Final Terms dated: 11th March 2019

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 1318

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 in the Base Prospectus dated 19 June 2018 relating to Preference Share-Linked Notes issued under the above Programme, together with each supplemental prospectus relating to the Programme published by the Issuer after 19 June 2018 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 Directive (Directive 2003/71/EC, as amended) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus. However, a summary of the issue of the Notes and with the terms and conditions of the Preference Shares (as defined below) are 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 (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 Pound ("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 1.00
	(ii)	Calculation Amount:	GBP 1.00
	(iii)	Aggregate Outstanding Nominal Amount Rounding:	Not Applicable
7.	Issue Date:		13 May 2019

8. Maturity Date: 12 May 2026 (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 *(subject to adjustment in accordance with sub-paragraph 10(vii) below)*	**Maturity Date** *(or, in each case, if later, the date falling 2 Business Days following the Valuation Date falling immediately after such Preference Share Valuation Date)*
26 April 2021	11 May 2021
26 April 2022	11 May 2022
26 April 2023	11 May 2023
26 April 2024	13 May 2024
28 April 2025	13 May 2025

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 1318

(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 year 2021, 26 April 2021;

(ii) in the year 2022, 26 April 2022;

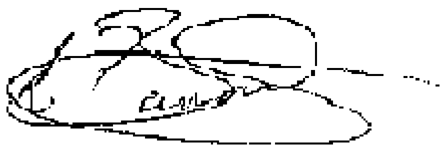
(iii) in the year 2023, 26 April 2023;

(iv) in the year 2024, 26 April 2024

			(v) in the year 2025, 28 April 2025
			(2) otherwise 27 April 2026, 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 5*)		Condition 5B (*Taxation – Gross-up*) is applicable
12.	Form of Notes:		Uncertificated Registered Notes
13.	If issued in bearer form:		Not applicable
14.	Exchange Date for exchange of Temporary Global Note:		Not Applicable
15.	If issued in registered form (other than Uncertificated Registered Notes):		Not Applicable
16.	Payments:		
	(i)	Business Centre(s):	London
	(ii)	Relevant Financial Centre Day:	London
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.	Selling restrictions, United States of America:	40-day Distribution Compliance Period: Not Applicable
10.	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 14 March 2019 until but excluding 26 April 2019 (the "**Offer Period**").
	(ii) Conditions attached to the consent to use the Prospectus:	Not Applicable
11.	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

12.	ISIN Code:	GB00BJQTD932
13.	Common Code:	196186808
14.	SEDOL:	BJQTD93
15.	Other identifier / code:	Not Applicable
16.	Clearing System:	CREST
17.	Delivery:	Delivery against payment
18.	Principal Paying Agent/Registrar/Issue Agent/Transfer Agent:	**Not Applicable**
19.	Additional Paying Agent(s) (if any):	**None**
20.	Common Depositary:	**Not Applicable**
21.	Calculation Agent:	HSBC Bank plc

BENCHMARKS

22.	Details of benchmarks administrators and registration under Benchmarks Regulation:	The FTSE® 100 Index is provided by FTSE International Limited . As at the date hereof, FTSE International Limited appears in the register of administrators and benchmarks

		established and maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation.

TERMS AND CONDITIONS OF THE OFFER

23.	Offer Price:	Issue Price
24.	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).
25.	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.
26.	Conditions to which the offer is subject:	The Issuer may close the Offer Period prior to 26 April 2019 if the Notes are fully subscribed before such date.
27.	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.
28.	Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	Not Applicable
29.	Details of the minimum and/or maximum amount of application:	Minimum of GBP 1,000
30.	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.
31.	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).
32.	Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	Not Applicable
33.	Whether tranche(s) have been reserved for certain countries:	Not Applicable
34.	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.
35.	Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	Not Applicable
36.	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
37.	Name and address of any paying agents and depositary agents in each country:	HSBC Bank plc, 8 Canada Square, London E14 5HQ
38.	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

The Notes and Preference Shares (the "**Products**") have been developed solely by their respective issuers. The Products are not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "**LSE Group**"). FTSE Russell is a trading name of certain of the LSE Group companies.

