

# Key Information Document

## Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

## Product

|                            |   |
|----------------------------|---|
| <b>Name</b>                | <b>Autocallable Notes linked to Underlying Indices</b>  |
| <b>Manufacturer</b>        | HSBC Bank plc "HSBC", www.gbm.hsbc.com/priips, Call +44 (0) 20 7992 8100 for more information   |
| <b>Competent Authority</b> | Authorised by the UK Prudential Regulation Authority and regulated by the UK Financial Conduct Authority and the UK Prudential Regulation Authority |
| <b>Date</b>                | 09 February 2018 12:32  |

**You are about to purchase a product that is not simple and may be difficult to understand.**

## 1. What is this product?

### Type

Senior, Unsecured, Bearer, Medium Term Notes (English law governed)

### Objective

The aim is for you to receive from HSBC the relevant **Payment Amount** on the **Maturity Date** or on any earlier date on which the product terminates. In exchange for the potential to receive the **Payment Amount**, you accept the risk of loss of some or all of your investment.

**Product Description** (Terms in **bold** are described in more details below.)

The product entitles you to receive a single payment on the **Maturity Date** or on any earlier date on which the product terminates and no interest payments will be made while you hold the product. The amount you will receive depends directly on the performance of the **Underlying(s)**. The amount of such payment is determined by referencing the performance of **Preference Shares** which are directly linked to the **Underlying(s)**. Therefore, for ease of explanation of the objective of the product, the product is described in this document as being linked to the **Underlying(s)**. However, you are not purchasing any right in the **Underlying(s)** or the **Preference Shares**, nor in any asset forming part of the **Underlying(s)**, including any entitlements to dividends. The product has a fixed lifespan and will terminate on the **Maturity Date** unless certain events occur, in which case it will terminate early and in either case, you may lose some or all of the amount you invested.

**Early Termination - Autocall:** The product will terminate early if, on one of the **Early Termination Valuation Dates**, the **Reference Level** of the worst performing **Underlying** is at or above the **Autocall Level**. If this occurs, you will receive the relevant **Payment Amount** on the corresponding **Early Termination Payment Date**.

### Payment on the Maturity Date

If the product has not terminated early, it will terminate on the **Maturity Date**. Depending on the **Reference Level** of the worst performing **Underlying** on the **Final Valuation Date** and if a **Barrier Event** (as described below) has occurred or not, you will receive one of the following possible payments on the **Maturity Date**:

- If the **Reference Level** of the worst performing **Underlying** is at or above the final **Autocall Level**, you will receive the final **Payment Amount**.
- If the **Reference Level** of the worst performing **Underlying** is below the final **Autocall Level**, you will receive:
  - 100% of the **Denomination** if a **Barrier Event** has not occurred;
  - otherwise, an amount equal to the **Denomination** multiplied by the value obtained by dividing the **Reference Level** of the worst performing **Underlying** by the **Strike**. In such circumstances, the amount you receive back (if any) may be significantly less than the amount you invested and you could lose your entire investment.

A **Barrier Event** will occur if on the **Final Valuation Date** the **Closing Price** of any **Underlying** is strictly below the **Barrier Price**.

|                      |  |                             |   |
|----------------------|--|-----------------------------|---|
| <b>Denomination</b>  | 1 GBP  | <b>Issue Price</b>          | 100% of the <b>Denomination</b>   |
| <b>Strike Date</b>   | 13/04/2018   | <b>Final Valuation Date</b> | 15/04/2024  |
| <b>Issue Date</b>    | 27/04/2018   | <b>Maturity Date</b>        | 29/04/2024  |
| <b>Initial Price</b> | The price(s) set out for the <b>Underlying(s)</b> in the table below, such price(s) being the closing level, as published on the relevant exchange or by the relevant index sponsor (as the case may be) for such <b>Underlying(s)</b> on the <b>Strike Date</b> | <b>Strike</b>               | 100.00%   |
|                      |  | <b>Strike Price</b>         | The <b>Initial Price</b> multiplied by the <b>Strike</b>  |
|                      |  | <b>Barrier</b>              | 60.00%  |
|                      |  | <b>Barrier Price</b>        | The <b>Initial Price</b> multiplied by the <b>Barrier</b>   |
| <b>Closing Price</b> | The closing level of an <b>Underlying</b> , as published on the relevant exchange or by the relevant index sponsor (as the case may be)  | <b>Reference Level</b>      | The value (expressed as a percentage) obtained by dividing the <b>Closing Price</b> of an <b>Underlying</b> on the relevant <b>Early Termination Valuation Date</b> or <b>Final Valuation Date</b> (as the case may be) by its <b>Initial Price</b> |

