

1st SUPPLEMENTARY PROSPECTUS DATED 24 FEBRUARY 2023



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 16 December 2022 (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**” or the “**Issuer**”), 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 November 2022, December 2022 and January 2023, in each case, 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*”; and

- (III) amend the section of the Base Prospectus entitled “*Risk Factors*”.

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 Base Prospectus.

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 2022](#) (the “**2022 Annual Report**”):

- i. Management’s Discussion and Analysis of the Bank for the fiscal year ended 31 December 2022 on pages 5 through 57 of the 2022 Annual Report;
- ii. A discussion of the economic review and outlook for 2023 on pages 19 through 20 of the 2022 Annual Report;
- iii. A business segment analysis on pages 14 through 17 of the 2022 Annual Report;
- iv. A discussion of off-balance sheet arrangements on page 23 of the 2022 Annual Report;
- v. A discussion of critical accounting estimates and judgments on pages 21 and 22 of the 2022 Annual Report;
- vi. Information concerning risk management on pages 25 through 56 of the 2022 Annual Report;
- vii. A description of the Bank’s capital management on pages 47 through 49 of the 2022 Annual Report;
- viii. Information concerning wholly-owned subsidiaries of the Bank on page 91 of the 2022 Annual Report; and
- ix. The Bank’s audited consolidated financial statements for years ended 31 December 2022 and 2021, together with the notes thereto and the independent auditor’s report thereon dated 14 February 2023 on pages 58 to 102 of the 2022 Annual Report;

the remainder of the 2022 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 November 2022](#) (the “**November 2022 Investor Report**”), which is incorporated by reference in its entirety;
- (c) the Bank’s monthly (unaudited) Investor Report containing information on the Covered Bond Portfolio as at the Calculation Date falling on [30 December 2022](#) (the “**December 2022 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 January 2023](#) (the “**January 2023 Investor Report**” and together with the November 2022 Investor Report and December 2022 Investor Report, 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 2022, 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 2022, 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. RISK FACTORS

- a) The following paragraph is added as a new fourth paragraph in the risk factor entitled “*The Issuer’s financial statements are based in part on judgments, estimates and assumptions that are subject to uncertainty*” in the section entitled “*1. Principal risks related to the Issuer and its ability to fulfil its obligations under the Covered Bonds issued under the Programme - (c) Risks related to the Issuer’s business, operations and governance*”:

“The Issuer performed an assessment to determine if any adjustments to carrying values were required resulting from the announced sale agreement between HSBC Group and Royal Bank of Canada. Subject to regulatory and governmental review and approval, the sale is expected to be completed in late 2023. Accordingly, there is limited impact on judgments and estimates used in the preparation of the financial statements as at 31 December 2022. For the year-ended 31 December 2022, the reassessment primarily relates to the useful lives of intangibles. Further details can be found in Note 18 of the Issuer’s consolidated annual financial statements for the year ended 2022 on page 92 of the Issuer’s 2022 Annual Report, incorporated by reference. No incremental provisions or adjustments to carrying values or pension obligations are required as at 31 December 2022.”

A copy of each of the 2022 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.