All rights in the FTSE® 100 Index (the "**Index**") vest in the relevant LSE Group company which owns the Index. FTSE®, Russell® and FTSE Russell® are trade marks of the relevant LSE Group company and are used by any other LSE Group company under license.

The Index is calculated by or on behalf of FTSE International Limited or its affiliate, agent or partner. The LSE Group does not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the Index or (b) investment in or operation of the Products. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from the Products or the suitability of the Index for the purpose to which it is being put by the issuers of the Products.

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

[*Preference Share terms and conditions to be inserted*]

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:**	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. 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. 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.
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:**	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 14 March 2019 to but excluding 26 April 2019 (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. **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.**
	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**	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,

	legislation under which the Issuer operates and its country of incorporation:	registered under the Companies Act 1862 as an unlimited company. It was re-registered as a company limited by shares under the Companies Acts 1862 to 1879 on 1 July 1880. On 1 February 1982 the Issuer re-registered under the Companies Acts 1948 to 1980 as a public limited company. The Issuer is subject to primary and secondary legislation relating to financial services and banking regulation in the United Kingdom, including, *inter alia*, 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.
B.4b	**Known trends affecting the Issuer and the industries in which it operates:**	UK real GDP rose by 0.2% in the last quarter of 2018, a sharp slowdown from the Q3 growth rate of 0.6% quarter-on-quarter. The year-on-year GDP growth rate was 1.3%, the joint slowest pace since 2012. The unemployment rate was broadly steady over the second half of 2018 - in November it stood at 4.0%, the lowest since February 1975. Employment as a percentage of the population aged 16-64 was 75.8% in November, a series high. The annual rate of wage growth rose over the course of the year, increasing to a new ten-year high of 3.4% for the three months to November. The annual Consumer Price Index (CPI) inflation rate dropped to 1.8% in January, down from 3.0% a year earlier, due to lower energy prices and a waning inflationary impact of the drop in sterling in 2016. The Bank of England increased Bank Rate in August, from 0.50% to 0.75%. HSBC Global Research forecasts assume that the UK avoids a departure from the EU without a Withdrawal Agreement and begins to move towards agreement on a multi-year transition period. Under this assumption, calendar year GDP growth is expected to edge up to 1.6% in 2019 and 2020, from 1.4% in 2018. The unemployment rate is forecast to remain low, at around the 4% mark. CPI inflation is expected to fall to around 1.5% by Q4 2019, driven by recent oil price falls and soft underlying price pressures. Given outstanding uncertainties, mainly relating to the UK's withdrawal from the EU, the central forecast is for no Bank Rate rises through 2019 and 2020. But if a Withdrawal Agreement can be approved smoothly and quickly, the Bank of England might be more minded to raise rates. Eurozone economic growth slowed through the course of 2018. GDP increased by 0.2% in the fourth quarter of 2018, unchanged versus Q3. The annual growth rate slowed from 1.6% to 1.2%, the weakest since 2013. In terms of quarterly growth in the fourth quarter, Germany's economy stagnated following a 0.2% contraction in Q3. Italy's economy contracted for the second successive quarter (-0.2% quarter-on-quarter following -0.1% in Q3). France saw an expansion of 0.3% for the second quarter in a row, while the Spanish economy continued its robust expansion by growing 0.7%. Relative to strong growth seen in 2017, the 2018 slowdown was largely driven by a softening in net exports and investment. The labour market remained fairly robust, though. The unemployment rate fell to a ten-year low of 7.9% in November, while annual wage growth climbed to a ten-year high of 2.5% in the third quarter of 2018. The Harmonised Index of Consumer Prices (HICP) rate of inflation softened towards the end of year, dropping to 1.4% in January, reflecting the impact of lower oil prices. Following GDP growth of 1.8% in 2018, HSBC Global Research forecasts GDP to grow by 1.4% in 2019 and 1.3% in 2020. In terms of the drivers of growth, net exports are expected to remain subdued, while household spending is expected to make relatively solid gains, as a result of further rises in household income growth. But, given this subdued rate of economic growth, inflationary pressure is unlikely to build very rapidly. As a result of oil price falls, the HICP inflation rate is expected to fall to just below 1% in the autumn of 2019, before recovering thereafter, reaching a (still subdued) rate of 1.6% in 2020. In light of this soft inflation backdrop, alongside risks to the growth outlook, the European Central Bank (ECB) is forecast to keep key policy rates on hold throughout this year and next.

