

Final Terms dated: 2 November 2023

HSBC Bank plc

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

Programme for the Issuance of Notes and Warrants

Legal Entity Identifier (LEI): MP6I5ZYZBEU3UXPYFY54

Issue of

Up to GBP 25,000,000 Notes linked to UKSED3P Investments Limited Preference Shares Series 2607

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 15 June 2023 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 15 June 2023 but before the issue date or listing date of the Notes, whichever is later, to which these Final Terms relate which together constitute a base prospectus ("**Prospectus**") for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**UK Prospectus Regulation**"). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation Rules sourcebook in the FCA Handbook (the "**UK Prospectus Rules**") 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 the links to 'Investors', 'Fixed income investors', 'Issuance programmes') and copies may be obtained from HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.

EU PRIIPs REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). 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**"); (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution 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 Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

1. Issuer: HSBC Bank plc
2. Tranche Number: 1
3. Settlement Currency: Great British Pounds ("**GBP**")

4. Aggregate Principal Amount of Notes admitted to trading:
- (i) Series: Up to GBP 25,000,000
- (ii) Tranche: Up to GBP 25,000,000
5. Issue Price: 100 per cent. of the Aggregate Principal Amount
6. (i) Denomination(s): GBP 1
- (ii) Calculation Amount: GBP 1
- (iii) Aggregate Outstanding Nominal Amount Rounding: Not Applicable
7. Issue Date: 3 January 2024
8. Maturity Date: 3 January 2029 (or, if later, the date falling 2 Business Days following the Valuation Date), or if the Preference Shares become subject to the auto-call provisions contained in the terms and conditions of the Preference Shares, the date specified below in relation to the relevant Preference Share Valuation Date:

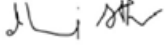
Preference Share Valuation Date <i>(subject to adjustment in accordance with sub-paragraph 10(vii) below)</i>	Maturity Date <i>(or, in each case, if later, the date falling 2 Business Days following the Valuation Date falling immediately after such Preference Share Valuation Date)</i>
15 December 2025	31 December 2025
15 December 2026	31 December 2026
15 December 2027	31 December 2027

9. Type of Notes (for the purposes of Redemption): Autocallable Redemption Notes
10. Preference Share provisions:
- (i) Preference Shares: UKSED3P Investments Limited Preference Shares Series 2607
- (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

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| (vi) | Valuation Time: | 5pm London time |
| (vii) | Preference Share Valuation Date: | <p>(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 an underlying Index of the Preference Shares on or about such date):</p> <p>(i) in the year 2025, 15 December 2025;</p> <p>(ii) in the year 2026, 15 December 2026;</p> <p>(iii) in the year 2027, 15 December 2027; or</p> <p>(2) otherwise 15 December 2028, or, in each case, if such date for valuation of or any determination of an 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.</p> |
| (viii) | Extraordinary Event: | Condition 4(d) applies. |
| (ix) | Additional Disruption Event: | Condition 4(e) applies. |
| 11. | Taxation: | Condition 5B (<i>Taxation – Gross-up</i>) is applicable |
| | (<i>Condition 5</i>) | |
| 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



Baljee Swaminathan

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 ("FCA"). 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 main 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: See the "*Use of Proceeds*" section of the Base Prospectus.
- (ii) Estimated net proceeds: Up to GBP 25,000,000
- (iii) Estimated total expenses: GBP 5,000 (listing fee)

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

The Notes may be on-sold by the Dealer and/or its affiliates to the Plan Manager at a discount to the Issue Price of up to 3.00 per cent. Such discount (the "**re-offer spread**") will be retained by the Plan Manager.

Save for the re-offer spread retained by the Plan Manager, 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 and its 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 website of the London Stock Exchange.

