

FINAL TERMS DATED 18 September **2023**

HSBC UK Bank plc

(incorporated with limited liability in England and Wales)

Legal Entity Identifier (LEI: 21380081EP12LC86CB82)

**Issue of Series 2023-1 £500,000,000 Regulated Covered Bonds due August 2028
irrevocably and unconditionally guaranteed as to payment of principal and interest by
HSBC UK Covered Bonds LLP
under the €25 billion
Global Covered Bond Programme**

EU MIFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **EU MiFID II**); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a **distributor**) should take into consideration the manufacturers' target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET– Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (COBS), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a distributor) should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

IMPORTANT – PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Covered Bonds are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the **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 EU MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the **EU Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the **EU PRIIPs Regulation**) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared; therefore, offering or selling the

Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

IMPORTANT – PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Covered Bonds 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 United Kingdom (the **UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

PART A – CONTRACTUAL TERMS

This document constitutes the Final Terms relating to the issue of the Tranche of Covered Bonds described herein. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the **Conditions**) set forth in the base prospectus dated 19 June 2023 as supplemented by a supplement thereto dated 5 September 2023 in relation to the above Programme which constitutes a base prospectus (the **Base Prospectus**) for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK Prospectus Regulation**). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with the Base Prospectus. Full information on the Issuer, the Guarantor and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus. Pursuant to the UK Prospectus Regulation, the Base Prospectus is available for viewing at www.hsbc.com (please follow links to 'Investors', 'Fixed income investors', 'Covered Bonds') and at HSBC UK Bank plc, 1 Centenary Square, Birmingham, B1 1HQ during normal business hours.

The LLP is not now, and immediately following the issuance of the Covered Bonds pursuant to the Trust Deed will not be, a "covered fund" for purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended, commonly known as the "Volcker Rule". In reaching this conclusion, although other statutory or regulatory exemptions under the Investment Company Act of 1940, as amended, and under the Volcker Rule and its related regulations may be available, the LLP has relied on the exemption from registration set forth in Section 3(c)(5)(C) of the Investment Company Act of 1940, as amended. See "Certain Investment Company Act Considerations" in the Base Prospectus.

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| 1. | (i) | Issuer: | HSBC UK Bank plc |
| | (ii) | Guarantor: | HSBC UK Covered Bonds LLP |

2. (i) Series Number: 2023-1
- (ii) Tranche Number: 1
- (iii) Date on which the Covered Bonds become fungible: Not Applicable
3. Specified Currency or Currencies: British Pounds ("**GBP**")
4. Nominal Amount of Covered Bonds to be issued: £500,000,000
5. Aggregate Principal Amount of the Covered Bonds admitted to trading:
 - (i) Series: £500,000,000
 - (ii) Tranche: £500,000,000
6. (i) Issue Price: 100% of the Aggregate Principal Amount
- (ii) Net proceeds (Required only for listed issues) £498,875,000
7. (i) Specified Denominations: (in the case of Registered Covered Bonds, this means the minimum integral amount in which transfers can be made) £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000. No Covered Bonds in definitive form will be issued with a denomination above £199,000.
- (ii) Calculation Amount: £1,000
8. Issue Date 19 September 2023
 - (i) Interest Commencement Date: Issue Date
9. (i) Final Maturity Date: Interest Payment Date falling on or about 25 August 2028
- (ii) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee: Interest Payment Date falling on or about 25 August 2029
10. Interest Basis: Compounded Daily SONIA + 0.50% Floating Rate (further particulars specified below)

11. Redemption/Payment Basis: Redemption at par
12. Change of Interest Basis or Redemption/Payment Basis: From, and including, the Final Maturity Date to, but excluding the Extended Due for Payment Date the following provision relating to interest will apply in place of item 10:

Specified Period(s)/Specified Interest Payment Date(s) (see also item 19(ii) below):

25th day of each month, from, but excluding the Final Maturity Date, to and including the earlier of (i) the date on which the Covered Bonds are redeemed in full and (ii) the Extended Due for Payment Date.
13. Call Options: Not Applicable
14. (i) Status of the Covered Bonds: Senior
(ii) Status of the Guarantee: Senior
(iii) Date of Board approval for issuance of Covered Bonds: 26 April 2023
15. Listing: London
16. Method of distribution: Syndicated
17. Stabilisation Manager(s) (if any): Not Applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

18. Fixed Rate Covered Bond Provisions: Not Applicable
19. Floating Rate Covered Bond Provisions: Applicable
- (i) Interest Period(s): The period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and subsequently, each period from and including an Interest Payment Date to but excluding the next Interest Payment Date
- (ii) Specified Interest Payment Date(s): 25 February, 25 May, 25 August, 25 November in each year, commencing on 25

November 2023 up to and including the Final Maturity Date, subject to adjustment in accordance with the Business Day Convention set out in item (iii) below (provided however that after the Extension Determination Date, the Specified Interest Payment Date shall be monthly)

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| (iii) | Business Day Convention: | Modified Following Business Day Convention |
| (iv) | Additional Business Centre(s): | Not Applicable |
| (v) | Manner in which the Rate of Interest and Interest Amount is to be determined: | Screen Rate Determination |
| (vi) | Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): | Not Applicable |
| (vii) | Screen Rate Determination: | Applicable |
| | – Reference Rate: | Compounded Daily SONIA |
| | – Interest Determination Date(s): | Fifth London Business Day prior to the relevant Interest Payment Date |
| | – Relevant Screen Page: | Bloomberg page SONIO/N Index |
| | – Relevant Time: | Not Applicable |
| | – Relevant Financial Centre: | London |
| | – SONIA Lag Period (p): | Five London Business Days |
| | – Observation Method: | Lag |
| | – Index Determination: | Not Applicable |
| (viii) | ISDA Determination: | Not Applicable |
| (ix) | Margin(s): | +0.50% per annum |
| (x) | Minimum Rate of Interest: | 0.00% per annum |

