

*2<sup>nd</sup> SUPPLEMENTARY PROSPECTUS DATED 4 MARCH 2021*



**HSBC BANK CANADA**

*(a Canadian chartered bank)*

**CAD 10,000,000,000**

**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)*

This Supplement (the “**Supplement**”) has been prepared in connection with the base prospectus dated 17 September 2020, as supplemented by the first supplementary prospectus dated 2 November 2020 (together, the “**Base Prospectus**”) in relation to the CAD 10,000,000,000 Legislative Global Covered Bond Programme (the “**Programme**”) of HSBC Bank Canada (the “**Bank**”), unconditionally and irrevocably guaranteed as to payments by HSBC Canadian Covered Bond (Legislative) Guarantor Limited Partnership (the “**Guarantor**”). The Base Prospectus comprises a base prospectus under Article 8 of Regulation (EU) 2017/1129 (as amended), as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended) (the “**UK Prospectus Regulation**”). This Supplement constitutes a supplementary prospectus in respect of the Base Prospectus for the purposes of Article 23 of the UK Prospectus Regulation.

Terms defined in the Base Prospectus have the same meaning when used in this Supplement. The Supplement is supplemental to, and shall be read in conjunction with the Base Prospectus. This Supplement has been approved by the United Kingdom Financial Conduct Authority (the “**FCA**”), as competent authority under the UK Prospectus Regulation, as a supplement to the Base Prospectus.

The Bank and the Guarantor accept responsibility for the information in this Supplement. To the best of the knowledge of the Bank and the Guarantor, the information contained in this Supplement is in accordance with the facts and the Supplement contains no omission likely to affect its import.

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 THIS SUPPLEMENT. THE COVERED BONDS ARE NOT INSURED OR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.

The purpose of this Supplement is to:

- (I) incorporate by reference in the Base Prospectus (i) the Bank’s latest audited consolidated annual financial results (including management’s discussion and analysis thereof) and (ii) the Bank’s monthly investor report for the months of October 2020, November 2020, December 2020 and January 2021, containing information on the Covered Bond Portfolio;
- (II) update the no significant change statement and the no material adverse change statement in the section of the Base Prospectus entitled “*General Information*”;

- (III) update various sections of the Base Prospectus as a result of the end of the transition period following the United Kingdom's exit from the European Union (the "**Brexit related amendments**"); and
- (IV) update the section of the Base Prospectus entitled "*HSBC Canadian Covered Bond (Legislative) Guarantor Limited Partnership – Directors of the Partners of the Guarantor – Directors of the Managing GP*" as a result of changes to the board of the Managing GP.

Save as disclosed in this Supplement, no significant new factor, material mistake or material inaccuracy relating to the information included in the Base Prospectus which may affect the assessment of Covered Bonds issued under the Programme has arisen or been noted, as the case may be, since the publication of the first supplementary prospectus dated 2 November 2020.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

**By virtue of this Supplement the Base Prospectus shall be supplemented as follows:**

#### **I. DOCUMENTS INCORPORATED BY REFERENCE**

- (a) the following sections of the Bank's Annual Report and Accounts for the year ended [31 December 2020](#) (the "**2020 Annual Report**"):
  - i. Management's Discussion and Analysis of the Bank for the fiscal year ended 31 December 2020 on pages 13 through 66 of the 2020 Annual Report;
  - ii. A discussion of the economic review and outlook for 2020 on pages 29 through 30 of the 2020 Annual Report;
  - iii. A global business analysis on pages 24 through 27 of the 2020 Annual Report;
  - iv. A discussion of off-balance sheet arrangements on page 33 of the 2020 Annual Report;
  - v. A discussion of critical accounting estimates and judgments on page 32 of the 2020 Annual Report;
  - vi. Information concerning risk management on pages 34 through 63 of the 2020 Annual Report;
  - vii. A description of the Bank's capital management on pages 63 through 64 of the 2020 Annual Report;
  - viii. Information concerning principal subsidiaries on page 99 of the 2020 Annual Report;
  - ix. The Bank's audited consolidated financial statements for the years ended 31 December 2020 and 2019, together with the notes thereto and the independent auditor's report thereon dated 19 February 2021 on pages 67 through 109 of the 2020 Annual Report;the remainder of the 2020 Annual Report is not relevant for prospective investors or is covered elsewhere in the Base Prospectus and is not incorporated by reference;
- (b) the Bank's monthly (unaudited) Investor Report containing information on the Covered Bond Portfolio as at the Calculation Date falling on [30 October 2020](#) (the "**October 2020 Investor Report**"), which is incorporated by reference in its entirety; and
- (c) the Bank's monthly (unaudited) Investor Report containing information on the Covered Bond Portfolio as at the Calculation Date falling on [30 November 2020](#) (the "**November 2020 Investor Report**"), which is incorporated by reference in its entirety; and
- (d) the Bank's monthly (unaudited) Investor Report containing information on the Covered Bond Portfolio as at the Calculation Date falling on [31 December 2020](#) (the "**December 2020 Investor Report**"), which is incorporated by reference in its entirety; and