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 UK Holdings Limited. HSBC UK Holdings Limited is a wholly and directly owned subsidiary of 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 around 3,900 branches in 67 countries and territories. Its total assets as at 31 December 2017 were U.S.$ 2,521,771 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 2016 or 31 December 2017.
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 2017 and 31 December 2018.

	Footnotes	**2018**	**2017**
For the year (£m)	1, 2		
Profit before tax (reported basis)		**1,974**	2,370
Profit before tax (adjusted basis)	3	**2,100**	3,832
Net operating income before change in expected credit losses and other credit impairment charges	4	**9,468**	13,052
Profit/(loss) attributable to shareholders of the parent company		**1,506**	1,809
At year end (£m)	1, 2		
Total equity attributable to shareholders of the parent company		**26,878**	43,462
Total assets		**604,958**	818,868
Risk-weighted assets	5	**143,875**	233,073
Loans and advances to customers (net of impairment allowances)		**111,964**	280,402
Customer accounts		**180,836**	381,546
Capital ratios (%)	1, 6		
Common Equity tier 1		**13.8**	11.8
Tier 1		**16.0**	13.8
Total capital		**26.2**	16.9
Performance, efficiency and other ratios (annualised %)	1, 2		
Return on average ordinary shareholders' equity	7	**4.2**	4.4
Return on average risk-weighted assets		**1.1**	1.0
Adjusted return on average risk-weighted assets	5	**1.1**	1.6
Cost efficiency ratio (reported basis)	8	**77.6**	78.2
Cost efficiency ratio (adjusted basis)	8	**76.1**	67.5
Jaws (adjusted basis)	9	**(9.1)**	(5.8)
Ratio of customer advances to customer accounts		**61.9**	73.5

[1] *The group adopted IFRS 9, as well as the European Union's regulatory transitional arrangements for IFRS 9, on 1 January 2018. Comparative information has not been restated. For further details, refer to 'Changes to accounting from 1 January 2018' on page 10, 'Standards adopted during the year ended 31 December 2018' on page 97 and Note 34 'Effects of reclassifications upon adoption of IFRS 9' on page 158.*

[2] *HSBC completed the ring-fencing of its UK retail banking activities on 1 July 2018, six months in advance of the legal requirement coming into force, transferring circa 14.5 million qualifying RBWM, CMB and GPB customers from the group to HSBC UK, HSBC's ring-fenced bank. This included the transfer of relevant retail banking subsidiaries. We have retained the non-qualifying components,*

primarily the UK GB&M business and the overseas branches and subsidiaries. For further details, refer to 'Ring-fenced bank' on page 18 and Note 35 'Discontinued operations' on page 161.

3 *Adjusted performance is computed by adjusting reported results for the effect of significant items as detailed on pages 12 to 15.*

4 *Net operating income before change in expected credit losses and other credit impairment charges is also referred to as revenue.*

5 *The group has adopted the European Union's regulatory transitional arrangements for IFRS 9, on 1 January 2018. These apply to reported and adjusted RWAs for 2018 (and related ratios) throughout the Annual Report and Accounts 2018 unless otherwise stated.*

6 *Capital ratios are detailed in the Capital section on pages 69 to 71.*

7 *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. The return on average ordinary shareholders' equity at 31 December 2017 has been restated by 20 basis points to incorporate the tax effect for dividends paid on Additional Tier 1 ('AT1') capital. Dividends paid on AT1 should be net of tax in the calculation.*