DISTRIBUTION

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

7.	If non-syndicated, name and address of Dealer:	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 HSBC Bank plc and Walker Crips Investment Management Limited (the " Plan Manager ", and together with HSBC Bank plc, the " Initial Authorised Offerors ") other than pursuant to Article 1(4) of the UK Prospectus Regulation in the United Kingdom only (the " Public Offer Jurisdiction ") during the period from and including 6 November 2023 until but excluding 15 December 2023 (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:	GB00BRM3K506
13.	Common Code:	Not Applicable
14.	SEDOL:	BRM3K50
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):	Not Applicable
20.	Common Depositary:	Not Applicable
21.	Calculation Agent:	HSBC Bank plc

BENCHMARKS

22.	Details of benchmarks administrators and registration under the UK Benchmarks Regulation:	The FTSE® 100 Index is provided by FTSE International Limited. As of the date hereof, FTSE International Limited appears in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 of the UK Benchmarks Regulation.
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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:	<p>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.</p> <p>A copy of these Final Terms will be filed with the FCA in the UK. On or before the Issue Date, a notice pursuant to UK Prospectus Rule 2.3.2(2) of the final aggregate principal amount of the Notes will be (i) filed with the FCA and (ii) published in accordance with the method of publication set out in Prospectus Rule 3.2.4(2).</p>
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 1(4) of the UK Prospectus Regulation during the Offer Period.
26.	Conditions to which the offer is subject:	The Issuer may close the Offer Period prior to 15 December 2023 if the Notes are fully subscribed before such date.
27.	Description of the application process:	<p>A prospective investor should contact the Initial Authorised Offerors during the Offer Period. A prospective investor will subscribe for the Notes in accordance with the arrangements existing between the Initial Authorised Offeror and its customer relating to the subscription of securities generally and not directly with the Issuer.</p> <p>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.</p>
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 and no maximum applicable
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:	<p>The final size will be known at the end of the Offer Period.</p> <p>A copy of these Final Terms will be filed with the FCA in the UK. 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</p>

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

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| 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 Investment Management 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.

<i>Walker Crips Investment Management Limited:</i>
Old Change House, 128 Queen Victoria, London EC4V 4BJ

<i>HSBC Bank plc:</i> 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 |

ISSUE SPECIFIC SUMMARY

SECTION A - INTRODUCTION

This summary should be read as an introduction to the prospectus for the Notes (as defined below) comprised of the base prospectus dated 15 June 2023 relating to the issuance of Preference Share-Linked Notes under the Programme for the Issuance of Notes and Warrants and the supplements thereto (the "Base Prospectus") and the final terms in relation to the Notes (the "Final Terms" and together with the Base Prospectus, the "Prospectus" in relation to the Notes). Any decision to invest in the Notes should be based on consideration of the Prospectus as a whole by the investor. Investors could lose all or part of their invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the relevant national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only where this summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Notes.

- (a) The Notes are called the Up to GBP 25,000,000 Notes linked to UKSED3P Investments Limited Preference Shares Series 2607 Notes (the "Notes") and the ISIN is GB00BRM3K506.
- (b) The Issuer is HSBC Bank plc and its LEI is MP6I5ZYZBEU3UXPYFY54. The Issuer can be contacted at its registered office as 8 Canada Square, London, E14 5HQ.
- (c) The Issuer will apply for the admission of Notes on the Main Market of the London Stock Exchange. The Issuer's contact details are set out in paragraph (b) above.
- (d) The competent authority for the purposes of the approval of the Base Prospectus and the Notes is the UK Financial Conduct Authority (the "FCA") having its head office at 12 Endeavour Square, London, E20 1JN and telephone number +44 (0)20 7066 1000.
- (e) The Base Prospectus was approved on 15 June 2023.

SECTION B – KEY INFORMATION ON THE ISSUER

Who is the Issuer of the Notes?

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

What is the key financial information regarding the Issuer?

The selected key financial information regarding the Issuer set out below has been extracted without material adjustment from the audited consolidated financial statements of the Issuer for the years ended 31 December 2021 and 31 December 2022 (in respect of the table of year-end figures) and the unaudited consolidated financial statements of the Issuer for the six-month period ended 30 June 2023 (in respect of the table of half-year figures). References in the accompanying footnotes to numbered pages are to the

corresponding numbered pages of the Issuer's 2022 Form 20-F (in respect of the table of year-end figures) and to the Issuer's Interim Report 2023 (in respect of the table of half-year figures) unless otherwise stated.

