PROSPECTUS DATED 17 DECEMBER 2025

HSBC CONTINENTAL EUROPE

(*A société anonyme registered in France*)

Issue of EUR 90,000,000 Autocallable Index-linked Notes due June 2034

(the "Notes")

ISIN: FR0014013WW5

Programme for the Issuance of Notes and Warrants (the "Programme")

What is this document?

This prospectus (which expression includes all documents incorporated by reference herein) (the "**Prospectus**") has been prepared for the purpose of providing information with regard to the Notes.

This Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**") for the purposes of Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**"). The Central Bank only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

This Prospectus is valid for a period of 12 months from the date of approval. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Prospectus is no longer valid or if such significant new factor, material mistake or material inaccuracy arises or is noted after the time when trading on a regulated market begins.

Who is the Issuer?

The Issuer of the Notes is HSBC Continental Europe (the "**Issuer**" or "**HBCE**"). The payment of amounts due under the Notes is subject to the Issuer's financial position and its ability to meet its obligations.

The HBCE Universal Registration Document (as defined in the section of this Prospectus entitled "*Documents Incorporated by Reference*"), together with other information provided in this Prospectus, provides a description of HBCE's business activities as well as certain financial information and material risks related to HBCE.

HBCE has been assigned the following long term credit ratings: A+ by S&P Global Ratings UK Limited ("**S&P**"); Aa3 by Moody's Investors Service Limited ("**Moody's**"); and AA- by Fitch Ratings Limited ("**Fitch**"). Each of S&P, Moody's and Fitch is established in the UK and registered under Regulation (EC) No 1060/2009 on credit rating agencies as it forms part of the domestic law of the UK by virtue of the EUWA (the "**UK CRA Regulation**"). As such, each of S&P, Moody's and Fitch appears on the latest update of the list of registered credit rating agencies (as of the date of this Prospectus) on the UK Financial Conduct Authority's (the "**FCA**") Financial Services Register. The ratings each of S&P, Moody's and Fitch have given to the Issuer are endorsed by S&P Global Ratings Europe Limited, Moody's Deutschland GmbH and Fitch Ratings Ireland Limited, respectively, each of which is established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies (the "**EU CRA Regulation**").

What are the Notes?

The Notes are in the form of Notes issued by the Issuer under the Programme. The terms and conditions of the Notes comprise:

(i) the applicable general terms and conditions set out in "*Terms and Conditions of the French Law Notes*" (the "**General Conditions**"), which are incorporated by reference into this Prospectus from the Base Prospectus (as defined in the section of this Prospectus entitled "*Documents Incorporated by Reference*"); and

(ii) the specific terms and conditions set out in the section of this Prospectus entitled "*Specific Terms*" (the "**Specific Terms**"), which amend, supplement and complete the General Conditions.

The return on the Notes is dependent on the performance of the Euronext Transatlantic Sector Titans Decrement 5% index (the "**Underlying**").

Will the Notes be listed on an exchange?

Application has been made to admit Notes to listing on the Official List of the Irish Stock Exchange plc (trading as Euronext Dublin) ("**Euronext Dublin**") and to trading on the regulated market of Euronext Dublin, which is a regulated market for the purposes of Directive 2014/65/EU (as amended, "**MiFID II**").

What information is incorporated by reference?

This Prospectus incorporates by reference certain information from the Base Prospectus, the HBCE Universal Registration Document and other documents (see the section of this Prospectus entitled "*Documents Incorporated by Reference*"). You should read this document together with such information incorporated by reference.

What are the principal risks?

Depending on the performance of the Underlying, you may lose up to a substantial amount of your investment. In addition, your investment is subject to the ability of the Issuer to meet its payment obligations under the Notes. Before purchasing Notes, you should consider in particular the information described in the section of this Prospectus entitled "*Risk Factors*", together with the other information in the Prospectus.

Dealer

HSBC CONTINENTAL EUROPE

IMPORTANT NOTICES

Responsibility statement

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

Disclaimer of liability of the Dealer

The Dealer (in such capacity) has not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility or liability is accepted by the Dealer as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer in connection with the Programme or the Notes or their distribution.

No other person is authorised to give information on the Notes

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Dealer.

Independent evaluation

Neither this Prospectus nor any further information supplied in connection with the Programme or the Notes should be considered as a recommendation or as constituting an invitation or offer by the Issuer or the Dealer to any recipient of this Prospectus to subscribe for or purchase any Notes issued by the Issuer. Each investor contemplating purchasing any Notes should make its own independent investigation of the affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the Programme or any Notes constitutes an offer by or on behalf of the Issuer or the Dealer to subscribe for or purchase any Notes.

Offer to the public of Notes

None of the Issuer or the Dealer has authorised the making of any offer to the public of any Notes by any person in any circumstances. Any such unauthorised offers are not made by nor on behalf of the Issuer of the Dealer and none of the Issuer or the Dealer accepts any responsibility or liability for the actions of any person making such unauthorised offers.

No investment advice

An investment in the Notes entails certain risks. It is advisable that investors considering acquiring any Notes understand the risks of transactions involving the Notes and it is advisable that they reach an investment decision after carefully considering, with their financial, legal, regulatory, tax, accounting and other advisers, the suitability of the Notes in light of their particular circumstances (including without limitation their own financial circumstances and investment objectives and the impact the Notes will have on their overall investment portfolio) and the information contained in this Prospectus. Investors should consider carefully the risk factors set forth under "*Risk Factors*" in this Prospectus.

The Issuer disclaims any responsibility to advise investors of any matters arising under the law of the country in which they reside that may affect the purchase of, or holding of, or the receipt of payments on the Notes.

The Notes are not deposit liabilities

The Notes are not deposit liabilities of the Issuer. Unlike a savings account or similar investment an investment in the Notes is not covered by the French *Fonds de Garantie des Dépôts et de Résolution*, the United Kingdom Financial Services Compensation Scheme or insured by the U.S. Federal Deposit Insurance Corporation or any other governmental agency of France, the United Kingdom, the United States or any other jurisdiction.

Distribution

The distribution of this Prospectus and the offer, distribution or sale of Notes may be restricted by law in certain jurisdictions. None of the Issuer or the Dealer represents that this Prospectus may be lawfully distributed, or that Securiites may be lawfully offered, or assumes any responsibility for facilitating any such distribution or offering, in any other jurisdiction. In particular, action may be required to be taken to permit a public offering of any Notes or a distribution of this Prospectus in any jurisdiction. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes come must inform themselves about, and observe, any such restrictions.

EU PRIIPs REGULATION – PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes 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 ("**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 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), 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 the EU Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPs REGULATION – IMPORTANT – UK RETAIL INVESTORS

The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means:

(a) a person who is one (or more) of:

  (i) a client, as defined in point (7) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") ("**UK MiFIR**"), who is not a professional client, as defined in point (8) of Article 2(1) of UK MiFIR (a "**UK Professional Client**");

  (ii) a customer within the meaning of the provisions of the United Kingdom Financial Services and Markets Act 2000 (as amended) ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive 2016/97/EU, where that customer would not qualify as a UK Professional Client; or

  (iii) not a qualified investor as defined (A) in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"), or (B) in the case of any offer first made on or after the day on which the revocation of the UK Prospectus Regulation comes into force, in Regulation 16 of the Public Offers and Admissions to Trading Regulations 2024 (the "**POATRs**"); or

(b) in the case of any Notes being offered, sold, distributed or otherwise made available on or after the day on which the revocation of Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") comes into force, a person who is either (or both): (i) a retail investor as defined the product disclosure rules made by the Financial Conduct Authority under the Consumer Composite Investments (Designated Activities) Regulations 2024 (the "**CCI Regulations**"); or (ii) not a qualified investor as defined in Regulation 16 of the POATRs.

Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**"), or product summary as required by product disclosure rules made by the Financial Conduct Authority under the CCI Regulations, for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation or the product disclosure rules made by the Financial Conduct Authority under the CCI Regulations.

PROHIBITION OF SALES TO SWISS PRIVATE CLIENTS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to investors that qualify as private (retail) clients according to Article 4 para. 2 Swiss Financial Services Act ("**FinSA**") and its implementing ordinance, the Swiss Federal Financial Services Ordinance ("**FinSO**"). Consequently, no key information document (or equivalent document) required by FinSA has been prepared and therefore offering or selling the Notes or otherwise making them available to any private (retail) client in, into or from Switzerland may be unlawful under FinSA.

EU Benchmarks Regulation

Amounts payable under the Notes are calculated by reference to the Underlying, which is provided by Euronext Paris (the "**Administrator**"). As at the date of this Prospectus, the Administrator appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the Regulation (EU) 2016/1011 (as amended, the "**EU Benchmarks Regulation**").

Actions or omissions of the Administrator of the Underlying

In certain circumstances, the actions or omissions of the Administrator of the Underlying to which the Notes are linked or others outside the control of the Issuer may adversely affect the rights of the Noteholders and/or the value of the Notes, including actions that may give rise to an adjustment to, or early redemption of, the Notes.

Provision of information (including post issuance information)

Neither the Issuer nor any of its respective affiliates are under any obligation to provide information in respect of any Underlying or the component securities of the Underlying or monitor whether or not any event or circumstance in respect of such Underlying or securities has occurred unless it is explicitly and positively stated that such person will do so. The Issuers may have acquired, or during the term of the Notes may acquire, non-public information with respect to the Underlying or the component securities of the Underlying. The Issuer is not under any obligation to make such information available to holders of such Notes. Therefore, an investor in the Notes should obtain and evaluate information concerning the relevant Underlying or securities as it would if it were investing directly in such Underlying or securities.

The Issuer does not intend to provide post issuance information.

Selling Restrictions

For further information on the below and details of certain other restrictions on the distribution of this Prospectus and the offer or sale of Notes in certain jurisdictions, see the section "*Subscription and Sale of Notes*" of the Base Prospectus (which is incorporated by reference into this Prospectus).

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the state securities laws of any state of the United States, and Notes in bearer form are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or, in the case of Notes in bearer form, delivered within the United States or to U.S. persons.

Taxation

The treatment for taxation purposes of the acquisition, holding or disposal of, or other dealings with, Notes may differ according to the jurisdiction in which the person acquiring, holding, disposing or dealing is subject to taxation. Any person intending to acquire, hold, dispose of or otherwise deal with a Note should inform themselves as to the treatment for taxation purposes applicable to them.

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SUMMARY

SECTION A - INTRODUCTION

*This summary should be read as an introduction to the prospectus for the Notes (as defined below) relating to the issuance of Notes and Warrants under the Programme for the Issuance of Notes and Warrants (the "**Prospectus**"). Any decision to invest in the Notes should be based on consideration of the Prospectus as a whole by the investor. Investors could lose all or part of their invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the relevant national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only where this summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Notes.* ***You are about to purchase a product that is not simple and may be difficult to understand.***

(a) The Notes are called the "EUR 90,000,000 Autocallable Index-linked Notes due June 2034" (the "**Notes**") and the ISIN is FR0014013WW5.

(b) The "**Issuer**" is HSBC Continental Europe and its LEI is F0HUI1NY1AZMJMD8LP67. The Issuer can be contacted at its registered office at 38, avenue Kléber, 75116, Paris, France.

(c) The Issuer will apply for the admission of Notes on the regulated market of the Irish Stock Exchange plc (trading as Euronext Dublin). The Issuer's contact details are set out in paragraph (b) above.

(d) The competent authority for the purposes of the approval of the Prospectus is the Central Bank of Ireland, which is the Republic of Ireland competent authority having its head office at New Wapping Street, North Wall Quay, Dublin 1, D01 F7X3, Ireland (telephone number: +353 (0)1 224 6000).

(e) The date of approval of the Prospectus is 17 December 2025.

SECTION B – KEY INFORMATION ON THE ISSUER

Who is the Issuer of the Notes?

(a) The Issuer is a public limited company with a board of directors whose registered office is located in France at 38 avenue Kléber, 75116 Paris, and governed by French law. The Legal Entity Identifier (LEI) of the Issuer is F0HUI1NY1AZMJMD8LP67.

(b) The activity of the Issuer is centred on banking activities. It includes all the businesses of the HSBC group: (i) wealth management, (ii) corporate banking, (iii) corporate, investment and market banking and (iv) the private bank.

(c) The capital and voting rights of HSBC Continental Europe are 99.99% owned by HSBC Bank plc which is a wholly owned subsidiary of HSBC Holdings plc, the holding company of the HSBC group.

(d) The chairman of the Issuer's board of directors is Jean Beunardeau and the Issuer's managing director is Andrew Wild.

(e) The statutory auditors of the Issuer are PricewaterhouseCoopers LLP and BDO Paris.

What is the key financial information regarding the Issuer?

The selected key financial information regarding the Issuer set out below has been extracted without material adjustment from the Universal Registration Document and Annual Financial Report 2024 (in respect of the year-end figures) and the 1st Amendment to the Universal Registration Document and Interim Financial Report 2025 (in respect of the half-year end figures).

For the period (€m)[1]	Six Months Ended		Year Ended	
	30 June 2024[2,]	**30 June 2025**	**31 December 2023[3]**	**31 December 2024**
Net interest income (or equivalent)	931	710	2,191	1,498
Net fee income	601	648	1,194	1,214
Net income from financial instruments held for trading or managed on a fair value basis	113	468	259	484
Net operating income before change in expected credit losses and other credit impairment charges[4]	1,699	1,912	3,720	3,349
Profit/(loss) for the year (attributable to shareholders of the parent company)	350	360	883	568
At period-end (€m)	**As at 30 June 2025**		**As at 31 December 2023**	**As at 31 December 2024**
Total assets	280,292		282,977	265,008
Debt securities in issue	16,553		12,909	15,257
Financial liabilities designated at fair value[5]	10,174		9,696	9,906
Trading Liabilities[6]	19,585		19,877	16,480
Subordinated liabilities	1,900		1,951	1,941
Loans and advances to customers[7]	46,123		50,127	51,288
Customer accounts	86,359		93,890[8]	97,065
Total equity	14,061		12,508	14,831
Capital Ratios (%)[9]	**As at 30 June 2025**		**As at 31 December 2023**	**As at 31 December 2024**
Common Equity Tier 1 (CET1)	15.5%		15.7%	18.8%
Total capital ratio	19.8%		20.7%	23.5%
Leverage Ratio	4.8%		4.2%	5.4%

1. All numbers are on a continuing basis only.

2. In compliance with IFRS 5 standards, the comparatives have been represented to reflect discontinued operations related to the life insurance business in France and the retained portfolio of home and certain other loans in France.

3. In compliance with IFRS 5 standards, the comparatives have been represented to reflect discontinued operations related to the planned sale of the life insurance business in France.

4. Net operating income before change in expected credit losses and other credit impairment charges is also referred to as revenue.

5. This includes, amongst other things, debt securities in issue recorded at fair value.

6. This includes, amongst other things, certain other debt securities in issue.

7. The loans and advances to banks and customers include expected credit losses provided under IFRS 9.

8. Following a customer classification error, the comparatives as at 31 December 2023 have been represented by EUR 1.4 billion between 'Deposits by banks' and 'Customer accounts'.

9. CET1 capital and risk weighted assets (material holding) for December 2023 have been restated to reflect the payment of AT1 dividends.

Reservations in the audit report

The statutory auditors' reports on the consolidated annual financial statements for the periods ending 31 December 2023 and 31 December 2024 do not contain any observations or reservations.

What are the key risks that are specific to the Issuer?

Macroeconomic and geopolitical risks: economic, market and geopolitical conditions may adversely affect the results of HSBC Continental Europe. In addition, market fluctuations may reduce HSBC Continental Europe's income or the value of its portfolios. HSBC Continental Europe could lose access to its sources of liquidity and funding, which are essential to its activity. HSBC Continental Europe is subject to financial and non-financial risks associated with environmental, social and governance risks.