- (e) the Bank’s monthly (unaudited) Investor Report containing information on the Covered Bond Portfolio as at the Calculation Date falling on 29 January 2021 (the “**January 2021 Investor Report**” and together with the October, November and December 2020 Investor Reports, the “**Investor Reports**”), which is incorporated by reference in its entirety.

## II. GENERAL INFORMATION

- (a) Paragraph 4 of the section entitled “*General Information*” of the Base Prospectus is deleted and replaced with the following:

“There has been no significant change in the financial performance or financial position of the Issuer and its consolidated subsidiaries, including the Guarantor, taken as a whole since 31 December 2020, the last day of the financial period in respect of which the most recent annual audited consolidated financial statements of the Issuer have been prepared.”

- (b) Paragraph 5 of the section entitled “*General Information*” of the Base Prospectus is deleted and replaced with the following:

“There has been no material adverse change in the prospects of the Issuer and its consolidated subsidiaries, including the Guarantor, taken as a whole since 31 December 2020, the last day of the financial period in respect of which the most recent annual audited consolidated financial statements of the Issuer have been prepared.”

## III. BREXIT RELATED AMENDMENTS

### (a) Definitions and Important Notices

- i. Cover page – Prospectus Regulation

The first sentence of the first paragraph on the cover page is deleted and replaced with the following:

“This document (the “**Prospectus**”) constitutes a base prospectus (“**Base Prospectus**”) for the purpose of Article 8 of Regulation (EU) 2017/1129, as amended (the “**Prospectus Regulation**”), as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (the “**UK Prospectus Regulation**”) in respect of all Covered Bonds other than Exempt Covered Bonds (as defined below) issued under this CAD 10 billion global legislative covered bond programme (the “**Programme**”).

- ii. Cover page – Basis of approval

The references to “*Prospectus Regulation*” in the sixth paragraph on the cover page are replaced with references to “*UK Prospectus Regulation*”.

- iii. Cover page – Regulated market status

The second sentence in the seventh paragraph on the cover page is deleted and replaced with the following:

“The Market is a UK regulated market for the purposes of Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA (“**UK MiFIR**”).”

- iv. Cover page – Minimum denomination and Exempt Covered Bonds

The words “*or the UK Prospectus Regulation, as applicable*” are inserted after the words “*Prospectus Regulation*” in the eighth paragraph on the cover page and the final paragraph on page 2 of the cover page.

- v. Cover page – Benchmarks Regulation

The notice regarding the Benchmarks Regulation in the final paragraph on the cover page is deleted and replaced with the following:

“Amounts payable under the Covered Bonds may be calculated by reference to the Euro Inter-Bank Offered Rate (“EURIBOR”) or the Sterling Overnight Index Average (“SONIA”), which are provided by the European Money Markets Institute (“EMMI”) and the Bank of England, respectively. As at the date of this Prospectus, neither EMMI nor the Bank of England appears on the register of administrators and benchmarks established and maintained by the Financial Conduct Authority pursuant to Article 36 of the Benchmarks Regulation (Regulation (EU) 2016/1011) as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended) (the “UK BMR”). As far as the Issuer is aware, the transitional provisions of Article 51 of the UK BMR apply such that EMMI is not currently required to obtain authorisation or registration (or, if located outside the United Kingdom, recognition, endorsement or equivalence) and the Bank of England, as administrator of SONIA is not required to be registered by virtue of Article 2 of the UK BMR.”