| Preference Share | Bloomberg Ticker | ISIN Code | Website   |
|------------------|------------------|-----------|---|
| Series 1063      | [.]              | [.]       | <a href="http://www.hsbcnet.com/investor-solutions">http://www.hsbcnet.com/investor-solutions</a> |

| Underlying(s)    | Bloomberg Ticker | ISIN Code | Exchange       | Strike Price | Initial Price |
|------------------|------------------|-----------|----------------|--------------|---------------|
| FTSE 100         | UKX              | -         | LSE            | [.]          | [.]           |
| DJ EURO STOXX 50 | SX5E             | -         | Euronext Paris | [.]          | [.]           |

|  |  |
|--|--|
| <b>Early Termination Valuation Dates</b> | Annually commencing on 15/04/2019 and ending on 13/04/2023             |
| <b>Early Termination Payment Dates</b>   | Annually commencing on 01/05/2019 and ending on 27/04/2023             |
| <b>Autocall Level</b>                    | 105%/100%/95%/90%/85%/65% (final)                                      |
| <b>Payment Amount</b>                    | 107.5%/115%/122.5%/130%/137.5%/145% (final) of the <b>Denomination</b> |

Refer to the terms and conditions of the product for a full list of the corresponding set out in the tables above. All dates and calculations specified in this "What is this Product?" section are subject to adjustment in accordance with the terms and conditions of the product.

### Intended retail investor

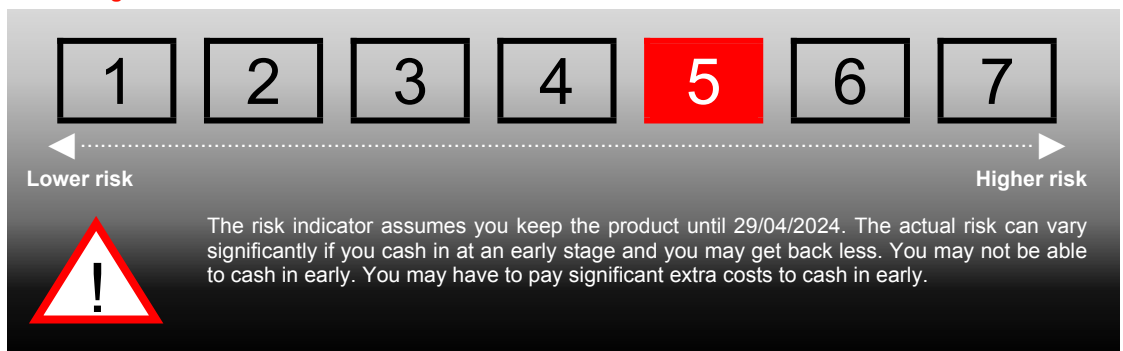
This product is aimed at retail clients who are (i) advanced investors with a comprehensive understanding of relevant financial instruments or who undertake frequent trading activity in relevant financial instruments; or have previous exposure to high-risk or complex investments; or relevant financial industry experience and (ii) investors with at least a basic knowledge of relevant financial instruments who are receiving professional financial advice in connection with an investment in the product. This product may be generally compatible for investors who have one or more of the following needs and objectives: capital growth over time. This product is aimed at retail clients who are willing to bear a complete loss of capital and prefer a long term investment period greater than 5 years. On a scale of risk ranging from 1 (security-orientated; very low to low return) to 7 (very high risk tolerance; highest return) this product falls into risk category 5. This means that investors should have a balanced perspective.

### Term

72 months: The product terms may be adjusted or the product may terminate early following the occurrence of certain events (such as a tax or illegality event of default or certain events in respect of the **Underlying(s)**). More details on this can be found in the terms and conditions of the product (see "Other relevant information" below). If the product is terminated early, you will receive no further interest payments and the amount repayable may be less than the amount you invested and you could lose your entire investment.

## 2. What are the risks and what could I get in return?

### Risk Indicator



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 5 out of 7, which is a medium-high risk class. This rates the potential losses from future performance at a medium-high level, and poor market conditions are very unlikely to impact the capacity to pay you.