- (xi) Maximum Rate of Interest: Not Applicable
- (xii) Day Count Fraction: Actual/365 (Fixed)
- 20. Zero Coupon Covered Bond Provisions: Not Applicable

PROVISIONS RELATING TO REDEMPTION BY THE ISSUER

- 21. Issuer Call: Not Applicable
- 22. Redemption for taxation reasons: As set out in Condition 6(b)
- 23. Final Redemption Amount: Nominal Amount
- 24. Early Redemption Amount of each Covered Bond payable on redemption for taxation reasons, on acceleration following an Issuer Event of Default or an LLP Event of Default and/or the method of calculating the same (if required or if different from that set out in Condition 6(f)) (*Purchases*): £1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

- 25. New Global Covered Bond: Yes
- 26. Form of Covered Bonds: Bearer Covered Bonds:

Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Bearer Definitive Covered Bonds in definitive form only after an Exchange Event
- 27. Additional Financial Centre(s) or other special provisions relating to Payment Dates: Not Applicable
- 28. Talons for future Coupons or Receipts to be attached to Bearer Definitive Covered Bonds (and dates on which such Talons mature): No

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

Listing: Application has been made for the Covered Bonds to be admitted to listing on the Official List of the FCA with effect from 19 September 2023.

Admission to Trading: Application has been made for the Covered Bonds to be admitted to trading on the Main Market of the London Stock Exchange plc with effect from 19 September 2023.

2. RATINGS

Ratings: The Covered Bonds to be issued are expected to be rated:

Moody's: Aaa

Moody's Investors Service Ltd (endorsed by Moody's Deutschland GmbH) has, in its 3 May 2023 publication "Rating Symbols and Definitions", described a credit rating of 'Aaa' in the following terms: "Aaa; Obligations rated Aaa are judged to be of the highest quality, subject to the lowest level of credit risk."

Fitch: AAA

Fitch Ratings Limited (endorsed by Fitch Ratings Ireland Limited) has, in its 24 April 2023 publication "Ratings Definitions", described a credit rating of 'AAA' in the following terms: "AAA' ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events."

Further, in Fitch Ratings Limited's 5 June 2023 global methodology for assigning and monitoring credit ratings for covered bond obligations, it is stated that credit ratings for covered bond obligations address their

probability of default and recoveries given default.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for the fees and commission payable to the Managers/Dealers in relation to the Covered Bonds, so far as the Issuer is aware, no person involved in the offer of the Covered Bonds has an interest material to the issue.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

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| (i) | Reasons for the offer: | See "Use of Proceeds" wording in Base Prospectus |
| (ii) | Estimated net proceeds: | £498,875,000 |
| (iii) | Estimate of the total expenses related to the admission to trading | It is estimated that the total expenses to be incurred in relation to the admission to trading of the Covered Bonds will be: £5,800. |

5. YIELD (Fixed Rate Covered Bonds only)

Indication of yield: Not Applicable.

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. OPERATIONAL INFORMATION

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| (i) | ISIN Code: | XS2682200030 |
| (ii) | Common Code: | 268220003 |
| (iii) | Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |
| (iv) | Intended to be held in a manner which would allow Eurosystem eligibility: | Yes
Note that the designation "yes" simply means that the Covered Bonds are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either |

upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

7. DISTRIBUTION

- (i) Method of Distribution: Syndicated
- (ii) If syndicated:
 - (a) Names of Dealers: Banco Santander, S.A.
Bank of Montreal, London Branch
Canadian Imperial Bank of Commerce, London Branch
HSBC Bank plc
Intesa Sanpaolo S.p.A
Lloyds Bank Corporate Markets plc
 - (b) Stabilising Manager(s) (if any): Not Applicable
- (iii) If non-syndicated, name of Dealer: Not Applicable
- (iv) U.S. Selling Restrictions: Regulation S Category 2; TEFRA D
- (v) Prohibition of Sales to EEA Retail Investors: Applicable
- (vi) Prohibition of Sales to UK Retail Investors: Applicable

8. UK BENCHMARKS REGULATION

UK Benchmarks Regulation: Article 29(2) statement on benchmarks: Applicable: Amounts payable under the Covered Bonds are calculated by reference to SONIA which is provided by the Bank of England.

As at the date of these Final Terms, the Bank of England is not included in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 of the UK Benchmarks Regulation.

As far as the Issuer is aware, SONIA does not fall within the scope of the UK Benchmarks Regulation by virtue of Article 2 of that Regulation.

Signed on behalf of **HSBC UK BANK PLC**
as the Issuer:

By: **Rajeev Shah**

Duly authorised

Signed on behalf of **HSBC UK COVERED
BONDS LLP:**

By:

Duly authorised

Signed on behalf of **HSBC UK BANK PLC**
as the Issuer:

By:

Duly authorised

Signed on behalf of **HSBC UK COVERED
BONDS LLP:**

By:

Duly authorised

Oreoluwa Salu per pro CSC Directors (No.1) Limited on behalf of
HSBC Covered Bonds (UK) LM Limited being a member of the
Management Committee (the "Committee Member") of HSBC UK
Covered Bonds Limited Liability Partnership (the "LLP")