vi. The first paragraph on page 4 of the Base Prospectus is deleted and replaced with the following:

“This Prospectus has been prepared on the basis that any offer of Covered Bonds in any Member State of the EEA or in the UK will be made pursuant to an exemption under the Prospectus Regulation or the UK Prospectus Regulation, as applicable, from the requirement to publish a prospectus for offers of Covered Bonds. Accordingly, any person making or intending to make an offer in any Member State of the EEA or in the UK of Covered Bonds which are the subject of an offering contemplated in this Prospectus as completed by Final Terms in relation to the offer of those Covered Bonds may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or section 85 of the Financial Services and Markets Act, 2000 (as amended) (the “FSMA”), as applicable, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation or the UK Prospectus Regulation, as applicable, in each case, in relation to such offer. None of the Issuer, the Guarantor, the Bond Trustee, the Arranger or any Dealer has authorized, nor do they authorize, the making of any offer of Covered Bonds in any Member State of the EEA or in the UK in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.”

vii. The notice entitled “*Important – EEA and UK Retail Investors*” on page 4 is amended to remove all references to the United Kingdom and the following is added immediately succeeding that notice:

**“IMPORTANT – UK RETAIL INVESTORS** – If the Final Terms in respect of any Covered Bonds includes a legend entitled “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 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 (as amended) (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 (as amended), 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; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended) 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.”

viii. The following is added immediately succeeding the notice entitled “*MiFID II Product Governance/Target Market*” on page 4:

**“UK MiFIR PRODUCT GOVERNANCE – TARGET MARKET** – The Final Terms in respect of any Covered Bonds may include a legend entitled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Covered Bonds and which channels for distribution of the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a “UK distributor”) should take into consideration the target market assessment; however, a UK 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 target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Covered Bonds is a UK manufacturer in respect of such Covered Bonds, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a UK manufacturer for the purpose of the UK MIFIR Product Governance Rules.”

ix. Definition of European Economic Area and EEA

The paragraph defining “*European Economic Area*” or “*EEA*” on page 5 is deleted in its entirety and replaced with the following:

“All references in this Prospectus to the “European Economic Area” and “EEA” are to the Member States of the European Union together with Iceland, Norway and Liechtenstein (and “Member State” shall be construed accordingly).”

**(b) Credit Rating Agencies**

i. The definition of and disclosure related to the “CRA Regulation” and “EU CRA” on page 2 of the cover page is deleted in its entirety and replaced with the following:

“Unless otherwise specified in the Final Terms, it is not expected that any credit rating applied for in relation to any Series of Covered Bonds will be issued by a credit rating agency established in the EU or in the UK and registered under Regulation (EC) No. 1060/2009 (as amended, the “**EU CRA Regulation**”) or Regulation (EC) No. 1060/2009 (as amended) as it forms part of UK domestic law by virtue of the EUWA (the “**UK CRA Regulation**” and together with the EU CRA Regulation, the “**CRA Regulations**”). The rating of certain Series of Covered Bonds to be issued under the Programme may be specified in the applicable Final Terms. The credit ratings included and referenced in this Prospectus have been issued by Standard & Poor’s Financial Services LLC (“**S&P**”), DBRS Limited (“**DBRS**”), Fitch and Moody’s, none of which is established in the EU or in the UK. See “Credit Rating Agencies” on page 7 of this Prospectus. Reference in this Prospectus to Moody’s, S&P, DBRS and/or Fitch shall be construed accordingly, save for references to Moody’s, S&P, DBRS and/or Fitch in the context of ratings triggers applicable to parties other than the Bank which shall be read as referring to the relevant Moody’s, S&P, DBRS and/or Fitch entity (if applicable) at the relevant time.