8 *Reported cost efficiency ratio is defined as total operating expenses (reported) divided by net operating income before change in expected credit losses and other credit impairment charges (reported), while adjusted cost efficiency ratio is defined as total operating expenses (adjusted) divided by net operating income before change in expected credit losses and other credit impairment charges (adjusted).*

9 *Adjusted jaws measures the difference between adjusted revenue and adjusted cost growth rates.*

		There has been no material adverse change in the prospects of the Issuer since 31 December 2018. There has been no significant change in the financial position of the Issuer and its subsidiaries since 31 December 2018.
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 an indirectly 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 indirectly 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:**	***Issuance in series*:** 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. The Uncertificated Registered Notes being issued are Tranche 1 Notes (the "**Notes**") ***Form of Notes*:**

		Uncertificated Registered Notes: 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 uncertified corporate securities which reflects the Operator Register. ***Security Identification Numbers*:** The Uncertificated Registered Notes have been accepted for clearance through CREST and will be allocated the following Security Identification Numbers: ISIN Code: GB00BJQTD932 Common Code: 196186808 Other identifier/code: Not Applicable SEDOL: BJQTD93
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	**The rights attaching to the securities, including ranking and limitations to those rights:**	***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). ***Interest Payments:*** The Notes will not be interest-bearing. ***Redemption of the Notes at Maturity*:** The Notes will be redeemed on their maturity date, unless they are subject to early redemption. ***Early redemption of the Notes*:** In addition the Notes may be redeemed prior to their stated maturity in the following circumstances: *For illegality*: 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. *For taxation reasons*: 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. *For a Preference Share Early Redemption Event*: 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. *For an Extraordinary Event and/or Additional Disruption Event*: 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.

		For an Event of Default: 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. ***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. 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. ***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. ***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. ***No guarantee or security*****:** The Notes are the obligations of the Issuer only and are unsecured. ***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. **Governing Law:** English law.
C.9	**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 Notes will be issued on 13 May 2019 (the "**Issue Date**") at 100 per cent. of their aggregate principal amount (the "**Issue Price**"). The Notes will not be interest-bearing. ***Representative of the Noteholders*****:** Not Applicable. There is no representative appointed to act on behalf of the Noteholders.

	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:	
C.10	**Derivative components in interest payment:**	Not Applicable. The Notes will not be interest-bearing.
C.11	**Listing and trading:**	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.
C.15	**Description of how the value of the investment is affected by the value of the underlying instrument:**	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. 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. **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.** 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. 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. The redemption amount of the Notes is linked to the performance of the *FTSE® 100 Index* ("**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 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**".

The basis for calculating the Final Redemption Amount is:

"**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:

If Index Performance is equal to or greater than the Final Trigger Level, then 150.75%

If Index Performance is less than the Final Trigger Level, and

- 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

For the purposes of the above:

"**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.

"**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.

"**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.

"**Initial Index Level**" means in respect of an Index the initial level of such Index on the initial valuation date.

"**Final Index Level**" means in respect of an Index the final level of such Index on the valuation date.

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:

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.

For these purposes:

"**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

"**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.

Auto-Call Valuation Date*	**Auto-Call Trigger Level**	**Auto-Call Trigger Rate**
26 April 2021	100.00%	114.50%
26 April 2022	100.00%	121.75%
26 April 2023	95.00%	129.00%
26 April 2024	90.00%	136.25%
28 April 2025	85.00%	143.50%

		***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.
C.16	**Expiration or maturity date of the securities:**	The maturity date of the Notes (the "**Maturity Date**") is 12 May 2026 (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:

Auto-Call Valuation Date*	**Maturity Date** *(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))*
26 April 2021	11 May 2021
26 April 2022	11 May 2022
26 April 2023	11 May 2023
26 April 2024	13 May 2024
28 April 2025	13 May 2025

* 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.

