Final Terms dated: 26 October 2016

HSBC Bank plc

Programme for the Issuance of Notes and Warrants

(*Interest Rate Linked and Inflation-Linked Notes*)

Issue of

Zero Coupon Callable Accreting Notes due October 2036

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 3 October 2016 in relation to the above Programme, together with each supplemental prospectus relating to the Base Prospectus published by the Issuer after 3 October 2016 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 is annexed to these Final Terms.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus is available for viewing during normal business hours at HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom and www.hsbc.com (please follow links to 'Investor relations', 'Fixed income securities', '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.	Currency:		
	(i)	Denomination Currency:	EUR
	(ii)	Settlement Currency:	EUR
4.	Aggregate Principal Amount of Notes admitted to trading:		
	(i)	Series:	EUR 143,016,000
	(ii)	Tranche:	EUR 143,016,000
5.	Issue Price:		69.92224646 per cent. of the Aggregate Principal Amount
6.	(i)	Denomination(s):	EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000. No Notes in definitive form will be issued with a denomination above EUR 199,000.
	(ii)	Calculation Amount:	EUR 1,000
7.	(i)	Issue Date:	28 October 2016

	(ii)	Interest Commencement Date:	Not Applicable
	(iii)	Trade Date:	06 October 2016
8.	Maturity Date:		28 October 2036 adjusted in accordance with Business Day Convention
9.	Interest basis:		Zero Coupon Notes
10.	Redemption basis:		Redemption at par/percentage of par

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

11.	Type of Interest:		Zero Coupon Note provisions
12.	Switch Option:		Not Applicable
13.	Automatic Interest Switch		Not Applicable
14.	Fixed Rate Note Provisions:		Not Applicable
15.	Floating Rate Note Provisions:		Not Applicable
16.	Reverse Floating Rate Note Provisions:		Not Applicable
17.	Digital Interest Note Provisions:		Not Applicable
18.	Steepener Note Provisions:		Not Applicable
19.	Inflation Linked Note Provisions:		Not Applicable
20.	Zero Coupon Note provisions:		Applicable
	(i)	Condition 4J:	Not Applicable
	(ii)	Accrual Yield:	Not Applicable
	(iii)	Zero Coupon Note Reference Price:	Not Applicable
	(iv)	Day Count Fraction in relation to Early Redemption Amounts and late payments:	Not Applicable
	(v)	Business Day Convention:	Following Business Day Convention
	(vi)	Business Centre(s):	Not Applicable

PROVISIONS RELATING TO REDEMPTION

21.	Issuer's optional redemption (Call Option):		Applicable
	(i)	Redemption Amount (Call Option):	The percentage per Calculation Amount as specified in the table below

Optional Redemption Date (Call Option)	Redemption Amount (Call Option)
28 October 2026	83.6200%

(ii)	Series redeemable in part:	Not Applicable
(iii)	Optional Redemption Date (Call Option):	28 October 2026
(iv)	Minimum Redemption Amount (Call Option):	Not Applicable
(v)	Maximum Redemption Amount (Call Option):	Not Applicable
(vi)	Series Amount:	Not Applicable

22.	Noteholder's optional redemption (Put Option):	Not Applicable
23.	Inflation Linked Redemption provisions:	Not Applicable
24.	Final Redemption Type:	Fixed Redemption
25.	Fixed Redemption provisions:	Applicable
	Final Redemption Amount of each Note:	100 per cent. of the Calculation Amount
26.	Instalment Notes:	Not Applicable
27.	Early Redemption Amount:	
	(i) Early Redemption Amount upon redemption for taxation reasons: *(Condition 5(d))*	Fair Market Value
	(ii) Early Redemption Amount upon early redemption for illegality: *(Condition 5(h))*	Fair Market Value
	(iii) Early Redemption Amount upon redemption following inflation index disruption events: *(Condition 7(g))*	Not Applicable
	(iv) Early Redemption Amount following an Event of Default: (*Condition 9*)	Fair Market Value
	- Fair Market Value Floor:	Not Applicable
	- Fair Market Value Percentage:	Not Applicable
28.	Taxation: (*Condition 6*)	Condition 6B (*Taxation – Gross-up*) is applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

29.	Form of Notes:		
	(i)	Form of Notes:	Bearer Notes
30.	New Global Note:		Not Applicable
31.	New Safekeeping Structure:		Not Applicable
32.	If issued in bearer form:		Applicable
	(i)	Initially represented by a Temporary Global Note or Permanent Global Note:	Temporary Global Note
	(ii)	Temporary Global Note exchangeable for Permanent Global Note and/or Definitive Notes:	Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only in limited circumstances specified in the Permanent Global Note
	(iii)	Permanent Global Note exchangeable at the option of the Issuer in circumstances where the Issuer would suffer a material disadvantage following a change of law or regulation:	Yes
	(iv)	Coupons to be attached to Definitive Notes:	Not Applicable
	(v)	Talons for future Coupons to be attached to Definitive Notes:	Not Applicable
	(vi)	Receipts to be attached to Definitive Notes:	Not Applicable
33.	Exchange Date for exchange of Temporary Global Note:		Not earlier than 40 days after the Issue Date
34.	If issued in registered form:		Not Applicable
35.	Payments:		
	(i)	Relevant Financial Centre Day:	London and TARGET Business Day
	(ii)	Business Centre(s)	Not Applicable
	(iii)	Payment of Alternative Payment Currency Equivalent:	Not Applicable
	(iv)	Conversion provisions:	Not Applicable
	(v)	Price Source Disruption:	Not applicable
	(vi)	Prevailing Spot Rate:	Not Applicable