In general, European and UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EU (in the case of European regulated investors) or (in the case of UK regulated investors) the UK and registered under the applicable CRA Regulation (a “**Registered CRA**”), unless the rating is provided by a credit rating agency operating in the EU or the UK before 7 June 2010, or a non-EU or non-UK credit rating agency that is a member of the same group, where the Registered CRA has submitted an application for registration in accordance with the applicable CRA Regulation (or in the case of a non-EU or non-UK affiliate, the Registered CRA has in such application disclosed an intention to endorse the non-EU or non-UK affiliate’s ratings) and such registration (or, in the case of the non-EU or non-UK affiliate’s rating, the ability to endorse the relevant non- EU or non-UK affiliate’s rating) is not refused.”

ii. The section entitled “*Credit Rating Agencies*” on page 7 is deleted in its entirety and replaced with the following:

“Moody’s is not established nor is it registered in the EU or the UK but: (1) Moody’s Investors Service Ltd., its Registered CRA affiliate: (i) is established in the UK; (ii) is registered under the UK CRA Regulation; and (iii) is permitted to endorse credit ratings of Moody’s used in specified third countries, including the United States and Canada, for use in the UK by relevant market participants; and (2) Moody’s Deutschland GmbH, its Registered CRA affiliate (i) is established in the EU; (ii) is registered under the EU CRA Regulation; and (iii) is permitted to

endorse credit ratings of Moody's used in specified third countries, including the United States and Canada, for use in the EU by relevant market participants.

Fitch is not established nor is it registered in the EU or the UK but: (1) Fitch Ratings Limited, its Registered CRA affiliate: (i) is established in the UK; (ii) is registered under the UK CRA Regulation; and (iii) is permitted to endorse credit ratings of Fitch used in specified third countries, including the United States and Canada, for use in the UK by relevant market participants; and (2) Fitch Ratings Ireland Limited, its Registered CRA affiliate: (i) is established in the EU; (ii) is registered under the EU CRA Regulation; and (iii) is permitted to endorse credit ratings of Fitch used in specified third countries, including the United States and Canada, for use in the EU by relevant market participants.

DBRS is not established nor is it registered in the EU or the UK but: (1) DBRS Ratings Limited, its Registered CRA affiliate: (i) is established in the UK; (ii) is registered under the UK CRA Regulation; and (iii) is permitted to endorse credit ratings of DBRS used in specified third countries, including the United States and Canada, for use in the UK by relevant market participants; and (2) DBRS Ratings GmbH, its Registered CRA affiliate: (i) is established in the EU; (ii) is registered under the EU CRA Regulation; and (iii) is permitted to endorse credit ratings of DBRS used in specified third countries, including the United States and Canada, for use in the EU by relevant market participants.

Standard & Poor's Financial Services LLC, a subsidiary of S&P Global Inc. is not established nor is it registered in the EU or the UK but: (1) Standard & Poor's Global Ratings UK Limited, its Registered CRA affiliate: (i) is established in the UK; (ii) is registered under the UK CRA Regulation; and (iii) is permitted to endorse credit ratings of Standard & Poor's Financial Services LLC used in specified third countries, including the United States and Canada, for use in the UK by relevant market participants; and (2) S&P Global Ratings Europe Limited, its Registered CRA affiliate: (i) is established in the EU; (ii) is registered under the EU CRA Regulation; and (iii) is permitted to endorse credit ratings of Standard & Poor's Financial Services LLC used in specified third countries, including the United States and Canada, for use in the EU by relevant market participants.

ESMA is obliged to maintain on its website a list of credit rating agencies registered in accordance with the EU CRA Regulation. This list is updated within 5 working days of ESMA's adoption of a registration or certification decision in accordance with the EU CRA Regulation. ESMA's website address is <http://www.esma.europa.eu>. Please note that this website does not form part of this Prospectus.

The FCA is obliged to maintain on its website a list of credit rating agencies registered in accordance with the UK CRA Regulation. The FCA's website address is <https://www.fca.org.uk/markets/credit-rating-agencies/registered-certified-cras>. Please note that this website does not form part of this Prospectus."

