

**Second Supplement dated 1 September 2017
to the Euro Medium Term Note Programme Base Prospectus dated 17 January 2017**



**HSBC France
€20,000,000,000
Euro Medium Term Note Programme**

This second supplement (the **Second Supplement**) is supplemental to, and should be read in conjunction with, the base prospectus dated 17 January 2017 which was granted the visa no. 17-021 on 17 January 2017 by the *Autorité des Marchés Financiers* (the **AMF**) (the **Base Prospectus**) as supplemented by the first supplement to the Base Prospectus dated 7 April 2017 (the **First Supplement**) granted visa no. 17-147 on 7 April 2017 by the AMF, which have been prepared by HSBC France (the **Issuer**) with respect to its €20,000,000,000 Euro Medium Term Note Programme of HSBC France (the **Programme**).

The Base Prospectus as supplemented constitutes a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (the **Prospectus Directive**).

Application has been made for approval of this Second Supplement to the AMF in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements the Prospectus Directive in France.

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meanings when used in this Second Supplement.

To the extent that there is any inconsistency between (i) any statement in this Second Supplement and (ii) any statement in, or incorporated by reference in, the Base Prospectus or the First Supplement, the statement referred to in (i) above will prevail.

This Second Supplement has been prepared pursuant to Article 16.1 of the Prospectus Directive and Article 212-25 of the AMF's *Règlement Général*, for the purposes of giving information which amends or is additional to the information already contained in the Base Prospectus, as supplemented.

This Second Supplement has been prepared for the purposes of:

1. incorporating by reference the English translation of HSBC France's *Actualisation du Document de référence 2016* and inserting a related cross-reference table in the "Documents Incorporated by Reference" section of the Base Prospectus;
2. updating the "Programme Summary" and the "*Résumé en Français du Programme*";
3. updating the "Risk Factors Relating to the Issuer" section; and
4. updating sections 2, 3 and 6 of the "General Information" section of the Base Prospectus.

In accordance with Article 16.2 of the Prospectus Directive, in the case of an offer of Notes to the public, investors who have already agreed to purchase or subscribe for Notes issued under the Programme before this Second Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date of publication of this Second Supplement to withdraw their acceptances. This right to withdraw shall expire by close of business on 5 September 2017.

Copies of this Second Supplement (a) may be obtained, free of charge, at the registered office of the Issuer during normal business hours, (b) will be available on the website of the Issuer (<http://www.about.hsbc.fr/investor-relations/debt-issuance>), (c) will be available on the website of the AMF (www.amf-france.org) and (d) will be available for collection free of charge on any weekday (Saturdays, Sundays and public holidays excepted), at the specified office of the Paying Agent(s), during normal business hours so long Notes may be issued under the Programme and so long as any Notes issued under the Programme are outstanding.

TABLE OF CONTENTS

	Page
Summary of the Programme.....	4
<i>Résumé en français du Programme</i>	5
Risk Factors.....	8
Documents Incorporated By Reference.....	9
General Information	12
Responsibility Statement	13

SUMMARY OF THE PROGRAMME

- The "Summary of the Programme" on pages 5 to 20 of the Base Prospectus is amended as follows:
- Element B.10 is deleted in its entirety and replaced with the following:

B.10	Qualifications in the auditors' report	Not Applicable. The free English language translations of the Statutory Auditors' report on the 2015 and 2016 consolidated financial statements do not contain an emphasis of matter paragraph. The free English language translation of the limited review report on the 2017 interim financial information issued by the statutory auditors contains an emphasis of matter paragraph on page 43 of the Update to the 2016 Registration Document.
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- Element B.12 is deleted in its entirety and replaced with the following:

B.12	Selected historical key financial information	HSBC France group			
		<i>(in millions of euros)</i>	30/06/2017 Limited review	30/06/2016 Limited review	31/12/2016 Audited
	Total operating income before loan impairment (charges)/releases and other credit risk provisions	1,034	1,300	2,317	2,371
	Loan impairment charges and other credit risk provisions	4	(24)	(73)	(121)
	Operating profit	196	372	432	618
	Profit attributable to shareholders of the parent company	126	282	310	445
	Shareholders' funds of the parent company	5,687	5,961	5,842	5,838
	Loans and advances to customers	42,187	40,420	41,327	38,524
	Customer accounts	37,821	35,948	34,220	32,811
	Total assets	177,477	196,194	169,423	168,458
	Fully loaded Total Capital Ratio	14.3%	14.4%	13.1%	14.9% ⁽¹⁾
	Fully loaded Common Equity Tier One ratio	13.0%	14.4%	13.1%	14.9% ⁽¹⁾
	Cost efficiency ratio	81.4%	69.5%	78.2%	68.8%
	Liquidity Coverage Ratio (LCR)	159%	134%	122%	127%
	⁽¹⁾ transitional				