Prudential, regulatory and legal risks to HSBC's business model: HSBC Continental Europe is subject to numerous legislative or regulatory requirements as well as developments and changes in the policies of regulators or governments and it may not comply with all of them.

Operational risks: HSBC Continental Europe remains exposed to a wide range of cyber security risks which are facilitated by the use of technology. The activities of HSBC Continental Europe are largely dependent on its information system. In addition, HSBC Continental Europe could incur losses or be required to hold additional capital due to limitations or weaknesses in its models. HSBC Continental Europe's activities also rely on external and internal suppliers and service providers who may be exposed to risks that HSBC Continental Europe may be a challenge to manage.

Risks related to governance and internal control: The conduct of strategic actions of HSBC Continental Europe is exposed to an execution risk which could affect the expected benefits of their strategic initiatives. In addition, HSBC Continental Europe's data management and data privacy controls must be robust enough to support increasing data volumes and changing regulations. Third parties could use HSBC Continental Europe to carry out illegal activities without its knowledge.

Risks related to the activity: Risks related to the quality of borrowers' credits are intrinsic to the activity of HSBC Continental Europe. HSBC Continental Europe is exposed to a risk of attrition and retention of skills. In addition, HSBC Continental Europe has significant exposure to counterparty risk. Finally, HSBC Continental Europe are exposed to insurance lapse risk and changes in customer behaviour relating to its insurance products.

Financial statement risks: The preparation of HSBC Continental Europe's financial statements is based on judgments, estimates and assumptions subject to uncertainty.

SECTION C – KEY INFORMATION ON THE NOTES

What are the main features of the Notes?

(a) Payments of principal with respect to the Notes are linked to the Euronext Transatlantic Sector Titans Decrement 5% index (*ISIN: NLIX00005511*) (the "**Underlying**").

(b) *Coupon Payments.* The Notes do not bear interest.

(c) *Redemption Amounts.* Payments of principal in respect of Notes will in all cases be calculated by reference to the percentage change in value of the Underlying. Holders of the Notes ("**Noteholders**") will be entitled upon redemption of the Notes on their stated maturity to a "**Final Redemption Amount**" or (as "Autocall Event" applies), if the Notes are redeemed prior to their stated maturity in the circumstances described below, an "**Autocall Amount**".

The Final Redemption Amount will be an amount per Note equal to the denomination of the Note *multiplied by*:

(A) If the Final Performance is greater than or equal to the Return Threshold, the *sum* of (x) 100 per cent. *and* (y) the Digital Rate; or

(B) If the Final Performance is less than the Return Threshold and:

(1) greater than or equal to the Strike Level, 100 per cent.; or

(2) less than the Strike Level, the percentage determined as equal to the *sum* of (x) the *difference* between (i) 100 per cent. *and* (ii) the Strike Level, *and* (y) the Final Performance.

In addition, as "Autocall Event" applies, the Notes may be redeemed on an Autocall Redemption Date if, on the relevant Autocall Valuation Date, the Reference Performance is greater than or equal to the relevant Autocall Level specified below (an "**Autocall Event**"). In such circumstances, the Noteholder would be entitled to an "**Autocall Amount**", being a cash amount equal to the denomination of the Note *multiplied by* the relevant Autocall Rate specified below.

For these purposes:

In respect of each "**Autocall Valuation Date**", the "**Autocall Level**", "**Autocall Rate**" and "**Autocall Redemption Date**" shall be as specified in relation to such Autocall Valuation Date in the table below.

Autocall Valuation Date(s)	Autocall Level(s)	Autocall Redemption Date(s)	Autocall Rate(s)
12 May 2027	100.00 per cent.	11 June 2027	108.00 per cent.
12 August 2027	100.00 per cent	13 September 2027	110.00 per cent.
12 November 2027	100.00 per cent	10 December 2027	112.00 per cent.
11 February 2028	100.00 per cent	10 March 2028	114.00 per cent.
12 May 2028	100.00 per cent	13 June 2028	116.00 per cent.
11 August 2028	100.00 per cent	11 September 2028	118.00 per cent.
13 November 2028	100.00 per cent	13 December 2028	120.00 per cent.
12 February 2029	100.00 per cent	12 March 2029	122.00 per cent.
11 May 2029	100.00 per cent	12 June 2029	124.00 per cent.
13 August 2029	100.00 per cent	13 September 2029	126.00 per cent.
12 November 2029	100.00 per cent	12 December 2029	128.00 per cent.

12 February 2030	100.00 per cent	12 March 2030	130.00 per cent.
13 May 2030	100.00 per cent	12 June 2030	132.00 per cent.
12 August 2030	100.00 per cent	12 September 2030	134.00 per cent.
12 November 2030	100.00 per cent	12 December 2030	136.00 per cent.
12 February 2031	100.00 per cent	12 March 2031	138.00 per cent.
12 May 2031	100.00 per cent	12 June 2031	140.00 per cent.
12 August 2031	100.00 per cent	12 September 2031	142.00 per cent.
12 November 2031	100.00 per cent	12 December 2031	144.00 per cent.
12 February 2032	100.00 per cent	12 March 2032	146.00 per cent.
12 May 2032	100.00 per cent	11 June 2032	148.00 per cent.
12 August 2032	100.00 per cent	13 September 2032	150.00 per cent.
12 November 2032	100.00 per cent	13 December 2032	152.00 per cent.
11 February 2033	100.00 per cent	11 March 2033	154.00 per cent.
12 May 2033	100.00 per cent	13 June 2033	156.00 per cent.
12 August 2033	100.00 per cent	12 September 2033	158.00 per cent.
10 November 2033	100.00 per cent	12 December 2033	160.00 per cent.
13 February 2034	100.00 per cent	13 March 2034	162.00 per cent.

"**Digital Rate**" means 64 per cent..

"**Final Performance**" means the Reference Performance determined in respect of 12 May 2034 (the "**Final Valuation Date**").

"**Initial Value**" means, in respect of the Underlying, the closing level of such Underlying on 19 May 2026 (the "**Strike Date**").

"**Reference Performance**" means, in respect of an Autocall Valuation Date or the Final Valuation Date (as applicable), the Underlying Performance of the Underlying determined in respect of such date.

"**Reference Value**" means, in respect of the Underlying and an Autocall Valuation Date or the Final Valuation Date (as applicable), the closing level of such Underlying on such date.

"**Return Threshold**" means 100 per cent..

"**Strike Level**" means 75 per cent..

"**Underlying Performance**" means, in respect of the Underlying and an Autocall Valuation Date or the Final Valuation Date (as applicable), a percentage equal to (x) the Reference Value of such Underlying determined in respect of such date *divided by* (y) its Initial Value.

If any valuation date is a not scheduled trading day, such date shall be the next following scheduled trading day. If any date for payment or redemption is not a business day, such date shall be the next following business day.

(d) The Notes are tranche 1 and will be in bearer dematerialised form (*au porteur*). The Notes will be cleared and settled through Euroclear France. The *masse* representative (the "**Representative**") for the Notes will be DIIS Group. The ISIN of the Notes is FR0014013WW5.

(e) The settlement currency of the Notes is euro ("**EUR**") (the "**Settlement Currency**"). The aggregate principal amount of the Notes to be issued is EUR 90,000,000. The denomination (or principal amount) per Note is EUR 1,000 (the "**Denomination**"). The maturity date of the Notes is 12 June 2034.

(f) Rights attaching to the Notes:

Early redemption for illegality - If the calculation agent determines that the performance of the Issuer's obligations has become unlawful or impracticable in whole or in part for any reason, the Issuer may redeem all but not some only of the Notes prior to their stated maturity and pay the relevant Noteholder an amount per Note equal to the fair market value of such Note.

Early redemption for taxation reasons - If the Issuer were required under the terms and conditions of the Notes (the "**Conditions**") to pay additional amounts in respect of tax, the Issuer may redeem all but not some only of the Notes prior to their stated maturity and pay the relevant Noteholder an amount per Note equal to the fair market value of such Note.

Early Redemption for Additional Disruption Events, Index Cancellation or Benchmark Trigger Event – If a change in law, hedging disruption or increased cost of hedging occurs (each an "**Additional Disruption Event**"), certain events occur in relation to the Underlying (including its suspension or cancellation) (an "**Index Cancellation**") or an event or circumstance which has the effect that the Issuer or the calculation agent is not, or will not be, permitted under any applicable law or regulation to use any applicable benchmark to perform its or their obligations under the Notes (a "**Benchmark Trigger Event**") the Issuer may redeem all but not some only of the Notes prior to their stated maturity and pay the relevant Noteholder an amount per Note equal to the fair market value of such Note.

Events of default of the Notes - The following events constitute events of default (each, an "**Event of Default**") under the Notes and would entitle the Representative to accelerate the Notes: (i) the Issuer fails to remedy a default in the repayment of any principal (or delivery of any asset(s) or payment of any residual cash amount) due on the Notes within 14 days of notice of such default having been given to the Principal Paying Agent by the Representative, provided that the reason for non-payment is not compliance with any fiscal or other law or regulation or court order, or that there is doubt as to the validity of such law, regulation or order in accordance with independent legal advice from advisers which is acceptable to BNP Paribas, acting in its capacity as principal paying agent (the "**Principal Paying Agent**"); or (ii) the passing of a winding-up order in relation to the Issuer.

Representation of the holders of the Notes and Meetings of Noteholders – The Masse will be governed by the provisions of the French *Code de Commerce*. In particular, the French *Code de Commerce* contains provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Taxation - All payments by the Issuer of any amount in respect of the Notes will be made without deduction of any taxes, duties and other similar charges, as are imposed or levied by or on behalf of France, unless the Issuer is required by law to withhold or deduct, any such taxes. In the event that the Issuer is so required by law to withhold or deduct the Issuer will, subject to certain exceptions as outlined in the Conditions, pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of such withholding or deduction.

Governing Law – The Notes will be governed by French law.

(g) The Notes will be direct, unconditional, senior preferred and unsecured obligations of the Issuer and will rank equally and without preference among themselves and, at their date of issue, with all other unsecured and unsubordinated obligations of the Issuer (unless preferred by law). Please note that as a result of the exercise of the bail-in power by the competent resolution authority, the amount of outstanding Notes may in particular be reduced (in whole or in part), converted into shares (in whole or in part) or cancelled and/or the maturity of the Notes can be changed.

(h) The Notes are freely transferable. However, there are restrictions on the offer and sale of the Notes. The Issuer and HSBC Continental Europe, 38 avenue Kléber, 75116 Paris (the "**Dealer**") have agreed restrictions on the offer, sale and delivery of the Notes and on distribution of offering materials, including, without limitation, in the European Economic Area (including, amongst others, France, the Kingdom of Belgium and the Republic of Ireland), Switzerland, the United Kingdom and the United States of America.

In addition, Noteholders, by their purchase of the Notes, will be deemed to have given certain representations, warranties, undertakings, acknowledgements and agreements.

(i) Where will the Notes be traded?

Application will be made to admit the Notes to the Official List of Euronext Dublin and admitted to trading on the regulated market of Euronext Dublin.

(j) What are the key risks specific to the Notes?

Risks of the "decrement" feature. The value of and return on the Notes are linked to an Index which is a "total return index" with a "decrement" feature. In such a case, all dividends paid by the constituent shares in the Index are re-invested in the Index, which then makes a fractional point deduction to the Index on a daily basis, equivalent to the removal of an annual fixed dividend of a pre-defined amount (a "**Synthetic Dividend**"). The Synthetic Dividend is defined as a percentage of the Index level. A number of factors may adversely affect the value of and return on Notes linked to a "decrement" index. An index with a "decrement" feature typically: (i) may underperform an equivalent "total return index" with the same underlying components as the latter may not reflect the deduction of a Synthetic Dividend; and (ii) may underperform a "price return index" with the same components if the aggregate dividends paid by the underlying components is less than the Synthetic Dividend.

The Notes are direct, unconditional, senior preferred and unsecured obligations of the Issuer and not of any other person. If the Issuer's financial position were to deteriorate, there could be a risk that the Issuer would not be able to meet its obligations under the Notes (the

Issuer's credit risk), and Noteholders would not be able to enforce security as a method of recouping payments due under the Note. In such worst-case scenario Noteholders would lose all of their invested amount.

The Notes are not ordinary debt securities and Noteholders are exposed to the risks relating to the Underlying. Depending on the performance of the Underlying as well as certain other factors (including changes in currency exchange rates, changes in interest rates, time remaining to redemption, economic and market conditions, dividend rates on the component securities of the Underlying), Noteholders, upon redemption, may receive less than the amount invested or nothing. Past performance of the Underlying is not indicative of its future performance and no investigation has been made of the financial condition of any issuer of the component securities of any Underlying.

There may be no active trading market or secondary market liquidity for the Notes and the secondary value of Notes may depend on a number of factors. It is not possible to predict whether any trading market for the Notes will develop or, if it does, the price at which Notes will trade in the secondary market or whether such market will be liquid or illiquid. The value of Notes prior to maturity is expected to depend on a number of factors including, without limitation: (i) the financial condition and funding costs of the Issuer; (ii) the value, volatility and liquidity of the Underlying; (iii) the time remaining to maturity; (iv) any change(s) in interest rates and dividend yields and inflation rates; (v) any change(s) in currency exchange rates; (vi) economic and market conditions and (vii) any related transaction costs. As a result of these factors the price at which a Noteholder will be able to sell Notes prior to maturity may be less than the initial amount invested. Each of these factors interrelate in complex ways (for example, one factor may offset an increase in the value of the Notes caused by another).

An investment in the Notes is not equivalent to an investment in the component securities of the Underlying. Ownership of the Notes does not confer any legal or beneficial interest or any voting or dividend rights in the component securities of the Underlying and the value of the Notes may not exactly correlate with the level of the Underlying.

Disruption Events. Upon the occurrence of certain events (including an early closure of the relevant exchange, disruption of such exchange or suspension of trading on such exchange, an Additional Disruption Event, an Index Cancellation or modification or disruption in the publication of the Underlying, certain events relating to the administrator(s) of the Underlying and/or certain events affecting the settlement currency), valuations of the Underlying may be subject to postponement or adjustment or the terms of the Notes may be subject to adjustment and/or (in certain circumstances) Notes may be subject to early redemption. Any such postponement, adjustment or early redemption may have an adverse effect on the value of such Notes and/or the amount payable to the Noteholder under the Notes on redemption (as applicable). As a result, Noteholders may suffer a loss of some or all of their investments.

Illegality or changes in tax law may cause the Notes to be redeemed early. In such circumstances, the Issuer may pay a sum representing the fair market value of the Notes. As a result, holders of Notes will forgo any future appreciation in the Underlying and may suffer a loss of some or all of their investments.

Commission, cost of hedging and taxes may be borne by Noteholders. The issue price of the Notes may include fees, commission and hedging costs. Accordingly, there is a risk that, upon issue the price of Notes in the secondary market (if any) would be lower than the original issue price of the Notes. Payments under the Notes may be decreased to take into account the effect of taxes, duties or other similar charges and Noteholders will bear the cost of all taxes, duties or other similar charges payable in connection with the subscription, purchase or holding of such Note and any payments under the Notes (in each case including any taxes or duties imposed or increased by a change of tax law or practice).

SECTION D – KEY INFORMATION ON THE OFFER AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET

Under which conditions and timetable can I invest in the Notes?

The Prospectus has been prepared solely in connection with the admission of Notes to trading on a regulated market pursuant to the EU Prospectus Regulation. There will be no non-exempt public offer of the Notes.