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:**	*A description of the key risk factors relating to the Issuer that may affect the ability of the Issuer to fulfil its obligations to investors in relation to any of its debt or derivative securities is set out below. The occurrence of any of these events or circumstances could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.* ***The UK's withdrawal from the EU may adversely affect the Issuer's operating model and financial results***: The UK electorate's vote and the exit agreement to leave the EU may have a significant impact on general macroeconomic conditions in the UK, the EU and globally. 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. For example, even though in March 2018 the UK reached a provisional agreement with the EU on transitional arrangements following the UK's exit, this agreement still needs to be formally agreed as part of the withdrawal agreement currently under negotiation. It therefore remains possible that the transitional period may not be implemented, or may be implemented in a form in which the detail of the arrangements results in adverse effects on UK and/or EU financial markets. The nature of the negotiations in respect of the UK's exit may result in a prolonged period of uncertainty and market volatility until the UK's future relationship with the EU and the rest of the world is clearer. Given the time-frame and the complex negotiations involved, a clearer picture of the UK's future relationship with the EU and the rest of the world once it has exited the EU 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 unstable 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, to the extent they rely on unrestricted access to the European financial services market. The Issuer may also face certain challenges to its operations and operating model in connection with the UK's exit from the EU, including in relation to operating costs and staff and businesses could be relocated. Moreover, other challenges due to uncertain and at times volatile economic conditions, such as reduced demand for borrowing from creditworthy customers, the imposition of protectionist measures, the additional debt burden on consumers and businesses if interest rates begin to rise, 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, could be exacerbated. ***The Issuer is subject to political risks in the countries in which the Issuer operates, including the risk of government intervention and high levels of indebtedness***: The Issuer operates through an international network of subsidiaries and affiliates. The Issuer's operations are subject to potential unfavourable political developments (which may include coups and/or civil wars), currency

fluctuations, social instability and changes in government policies in the countries in which the Issuer operates or where the Issuer has exposure. These may take the form of expropriation, restrictions on international ownership, interest-rate caps, limits on dividend flows and tax in the jurisdictions in which the Issuer operates. In addition, rising protectionism and the increased trend of using trade and investment policies as diplomatic tools may also adversely affect global trade flows.

Any such unfavourable political events or developments could result in deteriorating business, consumer or investor confidence leading to reduced levels of client activity and consequently a decline in revenues and/or higher costs; foreign exchange losses; mark-to-market losses in trading books resulting from adjustments to credit ratings, share prices and counterparty solvency; or higher levels of impairment and rates of default.

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 on-going 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.

More stringent regulatory requirements, including further capital, liquidity and funding requirements, and adjustments in the use of models for measuring risk, may adversely affect elements of the Issuer's business, particularly if capital requirements are increased.

The delivery of the Issuer's strategic actions is subject to execution risk:

Robust management of critical time-sensitive and resource-intensive projects is required to effectively deliver the Issuer's strategic priorities. The Issuer continues to implement a number of externally driven regulatory programmes and the magnitude and complexity of the projects required to meet these demands present heightened execution risk. The failure to successfully deliver key strategic actions or other regulatory programmes could have a significant impact on the Issuer's business, financial condition, results of operations and prospects.

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

The Issuer is required to comply with applicable anti-money laundering ("**AML**") regulations and has adopted various policies and procedures, including internal control and 'know-your-customer' procedures, aimed at preventing use of the Issuer's products and services for the purposes of committing or concealing a financial crime.

A number of remedial actions have been taken as a result of the matters related to HSBC Holdings' expired U.S. deferred prosecution agreement with the U.S. Department of Justice, which are intended to ensure that the HSBC Group's businesses are better protected in respect of these risks. However, there can be no assurance that these will be completely effective. Moreover, in relevant situations and where permitted by regulation, the Issuer may rely upon certain counterparties to maintain and properly apply their own appropriate AML procedures. While permitted by regulation, such reliance may not be effective in preventing third parties from using the Issuer (and the Issuer's relevant counterparties) as a conduit for money laundering, including illegal cash operations, without the Issuer's (and its relevant counterparties') knowledge. Becoming a party to money laundering, association with, or even accusations of being associated with, money laundering will damage the Issuer's reputation and could make it subject to fines, sanctions and/or legal enforcement.