Consolidated cash flow table				
<i>(in millions of euros)</i>	30/06/2017 Limited review	30/06/2016 Limited review	31/12/2016 Audited	31/12/2015 Audited
Cash and cash equivalents at 1 January	9,807	5,638	5,638	9,734
Net cash from operating activities	8,348	9,982	3,224	(193)
Net cash flows from financing activities	3,958	(1,147)	1,103	(3,572)
Net cash (used in)/from financing activities	65	(30)	(165)	(377)
Effect of exchange rate changes on cash and cash equivalents	(15)	(8)	7	46
Cash and cash equivalents at the end of the period	22,163	14,435	9,807	5,638
There has been no material adverse change in the prospects of the Issuer since 31 December 2016 and there has been no significant change in the financial or trading position of the Issuer since 30 June 2017.				

- Element B.13 is deleted in its entirety and replaced with the following:

B.13	Recent material events relating to the Issuer's solvency	Not Applicable. Except as disclosed in the Base Prospectus, there are no recent events that the Issuer considers as material for investors since the date of the last published financial statements.
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RESUME EN FRANÇAIS DU PROGRAMME

Le "Résumé en français du Programme" figurant aux pages 21 à 37 du Prospectus de Base est modifié comme suit :

- L'Elément B.10 est supprimé et entièrement remplacé par ce qui suit :

B.10	Réserves contenues dans le rapport des Commissaires aux comptes	Sans objet. Les traductions anglaises libres des rapports des contrôleurs légaux sur les comptes consolidés 2015 et 2016 ne contiennent pas d'observation. La traduction anglaise libre du rapport de revue limitée relatif à l'information financière semestrielle 2017 émis par les contrôleurs légaux contient une observation en page 43 de l'Actualisation du Document de Référence pour 2017.
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- L'Elément B.12 est supprimé et entièrement remplacé par ce qui suit :

B.12	Informations financières sélectionnées historiques clés	Informations financières sélectionnées concernant le Groupe HSBC France				
		(en millions d'euros)	30/06/2017	30/06/2016	31/12/2016	31/12/2015
			Revue limitée	Revue limitée	Audité	Audité
	Produit net bancaire avant dépréciation pour risque de crédit	1.034	1.300	2.317	2.371	
	Dépréciations pour risque de crédit	4	(24)	(73)	(121)	
	Résultat d'Exploitation	196	372	432	618	
	Résultat net part du groupe	126	282	310	445	
	Capitaux propres part du groupe	5.687	5.961	5.842	5.838	
	Prêts et créances sur la clientèle	42.187	40.420	41.327	38.524	
	Comptes créditeurs de la clientèle	37.821	35.948	34.220	32.811	
	Total du bilan	177.477	196.194	169.423	168.458	
	Ratio total des fonds propres « plein »	14,3%	14,4%	13,1%	14,9% ⁽¹⁾	
	Ratio Common Equity Tier 1 « plein »	13,0%	14,4%	13,1%	14,9% ⁽¹⁾	
	Coefficient d'exploitation	81,4%	69,5%	78,2%	68,8%	

		<i>Liquidity Coverage Ratio (LCR)</i>	159%	134%	122%	127%
		(1) transitionnel				
		Tableau des flux de trésorerie consolidé				
		<i>(en millions d'euros)</i>	30/06/16 Revue limitée	30/06/15 Revue limitée	31/12/2016 Audité	31/12/2015 Audité
		Trésorerie en début de période	9.807	5.638	5.638	9.734
		Flux nets de trésorerie provenant des activités opérationnelles	8.348	9.982	3224	(193)
		Flux nets de trésorerie provenant des activités d'investissement	3.958	(1.147)	1.103	(3.572)
		Flux nets de trésorerie provenant des activités de financement	65	(30)	(165)	(377)
		Effet de change sur la trésorerie	(15)	(8)	7	46
		Trésorerie en fin de période	22.163	14.435	9.807	5.638
		Aucune détérioration significative n'a eu de répercussions sur les perspectives de l'Emetteur depuis le 31 décembre 2016 et il n'y a eu aucun changement significatif dans la situation financière ou commerciale de l'Emetteur depuis le 30 juin 2017.				