36. Redenomination: Not Applicable

CONFIRMED

HSBC BANK PLC

Leo Chan
Manager

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.
(iii)	Estimated total expenses of admission to trading:	GBP 4,320

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:	Not Applicable
(ii)	Estimated net proceeds:	Information not provided
(iii)	Estimated total expenses and taxes specifically charged to the subscriber or purchaser:	Information not provided

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

HSBC France, an affiliate of the Issuer will pay an intra-group distribution fee of 0.80% of the Issue Price to HSBC Trinkaus & Burkhardt AG in respect of the distribution of the Notes.

Save as disclosed above and save for any fees payable to the Dealer(s), so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue. 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. **DISTRIBUTION**

(i)	If syndicated, name[s] and address[es] of Dealers [and underwriting commitments]:	Not Applicable
(ii)	Date of subscription agreement:	Not Applicable
(iii)	Indication of the overall amount of the	Not Applicable

	underwriting commission and of the placing commission:	
6.	If non-syndicated, name and address of Dealer:	HSBC Bank plc
7.	TEFRA Rules applicable to Bearer Notes:	TEFRA D Rules
8.	Public Offer:	Not Applicable
	OPERATIONAL INFORMATION	
9.	ISIN Code:	XS1504183051
10.	Common Code:	150418305
11.	Valoren Number:	Not Applicable
12.	SEDOL:	Not Applicable
13.	WKN:	Not Applicable
14.	Clearing System:	Euroclear / Clearstream, Luxembourg
15.	Delivery:	Delivery against payment
16.	Principal Paying Agent/Registrar/Issue Agent/Transfer Agent:	HSBC Bank plc
17.	Additional Paying Agent(s) (if any):	Not Applicable
18.	Common Depositary:	HSBC Bank plc
19.	Common Safekeeper:	Not Applicable
20.	Calculation Agent:	HSBC France

SUMMARY

(See overleaf)

SUMMARY

*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 the 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:**	Not Applicable. The Issuer does not consent to the use of this prospectus in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus (a "**Public Offer**") as the Notes will not be publicly offered.
		Section B – Issuer
B.1	**Legal and commercial name of the issuer:**	The legal name of the issuer is HSBC Bank plc (the "**Issuer**") and, for the purposes of advertising, the Issuer uses an abbreviated version of its name, HSBC.
B.2	**Domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation:**	The Issuer is a public limited company registered in England and Wales under registration number 14259. The liability of its members is limited. The Issuer was constituted by Deed of Settlement on 15 August 1836 and in 1873, registered under the Companies Act 1862 as an unlimited company. It was re-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 Gross Domestic Product ("**GDP**") growth accelerated to 0.6% quarter-on-quarter in the second quarter of 2016, from 0.4% quarter-on-quarter in the first quarter of the year. GDP was 2.2% higher than the same quarter a year earlier. The unemployment rate inched down to 4.9% in the three months to May. Employment as a percentage of the workforce stood at an all-time high of 74%. Wage growth has slowed from last year, but rose to 2.3% in the three months to April. The annual rate of growth of the Consumer Price Index ("**CPI**") measure of inflation stood at 0.5% in June 2016. Activity in the housing market was strong in the first quarter, but slowed in the second quarter, following the imposition of higher stamp duty on buy-to-let purchases.
		Following the UK's vote to leave the European Union ("**EU**"), the economic outlook has shifted markedly. UK real GDP is now expected to rise by 1.5% in 2016, and slow sharply in 2017, albeit narrowly avoiding a recession. Investment might be hardest hit by the uncertainty surrounding the UK's political and economic outlook. CPI inflation is expected to rise on the back of exchange rate depreciation, rising to an annual rate of 1.2% by the fourth quarter of 2016. In the eurozone, the domestic-led cyclical recovery continued. Real GDP in the region as a whole surprised on the upside in the first quarter of 2016, growing by 0.6% after growing by 0.4% in the last quarter of 2015. Spain continued to be the strongest performer among the four largest eurozone economies, with real GDP growth of 0.8% in the first quarter, but the recovery was more broad-based, with Germany growing by 0.7% and France by 0.6%. Italy was lagging behind, with growth of 0.3%. The renewed fall in energy prices is continuing to provide a significant boost to real wages, supporting consumption, while public consumption has also been supportive of growth thanks to the reduction in interest payments brought about by the European Central Bank's quantitative easing programme. The mild weather over the winter also boosted residential construction, particularly in countries such as Germany. Exports, however, are starting to slow, as the impact of the past euro depreciation starts to fade and global demand remains weak. The monetary policy stance from the European Central Bank is helping to support demand and is easing credit conditions in the eurozone. But as the impact of lower energy prices on consumer purchasing power fades, sustainable growth depends on the delivery of a broader package of investment measures to support demand and raise productivity, and a more coordinated fiscal effort. The outcome of the UK referendum on its membership of the EU is also likely to weigh on trade, and consumer and investor confidence in the eurozone. The Issuer expects real GDP growth in the eurozone of 1.4% in 2016, slightly lower than the 1.6% achieved in 2015, and 1.0% in 2017, with CPI inflation remaining subdued (0.9% in 2017) after the rebound at the turn of the year due to the base effect from energy prices.