- iii. The second paragraph of the risk factor entitled "*Credit ratings might not reflect all risks*" on page 57 is deleted and replaced with the following:

"In general, European and UK regulated investors are restricted under the applicable CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU (in the case of European regulated investors) or (in the case of UK regulated investors) the UK and registered under the applicable CRA Regulation (and such registration has not been withdrawn or suspended) subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. See "Credit Rating Agencies" on page 7 of this Prospectus for additional information. Such general restriction will also apply in the case of credit ratings issued by non EU and non UK credit rating agencies, unless the relevant credit ratings are endorsed by a Registered CRA or the relevant non EU or non UK rating agency is certified in accordance with the applicable CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Each of the list of registered and certified credit rating agencies published by ESMA on its website in accordance with the EU CRA Regulation and the list of registered and certified credit rating agencies published by the FCA on its website in accordance with the UK CRA Regulation, is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. If the regulated status of a rating agency under the applicable, CRA Regulation changes, European and/or UK regulated investors may no longer be able to use the rating for regulatory purposes and the Covered Bonds may have a different regulatory treatment. This may result in European and/or UK regulated investors selling the Covered Bonds which

may impact the value of the Covered Bonds on any secondary market. Certain information with respect to the credit rating agencies and ratings is disclosed in the “Credit Rating Agencies” section on page 7 of this Prospectus.”

- iv. the paragraph regarding the credit rating agencies in the section entitled “*HSBC Bank Canada – Ratings*” on page 133 is deleted and replaced with the following:

“Each of Moody’s, Fitch, S&P and DBRS is established outside of the EU and the UK but its respective credit rating agency affiliate is either established in the EU or the UK and, in each case, (i) is registered under the applicable CRA Regulation; and (ii) is permitted to endorse the credit ratings of Moody’s, Fitch, S&P or DBRS, as applicable, issued in specified third countries, including the United States and Canada, for use in the EU or the UK, as applicable, by relevant market participants.”

**(c) Risk Factors**

The risk factor entitled: “*United Kingdom Political and Regulatory Uncertainty*” is deleted in its entirety and replaced with the following:

“On 31 January 2020, the UK withdrew from the EU as a Member State and entered into a transition period until 31 December 2020, during which time the UK remained subject to EU rules and regulations. On 1 January 2021, the transition period ended and the EU rules and regulations which, during that period, remained applicable to the UK, ceased to apply to it. Although the EU and the UK agreed a post-Brexit trade and cooperation agreement on 24 December 2020, it is not yet fully certain what arrangements will define the future relationship between the EU and the UK, or the length of time that this may take to implement. The UK's decision to leave the EU has caused, and is anticipated to continue to cause, significant new uncertainties and instability in the financial markets.

Although direct operations of the Issuer in the UK are limited, given that the Issuer is operating in the financial markets and that the Covered Bonds, when issued, may be listed and admitted to trading in London, any significant new uncertainties and instability in the financial markets may affect the Issuer and the trading price of the Covered Bonds.

Until the terms of the trade and cooperation agreement between the UK and the EU are better understood, it is not possible to determine the impact of Brexit and/or any related matters may have on the Issuer or any of the Issuer’s Covered Bonds as a result of, amongst other items, their listing and admission to trading in London, including the market value or the liquidity thereof in the secondary market, or on the other parties to the transaction documents. See “*Subscription and Sale and Transfer and Selling Restrictions - Prohibition of Sales to EEA Retail Investors and - Prohibition of Sales to UK Retail Investors*” on page 238 of this Prospectus for additional information on the UK and EU selling restrictions applicable to this Programme.”

**(d) Form of the Final Terms**

- i. The legend entitled “*Prohibition of Sales to EEA and UK Retail Investors*” is amended to remove all references to the United Kingdom and the following is added immediately succeeding that legend:

[“**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 (“**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 (as amended, the “**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended) (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 (as amended), 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; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the “**UK Prospectus Regulation**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended) 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.]”

- ii. The following is added immediately succeeding the legend entitled “*MiFID II Product Governance/Professional Investors and ECPs Only Target Market*”:

“**[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, 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, as amended] [the EUWA] (“**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 “**UK distributor**”) should take into consideration the manufacturer’s target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.]”