The Issuer may experience adverse changes in the credit quality of the Issuer's borrowers:

Risks arising from changes in credit quality and the recoverability of loans and amounts due from borrowers and counterparties (for example, reinsurers and counterparties in derivative transactions) are inherent in a wide range of the Issuer's businesses. Adverse changes in the credit quality of the Issuer's borrowers and counterparties arising from a general deterioration in economic conditions or systemic risks in the financial systems could reduce the recoverability and value of the Issuer's assets and require an increase in the Issuer's loan impairment charges.

The Issuer estimates and recognises impairment allowances for credit losses inherent in the Issuer's credit exposure. This process, which is critical to the Issuer's results and financial condition, requires difficult, subjective and complex judgements, including forecasts of how these economic conditions might impair the ability of the Issuer's borrowers to repay their loans and the ability of other counterparties to meet their obligations. As is the case with any such assessments, the Issuer may fail to estimate accurately the effect of factors that the Issuer identifies or fail to identify relevant factors. Further, the information the Issuer uses to assess the creditworthiness of its counterparties may be inaccurate or incorrect. Any failure by the Issuer to accurately estimate the ability of the Issuer's counterparties to meet their obligations could result in significant losses for the Issuer which have not been provided for.

The Issuer's operations are highly dependent on the Issuer's information technology systems, which are subject to failures resulting from internet crimes, cyber-attacks or otherwise:

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 Issuer's brand. The proper functioning of the Issuer's payment systems, financial control, risk management, credit analysis and reporting, accounting, customer service and other information technology systems, as well as the communication networks between the Issuer's branches and main data processing centres, are critical to the Issuer's operations. Critical systems failure, prolonged loss of service, cyber-attacks, 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 data management policies and processes may not be sufficiently robust:

Critical business processes across the Issuer rely on large volumes of data from a number of different systems and sources. If data governance (including retention and deletion), data quality and data architecture policies and procedures are not sufficiently robust, manual intervention, adjustments and reconciliations may be required to reduce the risk of error in reporting to senior management or regulators. Inadequate policies and processes may also affect the Issuer's ability to use data within the Issuer to service customers more effectively and/or improve the Issuer's product offering.

The Issuer is subject to the risk of employee misconduct and non-compliance with regulations and policies:

The Issuer's businesses are exposed to risk from potential non-compliance with regulations and policies, including the "HSBC Values" (the HSBC Values describe how the Issuer's employees should interact with each other and with customers, regulators and the wider community) and related behaviours, and employee misconduct, such as fraud or negligence, all of which could result in regulatory sanctions or reputational or financial harm. In recent years, a number of multinational financial institutions have suffered material losses due to the actions of 'rogue traders' or other employees. It is not always possible to deter employee misconduct and the precautions the Issuer takes to prevent and detect this activity may not always be effective.

Failure of the Issuer to recruit, retain and develop appropriate senior management and skilled personnel could have a material adverse effect on the Issuer:

The demands being placed on the human capital of the Issuer are unprecedented. The cumulative workload arising from a regulatory reform programme that is often extra-territorial and regularly evolving is hugely consumptive of human resources, placing increasingly complex and conflicting demands on a workforce that operates in an employment market where expertise in key markets is often in short supply and mobile.

Moreover, certain regulatory changes may affect the Issuer's ability to attract and/or retain employees. In addition, the policy statement issued by the PRA extends its Remuneration Code to require all PRA-authorised firms to apply clawback to vested/paid variable remuneration on an HSBC Group-wide basis for any material risk takers receiving variable pay from 1 January 2015. Furthermore, the PRA and FCA have introduced in the UK the Senior Managers and Certification regimes and the related Rules of Conduct (the detail of which is currently subject to consultation), which are intended to set clearer expectations of the accountabilities and behaviour of both senior and more junior employees. However, there are a number of uncertainties around the precise impact of these regimes at present (including on more senior employees, on non-UK based employees and on non-executive directors).