Application will be made by the Issuer for the Notes to be admitted to trading on the regulated market of Euronext Dublin. No assurance can be given as to whether or not, or when, such application will be granted. The expense of listing is EUR 1,000. Expenses in respect of the listing of Notes are not charged directly by the Issuer or Dealer to the Noteholder.

Why is this Prospectus being produced?

The Prospectus has been prepared solely in connection with the admission of Notes to trading on a regulated market pursuant to the EU Prospectus Regulation.

Use and Estimated net Amount of Proceeds: The estimated net amount of proceeds from the issue of Notes will be EUR 90,000,000 less any re-offer spread or fee (each as defined below). The net proceeds will be used by the Issuer for profit making or risk hedging purposes.

Underwriting Agreement on a Firm Commitment Basis: The offer of Notes is not subject to an underwriting agreement on a firm commitment basis.

Conflicts of Interest: The Issuer and/or its affiliates may enter into hedging or other transactions (i) relating to the Underlying or component securities of the Underlying or (ii) with issuers of component securities of the Underlying. The Issuer or its affiliates may also publish research or other reports relating to the Underlying or component securities of the Underlying. Any such activities may have a positive or negative effect on the value of Notes relating to such Underlying. In undertaking any such activities, neither the Issuer nor any affiliate of the Issuer is under any obligation to consider the interests of the Noteholders. In addition, the Issuer may assume roles as hedging counterparty or calculation agent under the Notes. In respect of any of these roles the Issuer may have interests that conflict with the interests of Noteholders. The Dealer may pay (for so long as the Notes remain outstanding) on a regular basis to a counterparty which is an insurance undertaking a fee of 1.15 per cent. per annum of the aggregate principal amount of the Notes subscribed by such entity prior to the Strike Date (the "**fee**").

RISK FACTORS

This section provides details of the principal risks associated with the Issuer and the Notes.

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the industry in which the Issuer operates, together with all other information contained in this Prospectus, including, in particular the risk factors described below and the risk factors set in the HBCE Registration Document First Amendment, incorporated by reference herein. The Issuer considers such risk factors to be the principal risk factors that may affect its ability to fulfil its obligations under the Notes and/or risk factors that are material for the purposes of assessing the market risk associated with the Notes (as applicable). Words and expressions defined in the General Conditions or elsewhere in this Prospectus have the same meanings in this section.

In particular, investors should be aware that repayment of any amount invested and any return on investment is not guaranteed. ***Accordingly, investors may receive back less capital than the amount initially invested in the Notes and, in the worst case, investors may lose up to all of their invested amount.***

Investors should note that the risks relating to the Issuer, the industry in which it operates and Notes summarised in the section of this Prospectus entitled "Summary" are the risks that the Issuer believes to be those key to an assessment by an investor of whether to consider an investment in the Notes. However, as the risks which the Notes are subject to and which the Issuer faces relate to events and depend on circumstances that may or may not occur in the future, investors should consider not only the information on the key risks summarised in the section of this Prospectus entitled "Summary" but also, among other things, the other risks and uncertainties described below.

Additional risks and uncertainties relating to the Issuer or the Notes that are not currently known to the Issuer, or that the Issuer currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer, the level of the index underlying the Notes or the Notes themselves, and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Prospectus and their personal circumstances.

1. Risks relating to the Issuer

A description of the risk factors relating to the Issuer that may affect the ability of the Issuer to fulfil its obligations under the Notes are set out in the section entitled "*Risk Factors*" on pages 13 to 24 of the HBCE Registration Document First Amendment (each as defined in the section of this Prospectus entitled "*Documents Incorporated by Reference*").

2. Resolution and Insolvency Risks relating to Notes issued by the Issuer

2.1 Bank Recovery and Resolution Directive

Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014, as amended (the "**BRRD**"), notably by Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 and by Regulation (EU) 2022/2036 of the European Parliament and of the Council of 19 October 2022 as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and by Directive 2024/1174 of the European Parliament and of the Council of 11 April 2024 as regards certain aspects of the minimum requirement for own funds and eligible liabilities, establishes a framework for the recovery and resolution of credit institutions and investment firms.

The BRRD is designed to provide the resolution authorities with a set of tools to intervene early and swiftly in the affairs of an unsound or failing bank to ensure the continuity of the bank's critical financial and economic functions, whilst minimising the impact of a bank's failure on the economy and financial system.

Substantial powers are granted under the BRRD to the resolution authority, which, with respect to HBCE, is the SRB (as defined below) (the "**Resolution Authority**"). These powers enable the Resolution Authority to implement various resolution measures (including, but not limited to, the bail-in tool) with respect to a credit institution subject to its powers (which is the case of HBCE, for more details in this respect, please refer to the paragraph entitled "*Single Resolution Mechanism*" below) in circumstances in which the Resolution Authority determines that such credit institution is failing or likely to fail, within the meaning of the BRRD. A credit institution will be considered as such if one of the following conditions is met or if there are objective elements to support a determination that such entity will, in the near future, meet one of the following conditions:

(i) it infringes the requirements for continuing authorisation;

(ii) its assets are less than its liabilities;

(iii) it is unable to pay its debts or other liabilities as they fall due; or

(iv) extraordinary public financial support is required (except in order to remedy a serious disturbance in the economy and preserve financial stability upon certain conditions being met).

Powers granted to the Resolution Authority under the BRRD include the following resolution tools: (i) to direct the sale of the relevant financial institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply; (ii) to transfer all or part of the business of the relevant financial institution to a "bridge bank" (a publicly controlled entity); (iii) to transfer the assets of the relevant financial institution to an asset management vehicle to allow them to be managed over time; and (iv) the bail-in tool.

The BRRD also provides for certain ancillary powers, such as the power to: (i) modify contractual arrangements in certain circumstances (which could include a variation of the terms of the Notes); (ii) impose temporary suspension of payments; (iii) suspend enforcement or termination rights that might be invoked as a result of the exercise of the resolution powers.

Noteholders should assume that, in a resolution situation, financial public support will only be available to a relevant entity as a last resort after the Resolution Authority has assessed and used, to the maximum extent practicable, the resolution tools, including the bail-in tool.

The exercise of any resolution power or any suggestion of any such exercise could materially adversely affect the value of any Notes and could lead to Noteholders losing some or all of the value of their investment in the Notes.

2.2 The Resolution Authority may exercise the bail-in tool in respect of HBCE and Notes, which may result in Noteholders losing some or all of their investment

One of the resolution tools granted to the Resolution Authority under the BRRD is the bail-in tool, which gives the Resolution Authority the power to write-down all or a portion of the principal amount of, or interest on, certain unsecured liabilities (such as the Notes) of a failing financial institution and/or to convert such liabilities into another security, including equity instruments of the surviving entity, if any, or another person. The bail-in tool can be used to recapitalise an institution that is failing or likely to fail (determined in the conditions described above), allowing authorities to restructure it through the resolution process and restore its viability after reorganisation and restructuring.

Where the relevant statutory conditions for use of the bail-in tool have been met, the Resolution Authority would be expected to exercise these powers without the consent of the Noteholders. Any such exercise of the bail-in tool in respect of HBCE and the Notes may result in the cancellation of all, or a portion, of the principal amount or face value of, interest on, or any other amounts payable on, the Notes and/or the conversion of the Notes into shares or other Notes or other obligations of HBCE or another person, or any other modification or variation to the terms of the Notes.

The BRRD specifies the order in which the bail-in tool should be applied, reflecting the hierarchy of capital instruments under Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 (as amended ("**CRD**"), notably by Directive (EU) 2019/878 of 20 May 2019 amending CRD as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures, and as implemented into French law, and by Directive (EU) 2024/1619 of the European Parliament and of the Council of 31 May 2024 amending CRD as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks) and otherwise respecting the hierarchy of claims in an ordinary insolvency proceeding. Accordingly, pursuant to French insolvency laws, when applying the bail-in tool, the Resolution Authority must reduce or cancel in the following order: (i) common equity tier one; (ii) additional tier one instruments; (iii) tier two instruments; (iv) subordinated debts other than the ones mentioned in (i) to (iii), pursuant to the hierarchy applicable under a normal insolvency proceeding under French law; (v) remaining liabilities (other than those mentioned in (vi)) which may be subject to the bail-in tool or amounts due under such liabilities, pursuant to the hierarchy applicable under a normal insolvency proceeding under French law; and (vi) amounts due to preferred or guaranteed creditors.

The exercise of the bail-in tool in respect of HBCE and the Notes or any suggestion of any such exercise could materially adversely affect the rights of the Noteholders, the price or value of their investment in the Notes and/or the ability of HBCE to satisfy its obligations under the Notes and could lead to Noteholders losing some or all of the value of their investment in such Notes. The bail-in tool contains an express safeguard (known as 'no creditor worse off') with the aim that shareholders and creditors do not receive a less favourable treatment than they would have received in ordinary insolvency proceedings. However, even in circumstances where a claim for compensation is established under the 'no creditor worse off' safeguard in accordance with a valuation performed after the resolution action has been taken, it is unlikely that such compensation would be equivalent to the full losses incurred by the Noteholders in the resolution and there can be no assurance that Noteholders would recover such compensation promptly.

The European Commission has published a proposal for a Directive of the European Parliament and of the Council amending BRRD as regards to early intervention measures, conditions for resolution and financing of resolution action (2023/0112(COD)), which intends, among other things, to change the creditor hierarchy with the aim to better protect depositors. Although this proposal should not affect the Notes in the creditor hierarchy, its overall impact over the Notes cannot be assessed at this stage.

2.3 Single Resolution Mechanism

The BRRD is complemented by the directly binding Regulation (EU) no. 806/2014 of the European Parliament and of the Council of 15 July 2014 (as amended, the "**SRM Regulation**"), establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a single resolution mechanism (the "**SRM**") and a single resolution fund (the "**SRF**"), which has applied since 1 January 2016 and was amended by Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms (applicable since 28 December 2020) and by Directive 2024/1174 of the European Parliament and of the Council of 11 April 2024 as regards certain aspects of the minimum requirement for own funds and eligible liabilities.

Since 2014, the European Central Bank (the "**ECB**") has assumed supervisory tasks and responsibilities within the framework of the single supervisory mechanism adopted by the European Union (the "**Single Supervisory Mechanism**") with respect to credit institutions established in the Euro-zone or in non-Eurozone countries that elect to participate in the Single Supervisory Mechanism.

The SRM Regulation applies to entities covered by the Single Supervisory Mechanism. According to the selection criteria of the ECB, HBCE has been designated as a significant supervised entity for the purposes of article 49(1) of the SRM Regulation and is therefore subject to the SRM Regulation as the primary recovery and resolution rules, instead of the French implementation measures relating to the BRRD.

The SRM Regulation established a single European resolution board (the "**SRB**"), as the central resolution authority, having resolution powers over the institutions that are subject to the SRM Regulation and, together with the relevant national authorities (which, with respect to France, is the French *Autorité de contrôle prudentiel et de résolution*, the "**ACPR**"), forms the SRM. Decision-making is centralised with the SRB working closely with the European Commission, the ECB, the EBA and national resolution authorities.

The SRB (together with the relevant national resolution authorities) draws up and adopts a resolution plan for the entities subject to its powers, including HBCE. The SRB also determines, after consultation with competent authorities, the minimum requirement for own funds and eligible liabilities specific for each institution. The SRB may use the powers of early intervention as set forth in the SRM Regulation, including the power to require an institution to contact potential purchasers in order to prepare for resolution of institution.

The SRB has the authority to exercise the specific resolution powers pursuant to the SRM similar to those of the national authorities under the BRRD (as the SRM Regulation mirrors the BRRD). The resolution tools available for the SRB include the sale of business tool, the bridge institution tool, the asset separation tool and the bail-in tool. In addition, the SRB may exercise the 'write-down and conversion power' in respect of capital instruments and internal eligible liabilities (such power is described in more details in risk factor 2.2 (*The Resolution Authority may exercise the bail-in tool in respect of HBCE and Notes, which may result in Noteholders losing some or all of their investment*). The SRB is also granted the authority to instruct the relevant national resolution authorities (which, with respect to France, is the ACPR) within the SRM to use the same resolution tools in respect of an entity subject to the SRM.

2.4 French Insolvency Law

HBCE is incorporated in France as a *société anonyme* and authorised in France as a credit institution. In the event that HBCE becomes insolvent, pursuant to Articles L. 613-31-1 et seq. of the French Code monétaire et financier, insolvency proceedings will be generally governed by the insolvency laws of France.

Pursuant to Article L. 613-27 of the French Code *monétaire et financier*, safeguard, judicial reorganisation or liquidation procedures may be opened against a credit institution with the prior consent of the ACPR (avis conforme) and competent French courts are bound by such decision.

The Directive (EU) 2019/1023 of the European Parliament and of the Council of 20 June 2019 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 was implemented into French law by the Ordonnance no. 2021-1193 dated 15 September 2021. Although such directive excludes credit institutions from its scope, the Ordonnance does not make such exclusion. Therefore, the following would apply with respect to HBCE. The Ordonnance, applicable as from 1 October 2021, amends French insolvency laws notably with regard to the process of adoption of restructuring plans under insolvency proceedings. According to this Ordonnance, "affected parties" (including notably creditors, and therefore the Noteholders) shall be treated in separate classes which reflect certain class formation criteria for the purpose of adopting a restructuring plan. Classes shall be formed in such a way that each class comprises claims or interests with rights that reflect a sufficient commonality of economic interest based on verifiable criteria. Noteholders will no longer deliberate on the proposed restructuring plan in a separate assembly, meaning that they will no longer benefit from a specific veto power on this plan. Instead, as any other affected parties, the Noteholders will be grouped into one or several classes (with potentially other types of creditors) and their dissenting vote may possibly be overridden: (i) by a cram down inside their class if grouped with other creditors; or (ii) by a cross-class cram down between classes.

Should such proceedings be opened, the commencement of insolvency proceedings against HBCE would have a material adverse effect on the market value of Notes issued by HBCE. As a consequence, any decisions taken by a class of affected parties could negatively and significantly impact the Noteholders and cause them to lose all or part of their investment, should they not be able to recover all or part of the amounts due to them from HBCE.

3. Risks relating to the Notes generally

Set out below is a description of the principal risks that should be taken into consideration by investors in the Notes.

3.1 Credit Risk

(i) *Issuer Credit Risk*

The Notes are direct, unsecured and unsubordinated obligations of the Issuer and not of any other person. If the Issuer's financial position were to deteriorate, there could be a risk that the Issuer would not be able to meet its obligations under the Notes (the Issuer's "**credit risk**"). If the Issuer becomes insolvent or defaults on its obligations under the Notes, **in the worst case scenario investors in the Notes could lose all of their invested amounts**. Unlike a savings account or similar investment, an investment in the Notes is not covered by any deposit guarantee or compensation scheme (such as the UK Financial Services Compensation Scheme or the French *Fonds de Garantie des Dépôts et de Résolution*).

Investors should be aware that any rating of the Issuer reflects the independent opinion of the relevant rating agency and is not a guarantee of the Issuer's credit quality. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by its assigning rating agency at any time.

(ii) *The Notes are unsecured obligations*

It will be particularly important for the investor to evaluate the Issuer's credit risk when considering an investment in the Notes as the Notes are not secured. If the Issuer became unable to pay amounts owed to the investor under the Notes, such investor does not have recourse to the Underlying (as defined below) or any other security or collateral and, **in a worst-case scenario, may not receive any payments under the Notes**.

3.2 Risks related to linkage to the Underlying and potential limitations on return

The Notes are linked to the Euronext Transatlantic Sector Titans Decrement 5% index (the "**Underlying**"). Investors should be aware of the following risks related to the dependence on the performance of the Underlying.