- iii. The first two sentences of the first and second paragraphs, respectively, under “*Part A – Contractual Terms*” is, in each case, deleted and replaced with the following:

“[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Prospectus dated 17 September 2020 [and the supplemental Prospectus[es] dated [date]] which [together] constitute[s] [a base prospectus (the “**Prospectus**”) for the purposes of [Regulation (EU) 2017/1129 (as amended) as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK Prospectus Regulation**”)]/[the UK Prospectus Regulation]]. This document constitutes the Final Terms of the Covered Bonds described herein [for the purposes of Article 8 of the UK Prospectus Regulation] and must be read in conjunction with such Prospectus in order to obtain all relevant information. ”

“[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the prospectus dated [original date] which are incorporated by reference in the Prospectus dated 17 September 2020 [and the supplemental Prospectus[es] dated [date]] which [together] constitute[s] [a base prospectus (the “**Prospectus**”) for the purposes of [[Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK Prospectus Regulation**”)]/[the UK Prospectus Regulation]]. This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 8 of the UK Prospectus Regulation and must be read in conjunction with such Prospectus in order to obtain all relevant information. ”

- iv. The reference to the UK in item 5(iii) of “*Part B – Other Information*” is deleted and the following new item is added as 5(iv):

“(iv) Prohibition of Sales to UK Retail Investors [Applicable/Not Applicable]”

**(e) Subscription and Sale and Transfer and Selling Restrictions**

- i. All references to the United Kingdom are deleted from the selling restriction entitled “*Prohibition of Sales to EEA and UK Retail Investors*” and the following new selling restriction is added immediately succeeding that selling restriction:

**“Prohibition of sales to UK Retail Investors**

Unless the Final Terms in respect of any Covered Bonds specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and



will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression retail investor means a person who is one (or more) of the following:
  - (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 (as amended) (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 (as amended), 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; or
  - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and
- (b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds.

If the Final Terms in respect of any Covered Bonds specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Covered Bonds to the public in the United Kingdom:

- (A) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (C) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Covered Bonds referred to in (A) to (C) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an offer of Covered Bonds to the public in relation to any Covered Bonds means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Covered Bonds and the expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 (as amended) as it forms part of domestic law by virtue of the EUWA.

#### (f) Glossary

The definition of “Relevant States” is amended to delete the reference to the United Kingdom.

The definition of “MiFID II” is deleted and replaced with the following:

“**MiFID II**” .... Directive 2014/65/EU (as amended)”

#### IV. CHANGE TO THE BOARD OF THE MANAGING GP

The list of the board of directors of the Managing GP in the section entitled “*HSBC Canadian Covered Bond (Legislative) Guarantor Limited Partnership – Directors of the Partners of the Guarantor – Directors of the Managing GP*” is updated to delete information related to Derek C. Lee and replace it with the following:

<b><u>Name</u></b>	<b><u>Business Address</u></b>	<b><u>Business Occupation</u></b>
Kevin Nichols	70 York Street, Toronto, Ontario, M5J 1S9, Canada	Vice-President Finance, Head of Canada Asset Liability and Capital Management, HSBC Bank Canada”

A copy of each of the 2020 Annual Report and the Investor Reports has been submitted to the National Storage Mechanism (operated by United Kingdom Financial Conduct Authority) and they are available for viewing at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

To the extent that any document or information incorporated by reference in this Supplement, itself incorporates any information by reference, either expressly or impliedly, such information will not form part of this Supplement for the purposes of the UK Prospectus Regulation, except where such information or documents are stated within this Supplement as specifically being incorporated by reference or where this Supplement is specifically defined as including such information.

Copies of this Supplement, the Base Prospectus and all documents incorporated by reference in either can be (i) viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name “HSBC Bank Canada” and the headline “Publication of a Supplementary Prospectus” (ii) viewed on the Bank’s website at <https://www.about.hsbc.ca/hsbc-in-canada/legislative-covered-bond-programme> and (iii) inspected during usual business hours on any week day (Saturdays, Sundays and holidays excepted) at the head office of the Bank and at the office of the Issuing and Paying Agent located at the address specified at the end of the Base Prospectus. No website referred to herein nor any information contained thereon, forms part of this Supplement, nor have the contents of any such website been approved by or submitted to the FCA, unless, in each case, such website or information is expressly incorporated by reference in this Supplement.