The Issuer's continued success depends in part on the retention of key members of its management team and wider employee base. The ability to continue to attract, train, motivate and retain highly qualified professionals is a key element of the Issuer's strategy.

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

The Issuer uses models for a range of purposes in managing its business, including regulatory capital calculations, stress testing, credit approvals, calculation of loan impairment charges on an IFRS 9 basis, financial crime and fraud risk management and financial reporting.

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

The Issuer may experience periods of reduced liquidity or be unable to raise funds, each of which is essential to the Issuer's businesses:

If the Issuer is unable to raise funds through deposits and/or in the capital markets, the Issuer's liquidity position could be adversely affected and the Issuer might be unable to meet deposit withdrawals on demand or at their contractual maturity, to repay borrowings as they mature, to meet the Issuer's obligations under committed financing facilities and insurance contracts, or to fund new loans, investments and businesses. The Issuer may need to liquidate unencumbered assets to meet its liabilities. In a time of reduced liquidity, the Issuer may be unable to sell certain of its assets, or it may need to sell assets at reduced prices.

UK banking structural reform legislation and proposals could materially adversely affect the Issuer, as well as the market value of the Issuer's outstanding securities:

The Issuer is restructuring its corporate structure and business activities so as to establish a separate ring fenced bank for retail banking activities pursuant to UK banking structural reform legislation. 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's UK Global Banking and Markets business and current overseas subsidiaries and branches will remain in the Issuer, which will become the HSBC Group's UK non-ring-fenced bank. The ring-fencing project will require a significant legal and organisational restructuring of the Issuer and the transfer of large numbers of assets, liabilities, obligations, customers and employees between legal entities and the realignment of employees within the Issuer.

The cost of implementing these plans has been material, and the Issuer may continue to incur additional material expenses in relation thereto.

In addition, the implementation of the changes involves a number of risks related to both the revised Issuer structure and also the process of transition to such new structure. For example:

- As a result of the above transfers to HSBC UK, the Issuer will have a reduced balance sheet, including a reduction in risk-weighted assets ("**RWAs**"), and a reduced and potentially more volatile revenue stream.
- Amendments to the Issuer's existing corporate governance structure may create operational challenges.
- The Issuer is unable to predict how some customers may react to having to deal with both HSBC UK and the Issuer to obtain the full range of products and services.
- Any duplication of certain infrastructure or functions between HSBC UK and the Issuer may result in additional costs and/or changes to the Issuer's business and operations.
- The changes may adversely impact the Issuer's credit rating and increase the cost of capital and/or funding for the Issuer and its subsidiaries. A decrease in credit rating may also limit the Issuer's access to the global capital markets on acceptable terms or at all.
- Restrictions or changes imposed on the ability of HSBC UK and its subsidiaries to provide intra-group funding, capital or other support directly or indirectly to the Issuer, and the transfer of the majority of retail

		deposits from the Issuer to HSBC UK, may result in funding or capital pressures and liquidity stress for the Issuer. • The inability going forward to rely on intra-group exemptions in relation to large exposures and liquidity between HSBC UK and the Issuer and may result in an increase in the Issuer's RWAs. • There may be adverse operational, financial or accounting consequences in relation to the above transfers, including as a result of related hedging arrangements, and/or the transfers may have tax costs, or may impact the tax attributes of HSBC UK or the Issuer and the ability to transfer tax losses. ***Any reduction in the credit rating assigned to the Issuer, any subsidiaries of the Issuer or any of their respective debt securities could increase the cost or decrease the availability of the Issuer's funding and materially adversely affect the Issuer's liquidity position and 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 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 and, consequently, materially adversely affect the Issuer's interest margins and/or the Issuer's liquidity position. ***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 proceedings 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. In addition, any prosecution of HSBC Holdings or one or more of its subsidiaries could result in substantial fines, penalties and/or forfeitures and could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and reputation, including the potential loss of key licences, requirements to exit certain businesses and withdrawal of funding from depositors and other stakeholders.
D.6	**Key risks specific to the securities and risk warning to investors:**	***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 Noteholders would lose all of their invested amount. ***The Notes are unsecured obligations*:** 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.