		The Issuer expects global GDP growth to be 2.2% in 2016, down from 2.4% in 2015.
B.5	**The group and the Issuer's position within the group:**	The whole of the issued ordinary and preference share capital of the Issuer is beneficially owned by HSBC Holdings plc ("**HSBC Holdings**", together with its subsidiaries, the "**HSBC Group**"). The Issuer is the HSBC Group's principal operating subsidiary undertaking in Europe. The HSBC Group is one of the largest banking and financial services organisations in the world, with an international network of more than 4,400 branches in 71 countries and territories across five geographical regions: Europe, Asia, Middle East and North Africa, North America and Latin America. Its total assets as at 30 June 2016 were U.S.$2,608,149 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 and its subsidiary undertakings for the financial years ended 31 December 2014 or 31 December 2015.
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 2014 and 31 December 2015 and the Unaudited Consolidated Interim Report of the Issuer for the six month period ended 30 June 2016.

	Half-year to		**Year ended**	
	30 June 2016	**30 June 2015**	**31 December 2015**	**31 December 2014**
For the period (£m)				
Profit before tax (reported basis)	**1,991**	2,136	2,971	1,953
Adjusted profit before taxation[1]	**1,810**	2,621	4,068	4,032
Net operating income before loan impairment charges and other credit risk provisions[2]	**6,737**	7,052	12,870	11,886
Profit attributable to shareholders of the parent company	**1,410**	1,529	1,942	1,354
At period end (£m)				
Total equity attributable to shareholders of the parent company	**40,823**	34,975	37,497	36,078
Total assets	**887,661**	749,853	727,941	797,289
Risk-weighted assets	**243,648**	234,513	229,382	243,652
Loans and advances to customers (net of impairment allowances)	**266,614**	248,042	258,506	257,252
Customer accounts	**363,651**	336,964	332,830	346,507
Capital ratios[3] (%)				
Common Equity tier 1	**9.6**	9.3	9.6	8.7
Tier 1 ratio	**11.6**	10.9	11.8	10.3
Total capital ratio	**15.3**	14.3	15.5	13.8
Performance, efficiency and other ratios (annualised %)				
Annualised return on average shareholders' equity[4]	**7.7**	9.3	5.9	4.2
Pre-tax return on average risk-weighted assets (reported basis)	**1.7**	1.7	1.2	0.8
Pre-tax return on average risk-weighted assets (adjusted basis)	**1.5**	2.1	1.7	1.7
Cost efficiency ratio[5]	**65.5**	59.3	64.1	64.3
Jaws (adjusted basis)[6]	**(9.3)**	4.2	0.3	(6.8)
Ratio of customer advances to customer accounts	**73.3**	73.6	77.7	74.2

1 *Adjusted performance is computed by adjusting reported results for the effect of significant items as detailed on pages 21 and 22 of the Unaudited Consolidated Interim Report of the Issuer for the six month period ended 30 June 2016.*

2 *Net operating income before loan impairment charges and other credit risk provisions is also referred to as revenue.*

3 *Capital ratios are based on transitional CRD IV rules (refer to page 14 of the Unaudited Consolidated Interim Report of the Issuer for the six month period ended 30 June 2016).*

4 *The return on average total shareholders' equity is defined as profit attributable to shareholders of the parent company divided by the average total shareholders' equity, adjusted for other equity instruments.*

5 *Adjusted cost efficiency ratio is defined as total operating expenses (adjusted) divided by net operating income before loan impairment charges and other credit risk provisions (adjusted). Net operating income before loan impairment charges and other credit risk provisions (adjusted) is also referred to as revenue (adjusted).*

