if the Preference Shares become subject to the Auto-call provisions contained in the terms of the Preference Shares and redemption occurs (or which but for a Preference Share valuation date delay, as referred to above, would have occurred):
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1	in the year 2020,	the 24 August 2020
2	in the year 2021,	the 23 August 2021
3	in the year 2022,	the 23 August 2022
4	in the year 2023,	the 23 August 2023
5	in the year 2024,	the 23 August 2024
6	in the year 2025,	the 26 August 2025

or (2) otherwise **24 August 2026**, or, in each case and if later, 2 (two) Business Days following the Valuation Date

Issue Price	100%
Settlement	Cash
Underlying	Preference Shares Series 1467 of Eukairos Investments Ltd (the " Preference Shares ")
Issuer Call Option	Not applicable
Holder Put Option	Not applicable
Final Redemption Amount	A cash amount equal to Denomination times: The percentage change in price of Preference Shares Series 1467 of Eukairos Investments Ltd

Percentage Change in price of Preference Shares	<p>An amount (expressed as a percentage) equals to: Final Share Price / Initial Share Price</p> <p>For these purposes: "Initial Share Price" means the value of each Preference Share on the Issue Date "Final Share Price" means the value of each Preference Share on the Valuation Date See separate terms of the Preference Shares Series 1467 of Eukairos Investments Ltd for information on the Preference Shares</p>
Early Redemption of the Notes	<p>The Notes may be redeemed early by payment of the Early Redemption Amount:</p> <p>(a) On the occurrence of an event of default; (b) For tax reasons; (c) If the Underlying is redeemed early; and (d) Following an Extraordinary Event or Additional Disruption Event.</p>
Early Redemption Amount	<p>An amount calculated by the Calculation Agent on the same basis as the Final Redemption Amount except that the definition of Final Share Price shall be the value of each Preference Share on the day falling 2 (two) Business Days before the due date for early redemption of the Notes.</p>
Extraordinary Event	A Merger Event, Tender Offer and/or Insolvency.
Additional Disruption Event	Change in Law and Insolvency Filing
Business Days	London
Valuation Time	5 pm New York time
Secondary market	<p><i>The Issuer and the Dealer may, but shall not be required to, make a market for the Notes. Any bid or offer price for the Notes shall be determined by the Issuer or the Dealer (as the case may be) in its sole and absolute discretion. There is no assurance as to the development or liquidity of any trading market for the Notes. See "Risk Factors" below and in the Offering Documentation for further details.</i></p> <p>UNDER NORMAL MARKET CONDITIONS, the Issuer and/or the Dealer (as the case may be) will endeavour to provide on Reuters HSSP and on Bloomberg a Bid/Offer Level with a spread of : 1%</p> <p>Reuters RIC : ISIN = HSBP Bloomberg : ISIN Corp Go</p> <p>DIRTY PRICE <i>During the term of the product, bid and offer prices may possibly differ to a greater or lesser extent (spread).</i></p>
Listing	Application will be made to list the Notes on the Global Exchange Market of Euronext Dublin.
Form of the Notes	Uncertificated Registered Notes (CREST)
Form of Global Note	Not applicable
Calculation Agent	<p>HSBC Bank plc</p> <p>All calculations and determinations made by the Calculation Agent in relation to the Notes shall (save in the case of manifest error at the time the relevant determination is made) be final and binding on the Issuer, and all Noteholders.</p>
Settlement/Clearing System	CREST (account number 7451)
Governing Law/Jurisdiction	English/Courts of England
Applicable Exemption from the Prospectus Directive	The offer is addressed solely to qualified investors (as such term is defined in the Prospectus Directive).
Prohibition of Sales to EEA Retail Investors	Applicable
40-day Distribution Compliance Period	Not applicable

Tax Treatment

Refer to the Offering Documentation for guidance on tax treatment of the Notes. Transactions involving the Notes may have tax consequences for potential purchasers which may depend, amongst other things, upon the status of the potential purchaser and laws relating to transfer and registration taxes. Potential purchasers who are in any doubt about the tax position of any aspect of transactions involving the Notes should consult their own tax advisers.