This product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment.

| Investment of GBP 10,000 |  | 1 year            | 4 years           | 29/04/2024        |
|--------------------------|--|-------------------|-------------------|-------------------|
| Stress scenario          | <b>What you might get back after costs</b> | <b>GBP 1,790</b>  | <b>GBP 4,439</b>  | <b>GBP 4,649</b>  |
|                          | Average return each year                   | -82.16%           | -13.90%           | -8.61%            |
| Unfavourable scenario    | <b>What you might get back after costs</b> | <b>GBP 10,678</b> | <b>GBP 10,750</b> | <b>GBP 10,750</b> |
|                          | Average return each year                   | 6.78%             | 1.88%             | 1.21%             |
| Moderate scenario        | <b>What you might get back after costs</b> | <b>GBP 10,678</b> | <b>GBP 10,750</b> | <b>GBP 10,750</b> |
|                          | Average return each year                   | 6.78%             | 1.88%             | 1.21%             |
| Favourable scenario      | <b>What you might get back after costs</b> | <b>GBP 11,883</b> | <b>GBP 12,250</b> | <b>GBP 12,250</b> |
|                          | Average return each year                   | 18.84%            | 5.63%             | 3.62%             |

This table shows the money you could get back over the recommended holding period, under different scenarios, assuming that you invest GBP 10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment. The actual performance of your investment may be different to the performance shown in the scenarios and you should not base your investment decision on the expectation that any of these scenarios will occur. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you. In many future scenarios, actual returns could be worse than scenarios mandated to be used in the production of KIDs. This product cannot be easily cashed in. This means it is difficult to estimate how much you would get back if you cash in before the recommended holding period. You will either be unable to cash in early or you will have to pay high costs or make a large loss if you do so. The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

### 3. What happens if the HSBC Bank plc is unable to pay out?

You are exposed to the risk that HSBC might be unable to fulfil its obligations in respect of the product e.g. in the event of insolvency or an administrative order. If HSBC is unable to pay out, you may lose all of your investment. Your loss would not be covered by any investor compensation or guarantee scheme.

### 4. What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off and ongoing costs.

The amounts shown here are the cumulative costs of the product itself, for the recommended holding period. They include potential early exit penalties. The figures assume you invest GBP 10,000. The figures are estimates and may change in the future.

### Cost over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

| Investment of GBP 10,000        |                           |
|---------------------------------|---------------------------|
| Scenarios                       | If you cash in 29/04/2024 |
| <b>Total costs</b>              | GBP 377                   |
| Impact on return (RIY) per year | 0.68%                     |

### Composition of Costs

The table below shows:

- The impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period

The meaning of the different cost categories

| This table shows the impact on return per year |                                    |       |  |
|--|------------------------------------|-------|--|
| <b>One-off costs</b>                           | <b>Entry costs</b>                 | 0.68% | The impact of the costs already included in the price.                                   |
|  | <b>Exit costs</b>                  | 0%    | The impact of the costs of exiting your investment when it matures.                      |
| <b>Ongoing costs</b>                           | <b>Portfolio transaction costs</b> | 0%    | The impact of the costs of us buying and selling underlying investments for the product. |
|  | <b>Other ongoing costs</b>         | 0%    | The impact of the costs that we take each year for managing your investments.            |

### 5. How long should I hold it and can I take money out early?

#### Recommended Holding Period: 29/04/2024

This product is designed for staying invested until 29/04/2024, although the product may terminate early (see "What is the product?" above).

If you wish to exit the product early, the price at which you are able to sell the product may be less than the amount you invested and you may make a loss. In addition, there may be no trading market for the product meaning you are unable to find a buyer. The price at which you are able to sell the product may be impacted by market factors including, but not limited to, the performance, volatility, expected dividend and/or liquidity of the Underlying(s) and the financial condition of HSBC. If HSBC purchases the product, HSBC may deduct costs from the price it is willing to pay you (including, but not limited to costs relating to its hedging arrangements).

### 6. How can I complain?

Any complaint regarding the person advising on, or selling, the product can be submitted directly to that person. Any complaint regarding the product or the conduct of HSBC can be submitted to HSBC under the following address: Market Complaints, 8 Canada Square, Canary Wharf, London, E14 5HQ, United Kingdom, [markets.complaints@hsbcib.com](mailto:markets.complaints@hsbcib.com), [www.gbm.hsbc.com/priips](http://www.gbm.hsbc.com/priips).

### 7. Other relevant information

The full terms and conditions of the product are set out in the most recent version of the manufacturer's base prospectus for the issuance of index linked notes and warrants, as supplemented from time to time, under the manufacturer's Programme for the Issuance of Notes and Warrants and the final terms relating to the product. The base prospectus is available on the manufacturer's website, <http://www.hsbc.com/investor-relations/fixed-income-investors/issuance-programmes>, and the final terms are available to investors on request from the manufacturer's registered office at 8 Canada Square, London, E14 5HQ.

This product is not sponsored, endorsed or promoted by the provider of any index.