- L'Elément B.13 est supprimé et entièrement remplacé par ce qui suit :

B.13	Evénement récent relatif à l'Emetteur présentant un intérêt significatif pour l'évaluation de sa solvabilité	Sans objet. Excepté ce qui figure dans le Prospectus de Base, il n'y a pas d'évènement récent que l'Emetteur considère comme significatif pour les investisseurs depuis la fin de la période couverte par les derniers états financiers publiés.
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RISK FACTORS

The paragraph under the heading "Risks Relating to the Issuer" and above the heading "Risk Factors Relating to the Notes" on pages 38 and 39 of the Base Prospectus is deleted and replaced by the following:

"Risk factors in connection with the Issuer are set out in detail on pages 18 to 22 and 111 to 179 of the English translation of the Issuer's 2016 Registration Document and on pages 12 to 19 of the Update to the 2016 Registration Document which are incorporated by reference in this Base Prospectus."

DOCUMENTS INCORPORATED BY REFERENCE

The English translation of the Issuer's 2016 *Actualisation du Document de référence* has been filed with the AMF for the purposes of the Prospectus Directive and, by virtue of this Second Supplement, is incorporated in, and forms part of, the Base Prospectus as supplemented by the First Supplement.

The section "Documents incorporated by reference" in the Base Prospectus is updated accordingly as follows:

- Above the paragraph corresponding to the first bullet point, the following paragraph is inserted:

 “- the English translation of the Issuer's *Actualisation du Document de référence 2016* filed with the *Autorité des marchés financiers* on 4 August 2017 under No. D.17-0118-A01 (the **Update to the 2016 Registration Document**);”; and
- The table under the heading “**CROSS REFERENCE LIST**” on pages 53 to 56 of the Base Prospectus is deleted in its entirety and replaced by the following:

INFORMATION INCORPORATED BY REFERENCE Annex XI of the European Regulation 809/2004/EC	REFERENCE
3. RISK FACTORS	Update to the 2016 Registration Document pages 12 to 19 2016 Registration Document pages 18 to 22 and 111 to 179
4. INFORMATION ABOUT THE ISSUER	
<u>4.1. History and development of the Issuer</u>	2016 Registration Document page 346
<u>4.1.2. Place of registration of the Issuer and its registration number</u>	2016 Registration Document page 344
<u>4.1.3 Date of incorporation and the length of life of the issuer, except where indefinite</u>	2016 Registration Document page 344
<u>4.1.4 Domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business of different from its registered office)</u>	2016 Registration Document page 344
<u>4.1.5 Recent Developments</u>	2016 Registration Document page 22
5. BUSINESS OVERVIEW	
<u>5.1. Principal activities:</u>	Update to the 2016 Registration Document pages 4 to 12 2016 Registration Document pages 3 to 18 and 293
<u>5.1.2. New product and/or activities:</u>	2016 Registration Document pages 3 to 18 and 293

INFORMATION INCORPORATED BY REFERENCE Annex XI of the European Regulation 809/2004/EC	REFERENCE
<u>5.1.3. Principal markets:</u>	Update to the 2016 Registration Document pages 4 to 12 2016 Registration Document pages 3 to 18 and 293
<u>5.1.4 Basis for any statement in the registration document made by the issuer regarding its competitive position</u>	2016 Registration Document pages 3 to 18 and 293
6. ORGANISATIONAL STRUCTURE	
<u>6.1 Brief description of the group and of the issuer's position within it</u>	2016 Registration Document pages 2 to 22 and 328 to 331 and 335 to 337
<u>6.2 Issuer's dependence upon other entities within the group</u>	2016 Registration Document pages 336 to 346
7. TREND INFORMATION	
9. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES	
Name, business addresses and functions in the Issuer of the members of the administrative, management or supervisory bodies and indication of the principal activities performed by them outside the Issuer	2016 Registration Document pages 24 to 38
Conflict of Interest	2016 Registration Document page 42
10. MAJOR SHAREHOLDERS	
<u>10.1 To the extent know to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused</u>	2016 Registration Document pages 40 and 347
11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
<u>Interim and other financial information for the period ended 30 June 2017</u>	
- Balance sheet	Update to the 2016 Registration Document page 28.
- Income statement	Update to the 2016 Registration Document page 26.