6 *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 2015. There has been no significant change in the financial or trading position of the Issuer and its subsidiary undertakings since 30 June 2016.
B.13	**Recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency:**	Not Applicable. There have been no recent events particular to the Issuer which are to a material extent relevant to the evaluation of its solvency.
B.14	**Dependence upon other entities within the group:**	The Issuer is a wholly owned subsidiary of HSBC Holdings. The Issuer and its subsidiaries form a UK-based group (the "**Group**"). The Issuer conducts part of its business through its subsidiaries and is accordingly dependent upon those members of the Group.
B.15	**The Issuer's principal activities:**	The Group provides a comprehensive range of banking and related financial services. The Group divides its activities into four business segments: Retail Banking and Wealth Management; Commercial Banking; Global Banking and Markets; and Global Private Banking.
B.16	**Controlling persons:**	The whole of the issued ordinary and preference share capital of the Issuer is owned directly by HSBC Holdings.
B.17	**Credit ratings:**	The Issuer has been assigned the following long term credit ratings: AA- by Standard & Poor's Credit Market Services Europe Limited ("**Standard & Poor's**"); Aa2 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 – Notes
C.1	**Description of type and class of securities:**	Notes described in this Summary may be debt securities or, where the repayment terms are linked to the performance of a specified inflation index, derivative securities. The Notes will bear interest as follows: ***Fixed Rate Interest:*** Notes may bear interest at a fixed rate (such Notes, "**Fixed Rate Notes**"). ***Floating Rate Interest:*** Notes may bear interest at a rate equal to the product of a floating rate and a leverage multiplier, plus a fixed percentage (such Notes, "**Floating Rate Notes**"). ***Reverse Floating Rate Interest:*** Notes may bear interest at a rate equal to a fixed percentage minus the product of a floating rate and a leverage multiplier (such Notes, "**Reverse Floating Rate Notes**"). ***Digital Interest:*** Notes may bear interest at: (i) a rate equal to a specified fixed or floating rate ("**Specified Rate 1**") if a separate specified floating rate ("**Specified Rate 2**") is above a specified strike rate (the "**Strike**"); (ii) a rate equal to a specified fixed or floating rate ("**Specified Rate 3**") if Specified Rate 2 is below the Strike; or (iii) the difference between Specified Rate 1 and Specified Rate 3 if Specified Rate 2 is equal to the Strike (such Notes, "**Digital Notes**"). ***Spread-Linked Interest:*** Notes may bear interest at a rate equal to the product of the difference between two floating rates and a leverage multiplier, plus a fixed percentage (such Notes, "**Steepener Notes**"). ***Inflation-Linked Interest:*** Notes may bear interest at a rate equal to the product of a percentage determined by reference to movements in a specified inflation index and a leverage multiplier, plus a fixed percentage (such Notes, "**Inflation-Linked Notes**"). ***Zero Coupon:*** Notes may not bear any interest (such Notes, "**Zero Coupon Notes**"). Notes may apply a combination of any of the follow types of interest: Fixed Rate Interest, Floating Rate Interest, Reverse Floating Rate Interest, Digital Interest, Spread-Linked Interest and Inflation-Linked Interest. The type of interest (if any) payable on the Notes may be the same for all interest payment dates or may be different for different interest payment dates. The rate of interest applicable to the Notes may also be subject to a maximum or minimum percentage. Notes that are not Zero Coupon Notes may include an option for the Issuer, at its discretion, to switch the type of interest payable on the Notes once during the term of the Notes or an automatic interest switch may be specified as applying to the Notes in which case, the type of interest payable on the Notes will switch immediately following a specified automatic switch date. The amount of interest payable in respect of Notes that are not Inflation-Linked Notes or Zero Coupon Notes on an interest payment date may be subject to a range accrual factor that will vary depending on the performance of a specified floating rate during the observation period relating to that interest payment date. Notes may include an option for the Notes to be redeemed prior to maturity at the election of the Issuer or the investor. If Notes are not redeemed early they will redeem on the Maturity Date and the amount paid will either be a fixed redemption amount, or an amount linked to the performance of a specified inflation index. Notes may be cleared through a clearing system or uncleared and held in bearer or registered form. Certain cleared Notes may be in dematerialised and uncertificated book-entry form. Title to cleared Notes will be determined by the books of the relevant clearing system.