(i) *The Notes are not ordinary debt securities and investors are exposed to the risks relating to the Underlying*

An investment in the Notes is not an equivalent to an investment in a time deposit. The terms of the Notes differ from those of ordinary debt securities including because the Notes do not pay interest and, on redemption, depending on the performance of the Underlying, the Notes may return less than the amount invested or substantially less than the invested amount.

The repayment of any amount invested in Notes and any return on investment is variable and not guaranteed. Unlike a savings account or similar investment with a lower return and little or no capital risk, the Notes may potentially have a greater return but there is a greater risk of loss of capital. **As a result, an investor's return may be less than the amount initially invested.**

Payment at maturity (and/or payment on early redemption in certain circumstances) depends on the performance of the Underlying. Investors should therefore be prepared to be exposed to the risks related to the Underlying. The level of the Underlying can alter sharply because it reflects the performance of the underlying value and other market conditions. Therefore, there is a risk that, if the level of the Underlying does not move in the anticipated direction, **the Notes may return less than the amount invested and, in a worst case scenario, investors could lose up to a substantial amount of their entire invested amount**.

The Issuer cannot predict the level of the Underlying on any date during the life of the Notes or at maturity. The total return of the Notes may be less than other fixed rate instruments, including other securities available directly from the Issuer. Investors should compare the rates of return and other features of the Notes to other available investments before deciding to purchase the Notes.

(ii) *Past performance of the Underlying*

Past performance of the Underlying should not be taken as an indication of future performance of the Underlying. None of the Issuer or the Dealer can provide any assurance that the performance of the Underlying will result in a positive return on any investment.

(iii) *No investigation has been made of the financial condition of any issuer of the component securities of the Underlying*

No investigation has been made of the financial condition of any issuer of any component securities of the Underlying in connection with the issue of the Notes. Investors in the Notes should obtain and evaluate the same information concerning the component securities of the Underlying and each such issuer as they would if they were investing directly in such component securities. In addition, investors should understand that the historical performance of such component securities should not be viewed as predictive of future results.

(iv) *Capital risks relating to Notes*

The terms and conditions of the Notes do not provide for the principal to be fully repaid in all scenarios, and therefore the repayment of any amount invested in Notes and any return on investment is not guaranteed. **As a result the investors' capital can fall below the amount initially invested in such Notes and, in the worst case, the investors may lose all of their entire invested amount.**

In any event, any conditional principal protection is additionally subject to the Issuer's credit risk (see risk factor 3.1 (*Credit Risk*) above).

(v) *An investment in the Notes is not the same as an investment in the Underlying*

An investment in Notes relating to the Underlying is not the same as an investment in the Underlying and the value of the Notes is not expected to correlate with the value of the Underlying. The Notes do not confer any legal or beneficial interest in the component securities of the Underlying and do not provide a Noteholder with any of the rights that a holder of such Underlying may have (such as voting rights and rights to receive dividends).

(vi) *Pricing*

Amounts payable in respect of the Notes will be calculated in accordance with the terms and conditions of the Notes included in this Prospectus (a description of the potential return on the Notes is provided in the section of this Prospectus entitled "*Worked Examples*").

The level of the Underlying or price of any component security may fluctuate throughout the trading day or any relevant observation dates, and may change rapidly. As a result, investors should note that the return on the Notes may be particularly sensitive to the choice of valuation methods. The "price discovery" mechanism used to ascertain the value of the underlying at any given time on venues may not be uniform throughout the trading day. This may affect the valuation of any issuance of Notes. For example, related exchanges may conduct auctions to set an opening or closing price, and trading characteristics and participants in after-hours trading sessions may differ from those during regular hour sessions.

As a result, investors may receive less than would have been the case had an alternate valuation methodology been specified.

(vii) *Market Disruption Events*

Investors in the Notes are subject to the risk that a Market Disruption Event will occur in relation to the Underlying. A Market Disruption Event may occur in respect of Notes if, as determined by the Calculation Agent: a related stock exchange closes early without notice; limitations are imposed on trading; trading is suspended; or market participants are prevented from obtaining valuations or effecting transactions.

If the Calculation Agent determines that a Market Disruption Event has occurred, then this will result in the occurrence of a Disrupted Day in relation to the Underlying, the consequences of which are discussed in the immediately following paragraphs.

(viii) *Disrupted Day*

Investors in Notes are subject to the risk that a Disrupted Day may occur in relation to the Underlying. A Disrupted Day may occur if, as determined by the Calculation Agent, a related stock exchange fails to open for trading during its regular trading session; or on which a Market Disruption Event has occurred; or if an index sponsor fails to publish the level of an index.

If the Calculation Agent determines that a Disrupted Day has occurred, the Calculation Agent may postpone the Valuation Date for the affected Index to a later date which is not a Disrupted Day, **provided that** such Valuation Date will not be postponed beyond the eighth consecutive Scheduled Trading Day after the Scheduled Valuation Date (the "**Limit Valuation Date**"). If the Calculation Agent postpones the Valuation Date, the due dates for any payments in respect of Notes (including, without limitation, the maturity date or, if applicable, an autocall redemption date) may also be postponed. Any such postponement may have an adverse effect on the value of such Notes.

(ix) *Additional Disruption Events*

Investors intending to purchase Notes should note that Additional Disruption Events may occur in relation to the Notes in certain circumstances. If any Additional Disruption Event occurs in relation to the Notes, then the Issuer will determine whether or not the Notes shall continue and, if so, the Calculation Agent shall determine any adjustments to be made. If the Issuer determines that the Notes shall be redeemed, then the Issuer will declare a valuation date and designate a redemption date in respect of the Notes and the Noteholders will receive a redemption amount based on the determinations made by the Calculation Agent.

The following Additional Disruption Events shall apply:

- "**Change in Law**" may occur where the Issuer determines that (A) due to the adoption of or any change in any applicable law or regulation, or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation, (x) it will, or there is a substantial likelihood that it will, with the passing of time, or has become illegal for the Issuer or any of its designated affiliates to hold, acquire or dispose of or realise, recover or remit the proceeds of the sale of disposal of components of the Underlying or any transaction(s) or asset(s) it deems necessary to hedge the equity price risk or any other relevant price risk including, without limitation, any currency risk, of the Issuer issuing and performing its obligations with respect to the Notes, (y) it has become illegal for the Issuer or any of its designated affiliates to hold, acquire, purchase, sell or maintain one or more (i) positions or contracts in respect of any securities, options, futures, derivatives or foreign exchange in relation to such Notes, or in relation to the hedging activities of the Issuer or any of its designated affiliates in connection with the Notes, (ii) stock loan transactions in relation to such Notes or (iii) other instruments or arrangements held by the Issuer or any of its designated affiliates in order to hedge, individually or on a portfolio basis, such Notes or (z) the Issuer or any of its designated affiliates will incur a materially increased cost in performing its obligations under the Notes;

- "**Hedging Disruption**" may occur if the Issuer or its affiliates become unable or it is not reasonably practicable or is undesirable for the Issuer or its affiliates to, amongst other things, conduct any hedging transactions in relation to the Notes; and

- "**Increased Cost of Hedging**" may occur where the Issuer or its affiliates would incur a materially increased cost, other than as a consequence of deterioration in its own creditworthiness, in connection with hedging of its obligations under the Notes.

Upon the occurrence of such redemption prior to the originally scheduled Maturity Date, Noteholders may suffer loss of some or of all of their investment and will forego any future performance in the Underlying that may occur following such redemption. If an early redemption date is designated in respect of a Note, there is no guarantee that investors will be able to reinvest the proceeds from the Notes at a comparable return for a similar level of risk.

(x) *Capped Return*

The terms and conditions of Notes provide that the return payable on the Notes is subject to a maximum return of 64 per cent. (i.e. the "Digital Rate"). The exposure to the positive performance of the Underlying is limited by such maximum return and accordingly, investors could forgo a return that could have been made had they invested in a product without a similar maximum return.

3.3 Risks of adjustments and/or redemption prior to maturity

(i) *Illegality*

Investors in the Notes are subject to the risk that the Issuer may terminate its obligations under the Notes if the Calculation Agent determines acting in good faith and a commercially reasonable manner that the performance of the Issuer's obligations under such Notes (or the Issuer's designated affiliates' obligations under any hedging or funding arrangement established in connection therewith) shall after the Trade Date have become unlawful or impracticable in whole or in part. Following such a determination of illegality, the Issuer may redeem the Notes against payment of an amount determined by the Calculation Agent equal to the Fair Market Value of such Notes immediately prior to such redemption. The Fair Market Value of a Note will be adjusted to account fully for any reasonable expenses and costs incurred by the Issuer and/or its designated affiliates in connection with the Issuer's obligations under the Notes or any related hedging and/or funding arrangements as a result of such events.

Noteholders may suffer a loss of some or all of their investment. As a result of early redemption, investors in the Notes will forgo any future performance in the Underlying.

Furthermore, the Conditions provide that it shall not be a default for the Issuer to withhold or refuse any payment of any principal or other amount under the Notes (1) if the Issuer determines, acting in good faith and in a commercially reasonable manner, that there is a material risk of the payment being contrary to any fiscal or other law or regulation or the order of any court of competent jurisdiction, or any statement, guidance, policy, recommendation or interpretation of any governmental or regulatory body (whether or not having the force of law), in each case applicable to such payment; or (2) in cases of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice given at any time by independent legal advisers as to such validity or applicability. So long as such circumstances are continuing, investors in the Notes may not receive any such payments in respect of them and will not be entitled to any additional payments of interest or otherwise as a result of such withholding or refusal.

(ii) *Early Redemption for Taxation Reasons*

Noteholders are subject to the risk that the Issuer may terminate its obligations under the Notes if the Issuer determines that it would be required to gross-up payments to the holders following a withholding or deduction required by law of taxes, duties, assessments or governmental charges imposed or levied by or on behalf of France. Following such a determination, the Issuer may terminate its obligations under the Notes against payment of the Fair Market Value of such Notes immediately prior to such termination. The Fair Market Value of a Note will be adjusted to account fully for any reasonable expenses and costs incurred by the Issuer and/or its affiliates in connection with the Issuer's obligations under the Notes, unwinding any underlying and/or related hedging and/or funding arrangements as a result of such events. Noteholders may suffer a loss of some or all of their investment as a result of such early termination and will forego any future performance in the Underlying.

(iii) *Early Redemption upon the occurrence of an Event of Default*

If the Notes have become immediately due and payable following an Event of Default (as defined in the General Conditions of the Base Prospectus (which are incorporated by reference into this Prospectus)) with respect to the Notes such Notes may be redeemed early against payment of the Fair Market Value of such Notes immediately prior to such redemption. The Fair Market Value of a Note will be adjusted to account fully for any reasonable expenses and costs incurred by the Issuer and/or its affiliates of unwinding any underlying and/or related hedging and/or funding arrangements. Noteholders may suffer a loss of some or all of their investment as a result of such early redemption and will forego any future performance in the Underlying.

3.4 Regulation of benchmarks may lead to future reforms or discontinuation

Indices which are deemed "benchmarks" have been subject to significant regulatory scrutiny and legislative intervention in recent years. This relates not only to creation and administration of benchmarks, but, also to the use of a benchmark rate. In the EU, for example, Regulation (EU) No. 2016/1011, as amended (the "**EU Benchmarks Regulation**") applies to the provision of, contribution of input data to, and the use of, a benchmark within the EU, subject to certain transitional provisions. Similarly, Regulation (EU) No. 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**") applies to the provision of, contribution of input data to, and the use of, a benchmark within the UK, subject to certain transitional provisions.

Legislation such as the EU Benchmarks Regulation or the UK Benchmarks Regulation, if applicable, could have a material impact on Notes linked to a benchmark such as the Underlying, for example, if its methodology or other terms are changed in the future in order to comply with the terms of the EU Benchmarks Regulation or UK Benchmarks Regulation or other similar legislation, or if a critical benchmark is discontinued or is determined by a regulator to be "no longer representative". Such factors could (amongst other things) have the effect of reducing or increasing the level or may affect the volatility of the published level of the benchmark. They may also have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks", or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

(i) *A Benchmark Trigger Event could occur in relation to the Notes*

A "**Benchmark Trigger Event**" (as defined in the General Conditions of the Base Prospectus (which are incorporated by reference into this Prospectus)) may occur in relation to the Notes which are linked to a "benchmark" in a number of scenarios, including:

- where there is an event or circumstance which has the effect that the Issuer or the Calculation Agent is not or will not be, permitted under any applicable law or regulation to use a benchmark to perform its or their obligations under the Notes; or

- certain other events (including, without limitation, an announcement by or on behalf of the administrator, regulatory supervisor for the administrator, the central bank for the currency of a benchmark, an insolvency official with jurisdiction over the administrator for a benchmark, a resolution authority with jurisdiction over the administrator for a benchmark or a court or an entity with similar insolvency or resolution authority over the administrator of a benchmark that such benchmark has ceased or will cease to be provided permanently or indefinitely) determined to have occurred by the Issuer.

(ii) *Determination of a Benchmark Trigger Event*

The circumstances with respect to the Underlying that may lead to the occurrence of a Benchmark Trigger Event are beyond the Issuer's control. However, in all cases, the Issuer will make a determination as to whether the relevant circumstances have arisen.

In making a determination as to whether the occurrence of the relevant circumstances constitute a Benchmark Trigger Event the Issuer may take into consideration any factors the Issuer considers relevant to such determination (including prevailing market practice and the impact of such circumstances on any related hedging arrangement of the Issuer and/or its affiliates) and may exercise its discretion and make subjective judgements. The Issuer is under no obligation to act in the best interests of the holders of the Notes in making such determination, and there is no guarantee that the determinations made by the Issuer will lead to the best possible outcome for investors.

(iii) *Consequences of the occurrence of a Benchmark Trigger Event*

The occurrence of a Benchmark Trigger Event in relation to the Underlying to which the Notes are linked could result in such Underlying being deemed replaced (for the purposes of the Notes) with an alternative benchmark (a "**Replacement Index**") selected by the Issuer, adjustment to the terms and conditions of the Notes, early redemption, discretionary valuation by the Issuer and/or the Calculation Agent, delisting or other consequences in relation to Notes linked to such Underlying.

There can be no assurance that the amounts payable to investors in relation to any Notes following the application of a Replacement Index, and any related adjustments to the terms and conditions of the relevant Notes, will correspond with the amounts that investors would have received if the original Underlying had continued to apply, and investors may accordingly receive less than they would otherwise have received.

3.5 Risk of automatic early redemption

The Notes will be early redeemed prior to scheduled maturity on an Autocall Redemption Date (as specified in "*Specific Terms*") if the performance of the Underlying meets or exceeds the relevant Autocall Level on an Autocall Valuation Date (all as specified in "*Specific Terms*"). In such case, investors in such Notes may forego any future payments as well as any appreciation or depreciation (as applicable) in the Underlying.

3.6 Currency Related Risks

(i) *FX Disruption Event*

Investors in the Notes should be aware that, following the occurrence of a FX Disruption Event (as defined in the General Conditions of the Base Prospectus (which are incorporated by reference into this Prospectus)) the Issuer may (a) elect to redeem the Notes against payment of an amount determined by the Calculation Agent to be the Fair Market Value per Note (which shall deduct the cost to the Issuer of unwinding any underlying and/or related hedging and/or funding arrangements) and such amount may be less than any amount received at maturity and may result in a loss to the investors, or (b) instruct the Calculation Agent to make such adjustments to the terms and conditions of the Notes as it determines to be necessary or desirable to reflect any market practice which develops in respect of the FX Disruption Event.