INFORMATION INCORPORATED BY REFERENCE Annex XI of the European Regulation 809/2004/EC	REFERENCE
- Cash flow statement	Update to the 2016 Registration Document page 29.
- Notes	Update to the 2016 Registration Document pages 31 to 42.
- Auditor's report relating to the above	Update to the 2016 Registration Document page 43.
- Consolidated statement of comprehensive income	Update to the 2016 Registration Document page 27.
- Consolidated statement of changes in equity	Update to the 2016 Registration Document page 30.
<u>Issuer's audited consolidated annual financial statements for the year ended 31 December 2016</u>	
- Balance sheet	2016 Registration Document page 192
- Income statement	2016 Registration Document page 190
- Cash flow statement	2016 Registration Document page 193
- Notes	2016 Registration Document pages 196 to 287
- Auditors' report relating to the above	2016 Registration Document pages 288 and 289
- Consolidated statement of comprehensive income	2016 Registration Document page 191
- Consolidated statement of changes in equity	2016 Registration Document pages 194 and 195
<u>Issuer's audited consolidated annual financial statements for the year ended 31 December 2015</u>	
- Balance sheet	2015 Registration Document page 160
- Income statement	2015 Registration Document page 158
- Cash flow statement	2015 Registration Document page 161
- Notes	2015 Registration Document pages 164 to 263
- Auditors' report relating to the above	2015 Registration Document pages 264 and 265
- Consolidated statement of comprehensive income	2015 Registration Document pages 159
- Consolidated statement of changes in equity	2015 Registration Document pages 162 and 163
11.6 Legal and arbitration proceedings	Update to the 2016 Registration Document pages 41 to 42 2016 Registration Document pages 166 to 167
12. MATERIAL CONTRACTS	2016 Registration Document page 346

GENERAL INFORMATION

The section “General Information” in the Base Prospectus is amended as follows:

- a) The text of paragraph (2) on page 125 of the Base Prospectus is deleted in its entirety and replaced by the following:

The Issuer has obtained all necessary consents, approvals and authorisations in France in connection with the update of the Programme. Any issuance of Notes under the Programme, to the extent that such Notes constitute obligations under French law, require the decision of the Board of Directors (*Conseil d'Administration*) of the Issuer or, as the case may be, the decision of any person acting by delegation of the Board of Directors (*Conseil d'Administration*) of the Issuer. For this purpose the Board of Directors (*Conseil d'Administration*) of the Issuer has delegated on 21 July 2017 to Jean Beunardeau, Chief Executive Officer (*Directeur Général*), and pursuant to his proposal, to Andrew Wild, Executive Director and Deputy Chief Executive Officer (*Administrateur et Directeur Général Délégué*), and to Xavier Boisseau, Franck Carminati, Yonathan Ebguay, François Goberville and Nathalie Safar, in charge of the *Banque de marchés (responsables à la Banque de marchés)* all powers to issue obligations and to determine their final terms and conditions, up to a maximum aggregate amount of € 10,000,000,000 (or its equivalent in any other currency) for 1 year from 21 July 2017. Any issue of Notes, to the extent that such Notes do not constitute obligations under French law, fall within the general powers of the *directeur général* or a *directeur général délégué* of the Issuer.

- b) The text of paragraph (3) on page 125 of the Base Prospectus is deleted in its entirety and replaced by the following:

“There has been no significant change in the financial position of the Issuer or the Group since 30 June 2017.”;

- c) The text of paragraph (6) on page 125 of the Base Prospectus is deleted and replaced by the following:

“Except as disclosed on pages 166 to 167 of the 2016 Registration Document and pages 41 to 42 of the Update to the 2016 Registration Document, neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceeding which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer.”

RESPONSIBILITY STATEMENT

I hereby certify, having taken all reasonable care to ensure that such is the case that, to the best of my knowledge, the information contained in this Second Supplement is in accordance with the facts and contains no omission likely to affect its import.

HSBC France

103, avenue des Champs Elysées
75008 Paris
France

Represented by Mr. Xavier Boisseau
in charge of the *Banque de marchés (responsable à la Banque de marchés)*
Duly authorised

Dated 1 September 2017



In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement général*) of the French *Autorité des marchés financiers* ("AMF"), in particular Articles 211-1 to 216-1, the AMF has granted to this Second Supplement the visa n°17-453 on 1 September 2017. This Second Supplement has been prepared by HSBC France and its signatories assume responsibility for it. This Second Supplement and the Base Prospectus may only be used for the purposes of a financial transaction if completed by Final Terms. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa has been granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information in it is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it. This visa has been granted subject to the publication of Final Terms in accordance with Article 212-32 of the AMF's General Regulations, setting out the terms of the securities being issued.