		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, issue prices and amount of first interest payments under different Tranches may also vary. The Notes are transferable obligations of the Issuer that can be bought and sold by investors in accordance with the terms and conditions set out in the Base Prospectus (the "**Terms and Conditions**"), as completed by the final terms document (the "**Final Terms**") (the Terms and Conditions as so completed, the "**Conditions**"). ***Interest***: The Notes will not pay any interest. ***Call Option***: The Issuer may elect to redeem all or some only of the Notes before the Maturity Date by giving not less than five and not more than 30 days' (or such other notice period as may be specified in the relevant Final Terms) prior notice to the Noteholders. The Notes will be redeemed by payment of an amount per Calculation Amount equal to the amount specified below under the heading "Redemption Amount (Call Option)" on the relevant date specified below under the heading "Optional Redemption Date (Call Option)" (the "**Optional Redemption Date**"). **Optional Redemption Date (Call Option)** — **Redemption Amount (Call Option):** 28 October 2026 — EUR836.20 If the option to redeem the Notes is not exercised by the Issuer then the Notes will be redeemed on the Maturity Date. ***Final redemption***: The final redemption amount will be 100 per cent. of the Calculation Amount. ***Identification***: The Bearer Notes being issued are Tranche 1 Notes (the "**Notes**"). ***Form of Notes***: *Bearer Notes in global form*: Bearer Notes will initially be issued as temporary global Notes exchangeable for permanent global Notes which are exchangeable for definitive Bearer Notes in certain limited circumstances Bearer Notes will be issued in global form and deposited with a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"). Changes in beneficial interests in such Bearer Notes will be recorded as book-entries in the accounts of Euroclear and/or Clearstream, Luxembourg. ***Security Identification Numbers***: The Bearer Notes have been accepted for clearance through Euroclear and/or Clearstream, Luxembourg and will be allocated the following Security Identification Numbers: ISIN Code: XS1504183051 Common Code: 150418305 Valoren Number: Not Applicable SEDOL: Not Applicable WKN: Not Applicable
C.2	**Currency of the securities issue:**	The settlement currency of the Notes is EUR (the "**Settlement Currency**").
C.5	**Free transferability:**	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 Dubai International Financial Centre, the European Economic Area, France, Hong Kong, Italy, Japan, the Kingdom of Bahrain, The Netherlands, Norway, the People's Republic of China, Russia, Singapore, Spain, Switzerland, Taiwan, the United Arab Emirates (excluding the Dubai International Financial Centre), the United Kingdom and the United States of America. Notes held in a clearing system will be transferred in accordance with the rules, procedures and regulations of that clearing system.
C.8	**Description of rights attached to the Notes including ranking and limitations to those rights:**	***Rights:*** Each Note includes a right to a potential return of interest if the Note is interest bearing and amount payable on redemption together with certain ancillary rights such as the right to receive notice of certain determinations and events and the right to vote on certain future amendments. ***Price:*** Notes will be issued at a price and in such denominations as agreed between the Issuer and the relevant dealer(s) at the time of issuance. The issue price of the Notes is 69.92224646 per cent. The calculation amount in respect of each Note is EUR 1,000 (the "**Calculation Amount**"). ***Status of the Notes*:** 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). ***Limitations to rights:*** The terms and conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally and these provisions permit defined majorities to bind all Noteholders, including all Noteholders who voted in a manner contrary to the majority. Furthermore, in certain circumstances, the Issuer may amend the terms and conditions of the Notes, without the Noteholders' consent (as further described in *Modification and substitution* below). The terms and conditions of the Notes permit the Issuer and the Calculation Agent (as the case may be), on the occurrence of certain events and in certain circumstances, without the Noteholders' consent, to make adjustments to the terms and conditions of the Notes, to redeem the Notes prior to maturity, (where applicable) to postpone valuation of the underlying asset(s) or scheduled payments under the Notes, to change the currency in which the Notes are denominated, to substitute the Issuer with another permitted entity subject to certain conditions, and to take certain other actions with regard to the Notes and the underlying asset(s) (if any).

		Payments at maturity: The maturity date of the Notes is 28 October 2036 (the "**Maturity Date**") subject to adjustment to account for the applicable business day convention in the relevant business centre(s). The Notes will have a final redemption amount which will be 100 per cent. of the Calculation Amount (the "**Final Redemption Amount**"). ***Early redemption for illegality:*** If the Calculation Agent determines that the performance of the Issuer's obligations has become unlawful or impracticable in whole or in part for any reason, the Issuer will be entitled to redeem the Notes early and pay the relevant investor an amount per Note equal to the fair market value (less any related hedging costs) of such Note (the "**Early Redemption Amount For Illegality**"). ***Early redemption for taxation reasons:*** If the Issuer were required under the terms and conditions of the Notes (the "**Conditions**") to pay additional amounts in respect of tax, the Issuer may subject to prior notice to the Noteholders, redeem all, but not some only, of such Notes and pay the relevant investor an amount per Note equal to the fair market value (less any related hedging costs) of such Note (the "**Early Redemption Amount For Taxation Reasons**"). ***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 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 inconsistency between the Final Terms and the relevant termsheet relating to the Notes. The Notes permit the substitution of the Issuer with a subsidiary or holding company of the Issuer or any subsidiary of such holding company without the consent of any Noteholders where the Issuer provides an irrevocable guarantee of such substitute party's obligations. ***Events of default***: The following events constitute events of default (each, an "**Event of Default**") under the Notes and would entitle the Noteholder to accelerate the Notes: (i) a continuing default in the repayment of any principal or interest 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. On an Event of Default the Notes will be redeemed against payment of an amount per Note equal to the fair market value (less any related hedging costs) of such Note. ***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 principal and interest in respect of the Notes will be made without deduction of any 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, 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 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:**	***Interest:*** In respect of each interest calculation period, Notes may or may not bear interest. For each interest calculation period in respect of which the Notes bear interest, interest will accrue at a rate determined in accordance with one or more of the following types of interest: Fixed Rate Interest, Floating Rate Interest, Reverse Floating Rate Interest, Digital Interest, Spread-Linked Interest and Inflation-Linked Interest. The rate of interest applicable to the Notes may be subject to a maximum or minimum percentage. Notes that are not Zero Coupon Notes may include an option for the Issuer, at its discretion, to switch the type of interest payable on the Notes once during the term of such Notes (the "**Switch Option**") or an automatic interest switch may be specified as applying to Notes that are not Zero Coupon Notes such that the type of interest payable on the Notes will switch immediately following a specified automatic switch date ("**Automatic Switch Date**"). The amount of interest payable in respect of Notes that are not Inflation-Linked Notes or Zero Coupon Notes on an interest payment date may also be subject to a range accrual factor that will vary depending on the performance of a specified floating rate, as described in 'Range Accrual Factor' below (the "**Range Accrual Factor**"). ***Redemption at Maturity:*** Unless previously redeemed or purchased or cancelled, each Note will be redeemed by the Issuer in the Settlement Currency on the Maturity Date at an amount equal to its par value, a percentage of its par value, or determined by reference to a specified inflation index.
		Early redemption for an Event of Default: The following events constitute Events of Default under the Notes and would entitle the Noteholder to accelerate the Notes: (i) a continuing default in the repayment of any principal or interest due on the Notes for more than 14 days, provided that the reason for non-payment is