From 1 January 2023, the Issuer has adopted IFRS 17 '*Insurance Contracts*', which replaced IFRS 4 '*Insurance Contracts*'. Comparative data have been restated accordingly. In the tables that follow, the comparative data figures that have been restated are marked with an asterisk.

For the period (£m)	Footnote	Six Months Ended		Year Ended	
		30 June 2022	30 June 2023	31 December 2021	31 December 2022
Net interest income		991	1,140	1,754	1,904
Net fee income		662*	674	1,413	1,261
Change in expected credit losses and other credit impairment charges		(187)	(58)	174	(222)
Net operating income before change in expected credit losses and other credit impairment charges	1	2,943*	5,460	6,120	4,646
(Loss)/profit before tax (reported basis)		203*	2,860	1,023	(959)
Profit/(loss) attributable to the parent company		175*	2,193	1,041	(408)
At period-end (£m)		As at 30 June 2022	As at 30 June 2023	As at 31 December 2021	As at 31 December 2022
Total assets		708,925*	723,237	596,611	716,646*
Senior debt		33,666	37,200	36,801	32,771
Subordinated liabilities		16,003	14,896	14,713	15,337
Loans and advances to customers		94,840	88,708	91,177	72,614

For the period (£m)	Footnote	Six Months Ended		Year Ended	
At period-end (£m)		As at 30 June 2022	As at 30 June 2023	As at 31 December 2021	As at 31 December 2022
Customer accounts		224,991	229,274	205,241	215,948
Total equity		23,145*	23,890	23,145*	23,233*
Capital Ratios (%)	2	As at 30 June 2022	As at 30 June 2023	As at 31 December 2021	As at 31 December 2022
Common equity tier 1		14.9*	18.7	17.8	16.4*
Total capital ratio		28.3*	33.8	31.9	31.6*
Leverage Ratio (fully phased in)	3	4.9*	5.5	4.2	5.4*

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

2. Unless otherwise stated, regulatory capital ratios and requirements are based on the transitional arrangements of the Capital Requirements Regulation in force at the time. These include the regulatory transitional arrangements for IFRS 9 'Financial Instruments'. References to EU regulations and directives (including technical standards) should, as applicable, be read as references to the UK's version of such regulation and/or directive, as onshored into UK law under the European Union (Withdrawal) Act 2018, and as may be subsequently amended under UK law.

3. Leverage metrics exclude central bank claims in accordance with the Prudential Regulation Authority's ("PRA") UK leverage framework.

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

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

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

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

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

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

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

Risks to the Group's strategy

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

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

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

The Group relies on recruiting, retaining and developing appropriate senior management and skilled personnel

Meeting the demand to recruit, retain and develop appropriate senior management and skilled personnel remains subject to a number of challenges. If one of the Group's business units fails to staff its operations appropriately or loses one or more of their key senior executives and fails to successfully replace them in a satisfactory and timely manner, or fails to implement successfully the organisational changes required to support the Group's strategy, the Group's business, financial condition, results of operations, reputation and prospects, including control and operational risks, could be materially adversely affected.

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

The Group uses models for a range of purposes in managing its business, including regulatory capital calculations, stress testing, credit approvals, calculation of ECLs on an IFRS 9 basis, financial crime and fraud risk management and financial reporting. HSBC Bank plc could face adverse consequences as a result of decisions that may lead to actions by management based on models that are poorly developed, implemented or used, or as a result of the modelled outcome being misunderstood, or the use of such information for purposes for which it was not designed, or by inherent limitations arising from the

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

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

The Group's businesses are subject to ongoing regulation, policies, voluntary codes of practice and interpretations in the UK, the EU and the other markets in which the Group operates. A number of regulatory changes impacting the Group's business have effects beyond the country in which they are enacted. In recent years, regulators and governments have focused on reforming both the prudential regulation of the financial services industry and the ways in which the business of financial services is conducted. Measures taken include enhanced capital, liquidity and funding requirements, the separation or prohibition of certain activities by banks, changes in the operation of capital markets activities, the introduction of tax levies and transaction taxes and changes in compensation practices. The Group is also seeing more detailed requirements on how business is conducted, with a focus on protecting vulnerable customers. Such regulatory changes could have a material effect on the Group's business, financial condition, results of operations, prospects, capital position, reputation and strategy.