As a result of any such adjustment, Noteholders may suffer a loss of some or all of their investment and may forego any future performance in the Underlying. If an early redemption date is designated in respect of the Notes, there is no guarantee that investors will be able to reinvest the proceeds from such Notes at a comparable return for a similar level of risk.

(ii) *Exchange control risks*

Investors in Notes should also be aware that there is the risk that authorities with jurisdiction over the Investor's Currency (as defined below in risk factor 3.6(iv) (*Investor converting amounts paid in the Settlement Currency into the Investor's Currency*)) or Settlement Currency such as government and monetary authorities may impose or modify (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or transfer of funds in and out of the country. It is impossible to predict whether the value of one such currency relative to another will rise or fall during the term of the Notes.

As a result of exchange controls and restrictions the Issuer may not be able to make payments under the Notes in the Settlement Currency and will therefore pay the equivalent of the amounts due under the Notes in U.S. dollars. Investors in the Notes may therefore receive payment in a different currency than the currency expected, and may forgo any future performance of the Settlement Currency.

(iii) *Payment of Alternative Payment Currency Equivalent*

If the relevant clearing system(s) ceases to accept payments in the Settlement Currency (a "**Clearing System Currency Eligibility Event**"), then, if by reason of a FX Disruption Event or a Clearing System Currency Eligibility Event, the Issuer is not able to satisfy its obligations to pay any amounts due under the relevant Notes in the Settlement Currency, then the Issuer is entitled to make the payments in U.S. dollars.

(iv) *Investor converting amounts paid in the Settlement Currency into the Investor's Currency*

If an investor anticipates that it will need to convert payments made under the Notes from the Settlement Currency into a currency of its choice (the "**Investor's Currency**") (for instance, if other obligations of the investor are payable in the Investor's Currency), then the investor is subject to the risk that the currency conversion rate which it must pay for exchanging the Settlement Currency into the Investor's Currency becomes less attractive and therefore decreases the realisable value of its investment. It is impossible to predict whether the value of one such currency relative to another will rise or fall during the term of the Notes.

An appreciation in the value of the Investor's Currency relative to the Settlement Currency at any time would decrease (i) the value of any redemption payable to the investor and (ii) the market value of the Notes, in each case where converted into the Investor's Currency at that time. **As a result, the amount that the investors receive in respect of the Notes, as converted, may be less than expected or zero.**

3.7 **Risks relating to disposal of Notes prior to maturity**

(i) *There may be no active trading market or secondary market liquidity for the Notes*

The Notes will be new securities which may not be widely distributed and for which there is no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar Notes, general economic conditions, commissions paid by the Issuer and the financial condition of the Issuer and existing liquidity arrangements (if any) might not protect Noteholders from having to sell the Notes at substantial discounts to their principal amount in case of financial distress of the Issuer. In addition, the ability of the Dealer to make a market in the Notes may be impacted by changes in regulatory requirements applicable to the marketing, holding and trading of, and issuing quotations with respect to, the Notes. Accordingly, the investor is subject to the risk that its investment in the Notes may be difficult or impossible to trade. If a market does develop, it may not be very liquid and such liquidity may be sensitive to changes in financial markets.

It is not possible to predict whether any trading market for the Notes will develop or, if it does, the price at which Notes will trade in the secondary market or whether such market will be liquid or illiquid. Also, to the extent that Notes are redeemed or purchased and cancelled, the number of Notes outstanding will decrease, resulting in a lessening of the liquidity of the Notes. A lessening of the liquidity of the Notes may cause, in turn, an increase in the volatility associated with the price of the Notes. An investor in the Notes is subject to the risk, therefore, that to the extent that there is no liquid market in the Notes, an investor may have to wait until redemption of such Notes in order to realise the value of its investment and, as such, an investor should proceed on the assumption that they may have to bear the economic risk of an investment in the Notes until their maturity.

(ii) *Certain factors affecting the value and trading price of Notes*

The value of Notes prior to maturity is expected to depend on a number of factors including, without limitation: (i) the financial condition and funding costs of the Issuer; (ii) the value and volatility of the Underlying and liquidity of the Underlying; (iii) the time remaining to expiration or maturity; (iv) any change(s) in interest rates and dividend yields and inflation rates; (v) any change(s) in currency exchange rates; (vi) economic and market conditions and (vii) any related transaction costs. As a result of these factors the price at which a Noteholder will be able to sell the Notes prior to maturity may be less than the initial amount invested in the Notes. Each of these factors interrelate in complex ways (for example, one factor may offset an increase in the value of the Notes caused by another factor). Investors are subject to the risk that the value of Notes may be adversely affected by one or more of the following factors:

(a) *Fluctuations in the level of the Underlying*

Fluctuations in the level of the Underlying may affect the value of the Notes, but equally an investor in the Notes is subject to the risk that expectations of fluctuations in the level of the Underlying during the remaining period to the maturity of the Notes or any earlier redemption would adversely affect amounts payable in respect of the Notes. The level of the Underlying may vary over time and may increase or decrease by reference to a variety of factors which may include corporate actions, macro-economic factors and speculation.

(b) *Interest rates*

Rising interest rates may lower the value of the Underlying, and thus, the value of the Notes. Changes in interest rates may also affect the economy of a country in which component securities of the Underlying are traded, and which may adversely affect the value of the Notes.

(c) *Volatility of Underlying*

If the size and frequency of market fluctuations in value of the Underlying increase or decrease, the trading value of the Notes may be adversely affected.

(d) *Time remaining to maturity*

The Notes may trade at a value above that which would be expected based on the level of interest rates and the level of the Underlying. Any such difference will reflect a "time premium" resulting from expectations concerning the Underlying during the period prior to the maturity of the Notes. An investor in the Notes should be aware of the risk that, as the time remaining to the redemption the Notes decreases, this time premium would likely decrease, which would adversely affect the value of the Notes.

(iii) *The offer price of the Notes may not reflect the market implied credit risk of the Issuer*

The offer price of the Notes may be determined based on various factors including the Issuer's appetite for funding at the relevant time which may not reflect the market implied credit risk of the Issuer. In highly volatile market conditions, the credit spreads of the Issuer may be substantially higher than usual. In such a case, taking into account the Issuer's credit spreads, the offer price of the Notes may be substantially higher than (i) the Issuer's internal valuation and market implied value of the Notes as at the trade date of such Notes and (ii) the price of the Notes in the secondary market (if any). As a result, (a) the price at which a Noteholder purchases the Notes may be substantially higher than the market implied value of the Notes, and (b) the price at which a Noteholder may be able to sell the Notes in the secondary market (if any) may be substantially less than the amount invested in the Notes.

3.8 Potential conflicts of interest

The Issuer and/or affiliates of the Issuer may from time to time: (i) advise or engage in business with the issuers of or obligors in respect of component securities of the Underlying regarding transactions to be entered into by them; (ii) engage in transactions involving component securities of the Underlying for their proprietary accounts, for other accounts under their management or to facilitate client orders; (iii) carry out hedging activities related to the Notes by purchasing or entering into derivatives transactions relating to the Underlying or the component securities of the Underlying (but will not be obliged to do so); (iv) publish research reports relating to Underlying or component securities of the Underlying; or (v) have or acquire non-public information about Underlying or component securities of the Underlying. In undertaking any such activities, neither the Issuer nor any affiliate of the Issuer is under any obligation to consider the interests of the Noteholders and any such activities may have a negative effect on the level of such Underlying and therefore on the value of any Notes to which they relate.

In addition, the conditions of the Notes may provide for (a) the early redemption of the Notes, and/or (b) a lesser amount being payable in respect of the Notes, if the level of the Underlying exceeds, falls below, is equal to or does not stay within pre-determined reference levels ("**Threshold Events**"). The activities described in the preceding paragraph may cause such Threshold Events to be triggered, which could potentially have a negative impact on the value of any Notes to which they relate.

Certain affiliates of the Issuer or the Issuer itself may (i) be the counterparty to the hedge of the Issuer's obligations under the issue of the Notes; (ii) be the Calculation Agent responsible for making determinations and calculations in connection with the Notes; or (iii) publish research reports which express opinions or provide recommendations that are inconsistent with purchasing or holding the Notes referencing the Underlying and/or interest rates. Accordingly, there is a risk that certain conflicts of interest may arise both among the Issuer or these affiliates and between the interests of the Issuer or these affiliates and the interests of Noteholders.

3.9 Calculation Agent's discretion and valuations

Calculation of the amount payable in respect of redemption may be by reference to certain specified level(s) published by the index sponsor, or if, among other things, any such level(s) is not published, such level(s) determined by the Calculation Agent acting in good faith and a commercially reasonable manner, or otherwise, an exercise of its discretion in accordance with and pursuant to the terms and conditions of the Notes. The Calculation Agent may also have other discretionary powers (including without limitation, powers to (i) adjust terms and conditions of

Notes; (ii) in certain circumstances, substitute the Underlying; (iii) postpone payment; (iv) redeem the Notes prior to their scheduled maturity, as applicable; or (v) apply any combination of the foregoing).

Investors should be aware that the exercise of its discretionary powers as Calculation Agent (which may be the Issuer or an affiliate of the Issuer) under the conditions of the Notes, or (in circumstances where the Issuer has entered into hedging arrangements), as calculation agent under any related hedge, may have an adverse impact on the performance of the Notes, which may result in a lower return, or no return at all. The Calculation Agent shall have no obligations to the holders of Notes and all calculations and determinations made by the Calculation Agent in relation to the Notes shall (save in the case of manifest error at the time the relevant determination is made) be final and binding on the Issuer and all Noteholders. Further, the Calculation Agent may be permitted to use its proprietary models in setting the terms of an adjustment, and it may be difficult for investors to predict the resulting adjustments in advance. In such case, an investor would be subject to the risk that it would be difficult to verify that adjustments made to payments under the Notes are legitimate and consistent with the terms of an issue of Notes without expertise in applying valuation models.

3.10 **Fees, commission and cost of hedging**

Investors may be liable for distribution or other commissions or fees charged by the Issuer and/or its affiliates and/or the cost or expected cost of hedging the Issuer's obligations under the Notes (if any). Such fees, commissions and costs of hedging are included in the issue price of the Notes, investors will be exposed to the risk that the price at which they may be able to sell the Notes in any secondary market (including the price (if any) at which the Issuer or its affiliates may be willing to purchase Notes from the investor) would be lower than the original issue price. Such price differential may also be greater than may be the case if the investor had purchased a similar product from a different issuer as the issue price for the Notes will be determined by pricing models used by the Issuer or affiliates which may differ from comparable models used by other issuers.

3.11 **Hedging activities of the Issuer and affiliates**

The Issuer or its affiliates may carry out hedging activities relating to the obligations of the Issuer to make payments under the Notes, including purchasing component securities of the Underlying, but will not be obliged to do so. Certain of the Issuer's affiliates may also purchase and sell component securities of the Underlying on a regular basis as part of their securities businesses. Trading activity in relation to such securities (including those undertaken by the Issuer, either as part of its hedging activities or as part of their securities businesses) may affect the value of such Underlying or securities. For example, the Issuer's trading activities may contribute to increased demand for the securities which may lead to an increase in value (as the number of securities of any type available are limited to those in issue), or conversely may contribute to decreased demand for the securities, which may lead to a decrease in value. The value of an equity index is dependent on the value of the component securities of the Underlying, thus any effect on the value of the component securities of the Underlying (either positive or negative) may affect the value of such Underlying and, accordingly, the value of the Notes.

3.12 **Meetings of Noteholders**

The terms and conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. In addition, holders of Notes governed by French law will, in respect of all Tranches comprised in the same Series, be grouped automatically for the defence of common interests in a *Masse*. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority, so investors in the Notes are subject to the risk that the terms and conditions of such Notes may be modified without their consent.

3.13 **Change of law**

The Conditions are based on French law and (where applicable) French tax law in effect as at the date of this Prospectus. There is a risk that the interpretation and/or effect of the terms and conditions of the Notes may be subject to change in such a manner as to adversely affect the contractual rights of Noteholders.

3.14 **Clearing systems**

As Notes may be held by or on behalf of the relevant clearing system, Noteholders will be able to trade their interests only through the relevant clearing system. Noteholders will have to rely on the procedures of such clearing systems for transfer, payment and communication with the Issuer to receive payments under the Notes. Noteholders are therefore subject to the risk of those settlement procedures failing such that payments due under the Notes may be delayed and that book entries are entered incorrectly which may lead to difficulties with an investor asserting ownership of its Notes.

3.15 **Further and other issues of Notes**

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further notes to be consolidated with and form a single series with the outstanding Notes. In addition, the Issuer may issue other notes, warrants and/or other instruments, the value of which is linked to the Underlying. Any such issue of further notes or warrants may increase the availability of such instruments and consequently may have an adverse effect on the value of the Notes.

3.16 **The environmental, social or sustainable impact of the Underlying may not meet investor expectations**

There is a risk that the Underlying or component securities of the Underlying, may not satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any direct or indirect environmental, social or sustainable impact of the businesses or products of the Underlying or issuers of component securities of the Underlying. If such environmental, social or sustainable impact is a factor in an investor's decision to invest in Notes, investors should consult with their legal or other advisers before making an investment in such Notes.

4. **Specific risk factors relating to Notes linked to an Index**

4.1 **Risks of the "decrement" feature**

The value of and return on the Notes are linked to an Index which is a "total return index" with a "decrement" feature. In such a case, all dividends paid by the constituent shares in the Index are re-invested in the Index, which then makes a fractional point deduction to the Index on a daily basis, equivalent to the removal of an annual fixed dividend of a pre-defined amount (a "**Synthetic Dividend**"). The Synthetic Dividend is defined as a percentage of the Index level. A number of factors may adversely affect the value of and return on Notes linked to a "decrement" index. An index with a "decrement" feature typically:

(i) may underperform an equivalent "total return index" with the same underlying components as the latter may not reflect the deduction of a Synthetic Dividend; and

(ii) may underperform a "price return index" with the same components if the aggregate dividends paid by the underlying components is less than the Synthetic Dividend.

4.2 **Successor Index, Index Modification, Index Cancellation**

In certain circumstances, certain adjustments may be made to the Index, which may result in a loss to the Noteholders. The Issuer considers the following to be material risks of adjustment:

(i) the replacement of the relevant Index by a successor index if the relevant Index is not calculated or announced by the relevant Index Sponsor or is replaced by a successor index;

(ii) the modification of the relevant Index by the relevant Index Sponsor which may have a material effect on the Notes (including, any adjustments made in respect of the underlying components thereof); and

(iii) the cancellation of the relevant Index by the relevant Index Sponsor which may result in either (A) the redemption of the Notes upon payment of such amount as may be determined by the Calculation Agent to be the Fair Market Value of the Notes immediately prior to such redemption; or (B) the continuation of the Notes, in which case the relevant level of the Index will be determined by the Calculation Agent.

As a result of any such replacement, modification or cancellation, Noteholders may suffer a loss of some or all of their investment and may forego any future performance in the Index. If an early redemption date is designated in respect of a Note, there is no guarantee that investors will be able to reinvest the proceeds from the Notes at a comparable return for a similar level of risk.

The methodology of an Index may rely on information from third-party sponsors of such data and other external and internal sources to obtain certain inputs necessary to compute the level of such Index. The inability of the relevant index administrator to source such necessary data to calculate the relevant formulae of the relevant Index may affect the level of such Index.

Notes may be exposed to more or less risk, or perform better or worse, based upon the inputs received from the above suppliers or sources, than an actual investment in or linked to one or more of the components of the relevant Index.