		neither due to compliance with any fiscal or other law or regulation or court order nor due to doubt as to the validity of such law, regulation or order in accordance with independent legal advice from advisers which is acceptable to the Principal Paying Agent; or (ii) the passing of a winding-up order in relation to the Issuer. On an Event of Default the Notes will be redeemed against payment of an amount per Note equal to the fair market value (less any related hedging costs) of such Note. *Issuer's optional redemption (Call Option)*: The Issuer may elect to redeem all or some only of the Notes before the Maturity Date by giving not less than five and not more than 30 days' (or such other notice period as may be specified in the relevant Final Terms) prior notice to the Noteholders ("**Call Option**"). The Notes will be redeemed by payment of an amount per Calculation Amount equal to the amount specified below under the heading "Redemption Amount (Call Option)" on the relevant date specified below under the heading "Optional Redemption Date (Call Option)" (the "**Optional Redemption Date**"). **Optional Redemption Date (Call Option)** — **Redemption Amount (Call Option):** 28 October 2026 — EUR836.20 If the option to redeem the Notes is not exercised by the Issuer then the Notes will be redeemed on the Maturity Date.
		Early redemption for illegality: If the Calculation Agent determines that the performance of the Issuer's obligations has become unlawful or impracticable in whole or in part for any reason, the Issuer will be entitled to redeem the Notes early and pay the relevant investor the applicable Early Redemption Amount For Illegality (as defined above). *Early redemption for taxation reasons*: If the Issuer were required under the Conditions to pay additional amounts in respect of tax, the Issuer may subject to prior notice to the Noteholders, redeem all, but not some only, of such Notes and pay the relevant investor the applicable Early Redemption Amount For Taxation Reasons (as defined above). ***Representative of the Noteholders***: Not Applicable. There is no representative appointed to act on behalf of the Noteholders. ***INTEREST*** **Zero Coupon**. Each Note will not bear any amount of interest. ***FINAL REDEMPTION*** The Notes are scheduled to be redeemed on 28 October 2036 by payment by the Issuer of an amount in EUR equal to 100 per cent. of the Calculation Amount. The amount payable on redemption of the Notes will be paid in EUR.
C.10	**Derivative component in the interest payment:**	Not applicable, the Notes do not pay interest.
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:**	Not applicable: the Notes are not derivative securities.
C.18	**Description of how the return on derivative securities takes place:**	The value of the underlying asset to which Notes that are derivative securities are linked will affect the interest paid and/or the amount paid on the Maturity Date. Interest and any redemption amount payable will be paid in cash. Not applicable: the Notes are not derivative securities.
C.19	**Exercise price or final reference price of the underlying:**	Not applicable: the Notes are not derivative securities.
C.20	**Type of the underlying:**	Not applicable: the Notes are not derivative securities.

