

Final Terms dated November 21, 2018



HSBC BANK CANADA

(a Canadian chartered bank)

Issue of USD 750,000,000 CBL1 3.300% Covered Bonds due November 28, 2021
under the

CAD 3,500,000,000

**Legislative Global Covered Bond Programme
unconditionally and irrevocably guaranteed as to payments by
HSBC CANADIAN COVERED BOND (LEGISLATIVE) GUARANTOR
LIMITED PARTNERSHIP**

(a limited partnership formed under the laws of Ontario)

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 Article 4(1) of Directive 2014/65/EU (as amended, "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 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.

THE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CANADA MORTGAGE AND HOUSING CORPORATION ("CMHC") NOR HAS CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THESE FINAL TERMS. THE COVERED BONDS ARE NOT INSURED OR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC, AS AMENDED, INCLUDING BY DIRECTIVE 2010/73/EU, AND INCLUDES ANY RELEVANT IMPLEMENTING MEASURES IN EACH RELEVANT MEMBER STATE (THE "PROSPECTUS DIRECTIVE") FOR THIS ISSUE OF COVERED BONDS. THE COVERED BONDS ARE NOT COMPLIANT WITH THE PROSPECTUS DIRECTIVE AS IMPLEMENTED IN THE UNITED KINGDOM AND THE UK LISTING AUTHORITY HAS NEITHER APPROVED NOR REVIEWED THE INFORMATION CONTAINED IN THESE FINAL TERMS.

PROHIBITION OF SALES TO EEA 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 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 MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended, "IMD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC, as amended,

including by Directive 2010/73/EU (the “Prospectus Directive”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

THE COVERED BONDS DESCRIBED IN THESE FINAL TERMS HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, THE COVERED BONDS MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT THAT THE COVERED BONDS MAY BE OFFERED OR SOLD TO QUALIFIED INSTITUTIONAL BUYERS IN RELIANCE UPON RULE 144A UNDER THE SECURITIES ACT.

No underwriter, dealer or agent will effect any offers or sales of any Covered Bonds in the United States unless it is through one or more U.S. registered broker-dealers as permitted by the regulations of the Financial Industry Regulatory Authority, Inc.

The Guarantor 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 (the “**Investment Company Act**”), and under the Volcker Rule and its related regulations may be available, the Guarantor has relied on the exemption from registration set forth in Section 3(c)(5) of the Investment Company Act. See “*Certain Volcker Rule Considerations*” in the Offering Memorandum dated November 8, 2018.

PART A—CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Offering Memorandum dated November 8, 2018 (as supplemented by the First Supplementary Offering Memorandum dated November 13, 2018 and as may be further supplemented or amended, collectively, the “**Offering Memorandum**”). This document constitutes the Final Terms of the Covered Bonds described herein and must be read in conjunction with the Offering Memorandum. Full information on the Issuer and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and the Offering Memorandum. The Offering Memorandum, together with these Final Terms and all documents incorporated by reference therein, are available for viewing at, and copies may be obtained from, the specified offices of the Issuer and the Issuing and Paying Agent, as set out at the end of this Offering Memorandum.

1. (i) Issuer: HSBC Bank Canada
Branch: Toronto branch
- (ii) Guarantor: HSBC Canadian Covered Bond (Legislative) Guarantor Limited Partnership
2. (i) Series Number: CBL1
- (ii) Tranche Number: 1
- (iii) Date on which the Covered Bonds become fungible: Not Applicable.
3. Specified Currency or Currencies: U.S. Dollar (USD)

(Condition 1.04)

4. Aggregate Principal Amount:
- (i) Series: USD 750,000,000
 - (ii) Tranche: USD 750,000,000
5. Issue Price: 99.884% of the Aggregate Principal Amount
6. (i) Specified Denominations: Minimum denomination of USD 200,000 and integral multiples of USD 1,000 in excess thereof

(Condition 1.03)

- (ii) Calculation Amount: USD 1,000
7. (i) Issue Date: November 28, 2018
- (ii) Interest Commencement Date: Issue Date
8. (i) Final Maturity Date: Interest Payment Date falling on or nearest to November 28, 2021
- (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 nearest to November 28, 2022
9. Interest Basis: 3.300 per cent. per annum Fixed Rate from (and including) the Interest Commencement Date to (but excluding) the Final Maturity Date
- If applicable in accordance with paragraph 15 below, 1-month USD LIBOR + 0.4513 per cent. per annum Floating Rate from (and including) the Final Maturity Date to (but excluding) the Extended Due for Payment Date, subject to a minimum interest rate of 0.00 per cent.
- (further particulars specified in item 15 below)
10. Redemption/Payment Basis: Redemption at par
11. Change of Interest Basis: Applicable if and only to the extent that item 15 below applies to the Covered Bonds.
12. Put/Call Options: Not Applicable
13. Date of Board approval for issuance of Covered Bonds obtained: Not Applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 14. Fixed Rate Covered Bond Provisions:** Applicable from (and including) the Interest Commencement Date to (but excluding) the Final Maturity Date
- (Condition 5.02)
- (i) Rate of Interest: 3.300% per cent. per annum payable semi-annually in arrears on each Interest Payment Date
- (ii) Interest Payment Date(s): May 28 and November 28 in each year up to and including the Final Maturity Date, commencing on May 28, 2019, subject to adjustment in accordance with paragraph 14(iii) below
- (iii) Business Day Convention: Following Business Day Convention (unadjusted)
- (iv) Fixed Coupon Amount: USD 16.50 per Calculation Amount
- (v) Broken Amount(s): Not Applicable
- (vi) Day Count Fraction: 30/360
- (vii) Determination Dates: May 28 and November 28 in each year
- 15. Floating Rate Covered Bond Provisions:** Applicable from (and including) the Final Maturity Date to but excluding the Extended Due for Payment Date to the extent payment of the Final Redemption Amount is deferred until the Extended Due for Payment Date
- (Condition 5.03)
- (i) Interest Period(s): The first Interest Period shall comprise the period from (and including) the Final Maturity Date to (but excluding) the first Specified Interest Payment Date. The Interest Periods shall, thereafter, be the period from (and including) each Specified Interest Payment Date to (but excluding) the next following Specified Interest Payment Date
- (ii) Specified Interest Payment Dates: The Specified Interest Payment Date shall be monthly on or nearest to the 28th calendar day of each month from but excluding the Final Maturity Date to and including the Extended Due for Payment Date, subject, in each case, to adjustment in accordance with the Business Day Convention specified in paragraph 15(iii) below
- (iii) Business Day Convention: Modified Following Business Day Convention (adjusted)
- (iv) Financial Centre(s): New York, Toronto
- (v) Manner in which the Rate(s) of Interest is/are to be determined: Screen Rate Determination
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest: Not Applicable