4.3 **Changes in market structure and/or increased investment in similar products may negatively affect the level of an Index**

As a result of changes in market structure and/or due to increased investment in products using the same or similar investment rationale to that of an Index and/or any underlying components thereof, the underlying market or economic characteristics that such Index and/or underlying components attempt to capture, measure or replicate may change, cease to exist, and/or lead to negative expected returns over any time period. This may have a negative impact on the level of such Index and/or underlying components and such Index and/or the relevant underlying components may not be adjusted to take account of any such changes. Any such change in market structure may have an adverse effect on the value of the Notes.

4.4 **An investment in an Index is not an investment in its underlying components**

An Index may be calculated as a "notional" index, which means that such Index is calculated by reference to the value of each of its underlying components. However, the strategy embedded in an Index may mean that any return on such index might be higher or lower than the aggregate performance of its underlying components. Therefore, even in the case of a positive performance of one or more of the underlying components, the performance of the relevant Index as a whole may be negative, which may have a negative impact on the returns on the Notes.

4.5 **There are risks related to the correlation of performance between the underlying components of an Index**

Correlation of the underlying components of an Index indicates the level of interdependence among the individual underlying components with respect to their performance. For example, if all of the underlying components (or the constituent assets of such underlying components) originate from the same sector and the same country or region, a high positive correlation may generally be assumed. Past rates of correlation of underlying components may not be determinative of future rates of correlation. Prospective investors should be aware that, although the underlying components may not appear to be correlated based on past performance, it may be that they suffer the same adverse performance following a general downturn or other economic and/or political event(s). Where underlying components are subject to high correlation, any move in performance of the underlying components may exaggerate the performance of the relevant Index and may in turn exaggerate any adverse effect on the value of, and return on, the relevant Notes.

4.6 **The Index may be subject to dilution, which may limit the gains under the Notes**

An Index may be subject to dilution, such that investors in any Notes may not benefit fully from increases or decreases (depending on whether the exposure is long or short) in the value of an underlying component. Dilution means that the return or loss on an investment is subject to a multiplier decreasing exposure to such investment and reducing the volatility and risk of loss should the value of such investment decline, but reducing the potential gain should the value of such investment increase. Investors in Notes should be aware that if the value of an underlying component increases or decreases, then the Notes may not have the same magnitude of increased or decreased value as such underlying component.

4.7 **The Index has a limited operating history and may perform in unanticipated ways**

The Index is a relatively new index. Where limited historical performance data exists with respect to the components referenced by such Index and/or such Index itself, any investment in respect of which returns are linked to the performance of such Index or its components may involve greater risk than an investment linked to returns generated by an investment index with a proven track record. While a longer history of actual performance could provide more reliable information on which to assess the validity of a strategy that the Index is intended to reflect and on which to base an investment decision, the fact that such an Index and/or the relevant components are relatively new would not allow this. There can be no guarantee or assurance that an Index or its components may operate in a manner consistent with the data available.

4.8 **Start Date and back-testing**

The administrator for an Index is likely to designate a start or commencement date of such Index ("**Start Date**"), on which the initial level of such Index is specified in its rules. The levels of such Index in the period from the Start Date to a date on which such Index is first published (being the "**Live Date**" (which may be materially later than the Start Date)) may be calculated on the basis of back-tested data using simulated analyses and hypothetical circumstances.

Levels in respect of the Index for such period, where back-tested data is used, may be hypothetical and may be calculated at or around the Start Date in accordance with the rules of such Index but using historical data available to such Index's administrator at the time of calculation to estimate how such Index may have performed prior to its actual existence. If such historical data is not available or is incomplete for any certain day, the relevant Index's administrator could potentially use alternate sources of data in place of such historical data, and/or may substitute alternative values (which may be determined by such administrator), as it deems necessary to calculate such hypothetical level of the relevant Index.

If no such historical data was available or complete, or if different sources or values were used in such back-testing, the levels of the Index for such period may be different, potentially materially so. Accordingly, the levels of the Index may not reflect the performance of, and are no guarantee or assurance in respect of the performance or returns of, such Index over any time period from the Start Date. Furthermore, any back-testing may be based on information and data provided to the administrator of such Index. Neither the Issuer nor the relevant Index's administrator provides any assurance or guarantee that the Index may operate or would have operated in the past in a manner consistent with those materials. Neither the Issuer nor the relevant Index's administrator may have independently verified or guaranteed the accuracy and/or the completeness of such information or data provided and is not responsible for any inaccuracy, omission, mistake or error in such information, data and/or back-testing. As such, investors should understand that back-testing may not be reliable and the Index may not perform as well as suggested by the back-testing.

4.9 **The administrator of an Index may have certain discretionary rights under the rules of such Index that may affect the performance of such Index**

The administrator of the Index, may have the right to make determinations, calculations, adjustments and modifications in relation to the relevant Index and related matters, which involve, in certain circumstances, a degree of discretion in order to ensure that the Index can, where reasonably practicable, continue to be calculated and determined notwithstanding the relevant circumstances or, to allow a delay or a cancellation of the Index (including, without limitation, upon the occurrence of certain adjustment events, certain dilutive or concentrative events or other market disruption events in relation to such Index and the components thereof). Such adjustments may include, without limitation, adjusting the composition of the Index which exposes investors in Notes to the risk that any component thereof may perform differently from the original underlying components, which may have an adverse effect on the performance of the Index.

Unless otherwise specified in the rules of the Index, the administrator of such Index may, as far as reasonably practicable, choose to exercise any such discretion with the aim of ensuring that such Index continues to reflect, as closely as possible, the underlying economic interest it is designed to represent. The exercise of these discretions may have a significant effect on the Index and the Notes. Investors in such Notes should note that they are exposed to the exercise by the administrator of the Index of such discretions and in exercising such discretions, the administrator of such Index has no obligation to consider the interests of any other person including (but not limited to) investors in such Notes. The administrator of the Index may be required to act using reasonable discretion, however, there can be no assurance that the exercise of any such discretion (or the absence of exercise, as the case may be) may not increase or decrease the level of the relevant Index and/or alter the volatility of such Index, which may have an adverse effect on the performance of such Index.

4.10 **The level of an Index references foreign currency exchange rates**

The calculation of the level of an Index may be made by reference to certain foreign currency exchange rates. Such currency exchange rates may be highly volatile and determined by and influenced by a number of factors, including supply and demand for currencies in the international foreign exchange markets, economic factors including inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts, international political factors, changes in balances of payments and trade, domestic and international rates of inflation, international trade restrictions, currency devaluations, currency convertibility, safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks, government policies. Furthermore, certain relevant information relating to relevant jurisdictions may not be as well-known or as rapidly or thoroughly reported worldwide. It is possible that there would be a lack of availability of important information that can affect the value of the one currency against another in respect of the relevant Index and/or its components, and special efforts may be required to obtain such information on a timely basis.

Any such circumstance (or a combination of them) may cause unexpected volatility or illiquidity in the foreign currency markets. This may affect the level of the Index and/or any underlying components, which may in turn have an adverse effect on the performance of the Notes.

4.11 **Weights and rebalancing periods**

The weighting applied to components of an Index may be determined by a rules-based algorithm. The correlation between an Index and its underlying components, and between the components themselves, may vary over time and may increase or decrease by reference to a variety of factors, which may include macro-economic factors and speculation. Additionally, an Index may rebalance periodically in accordance with its rules. The actual weight of each of the components following each rebalancing may be different than the initially assigned weights or weights as at the immediately preceding rebalancing, and therefore the relative contribution of each component to the overall level of the relevant Index may vary from time to time, depending on the performance of the components thereof relative to the other components since such immediately preceding rebalancing. The longer the period between each rebalancing, the greater the likelihood that there may be a significant variance between the absolute values of the weights of the relevant index components.

Some of the index components comprising the relevant Index may be assigned a weight or quantity of zero in respect of a rebalancing day and, in such case, such Index will not have any exposure to such component until the next rebalancing day (if any) on which such components are assigned a non-zero weight or quantity.

As such, the weightings and rebalancing periods may not be the best weightings or rebalancing periods possible to maximise the performance of the relevant Index and this may have an adverse effect on the value of such Notes.

Additionally, investors should note that an Index may specify that the weight of an underlying component may be less than zero (i.e. a short position in such underlying component). A short position in an underlying component means that such Index may have negative exposure to such underlying component and the level of such Index may be negatively affected if the value of such underlying component should increase and positively affected if the value of such underlying component should decrease. Therefore, investors in Notes should be aware that any investment linked to such an Index may decline in value in a period, even if the value of such underlying component increases during that timeframe. Further, given that short positions may create exposure to uncapped losses, increases in the value of such underlying component could result in a decrease in the level of the Index that is greater than the weight in respect of such Index component and may result in the level of such Index falling to zero.

4.12 The deduction of fees and costs may impact the performance of an Index and impact the value and return on the Notes

The calculation of the level of an Index may include a deduction for certain costs. Such costs may be calculated in accordance with the methodology specified in the rules of such Index. Any such deduction(s) shall mean that the level of the relevant Index is less than would be the case if no costs were deducted. Additionally, notional embedded costs may be included within the relevant Index and may reduce the level of such Index. Any such amounts may be deducted from the performance of the relevant Index with the intention of reflecting synthetically index servicing costs (which are applicable to the relevant Index rather than the components thereof and are applicable on an ongoing basis). This may result in a lower return on the relevant Notes compared to returns based on a comparable Index where such deductions are not made or such costs are not embedded.

4.13 Different methods for calculating volatility may give different results

There are different methods for calculating volatility of an Index. Using a different method from the method used for the purposes of the relevant Index may give a different result. The volatility targeting methodology (if any) specified in the rules of the Index may not succeed in achieving its object. This may have an adverse impact on the Notes.

4.14 Volatility and index risk

An Index may have a daily volatility adjustment feature, aiming to provide a volatility-controlled exposure to the components of such Index. This may have an impact on the level of such Index (for example, an increase in the realised volatility of an index component may decrease the exposure of the relevant Index to such component). Potential investors in Notes should note that such an Index may not reflect the return that could be realised from a direct investment in the components thereof.

4.15 In times of a whipsawing market in respect of an underlying asset of any index component, an Index may be unsuccessful in generating positive returns based upon any momentum risk premium

If an Index aims to capture positive returns arising from notional exposure to the momentum risk premium in respect of the underlying assets of an index component, it may rely on a degree of momentum in any trend identified in respect of such underlying assets (i.e. that any identified trend is sustained for a period). In a whipsawing market for any underlying asset, being a market characterised by high volatility and large and/or frequent swings, there may be the rapid and frequent appearance of trends that do not subsequently develop and/or are swiftly reversed. In such circumstances, and where the methodology of the relevant component is unable to adjust the notional exposure to the relevant underlying asset in sufficient time to limit any adverse effects of such a swing, the methodology of the relevant Index may be unsuccessful in generating any positive returns and may not perform as well as an index intended to capture alternative risk premia.

4.16 The Issuer's hedging activity may affect the level of an Index

By issuing investments linked to an Index or its underlying components (including, but not limited to, Notes), the Issuer may have an exposure to such Index or its underlying components. The Issuer may take risk positions to hedge this exposure in its sole discretion and in a principal capacity. Investors in products linked to an Index may not have any rights in respect of the Issuer's or its affiliates' hedge positions, including without limitation, any shares, futures, options, commodities or currencies. The Issuer or its affiliates may execute its hedging activity by trading in the components of any Index at any time and this may have an adverse impact on the performance of such Index. The Issuer's hedging activity, and hence the size of such impact, may be linked to the amount of new and outstanding products (including any Notes) linked to the relevant Index at the relevant time. The Issuer or its affiliates may generate revenues if hedging activities are executed at different levels from those used to determine the value of the relevant Index. The relevant hedging activity could generate significant returns to the Issuer and its affiliates that may not be passed on to investors in the Notes.

5. Risks relating to taxation of the Notes

5.1 Taxation and other charges in relation to the Notes

Transactions involving Notes may have tax consequences for potential purchasers which may depend, amongst other things, upon the status of the potential purchaser and laws relating to transfer and registration taxes. Stamp duty, stamp duty reserve tax and/or similar transfer taxes may be payable on any conveyance or transfer (actual or deemed).

Transactions involving Notes may be subject to United Kingdom stamp duty or stamp duty reserve tax, and are subject to the risk that instruments effecting or evidencing transfers of Notes and executed in the United Kingdom may not be admissible in evidence in civil proceedings unless duly stamped. An instrument of transfer executed outside the United Kingdom is also subject to the risk that it may be inadmissible in United Kingdom civil proceedings unless duly stamped after it has been first received in the United Kingdom.

Under the terms and conditions of the Notes all payments will be subject to any fiscal or other laws and regulations in the place of payment and Noteholders may be responsible for paying, or suffer a deduction for, any applicable duties, taxes or other charges imposed by such laws and regulations, subject only to HBCE's obligation to gross-up in relation to certain French taxes in accordance with the terms and conditions of the Notes. This gross-up obligation is subject to a number of exceptions and covers only certain withholdings and deductions on account of taxes imposed by France; in particular, it does not cover stamp duty, stamp duty reserve tax and/or similar transfer taxes.

Potential investors who are in any doubt about the tax consequences of purchasing any Notes should consult and rely on their own tax advisors.

5.2 French – French Financial Transactions Tax

Pursuant to Article 235 *ter* ZD of the French tax code, acquisitions for consideration of equity securities (*titre de capital*) within the meaning of Article L 212-1 A of the French Monetary and Financial Code or similar instruments within the meaning of Article L 211-41 of the French Monetary and Financial Code that provide or could provide access to capital or voting rights, resulting in a transfer of ownership within the meaning of Article L 211-17 of the French Monetary and Financial Code (that is resulting from the registration of the acquired securities in the securities accounts of the purchaser), admitted to trading on a French, European or foreign regulated market within the meaning of Articles L 421-4, L 422-1 or L 423-1 of the French Monetary and Financial Code and issued by a company having its head office in France and whose market capitalisation as of 1 December of the year preceding the year in which the acquisition occurs exceeds EUR 1 billion ("**French Qualifying Securities**"), are subject to the French financial transactions tax ("**French FTT**"), levied at the rate of 0.4 per cent. The French FTT also applies to an acquisition of securities (irrespective of which entity issued such securities) when these securities represent French Qualifying Securities ("**Synthetic French Qualifying Securities**"). If applicable, the cost of the French FTT may be deducted from certain amounts payable to the Noteholders.

The French FTT could also be triggered if the Issuer and/or its affiliates choose to purchase the component securities of the Underlying to hedge their exposure under the Notes if such component securities of the Underlying are French Qualifying Securities or Synthetic French Qualifying Securities and assuming none of the French FTT exemptions provided for by Article 235 *ter* ZD of the French tax code applies to the relevant acquisition. Therefore, Noteholders are subject to the risk that payments under the Notes may be adversely affected by the French FTT, where applicable, as this tax may be deducted from certain amounts payable to the Noteholders.

5.3 Italy – Italian Financial Transactions Tax

Italian financial transaction tax may apply to the Notes linked to the Underlying that an Index in respect of which the underlying securities are securities issued by an Italian issuer

A financial transaction tax has been introduced under Italian law, ("**Italian FTT**"), pursuant to Article 1, paragraphs 491 – 500, of Law 24 December 2012, no. 228, as implemented by Ministerial Decree issued on 21 February 2013 and amended by Ministerial Decree issued on 16 September 2013. The Italian FTT applies, inter alia, on cash settled derivatives ("**Italian FTT on Derivatives**") executed or modified on or after 1 September 2013, both traded or not on Qualifying Markets (as defined below) and unlisted, whose underlying are mainly shares or participating financial instruments issued by Italian resident companies or the value of shares issued by Italian resident companies, including warrants and certificates. The condition is met when more than 50 per cent. of the equity portion of the underlying is represented by the market value of shares or participated financial instruments issued by Italian resident companies.