C.21	**Indication of the market where the securities will be traded and for which the prospectus has been published:**	Application will be made for the Notes to be admitted to trading on the regulated market of the London Stock Exchange plc.
		Section D – Risks
D.2	**Key risks specific to the issuer:**	*A description of the key 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.* ***Current economic and market conditions could materially adversely affect the Issuer*:** The Issuer's earnings are affected by global and local economic and market conditions. Economic growth in emerging markets remained weak in 2015, with a number of headwinds adversely affecting both developed and emerging markets. Oil and gas prices continued to fall sharply in 2015 and in early 2016 Global trade has been subdued, particularly for lower value transactions throughout 2015, which combined with increased capital and regulatory pressures, has caused many institutions to have a greater focus on core activities, which may exclude trade finance particularly in those countries with limited access to international markets. The slowdown of the mainland Chinese economy dampened global trade and caused volatility in currency and global stock markets. Uncertainties remain concerning the outlook and future economic environment and there can be no assurance that the global economy as a whole will improve significantly or at all. ***The Issuer may suffer adverse effects as a result of the interaction between market perceptions surrounding mainland China's slowdown, the course of global monetary policies, economic conditions in the eurozone and damage from plummeting oil prices, all of which may result in further capital outflows from emerging markets:*** Economic conditions in the eurozone continue to be uncertain. Any default on the sovereign debt of Greece or any eurozone nation and the resulting impact on other eurozone countries could have a material adverse effect on the Issuer. Any significant changes in UK government policies or political structure could have an impact on the Issuer's business. The outcome of the UK referendum on its membership of the EU is also likely to weigh on trade, and consumer and investor confidence in the eurozone. Market confidence in mainland Chinese growth and the adequacy of policymaking is waning, causing heightened volatility. A scenario where the government includes a sharp devaluation in a package of measures to stimulate the economy could prompt large capital outflows and have a negative knock-on impact on the world economy. With regard to the US Federal Reserve Board ("**FRB**")'s monetary policy, the prevailing market view is that a course of gradually tightening monetary policy will be pursued against the backdrop of subdued inflation. Should the FRB instead tighten monetary policy more quickly, it would likely accelerate capital outflows from emerging markets. Alternatively, if the FRB is forced into a policy reversal, this would increase market volatility. Oil prices have fallen precipitously since mid-2014 as a result of increasing uncertainty surrounding the mainland Chinese economy as well as the backdrop of an oversupplied oil market. This may complicate policymakers' tasks of raising inflation, and potentially threaten the stability of some oil-exporting countries. ***The Issuer's parent company is subject to regulatory commitments and consent orders:*** HSBC Holdings has entered into agreements with US and UK government agencies to comply with certain forward-looking obligations with respect to anti-money laundering and sanctions requirements. Failure to comply with the terms of such agreements may have a material adverse effect on the Group.

		UK banking structural reform legislation and proposals could materially adversely affect the Issuer: Material changes to the corporate structure and business activities of the Issuer, including the establishment of a separate ring-fenced bank for retail banking activities, are expected pursuant to UK banking structural reform legislation and proposals. The Issuer expects (subject to regulatory approval) that 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 separate ring-fenced retail bank to be headquartered in Birmingham. Considerable uncertainty remains over the likely cost of implementing these plans at this time, although the Issuer expects it to be material. In addition to the restructuring costs, the Issuer will have a reduced balance sheet, including a reduction in risk-weighted assets, and a reduced and potentially more volatile revenue stream. Although not currently anticipated, these structural changes could result in changes to the Issuer's credit rating and increases in its cost of funding. ***The Issuer is subject to a number of legal and regulatory actions and investigations***: The Issuer is subject to a number of legal and regulatory actions and investigations, the outcomes of which are inherently difficult to predict. An unfavourable result in one or more of these could result in the Issuer incurring significant expense, substantial monetary damages, loss of significant assets, other penalties and injunctive relief, potential regulatory restrictions on the Issuers's business and/or a negative effect on the Issuer's reputation. ***Unfavourable legislative or regulatory developments, or changes in the policy of regulators or governments could materially adversely affect the Issuer***: The Issuer's businesses are subject to ongoing regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies, guidance, voluntary codes of practice and their interpretations in the UK, the EU and the other markets in which the Issuer operates. This is particularly so in the current environment, where the Issuer expects government and regulatory intervention in the banking sector to remain high for the foreseeable future. The HSBC Group has been classified by the Financial Stability Board ("**FSB**") as a global systemically important bank ("**G-SIB**"). Therefore, it is subject to a 'multi-pronged and integrated set of policies'. These include proposals that would place additional capital and Total Loss Absorbing Capacity ("**TLAC**") requirements on the HSBC Group and require enhanced reporting. Additionally, the PRA has confirmed that the HSBC Group is a designated global systemically important institution, the EU equivalent of a G-SIB. Separately, the Bank Recovery and Resolution Directive ("**BRRD**") introduces requirements for banks to maintain at all times a sufficient aggregate amount of own funds and 'eligible liabilities' (that is, liabilities that may be bailed in using the bail-in tool) known as the minimum requirement for own funds and eligible liabilities ("**MREL**"). As a member of the HSBC Group, the Issuer may be subject to a minimum TLAC requirement as well as an MREL requirement under BRRD. ***The Issuer is subject to the substance and interpretation of tax laws in the jurisdictions in which it and members the Group operate***: The Issuer is subject to the substance and interpretation of tax laws in all countries in which it and members of the Group operate, the risk associated with changes in tax law or in the interpretation of tax law, the risk of changes in tax rates and the risk of consequences arising from failure to comply with procedures required by tax authorities. ***The Issuer's operations are highly dependent on its information technology systems***: The reliability and security of the Issuer's information and technology infrastructure and the Issuer's customer databases are crucial to maintaining the service availability of banking applications and processes and to protecting the HSBC brand. Critical systems failure, prolonged loss of service, cyber attacks or internet crime or a material breach of security could lead to financial loss and cause damage to the Issuer's business and brand. ***The Issuer's operations have inherent reputational risk***: Reputational risk may arise from negative public opinion about the actual or perceived manner in which the Issuer conducts its business activities, its financial performance, as well as actual or perceived practices in banking and the financial services industry generally. Negative public opinion may adversely affect the Issuer's ability to keep and attract customers and, in particular, corporate and retail depositors, and retain and motivate staff which in turn could have a material adverse effect on the Issuer. ***The Issuer has significant exposure to counterparty risk***: The Issuer's ability to engage in routine transactions to fund its operations and manage its risks could be materially adversely affected by the actions and commercial soundness of other financial services institutions. Financial services institutions are necessarily interdependent because of trading, clearing, counterparty or other relationships, which could affect a financial services institution's funding and its ability to manage the risks of its business. ***The Issuer is subject to risks associated with market fluctuations***: The Issuer's businesses are exposed to changes in, and increased volatility of, interest rates, inflation rates, credit spreads, foreign exchange rates, commodity, equity, bond and property prices and the risk that the Issuer's customers act in a manner inconsistent with its business, pricing and hedging assumptions. It is difficult to predict with any accuracy changes in market conditions, and such changes could have a material adverse effect on the Issuer. ***Liquidity, or ready access to funds, is essential to the Issuer's business***: If the Issuer is unable to raise funds, its liquidity position could be adversely affected and the Issuer might be unable to meet deposit withdrawals or obligations under committed financing facilities and insurance contracts, to fund new loans, investments and businesses or to repay borrowings as they mature. ***Any reduction in the credit rating of the Issuer or any of its debt securities could affect the availability of the Issuer's funding and affect its liquidity position and interest margins***: Credit ratings affect the cost and other terms upon which the Issuer is able to obtain market funding. Rating agencies regularly evaluate the Issuer, as well as its respective debt securities. There can be no assurance that the rating agencies will maintain the Issuer's current ratings or outlook. Any reductions in these ratings and outlook could increase the cost of the Issuer's funding, limit access to capital markets and require additional collateral to be placed.
D.6	**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.
		The Notes are unsecured obligations*:** The Notes are not secured. If the Issuer becomes unable to pay amounts owed to investors under the Notes, such investors would not have recourse to any security or collateral, and may not receive any payments under the Notes. ***The Notes are not ordinary debt securities: The Notes may not pay interest and, upon redemption, may return less than the amount invested or nothing.