Amount(s) (if not the [Agent]):

(vii) Screen Rate Determination:

- Reference Rate: 1 month USD LIBOR
- Interest Determination Date(s) Second London Business Day prior to the start of each Interest Period
- Relevant Screen Page Reuters Screen Page LIBOR01
- Relevant Time: 11:00 a.m. (London)
- Reference Banks: Has the meaning given in the ISDA definitions, *mutatis mutandis*

(viii) ISDA Determination: Not Applicable

(ix) Margin(s): + 0.4513 per cent. per annum

(x) Linear Interpolation (Condition 5.10) Not Applicable

(xi) Minimum Interest Rate: (Condition 5.05) 0.00 per cent. per annum

(xii) Maximum Interest Rate: (Condition 5.05) Not Applicable

(xiii) Day Count Fraction: Actual/360

16. Zero Coupon Covered Bond Provisions: (Condition 5.11) Not Applicable

PROVISIONS RELATING TO REDEMPTION

17. Call Option (Condition 6.03) Not Applicable

18. Put Option (Condition 6.06) Not Applicable

19. Final Redemption Amount of each Covered Bond USD 1,000 per Calculation Amount

20. Early Redemption Amount: Early Redemption Amount(s) payable on redemption for taxation reasons or illegality or upon acceleration following an Issuer Event of Default or Guarantor Event USD 1,000 per Calculation Amount

of Default and/or the method of calculating
the same:
(Conditions 6.02, 6.12 or 7)

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

21. Form of the Covered Bonds: Registered Covered Bonds:

Regulation S Global Covered Bond registered in the name of a nominee for DTC and exchangeable only after an Exchange Event

Rule 144A Global Covered Bond registered in the name of a nominee for DTC and exchangeable only after an Exchange Event
22. Financial Centre(s) or other special New York, Toronto
provisions relating to payment dates:

THIRD PARTY INFORMATION

Not Applicable.

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PART B—OTHER INFORMATION

1. RATINGS

The Covered Bonds to be issued have been rated:

Moody's: Aaa

Fitch: AAA

A credit rating is not a recommendation to buy, sell or hold securities, and it may be subject to revision or withdrawal at any time by the assigning rating organization.

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

Save as discussed in “*Subscription and Sale and Transfer and Selling Restrictions*”, so far as the Issuer is aware, no person involved in the offer of the Covered Bonds has an interest material to the offer. The Managers/Dealers and their affiliates have engaged, and may in future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and the Guarantor and their affiliates.

3. FIXED RATE COVERED BONDS ONLY – YIELD

Indication of yield based on the Issue Price: 3.341 per cent. per annum

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

4. DISTRIBUTION

(i) *US Selling Restrictions:* Regulation S compliance Category 2; Rule 144A eligible

(ii) *Additional Selling Restrictions:* Covered Bonds may only be offered, sold or distributed by the Managers to accredited investors (as defined in applicable securities laws) on such basis and in such provinces of Canada as, in each case, are agreed with the Issuer and in compliance with any applicable securities laws of Canada or any province, to the extent applicable

(iii) Prohibition of Sales to EEA Retail Investors: Applicable

5. OPERATIONAL INFORMATION

(i) ISIN Code: Reg S: USC4R461AA19

144A: US40427HTF00

(ii) Common Code: Reg S: 191606531

144A: 191606582

(iii) CUSIP: Reg S: C4R461 AA1

144A: 40427H TF0

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| (iv) Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking Société Anonyme, DTC or CDS, their addresses and the relevant identification number(s): | Not Applicable |
| (v) Delivery: | Delivery free of payment |
| (vi) Name(s) and address(es) of initial Paying Agent(s), Registrars, Exchange Agent and Transfer Agents: | U.S. Registrar, Transfer Agent and Exchange Agent:
HSBC Bank USA, National Association
452 Fifth Avenue, 3 rd Floor
New York, New York
10018-2706 |
| (vii) Name(s) and address(es) of additional or substitute Paying Agent(s) or Transfer Agent(s): | Not Applicable |

6. UNITED STATES TAX CONSIDERATIONS

For U.S. federal income tax purposes, the Issuer intends to treat the Covered Bonds as fixed-rate debt.