SECTION C – KEY INFORMATION ON THE NOTES

What are the main features of the Notes?

- (a) The Notes do not bear interest.
- (b) *Redemption Amounts.* 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 redemption price of each class of Preference Shares will be calculated by reference to an index (the "**Index**").

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 the Preference Share Issuer 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 Index, the Notes (including the return on the Notes) are described as being linked to the 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 Final Redemption Amount will be 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 135.00%

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

- the Final Index Level is equal to or greater than the product of the Initial Index Level and the Barrier Level, then 100%; or
- the Final Index Level is less than the product of the Initial Index Level and the Barrier Level, then Index Performance

"**Barrier Level**" means 60.00%, being the percentage against which the performance of the Index will be measured in order to determine the Final Redemption Amount.

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

"**Final Trigger Level**" means 75.00%, 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 the Final Index Level compared to its Initial Index Level.

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

In addition, as the Notes are **Autocallable Redemption Notes**, they may be redeemed if, on an Auto-Call Valuation Date, the Index Performance is equal to or greater than the Auto-Call Trigger Level specified below. In such circumstances the Noteholder would be entitled to an **Early Redemption Amount**, being 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
15 December 2025	100.00%	114.00%
15 December 2026	90.00%	121.00%
15 December 2027	80.00%	128.00%

***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) The Notes are series 2607, tranche 1 and will be represented by uncertificated registered notes deposited with Euroclear UK and Ireland Limited ("**CREST**"). The ISIN of the Notes is GB00BRM3K506.
- (d) The settlement currency of the Notes is GBP (the "**Settlement Currency**"). The aggregate principal amount of the Notes to be issued is up to GBP 25,000,000. The denomination of the Notes is GBP 1. The Maturity Date of the Notes is 3 January 2029.
- (e) Rights attaching to the Notes:

Early Redemption: 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 UKSED3P 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 has occurred in relation to the Notes or an insolvency filing has occurred in relation to the Preference Share Issuer (each, an "**Additional Disruption Event**").
- *For an Event of Default:* at the option of the Noteholder in the following circumstances: (i) the Issuer fails to remedy a default in the repayment of any principal due on the Notes within 14 days of notice of such default having been given to the Principal Paying Agent or other Paying Agent or the Registrar (as the case may be) by any Noteholder, provided that it shall not be such a default to withhold or refuse any such payment (1) if the Issuer determines, acting in good faith, that there is a material risk of the payment being contrary to any fiscal or other law or regulation or the order of any court of competent jurisdiction, or any statement, guidance, policy, recommendation or interpretation of any governmental or regulatory body (whether or not having the force of law), in each case applicable to such payment or (2) in cases of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice given at any time by independent legal advisers as to such validity or applicability; or (ii) the passing of a winding-up order in relation to the Issuer.

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 of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Taxation - All payments by the Issuer of any amount in respect of the Notes will be made without deduction of any taxes, duties and other similar charges, including United Kingdom taxes unless the Issuer is required by law to withhold or deduct any such taxes. Noteholders may 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.

- (f) The Notes will be direct, unsecured and unsubordinated obligations of the Issuer and will rank equally and without preference among themselves and, at their date of issue, with all other unsecured and unsubordinated obligations of the Issuer (unless preferred by law). The exercise by HM Treasury, the Bank of England, the Prudential Regulation Authority and the United Kingdom Financial Conduct Authority (as applicable) of any powers under the Banking Act 2009 (including especially the bail-in power) could lead to the holders of the Notes losing some or all of their investment or may adversely affect the rights of holders of the Notes, the market value thereof or the Issuer's ability to satisfy its obligations thereunder.
- (g) The Notes are freely transferable. However, there are restrictions on the offer and sale of the Notes. The Issuer and HSBC Bank plc, 8 Canada Square, London E14 5HQ (the "**Dealer**") have agreed restrictions on the offer, sale and delivery of the Notes and on distribution of offering materials in the European Economic Area, the United Kingdom, Guernsey, Isle of Man, Jersey and the United States of America.

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

Where will the Notes be traded?

Application will be made to admit the Notes to the Official List of the United Kingdom Financial Conduct Authority and to trading on the Main Market of the London Stock Exchange plc.