Accordingly, there is a risk that the Italian FTT on Derivatives could be triggered where the issuer of an Underlying relating to, where deemed to represent the underlying equity instruments or characterised as derivative instruments, the Notes (the "**Affected Instrument**") is an Italian resident or the issuer of a security underlying an Index is an Italian resident. The residence and nationality of the Issuer and any holder of the Affected Instrument and the place of execution of the Affected Instrument would be irrelevant as the application of the Italian FTT on Derivatives is exclusively dependent on the residence of the issuer of the Underlying or component securities of the Underlying.

The Italian FTT on Derivatives applies at a fixed amount, due from both parties equally, as follows:

- Index-linked Affected Instruments where a security that forms part of the Underlying is issued by an Italian-resident company: from EUR 0.01875 to EUR 15, depending on the notional value of the contract

The above amounts are reduced by 80 per cent. where the transaction is implemented in a regulated market. An investor in the Affected Instrument is subject to the risk that payments under the Affected Instruments may be adversely affected by this Italian transaction tax as these charges may be deducted from certain amounts payable under the Notes.

The issuance of financial instruments qualifying as transferable securities (*valori mobiliari*) according to article (1)(1-bis)(c) of Legislative Decree no. 58 of 24 February 1998, is exempt from Italian FTT on Derivatives. The Italian Ministry of finance clarified that, following the issuance, if a number of intermediate transfers (e.g. intermediate transfers between financial intermediaries) are required before the initial placement of the warrants to the ultimate investors, said intermediate transfers are exempt from Italian FTT. However, Italian FTT will apply to the transactions following the initial placement. In the case of cash-settled transferable securities, the cash settlement of such transferable securities is a transaction outside the scope of Italian FTT on Derivatives.

Besides the Italian FTT on Derivatives, the Italian FTT also applies to transfers of certain shares and participating financial instruments issued by Italian resident companies and other instruments representing the latter ("**Italian FTT on Shares**"), both traded or not on Qualifying Markets (as defined below) and unlisted.

Italian FTT on Shares applies on transactions negotiated and settled as from 1 March 2013. Accordingly, there is a risk that the Italian FTT on Shares could be triggered where the Issuer and/or its Affiliates purchase the Underlying or component securities of the Underlying to hedge their exposure under the Notes if such securities are shares and participating financial instruments issued by Italian resident companies and other instruments representing the latter and are not exempted from the Italian FTT requirement ("**in scope securities**"). The residence and nationality of the parties to the transaction and the place of execution of the transaction would be irrelevant as the application of the Italian FTT on Shares is exclusively dependent on the residence of the issuer of the in scope securities.

The Italian FTT on Shares is levied at the following rates, which would be due from the Issuer and/or its Affiliates on acquisition of the shares:

- 0.1 per cent. of the acquisition price on transfers transacted on a Qualifying Market (as defined below); and
- 0.2 per cent. of the acquisition price otherwise.

For the purpose of the application of the lower rate, "**Qualifying Markets**" are deemed to be:

(i) regulated markets or multilateral trading facilities pursuant to Article 4, paragraph 1, points 21 and 22 of Directive 2014/65/EU, of an EU Member State and of an EEA Member State which allows an adequate exchange of information with Italy; and

(ii) markets recognised by the Italian regulator Consob, established in an EU Member State or a state which allows for an adequate exchange of information with Italy.

Italian FTT on Derivatives and Italian FTT on Shares are required to be levied and subsequently paid to the Italian tax authority by financial intermediaries (e.g. banks, trusts and investment companies) or other subjects involved in the execution of the transaction. Where more intermediaries are involved in the execution of the transaction, Italian FTT on Derivatives and Italian FTT on Shares is payable by the subject who receives the order of execution directly from the ultimate purchaser or counterparty. Intermediaries and other non Italian resident subjects having no permanent establishment in Italy which are liable to collect and pay Italian FTT on Derivatives and Italian FTT on Shares to the Italian tax authority may appoint an Italian tax representative for the purposes of collecting and paying Italian FTT on Derivatives and Italian FTT on Shares. If no intermediary or other subjects are involved in the transaction, Italian FTT on Derivatives and Italian FTT on Shares is directly paid by the ultimate purchaser or counterparty.

An investor in the Notes is subject to the risk that payments under the Affected Instruments may be adversely affected by the Italian FTT as these charges may be deducted from certain amounts payable under the Notes.

5.4 Spain – Spanish Financial Transactions Tax

The Law 5/2020, of 15 October, on the Tax on Financial Transactions ("**Spanish FTT Law**") is an indirect tax levied on the acquisitions for consideration of shares issued by Spanish companies regardless of the residency of the parties involved in the transaction, or of the jurisdiction where the shares are traded, **provided that** they comply with the following conditions: (i) the shares should be admitted to trading on a regulated market under Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (or in a foreign market declared equivalent by the European Commission), and (ii) the stock market capitalisation value of the company should exceed EUR 1,000,000,000 (the "**Qualifying Shares**").

The taxable base of the Spanish FTT is the total consideration paid excluding certain items such as transaction costs and intermediary fees. The applicable rate is 0.2 per cent.

In principle, Spanish FTT does not apply to the acquisition of financial instruments (including derivatives) different from Qualifying Shares or certificates of deposit representing such Qualifying Shares (the "**Qualifying Certificates of Deposit**") such as the Notes. However, if the liquidation or settlement of such financial instrument results in the physical delivery of Qualifying Shares or Qualifying Certificates of Deposit, Spanish FTT may be triggered.

5.5 U.S. withholding tax may apply to Notes linked to Underlying(s) that are securities issued by U.S. issuers

Where Notes are linked to Underlying(s) and some or all of the Underlying(s) are securities of U.S. issuers, certain payments on the Notes could be subject to U.S. withholding tax (up to 30 per cent., depending on the applicable treaty or other exemption). In addition, U.S. withholding tax could be imposed on holders of the Notes to the extent U.S.-source dividends are paid on the Underlying, even if no corresponding payment is made on the Notes to such holders.

If U.S. withholding tax is required on Notes linked to Underlying(s) that are securities issued by U.S. issuers, the Issuer will not be required to pay any additional amounts with respect to the withheld amounts. See the section "*Taxation – Other Taxation Matters – U.S. Withholding on Dividend Equivalent Payments*" of the Base Prospectus (which is incorporated by reference into this Prospectus).

DOCUMENTS INCORPORATED BY REFERENCE

This section provides details of the documents incorporated by reference which form part of this Prospectus and which are publicly available.

The following documents which have been filed with the Central Bank of Ireland shall be deemed to be incorporated in, and to form part of, this Prospectus, save that any documents incorporated by reference in any of the documents set forth below do not form part of this Prospectus:

(a) **Base Prospectus**: the base prospectus dated 26 June 2025 relating to the Programme (which can be accessed at: https://www.about.hsbc.fr/investor-relations/debt-issuance) (the "**Base Prospectus**"), provided that the information from the following sections only shall be incorporated by reference into this Prospectus:

Section of the Base Prospectus		**Page(s)**
Section I.5 – Taxation		60 to 86
Section II.3 – Subscription and Sale of Notes		178 to 189
Section II.5 – Terms and Conditions of French Law Notes, specifically:		
(a)	Opening paragraphs	296 to 297
(b)	Condition 1 (*Definitions*)	297 to 338
(c)	Condition 2 (*Form, Denomination and Title*)	381
(d)	Condition 3B (*Status (HBCE)*)	382
(e)	Condition 5 (*Redemption and Purchase*)	403 to 417
(f)	Condition 6C (*Taxation – Gross-Up (HBCE)*)	419 to 420
(g)	Condition 7 (*Payments*)	420 to 428
(h)	Condition 9 (*Events of Default*)	429 to 430
(i)	Condition 10 (*Prescription*)	431
(j)	Condition 11 (*Notices*)	431
(k)	Condition 12 (*Principal Paying Agent, Paying Agent and Calculation Agent*)	431
(l)	Condition 13 (*Meetings of Noteholders*)	432 to 435
(m)	Condition 13A (*Consequences of a Benchmark Trigger Event*)	435 to 437
(n)	Condition 14 (*Further Issues*)	439
(o)	Condition 15(X) (*Consequences of Disrupted Days – Securities and Indices*)	439 to 443
(p)	Condition 16 (*Adjustments to Indices*)	445 to 448
(q)	Condition 18 (*Additional Disruption Events*)	452
(r)	Condition 23 (*Effects of European Economic and Monetary Union*)	456
(s)	Condition 25 (*Determinations by the Issuer*)	457
(t)	Condition 26 (*Governing Law*)	457 to 458

(together, the "**General Conditions**") provided that all terms and conditions expressed to pertain solely to HSBC Bank plc or HBEU as Issuer or which comprise the Alternative French Law Conditions Notes are not incorporated by reference into this Prospectus

(b) **Universal Registration Document**: each of the following:

(i) the English version of HBCE's *Document d'enregistrement universel et rapport financier annuel* 2024 filed with the *Autorité des marchés financiers* on 19 February 2025, which includes the HBCE consolidated annual financial statements for the year ended 31 December 2024 (which can be accessed at: https://www.hsbc.com/-/files/hsbc/investors/hsbc-results/2024/annual/pdfs/hsbc-continental-europe/250219-registration-document-and-annual-financial-report-2024-english.pdf) (the "**HBCE 2024 Universal Registration Document of 19 February 2025**");

(ii) the English version of HBCE's *1st Amendment to the Universal Registration Document and Interim Financial Report 2025* filed with the *Autorité des marchés financiers* on 30 July 2025, which includes the HBCE interim financial report for the six-month period ended 30 June 2025 (which can be accessed at: https://www.hsbc.com/-/files/hsbc/investors/hsbc-results/2025/interim/pdfs/hsbc-continental-europe/250731-hbce-1st-amendment-en.pdf) (the "**HBCE Registration Document First Amendment**" and, the HBCE 2024 Universal Registration Document of 19 February 2025 as supplemented by HBCE Registration Document First Amendment, the "**HBCE Universal Registration Document**");

(iii) the English version of HBCE's *Document d'enregistrement universel et rapport financier annuel* 2023 filed with the *Autorité des marchés financiers* on 1 March 2024, which includes the HBCE consolidated annual financial statements for the year ended 31 December 2023 (which can be accessed at: https://www.hsbc.com/-/files/hsbc/investors/hsbc-results/2023/annual/pdfs/hsbc-continental-europe/240301-registration-document-and-annual-financial-report-2023-english.pdf) (the "**HBCE 2023 Universal Registration Document**");

(c) The HBCE's press release dated 16 September 2025 relating to the potential sale of majority shareholding in HSBC Bank Malta p.l.c. (the "**Potential Sale of Majority Shareholding in HSBC Bank Malta p.l.c. press release**"): https://www.about.hsbc.fr/-/media/france/fr/news-and-media/250916-potential-sale-of-majority-shareholding-in-hsbc-bank-malta-plc-en.pdf?sc_lang=en-GB; and

(d) The HBCE's press release dated 15 August 2025 relating to the update on strategic review of HSBC Bank Malta p.l.c. (the "**Update on Strategic Review of HSBC Bank Malta p.l.c. press release**"): https://www.about.hsbc.fr/-/media/france/fr/news-and-media/250815-update-on-strategic-review-of-hsbc-bank-malta-plc-en.pdf?la=en-GB,

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in any document subsequently incorporated by reference and in respect of which a supplement to this Prospectus is prepared modifies or supersedes such statement.

Any information incorporated by reference in the above documents does not form part of this Prospectus and to the extent that only certain parts of the above documents are specified to be incorporated by reference herein, the non-incorporated parts of such documents are either not relevant for investors or are covered elsewhere in this Prospectus.

The Issuer will at its registered office make available for inspection during normal business hours, upon reasonable notice, and free of charge, upon oral or written request, a copy of this Prospectus (or any document incorporated by reference in this Prospectus). Written or oral requests for inspection of such documents should be directed to the specified office of the Principal Paying Agent. Additionally, this Prospectus and all the documents incorporated by reference herein will be available for viewing at the above specified websites or at https://www.about.hsbc.fr/investor-relations.

For the avoidance of doubt, unless specifically incorporated by reference into this Prospectus, any websites referred to in this Prospectus or any information appearing on such websites and pages do not form part of this Prospectus.

SPECIFIC TERMS

The terms and conditions of the Notes comprise (a) the General Conditions (as defined and incorporated by reference in "*Documents Incorporated by Reference*" above and as set out in the Base Prospectus (as incorporated by reference herein)), and (b) the following specific terms of the Notes which amend, supplement and complete the General Conditions (the "**Specific Terms**"). Each reference in the General Conditions to "Final Terms" shall be deemed to be to "Specific Terms". In the event of any inconsistency between the General Conditions and the Specific Terms, the Specific Terms shall prevail.

References herein to numbered Conditions are to the relevant General Conditions set out in the Base Prospectus and incorporated by reference herein, and terms used in the Specific Terms shall be deemed to be defined as such for the purposes of such General Conditions, save where otherwise expressly provided.

PART A – CONTRACTUAL TERMS

1.	Issuer:		HSBC Continental Europe
2.	Tranche Number:		1
3.	(i)	Settlement Currency:	euro ("**EUR**")
	(ii)	Governing Law:	French Law Notes
4.	Aggregate Principal Amount of Notes admitted to trading:		
	(i)	Series:	EUR 90,000,000
	(ii)	Tranche:	EUR 90,000,000
5.	Issue Price:		100 per cent. of the Aggregate Principal Amount
6.	(i)	Denomination(s):	EUR 1,000
	(ii)	Calculation Amount:	The Denomination
	(iii)	Aggregate Outstanding Nominal Amount Rounding:	Not Applicable
7.	(i)	Issue Date:	5 January 2026
	(ii)	Trade Date:	27 October 2025
	(iii)	Interest Commencement Date:	Not Applicable
8.	Maturity Date:		12 June 2034, adjusted in accordance with the Following Business Day Convention (subject to adjustment in accordance with the Conditions)
9.	Interest basis:		Not Applicable
10.	Change of interest basis:		Not Applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

11.	Fixed Rate Note provisions:	Not Applicable
12.	Floating Rate Note provisions:	Not Applicable
13.	Coupon Amounts linked to Underlying(s):	Not Applicable

PROVISIONS RELATING TO REDEMPTION

14.	Method for determining the Final Redemption Amount of each Note:	Unless the Notes have been previously redeemed or purchased and cancelled in accordance with the Conditions (including due to the occurrence of an Autocall Event in accordance with paragraph 17 below), and subject to Condition 5(xi) (*Redemption and Purchase – Calculation and Rounding*), the Final Redemption Amount in respect of

each Note (per Calculation Amount) shall be an amount in the Settlement Currency determined by the Calculation Agent in accordance with the following provisions:

(i) if the Final Performance is greater than or equal to the Return Threshold, an amount determined by the Calculation Agent in accordance with the following formula:

$$CA \times (100\% + Digital\ Rate);$$

(ii) if the Final Performance is less than the Return Threshold but is greater than or equal to the Strike Level, an amount equal to the Calculation Amount; or

(iii) if the Final Performance is less than the Strike Level, an amount determined by the Calculation Agent in accordance with the following formula:

$$CA \times (100\% - Strike\ Level + Final\ Performance)$$

Where:

"**CA**" means the Calculation Amount (as specified in paragraph 6(ii) above).