		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, investors 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 (an "**Illegality**"), or if the Issuer determines that it has become liable for, or payments under the Notes have become subject to, any taxes (a "**Tax Event**"), the Issuer may redeem the Notes and in the event of a redemption due to Illegality pay a sum representing the fair market value (less any related hedging costs) of the Notes, and in the event of a redemption due to a Tax Event pay a sum representing the fair market value (less any related hedging costs) of the Notes. As a result, Noteholders may suffer a loss of some or all of their investments. ***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 expiry 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 unless otherwise required. Investors should therefore be aware that they may be subject to taxes 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*****:** Unless the relevant Series of Notes is fully principal protected, 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. ***Calculation Agent's discretion and valuations*****:** Calculation of amounts payable in respect of redemption of the Notes and any interest payments, if applicable, may be made by reference to specified screen rates 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. ***Conflicts of Interest may arise between the interests of the Issuer or its affiliates and those of the Noteholders*****:** The Issuer may assume roles as hedging party and calculation agent under the Notes. In respect of any of these roles the Issuer may have interests that conflict with the interests of Noteholders. ***Commission and cost of hedging*****:** The Issue Price of the Notes may include the distribution commission or fee charged by Issuer 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. ***Effect of economic conditions*****:** The value of Notes are influenced by economic and market conditions, interest rates, currency exchange rates and inflation rates as such conditions may cause market volatility and this could have an adverse affect on the value, price or income on the Notes. **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 and/or hedging certain risks:**	The net proceeds from each issue will be applied by the Issuer for profit making or risk hedging unless otherwise specified below. Not Applicable. The Notes have a denomination of more than EUR100,000 (or its equivalent in any other currency) per Note.
E.3	**Description of the terms and conditions of the offer:**	Not Applicable. The Notes will not be publicly offered.
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 underlying interest rate which may have a positive or negative effect on the level of such interest rate and therefore on the value of any Notes to which they relate. Certain affiliates of the Issuer or the Issuer itself may also be the counterparty to the hedge of the Issuer's obligations under an issue of the Notes and the Calculation Agent (who is responsible for making determinations and calculations in connection with the Notes acting in good faith and a commercially reasonable manner). In addition, the Issuer or its affiliates may publish research reports which express opinions or provide recommendations inconsistent with purchasing or holding Notes referencing the Underlying or the relevant underlying interest rate.

		The above statements relating to conflicts of interests are applicable to the Notes. Fees may be payable by the Issuer to the Dealer. The following additional interest(s) are material to issues of the Notes: HSBC France, an affiliate of the Issuer will pay an intra-group distribution fee of 0.80% of the Issue Price to HSBC Trinkaus & Burkhardt AG in respect of the distribution of the Notes. Save as disclosed above, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue.
E.7	**Estimated expenses charged to the investor by the issuer or the offeror:**	Expenses to investors in connection with any issue of Notes may or may not be charged. Not Applicable. Expenses in respect of the Notes are not charged directly by the Issuer to the investor. No commission in respect of the offer of the Notes will be payable by the investor.