What are the key risks specific to the Notes

The Notes are direct, unsubordinated and unsecured obligations of the Issuer and not of any other person. If the Issuer's financial position were to deteriorate, there could be a risk that the Issuer would not be able to meet its obligations under the Notes (the Issuer's credit risk), and investors would not be able to enforce security as a method of recouping payments due under the Note. In 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 not ordinary debt securities and investors are exposed to the risks relating to the Preference Shares and Index or Indices. The Notes do not pay interest and, depending on the performance of the Preference Shares and Index or Indices as well as certain other factors (including changes in currency exchange rates, changes in interest rates, time remaining to redemption, economic and market conditions, dividend rates on the securities underlying an Index), may upon redemption return less than the amount invested or nothing.

An investment in the Notes is not equivalent to an investment in the Preference Shares or the securities underlying the Index or Indices. Ownership of the Notes does 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 and the value of the Notes may not exactly correlate with the value of the Index or Indices to which the Notes relate.

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 Preference Share Issuer, 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.

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.

Market Disruption Events and Additional Disruption Events. Upon the occurrence of certain events (including an early closure of the relevant exchange, disruption of such exchange or suspension of trading on such exchange ("**Market Disruption Events**"), a change in laws, hedging disruption or an increased cost of hedging ("**Additional Disruption Events**"), an index cancellation or modification or disruption in the publication of the Index (each, an "**Index Adjustment Event**") or certain events relating to the administrator(s) of the Index ("**Administrator/Benchmark Event**")), valuations under the Preference Shares may be subject to postponement or adjustment (in the case of a Market Disruption Event) or terms of the Preference Shares may be subject to adjustment or the Index may be replaced with an alternative benchmark (in the case of an Administrator/Benchmark Event) and/or Preference Shares may be subject to redemption (in the case of an Additional Disruption Event or Index Adjustment Event or an Administrator/Benchmark Event). As 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, any such postponement, adjustment or redemption or 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.

Illegality or changes in tax law may cause the Notes to be redeemed early. In such circumstances, the Issuer may pay a sum determined by reference to the value of the Preference Shares at the time of such redemption. As a result holders of Notes will forego any future appreciation in the relevant Index or Indices and may suffer a loss of some or all of their investments.

Commission, cost of hedging and taxes may be borne by Noteholders. The Issue Price of the Notes may include fees, commission and hedging costs. Payments under the Notes may be decreased to take into

account the effect of taxes, duties or other similar charges and Noteholders will bear the cost of all taxes, duties or other similar charges payable in connection with the subscription, purchase or holding of such Note and any payments under the Notes (in each case including any taxes or duties imposed or increased by a change of tax law or practice).

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

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

An offer of this Tranche of Notes may be made by HSBC Bank plc and Walker Crips Investment Management Limited (together with HSBC Bank plc, the "**Initial Authorised Offerors**") other than pursuant to Article 1(4) of the UK Prospectus Regulation in the United Kingdom only (the "**Public Offer Jurisdiction**") during the period from and including 6 November 2023 until but excluding 15 December 2023 (the "**Offer Period**"). The Issuer may close the Offer Period prior to 15 December 2023 if the Notes are fully subscribed before such date. The Offer Price of the Notes is the Issue Price.

Expenses in respect of the listing of Notes are not charged directly by the Issuer or Dealer(s) to the investor.

Why is this Prospectus being produced?

The Prospectus has been prepared in connection with a public offer of Notes and the admission of Notes to trading on a regulated market pursuant to the UK Prospectus Regulation.

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

Conflicts of Interest: The Issuer and/or its affiliates may enter into hedging or other transactions (i) relating to an Index or to securities underlying an Index or (ii) with issuers of securities underlying an Index. The Issuer or its affiliates may also publish research or other reports relating to 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 undertaking any such activities, neither the Issuer nor any affiliate of the Issuer is under any obligation to consider the interests of the Noteholders. In addition, the Issuer may assume roles as hedging counterparty or calculation agent under the Notes. In respect of any of these roles the Issuer may have interests that conflict with the interests of Noteholders.

ANNEX

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

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: