

PRIVATE AND CONFIDENTIAL

Euro Medium Term Note

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8 May 2007

Indicative Terms and Conditions

HSBC Bank plc EUR 10 year Snowball due 25 May 2017

Any offers of the Notes described in this Term Sheet will be subject to the restrictions of Directive 2003/71/EC of the European Parliament and of the Council of November 4th, 2003 (the "Prospectus Directive") including any relevant implementing measures in each Member State of the European Economic Area in which the Prospectus Directive has been implemented. Potential investors into whose possession this Term Sheet comes are required by the Issuer and the Dealers to inform themselves about and to observe these restrictions. Any offers made in violation of these restrictions will be unlawful.

Terms of the Notes

Issuer	:	HSBC Bank plc
Status	:	Senior, unsecured
Ratings	:	The long term senior debt ratings of HSBC Bank plc are: Aa2/AA
Dealer	:	HSBC Bank plc
Principal Amount	:	EUR [1'500'000]
Trade Date	:	8 May 2007
Issue Date	:	25 May 2007
Maturity Date	:	25 May 2017
Issue Price	:	100.70 %
Coupon	:	Quarter 1: 14.80%
		Quarter 2 – 4: Preceding Coupon Rate + 3.00% - Index
		Year 2: Preceding Coupon Rate + 3.00% - Index
		Year 3: Preceding Coupon Rate + 3.50% - Index
		Year 4: Preceding Coupon Rate + 4.00% - Index
		Year 5: Preceding Coupon Rate + 4.50% - Index
		Year 6: Preceding Coupon Rate + 5.00% - Index
		Year 7: Preceding Coupon Rate + 5.50% - Index
		Year 8: Preceding Coupon Rate + 6.00% - Index
		Year 9: Preceding Coupon Rate + 6.00% - Index
		Year 10: Preceding Coupon Rate + 6.00% - Index

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Terms of the Notes

- Index** : 6 month EUR-EURIBOR-Telerate
- Whereby "EUR-EURIBOR-Telerate" means that the rate for a Reset Date will be the rate for deposits in euros for a period of the Designated Maturity which appears on the Telerate Page 248 as of 11:00am, Brussels time, on the date that is two Brussels Banking Days preceding that Reset Date.
- If such rate does not appear on the Telerate Page 248, the rate for that Reset Date will be determined as if the parties had specified "EUR-EURIBOR-Reference Banks" as the applicable Floating Rate Option.
- In case of a weekend or holiday, the fixing of the previous business day shall prevail.
- Coupon Payment Dates** : Quarterly on 25th of February, May, August, and November of each year, commencing on 25th of August 2007. Modified Following Business Day
- Coupon Basis** : 30/360, unadjusted
- Coupon Cap** : 20%
- Coupon Floor** : 0%
- Issuer's Call Option** : The issuer has the right to redeem the note at par in whole on 27th of August 2007 and quarterly thereafter by giving the noteholders at least five business days prior notice.
- Redemption** : 100.00 %
- Listing** : Unlisted
- Business Days** : London, TARGET
- Denominations** : EUR 50,000 and integral multiples of EUR 1,000 thereafter.
- The offering of these Notes will be exempt from the requirements to produce a prospectus under with the Directive 2003/71/EC of the European Parliament and of the Council of November 4th, 2003. This exemption is further described under Article 3.2.(d) as denominations of the Notes are greater or equal to EUR 50,000 equivalent
- ISIN** : XS0300850863
- Form of the Notes** : Bearer notes evidenced by a permanent global note. Definitives will not be printed
- Selling Restrictions:** : As described in detail in the the Issuer's EMTN Programme
- Calculation Agent** : HSBC France
- Settlement** : Euroclear Account 93205 Against Payment
- Governing Law** : English
- Documentation** : The Issuer's Notes & Warrants Programme

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All expenses incurred by the Issuer, including legal fees, listing fees, will be for the account of the Issuer. Your counterparty on this proposed transaction will be HSBC Bank plc; by agreeing to a new issue of notes you acknowledge that you will be reaffirming your representations and warranties, set out in your programme documentation, as at the Settlement Date.

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