		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 or the securities underlying the Index or Indices. ***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 appreciation in the underlying Index or Indices and may suffer a loss of some or all of their investments. ***Considerations regarding hedging***: The value of the Notes may not exactly correlate with the value of the Index or Indices to which the Notes relate. ***Applicable Bank Resolution Powers:*** 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. ***Taxation*****:** All payments under the Notes will be made without deduction of United Kingdom taxes, duties or other similar changes 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 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. ***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. 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. ***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. ***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. ***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 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. ***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. 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. ***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. ***Benchmarks Reform:*** Indices which are deemed "benchmarks" are the subject of recent national, international and other regulatory guidance and reform. Some of these reforms (including the new European regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmarks Regulation**")) are already effective whilst others are yet to apply. These reforms may cause such "benchmarks" to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes which reference Preference Shares linked to a "benchmark". The Benchmarks Regulation and/or any other international, national or other reforms and/or the general increased regulatory scrutiny of "benchmarks" could have a material impact on any Notes which reference Preference Shares linked to a "benchmark" index, including in any of the following circumstances: (A) (i) certain "benchmarks" may be discontinued, or (ii) the administrator(s) of a rate or index which is a "benchmark" may not obtain authorisation/registration or not be able to rely on one of the regimes available to non-EU benchmarks. Depending on the particular "benchmark" and the applicable terms of the Preference Shares, the occurrence of such a circumstance may lead to such benchmark being deemed replaced with an alternative benchmark selected by the calculation agent in respect of the Preference Shares (or any Alternative Pre-nominated Index specified in the terms and conditions of the Preference Shares), adjustment to the terms and conditions of the Preference Shares, early redemption, discretionary valuation by the calculation agent in respect of the Preference Shares and, delisting or other consequences in relation to Notes which reference Preference Shares linked to such "benchmark"; or (B) the methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the Benchmarks Regulation or other reforms, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level and, depending on the particular "benchmark" and the applicable terms of the Preference Shares, could lead to adjustments to the terms of the Preference Shares, including determination by the calculation agent of the Preference Shares of the rate or level in its discretion. Any of the above consequences could have a material adverse effect on the value of and return on any Notes which reference Preference Shares linked to a "benchmark" index. **Investors may lose the value of their entire investment or part of it, as the case may be.**
	Section E – Offer	
E.2b	**Reasons for the offer and use of proceeds when different from making profit**	The net proceeds from each issue of Notes will be used by the Issuer for profit making or risk hedging purposes.

	and/or hedging certain risks:	
E.3	**Description of the terms and conditions of the offer:**	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. Offer Price: Issue Price 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 securities will be investor demand. 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). The time period, including any possible amendments, during which the offer will be open: The offer period for the Notes will commence on and include 14 March 2019 and end on but exclude 26 April 2019. Conditions to which the offer is subject: The Issuer may close the Offer Period prior to 26 April 2019 if the Notes are fully subscribed before such date. 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 Offerors 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.
		Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	Not Applicable
		Details of the minimum and/or maximum amount of application:	The application must be for a minimum of GBP 1,000
		Details of the method and time limits for paying up the securities and delivering of the securities:	Prospective Noteholders will be notified by Walker Crips Stockbrokers Limited 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.
		Manner in and date on which results of the offer are to be made public:	The final size of the offer will be known at the end of the offer period. 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).
		Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	Not Applicable
		Whether tranche(s) have been reserved for certain countries:	Not Applicable
		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.
		Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	Not Applicable
		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

		Name and address of any paying agents and depositary agents in each country: HSBC Bank plc 8 Canada Square, London E14 5HQ 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
E.4	**Description of any interests material to the issue/offer, including conflicting interests:**	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 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. 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. 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. 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.
E.7	**Estimated expenses charged to the investor by the Issuer or the offeror:**	Expenses in respect of the Notes are not charged directly by the Issuer to the Noteholder.