Fee arrangements

Except in respect of Notes that are offered and sold on the basis of investment advice provided by a firm (within the meaning of the FCA Conduct of Business Sourcebook (COBS)) to retail clients (within the meaning of the COBS) who are in the United Kingdom or who are resident of the United Kingdom, the distributor may receive from the Issuer the following distribution fees (retrocession or discount)

None

Such amounts received by the distributor may be in addition to the brokerage cost/fee normally applied by the distributor. The purchaser acknowledges that such distribution fee may be retained by the distributor and that more information may be obtained from the relevant distributor.

The issuer of this product may have remunerated itself to manage the risk incurred and for the service provided.

Risk Factors

An investment in the Notes is suitable only for investors who are capable of understanding, evaluating and taking risks associated with an investment in the Notes. This term sheet is not intended for distribution to, or use by, retail customers.

As such, potential investors should consider carefully whether the Notes are suitable for them in the light of their particular circumstances and financial position and should consult their own legal, tax, accountancy, financial and other professional advisers to assist in determining the suitability of the Notes for them.

The following are certain risks in relation to the Notes but does not purport to be a full or complete description of such risks. **These risk factors should be read in conjunction with the risk factors set out in the Offering Documentation.**

Credit risk

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 investors would lose all of their invested amount.

Risks relating to the Issuer

A description of the risk factors relating to the Issuer that may affect its ability to fulfil its obligations under the Notes (including, without limitation, risks relating to the creation of a separate ring-fenced retail bank, application of bank resolution powers and the UK's withdrawal from the EU) is set out in the section entitled "Risk Factors" in the Issuer's most recently published Registration Document (which must be read with any subsequently published supplements to the Offering Memorandum). Investors may obtain copies of the Registration Document, the Offering Memorandum and any supplements thereto free of charge on request from the Issuer's registered office and from the Issuer's website www.hsbc.com (please follow links to 'Investors', 'Fixed income investors' and 'Issuance programmes').

The Notes are unsecured obligations

The Notes are not secured over any asset. Therefore, the investor 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.

The Notes are not ordinary debt securities

The Notes do not pay interest, and, upon redemption, either the Notes may return less than the amount invested or nothing.

No ownership rights:

The Notes do not confer any legal or beneficial interest or any voting or dividend rights in the Preference Shares, the Preference Share Underlying or the securities underlying the underlying Index or Indices (as applicable).

There may be no active trading market or secondary market for liquidity for Notes

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.

Illegality or changes in tax law may cause the Issuer's obligations under the Notes to be redeemed early

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 performance in the Preference Share Underlying and may suffer a loss of some or all of their investments.

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.

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.

Certain factors affecting the value and trading price of Notes

Amounts payable under the Notes may be affected by fluctuation in value of the Preference Share Underlying or securities underlying an underlying Index (as applicable), changes in interest rates, time remaining to redemption and dividend rates on the Preference Share Underlying or securities underlying an underlying Index (as applicable).

Conflicts of Interest may arise between the Issuer or its affiliates and the Noteholders

The Issuer or affiliates of the Issuer (including HSBC France, the calculation agent in respect of the Preference Shares) may from time to time: (i) advise or engage in business with the issuers of or obligors in respect of a Preference Share Underlying, Preference Share Underlying Components or the component shares of any Preference Share Underlying or Preference Share Underlying Component which is an equity index regarding transactions to be entered into by them; (ii) engage in transactions involving a Preference Share Underlying, Preference Share Underlying Components or the component shares of any Preference Share Underlying or Preference Share Underlying Component which is an equity index for their proprietary accounts, for other accounts under their management or to facilitate client orders; (iii) carry out hedging activities related to the Preference Share-Linked Notes by purchasing or entering into derivatives transactions relating to the Preference Share Underlying, Preference Share Underlying Components or the component shares of any Preference Share Underlying or Preference Share Underlying Component which is an equity index; (iv) publish research reports relating to a Preference Share Underlying, certain Preference Share Underlying Components or the component shares of any Preference Share Underlying or Preference Share Underlying Component which is an equity index; or (v) acquire non-public information about a Preference Share Underlying, Preference Share Underlying Component or the component shares of any Preference Share Underlying or Preference Share Underlying Component which is an equity index. Any such activity by the Issuer or its affiliates (as applicable) may have a negative effect on the value of such Preference Share Underlying or Preference Share Underlying Components and therefore on the value of any Preference Share-Linked Notes to which they relate. In addition, the conditions of the Preference Shares may provide for (a) the early redemption of the Preference Shares, and/or (b) a lesser amount being payable in respect of the Preference Shares, if the value of the Preference Share Underlying or a Preference Share Underlying Component exceeds, falls below, is equal to or does not stay within pre-determined reference levels ("Threshold Events") resulting in the Preference Share-Linked Notes also being redeemed early or a lesser amount being payable in respect of the Preference Share-Linked Notes, as the case may be. The activities described in the preceding paragraph may cause such Threshold Events to be triggered, which could potentially have a negative impact on the value of any Preference Share-Linked Notes to which they relate.

Certain affiliates of the Issuer or the Issuer itself may: (i) be the counterparty to the hedge of the Issuer's obligations under an issue of Preference Share-Linked Notes; (ii) be the Calculation Agent responsible for making determinations and calculations in connection with Preference Share-Linked Notes; or (iii) publish research reports which express opinions or provide recommendations that are inconsistent with purchasing or holding Preference Share-Linked Notes referencing the Preference Share Underlying or Preference Share Underlying Components. Accordingly, there is a risk that certain conflicts of interest may arise both among the Issuer or these affiliates and between the interests of the Issuer or these affiliates and the interests of Noteholders.

Furthermore, HSBC Bank plc is the Issuer and HSBC Bank plc is the Calculation Agent in respect of Preference Share Linked Notes and HSBC France acts as calculation agent in respect of the Preference Shares (the "**Preference Share Calculation Agent**"). HSBC Bank plc and HSBC France are both members of the HSBC group of companies. 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. Subject to any relevant regulatory obligations, the Issuer and the Preference Share Calculation Agent owe no duty or responsibility to any Noteholder to avoid any conflict or to act in the interests of any Noteholder.

The Preference Share Issuer may also rely on other HSBC entities (including the Preference Share Calculation Agent) or other service providers to perform its operational requirements. In the event any relevant HSBC entities or other service providers fail to perform any obligations, this may adversely affect the value of the Preference Shares and potentially the amounts payable under the Notes.

In addition to providing calculation agency services to the Preference Share Issuer, HSBC France or any of its affiliates may perform further or alternative roles relating to the Preference Share Issuer and any series of Preference Shares including, but not limited to, being involved in arrangements relating to any Preference Share Underlying or Preference Share Underlying Component (for example as a calculation agent). Further, HSBC France or any of its affiliates (including 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, the Preference Shares or any Preference Share Underlying or Preference Share Underlying Component or component share of any Preference Share Underlying or Preference Share Underlying Component which is an equity index and, as a result, HSBC France may face a conflict between its obligations as Preference Share Calculation Agent and its and/or its affiliates' interests in other capacities.

Calculation Agent's discretion and valuations

Calculation of the interest payments (if applicable) and/or amount payable in respect of redemption may be made by reference to certain specified screen rate(s), level(s) or value(s) published on an exchange or other quotation system, or if any such rate(s), level(s) or value(s) is not displayed at the relevant time, rate(s), level(s) or value(s) (as applicable) determined by the Calculation

Agent in its acting in good faith and a commercially reasonable manner, or otherwise, an exercise of its discretion in accordance with and pursuant to the terms and conditions of the Notes. 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. The Calculation Agent may also have other discretionary powers (including without limitation, powers to (i) adjust terms and conditions of Notes; (ii) in certain circumstances, substitute the Reference Asset; (iii) postpone payment; (iv) redeem the Notes prior to their scheduled maturity; or (v) apply any combination of the foregoing). Investors should be aware that, in circumstances where the Issuer has entered into hedging arrangements (or otherwise), the exercise of its discretionary powers as Calculation Agent under the conditions of the Notes, or as calculation agent under its related hedge, may have an adverse impact on the performance of the Notes, which may result in a lower return, or no return at all. The Calculation Agent may delegate to an affiliate some or all of its functions, powers, duties and obligations as it deems appropriate without the prior consent of the holders of the Notes.

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.

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.

Market Disruption Events and Additional Disruption Events

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 hedging disruption, a change in applicable laws, 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 case of a Market Disruption Event or adjustment of terms or redemption of the Notes in case of an Additional Disruption Event or Index Adjustment Event in respect of such Notes may have an adverse effect on the value of such Notes.

Conflicts of Interest

Various potential and actual conflicts may arise between the interests of the Noteholders and the Issuer, as a result of the commercial and investment banking businesses and activities of the Issuer and its affiliates. The Issuer may recommend or effect a transaction in which it or any affiliate, or one of its other clients, may have an interest, relationship or arrangement (and any such interest, relationship or arrangement could be material). In particular, the Issuer or any affiliate may deal as principal for its own account, to hedge liabilities under the Notes or for other purposes, and may match a transaction or order with that of another client. Neither the Issuer nor any affiliate is under any duty to account for any profits, commission, remuneration, rebates or other benefits made or received as a result of such transaction or service.

Further, the Issuer is the Calculation Agent or an affiliate of the Calculation Agent with regard to the Notes. The Calculation Agent is solely responsible for calculation of the redemption amount and other determinations and calculations in connection with the Notes. Because the Calculation Agent is the Issuer or an affiliate of the Issuer and the Issuer is obligated to redeem the Notes, the Calculation Agent may have economic interests adverse to those of the holders of the Notes, including with respect to certain determinations and judgements that the Calculation Agent must make as referred to above, any of which may affect payments in respect of the Notes. The Calculation Agent does not act as fiduciary for or an advisor to any of the Noteholders in respect of any such determination or judgment or otherwise.

None of the Issuer or any of its affiliates is under any obligation to monitor whether or not any event or circumstance relating to the underlying value or the Notes has occurred unless it is explicitly and positively stated that such person will do so. No such person will be required to (or will be responsible for any failure to) make any determination, waiver, declaration or decision whatsoever in relation to the underlying value on behalf of or in the interests of the Noteholders.

HSBC Bank plc is the Issuer and the Calculation Agent in respect of the Preference Share-Linked Notes and HSBC France acts as calculation agent in respect of the Preference Shares (the "**Preference Share Calculation Agent**"). HSBC Bank plc and HSBC France are both members of the HSBC group of companies. 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. Subject to any relevant regulatory obligations, the Issuer and the Preference Share Calculation Agent owe no duty or responsibility to any Noteholder to avoid any conflict or to act in the interests of any Noteholder. The Preference Share Issuer may also rely on other HSBC entities (including the Preference Share Calculation Agent) or other service providers to perform its operational requirements. In the event any relevant HSBC entities or other service providers fail to perform any obligations, this may adversely affect the value of the Preference Shares and potentially the amounts payable under the Notes.

In addition to providing calculation agency services to the Preference Share Issuer, HSBC France or any of its affiliates may perform further or alternative roles relating to the Preference Share Issuer and any series of Preference Shares including, but not limited to, being involved in arrangements relating to any Preference Share Underlying or Preference Share Underlying Component (for example as a calculation agent). Further, HSBC France or any of its affiliates (including 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, the Preference Shares or any Preference Share Underlying or Preference Share Underlying Component or component share of any

Preference Share Underlying Component which is an equity index and as a result, HSBC France may face a conflict between its obligations as Preference Share Calculation Agent and its and/or its affiliates' interests in other capacities.

Selling Restrictions

Please refer to the selling restrictions described in detail in the Offering Documentation

United States of America - Regulation S:

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the state securities laws of any state of the United States. The Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) at any time (whether as part of their distribution or otherwise). Terms used in this paragraph have the meanings given to them by Regulation S.

TEFRA Rules applicable to the Notes: TEFRA D. Please refer to "Part B – Information Relating to the Notes Generally – Subscription and Sale of Notes" in the Offering Memorandum for further information.

European Economic Area

Prohibition of Sales to EEA Retail Investors

From 1 January 2018, unless the termsheet and Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not applicable", any Notes which are the subject of the offering contemplated by this termsheet and the Offering Memorandum as completed by the Pricing Supplement in relation thereto have not been offered, sold or otherwise made available and must not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
 - (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the "**Prospectus Directive**"); and
- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Public Offer Selling Restriction under the Prospectus Directive

Prior to 1 January 2018 and from 1 January 2018 if the termsheet and Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not applicable", in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") an offer of Notes which are the subject of the offering contemplated by this termsheet and the Offering Memorandum as completed by the Pricing Supplement in relation thereto to the public in that Relevant Member State may not be made except that with effect from and including the Relevant Implementation Date, an offer of such Notes to the public in that Relevant Member State may be made:

- a) *Approved prospectus*: if the drawdown prospectus in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, **provided that** any such prospectus which is a base prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- b) *Qualified Investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- c) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- d) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision only, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measures implementing the Prospectus Directive in that Member State, the expression "**Prospectus**

Directive" means Directive 2003/71/EC (as amended or superseded), and includes any relevant implementing measure in the Relevant Member State.

Portugal

Prohibition of Sales to Retail Investors in Portugal

The Notes are not intended to be offered, sold or otherwise made available to any retail investor in Portugal where the issuance or marketing of such Notes are subject to the supervision of the Portuguese Securities Market Commission (the "CMVM"). Consequently, the requirements of the CMVM Regulation 8/2018 in respect of Packaged Retail Investment Products have not been met and therefore offering or selling the Notes in or into Portugal may be unlawful under the CMVM Regulation 8/2018.

For these purposes, a retail investor means a person who is one (or more) of (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("MiFID II"); or (ii) not a qualified investor as defined in Directive 2003/71/EC as amended or superseded.

Belgium

Selling Restrictions Addressing Additional Belgian Securities Laws

The Offering Memorandum has not been submitted for approval to the Belgian Financial Services and Markets Authority. Accordingly, Notes that have a maturity of less than 12 months and qualify as money market instruments (and that therefore fall outside the scope of the Prospectus Directive) may not be distributed in Belgium by way of a public offering, as defined for the purposes of the law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets.

The Notes are not intended to be sold to Belgian Consumers (as defined below). Accordingly, the Notes must not be offered or sold to Belgian Consumers, and the Offering Memorandum, the relevant Pricing Supplement or any other offering material relating to the Notes must not be distributed to Belgian Consumers.

For these purposes, a "**Belgian Consumer**" has the meaning provided by the Belgian Code of Economic Law, as amended from time to time (Wetboek van 28 februari 2013 van economisch recht/Code du 28 février 2013 de droit économique), being any natural person resident or located in Belgium and acting for purposes which are outside his/her trade, business or profession.

Assessment of suitability

By acceptance of this term sheet, you confirm that:

- (a) You are acting on your own account or as duly authorised agent for the account of your client in considering the purchase of the Notes;
- (b) You have or will make an independent investment decision as to whether the Notes are suitable for you in light of your investment objectives;
- (c) You acknowledge that the Issuer is considering selling you the Notes on a principal to principal basis only and is not responsible for determining the suitability of the Notes for any person to whom you may transfer or on-sell the Notes;
- (d) You are not relying nor will rely on any representation of the Issuer or any affiliated party concerned with the Note issuance regarding any aspect of Notes not disclosed in this term sheet;
- (e) You understand or will ensure that you understand the risks associated with purchasing the Notes after having received independent financial advice if necessary; and
- (f) Where you intend to buy and then sell all or some of the Notes to, or you are acting on behalf of, another person, such other person will not be a customer of the Issuer.

Index Disclaimer

: STATEMENTS REGARDING THE STANDARD & POOR'S 500® INDEX (THE "S&P 500 INDEX")

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