15.	Provisions relating to the calculation of the Final Redemption Amount of each Note:	
(i)	Final Valuation Date:	12 May 2034
	Reference Value (in respect of the Final Valuation Date):	Closing Value
(ii)	Barrier Event:	Not Applicable
	Barrier Level:	Not Applicable
	Upper Barrier Event:	Not Applicable
	Upper Barrier Level:	Not Applicable
	Barrier Observation Method:	Not Applicable
	Barrier Valuation Period Start Date:	Not Applicable
	Barrier Valuation Period End Date:	Not Applicable
(iii)	Lock-In Redemption Event:	Not Applicable
(iv)	Return Threshold:	100 per cent.
(v)	Digital Rate:	64 per cent.
(vi)	Strike Level:	75 per cent.
(vii)	Call Strike:	Not Applicable
(viii)	Put Strike:	Not Applicable
(ix)	Cap:	Not Applicable
(x)	Participation:	Not Applicable

(xi) Upside Participation: Not Applicable

(xii) Downside Participation: Not Applicable

(xiii) Protection Level: Not Applicable

(xiv) Conditional Protection: Not Applicable

(xv) Star Performance: Not Applicable

(xvi) Star Barrier Level: Not Applicable

(xvii) Star Redemption Rate: Not Applicable

(xviii) Fixed Amount Redemption Rate: Not Applicable

(xix) Physical Delivery: Not Applicable

16. Early Redemption:

(i) Early Redemption Amount (upon redemption for taxation reasons or illegality): Fair Market Value

(*Condition* 5(iv) *(Redemption and Purchase – Redemption for Taxation Reasons) or* 5(vii) (*Redemption and Purchase – Early Redemption for Illegality*)

(ii) Early Redemption for taxation reasons on days other than Interest Payment Dates: Yes

(*Condition* 5(iv) *(Redemption and Purchase – Redemption for Taxation Reasons)*)

(iii) Early Redemption Amount following an Event of Default: Fair Market Value

(Condition 9 (*Events of Default*))

(iv) Redemption following FX Disruption Event: Applicable

(*Condition* 7(v)(Y) (*Payments – Price Source Disruption and FX Disruption*))

(v) Early Redemption Amount following FX Disruption Event or Benchmark Trigger Event: Fair Market Value

(*Condition* 7(v)(Y) (*Payments – Price Source Disruption and FX Disruption*) *or* 13A (*Consequences of a Benchmark Trigger Event*))

Interest Adjustment: Not Applicable

17. Autocall Event: Applicable

Autocall Valuation Date(s)	**Autocall Level(s)**	**Autocall Redemption Date(s)**	**Autocall Rate(s)**
12 May 2027	100.00 per cent.	11 June 2027	108.00 per cent.
12 August 2027	100.00 per cent	13 September 2027	110.00 per cent.

12 November 2027	100.00 per cent	10 December 2027	112.00 per cent.
11 February 2028	100.00 per cent	10 March 2028	114.00 per cent.
12 May 2028	100.00 per cent	13 June 2028	116.00 per cent.
11 August 2028	100.00 per cent	11 September 2028	118.00 per cent.
13 November 2028	100.00 per cent	13 December 2028	120.00 per cent.
12 February 2029	100.00 per cent	12 March 2029	122.00 per cent.
11 May 2029	100.00 per cent	12 June 2029	124.00 per cent.
13 August 2029	100.00 per cent	13 September 2029	126.00 per cent.
12 November 2029	100.00 per cent	12 December 2029	128.00 per cent.
12 February 2030	100.00 per cent	12 March 2030	130.00 per cent.
13 May 2030	100.00 per cent	12 June 2030	132.00 per cent.
12 August 2030	100.00 per cent	12 September 2030	134.00 per cent.
12 November 2030	100.00 per cent	12 December 2030	136.00 per cent.
12 February 2031	100.00 per cent	12 March 2031	138.00 per cent.
12 May 2031	100.00 per cent	12 June 2031	140.00 per cent.
12 August 2031	100.00 per cent	12 September 2031	142.00 per cent.
12 November 2031	100.00 per cent	12 December 2031	144.00 per cent.
12 February 2032	100.00 per cent	12 March 2032	146.00 per cent.
12 May 2032	100.00 per cent	11 June 2032	148.00 per cent.
12 August 2032	100.00 per cent	13 September 2032	150.00 per cent.
12 November 2032	100.00 per cent	13 December 2032	152.00 per cent.
11 February 2033	100.00 per cent	11 March 2033	154.00 per cent.
12 May 2033	100.00 per cent	13 June 2033	156.00 per cent.
12 August 2033	100.00 per cent	12 September 2033	158.00 per cent.
10 November 2033	100.00 per cent	12 December 2033	160.00 per cent.
13 February 2034	100.00 per cent	13 March 2034	162.00 per cent.

Daily Autocall Observation: Not Applicable

(i) Reference Value (in respect of each Autocall Valuation Date): Closing Value

Business Day Convention with respect to Autocall Redemption Date(s): Following Business Day Convention

18. Redemption at the Option of the Issuer (Call Option): Not Applicable

19. Taxation: (Condition 6 (*Taxation*)) Condition 6C (*Taxation – Gross-up (HBCE)*) is applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

20. Form of Notes: Bearer dematerialised notes

21. If issued in bearer form: Not Applicable

22.	Exchange Date for exchange of Temporary Global Note:	Not Applicable
23.	If issued in registered form (other than Uncertificated Registered Notes):	Not Applicable
24.	*Masse* (Condition 13 of the French Law Conditions):	Condition 13 applies
	(i) Representative:	DIIS Group, 12 rue Vivienne, 75002 Paris
	(ii) Alternative Representative:	Not Applicable
	(iii) Remuneration of Representative:	EUR 150 (exclusive of VAT) per year
25.	Payments:	
	(i) Relevant Financial Centre Day:	Euro Business Day
	(ii) Business Centre(s):	Euro Business Day
	(iii) Payment of Alternative Payment Currency Equivalent:	Not Applicable
	(iv) Price Source Disruption:	Not Applicable
	(v) Currency Pair Provisions:	Not Applicable
26.	Redenomination:	Not Applicable
27.	Provisions relating to the underlying Index:	Applicable
	(i) Index:	Euronext Transatlantic Sector Titans Decrement 5% (Bloomberg Ticker: TRTITD5)
	(ii) Reference Performance:	Single Underlying
	(iii) Weighting:	Not Applicable
	(iv) Index Sponsor(s):	Euronext Paris
	(v) Index Rules:	Not Applicable
	(vi) Exchange(s):	The Index is a Multiple Exchange Index
	(vii) Related Exchange(s):	All Exchanges
	(viii) Initial Value:	The Reference Value with respect to the Index determined with respect to the Strike Date
	Strike Date:	19 May 2026
	Reference Value (in respect of the Strike Date):	Closing Value
	(ix) Alternative Pre-nominated Index:	Not Applicable
	(x) Additional Disruption Event:	The following Additional Disruption Events apply: Change in Law, Hedging Disruption and Increased Cost of Hedging
	(xi) Index Substitution:	Not Applicable
	(xii) Number of local banking days for the purpose of postponing Relevant Benchmark Related Payment Date pursuant to Condition 13A(ii) (*Consequences of a Benchmark Trigger Event*):	3

	(xiii) Adjusted Value provisions:	Not Applicable
28.	Provisions relating to the underlying Security:	Not Applicable
29.	Provisions relating to the underlying Fund:	Not Applicable
30.	Adjustment Provisions with respect to Scheduled Valuation Dates and Scheduled Observation Dates:	
	• Specified Maximum Number of Disrupted Days:	The definition in Condition 1 applies
	• Number of local banking days for the purpose of postponing Disrupted Day Related Payment Dates pursuant to Condition 15 of the French Law Conditions:	3
31.	Valuation Time:	The definition in Condition 1 applies
32.	Additional U.S. federal income tax considerations:	The Notes are not Section 871(m) Notes for the purpose of Section 871(m).
33.	Governing law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, French law

PART B – OTHER INFORMATION

34. **LISTING**

(i)	Listing:	Application will be made to admit the Notes to listing on the Official List of Euronext Dublin. No assurance can be given as to whether or not, or when, such application will be granted.
(ii)	Admission to trading:	Application will be made for the Notes to be admitted to trading on the regulated market of the Euronext Dublin. No assurance can be given as to whether or not, or when, such application will be granted.

35. **RATINGS**

Ratings: The Notes are not rated.

36. **REASONS FOR THE OFFER AND USE OF PROCEEDS, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

(i)	Reasons for the offer and use of proceeds:	The net proceeds from the issue of Notes will be used by the Issuer for profit making or risk hedging purposes
(ii)	Estimated net proceeds:	EUR 90,000,000 less any re-offer spread or fee (as described below)
(iii)	Estimated total expenses:	EUR 1,150 (admission to trading and appointment of *masse* representative)

37. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

The Dealer may pay (for so long as the Notes remain outstanding) on a regular basis to a counterparty which is an insurance undertaking a fee of 1.15 per cent. per annum of the aggregate principal amount of the Notes subscribed by such entity prior to the Strike Date (the "**fee**").

Save for any fee payable to, or re-offer spread retained by, a distributor(s)/insurance counterparty, no person involved in the issue of the Notes has, so far as the Issuer is aware, an interest material to the issue. The Dealer(s), any distributor(s) and their respective affiliates have, or may have, engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

38. **INFORMATION ABOUT THE UNDERLYING**

Information on the past and future performance and volatility of the Index can be obtained from the following website:

Index	Bloomberg Ticker	Website
Euronext Transatlantic Sector Titans Decrement 5%	TRTITD5	https://www.euronext.com

Such information can be obtained free of charge.

DISTRIBUTION

39.	(i)	If syndicated, name and address of Dealers:	Not Applicable
	(ii)	Date of subscription agreement:	Not Applicable
	(iii)	Indication of the overall amount of the underwriting commission and of the placing commission:	Not Applicable
40.		If non-syndicated, name and address of Dealer:	HSBC Continental Europe, 38, avenue Kléber, 75116, Paris, France
41.		TEFRA Rules applicable to Bearer Notes:	TEFRA Not Applicable
42.		Selling restrictions, United States of America:	40-day Distribution Compliance Period: Not Applicable

43.	Public Offer:		Not Applicable
44.	Prohibition of Sales to EEA Retail Investors:		Applicable
45.	Prohibition of Sales to UK Retail Investors:		Applicable

OPERATIONAL INFORMATION

46.	ISIN Code:		FR0014013WW5
47.	Common Code:		322333137
48.	Valoren Number:		Not Applicable
49.	SEDOL:		Not Applicable
50.	Other identifier / code:		Not Applicable
51.	Clearing System:		Euroclear France
52.	Central Depositary:		Euroclear France
53.	Delivery:		Delivery against payment
54.	(i)	Principal Paying Agent/Registrar/Issue Agent/Transfer Agent:	BNP Paribas Les Grands Moulins de Pantin 9, rue du Débarcadère 93500 Pantin – France
	(ii)	Additional Paying Agent(s) (if any):	Not Applicable
55.	Common Depositary:		Not Applicable
56.	Calculation Agent:		HSBC Bank plc

ANNEX

ADDITIONAL PROVISIONS NOT REQUIRED BY THE SECURITIES NOTE RELATING TO THE UNDERLYING

The following Index disclaimer is applicable in respect of the Index, as agreed between the Index Sponsor and the Issuer:

STATEMENTS REGARDING THE EURONEXT TRANSATLANTIC SECTOR TITANS DECREMENT 5%

Euronext N.V. or its subsidiaries holds all (intellectual) proprietary rights with respect to the Euronext Transatlantic Sector Titans Decrement 5% (the "**Index**"). Euronext N.V. or its subsidiaries do not sponsor, endorse or have any other involvement in the issue and offering of the Notes. Euronext N.V. and its subsidiaries disclaim any liability for any inaccuracy in the data on which the Index is based, for any mistakes, errors, or omissions in the calculation and/or dissemination of the Index, or for the manner in which it is applied in connection with the issue and offering thereof.

WORKED EXAMPLES

1. **Redemption of the Notes on an Autocall Redemption Date following the occurrence of an Autocall Event**

If, on an Autocall Valuation Date, the Reference Performance is equal to or greater than 100 per cent. (the "**Autocall Level**"), an "**Autocall Event**" will occur and the Notes will be redeemed on the immediately following Autocall Redemption Date at an amount equal to the calculation amount of each Note *multiplied* by the applicable percentage rate for such Autocall Redemption Date (the "**Autocall Rate).**

If, on an Autocall Valuation Date, no Autocall Event occurs, the Notes will not be redeemed at that time but will continue until the next Autocall Valuation Date (if any). If no Autocall Event occurs with respect to any of the specified Autocall Valuation Dates, the Notes will be redeemed at the Final Redemption Amount on the Maturity Date (see section 2 below).

Autocall Amount worked example:

The hypothetical scenario

In accordance with the information set out in the Specific Terms:

- The Notes are linked to the Euronext Transatlantic Sector Titans Decrement 5% index, and have quarterly Autocall Valuation Dates in respect of which the Reference Performance of the index is observed
- The calculation amount of each Note is EUR 1,000
- The initial level of the index is the Reference Value (i.e. the closing level) of such index on 19 May 2026. For the purposes of this example, such initial level is 3,500
- The Reference Performance of the index is calculated as the Reference Value (i.e. the closing level) of the index on a relevant valuation date, *divided* by the initial level of such index

Autocall Valuation Date 1

The Reference Value (i.e. the closing level) of the index on 12 May 2027 (being, the first Autocall Valuation Date as set out in the Specific Terms) is 3,200.

The Reference Performance (calculated as 3,200 *divided* by 3,500 (expressed as a percentage)) is less than the Autocall Level of 100 per cent. Therefore, an Autocall Event does not occur.

Therefore, in this scenario, the Notes will not be redeemed and will continue until the next Autocall Valuation Date in respect of which the performance of the Notes will be determined in a similar manner.

Autocall Valuation Date 2

The Reference Value (i.e. the closing level) of the index on 12 August 2027 (being, the second Autocall Valuation Date as set out in the Specific Terms) is 3,350.

The Reference Performance (calculated as 3,350 *divided* by 3,500 (expressed as a percentage)) is less than the Autocall Level of 100 per cent. Therefore, an Autocall Event does not occur.

Therefore, in this scenario, the Notes will not be redeemed and will continue again until the next Autocall Valuation Date in respect of which the performance of the Notes will be determined in a similar manner.

Autocall Valuation Date 3

The Reference Value (i.e. the closing level) of the index on 12 November 2027 (being, the third Autocall Valuation Date as set out in the Specific Terms) is 3,600.

The Reference Performance (calculated as 3,600 *divided* by 3,500 (expressed as a percentage)) is greater than the Autocall Level of 100 per cent. Therefore, an Autocall Event has occurred in respect of this Autocall Valuation Date.

Therefore, in this scenario, the Notes would be redeemed on 10 December 2027 (being, the immediately following Autocall Redemption Date as set out in the Specific Terms), at an amount equal to EUR 1,120 per Note (which is calculated as the calculation amount of each Note *multiplied* by 112%, which is the applicable percentage rate for such Autocall Redemption Date).

No further amounts are payable on the Notes.

2. **Redemption of the Notes on the Maturity Date (if they have not been previously redeemed)**

Overview of the Final Redemption Amount

If the Final Performance (i.e. the Reference Performance determined in respect of the Final Valuation Date) of the Underlying is at least equal to 100 per cent. (the "**Return Threshold**"), the investor will be entitled to an amount equal to the specified calculation amount of the Notes *multiplied* by 100% + 64% (the "**Digital Rate**").

If the Final Performance of the Underlying is below the Return Threshold but greater than or equal 75 per cent. (the "**Strike Level**"), the investor will be entitled to an amount equal to the specified calculation amount of the Notes.

If the Final Performance of the Underlying is below the Return Threshold and the Strike Level, the investor will be entitled to an amount equal to the specified calculation amount of the Notes *multiplied* an amount which reflects the *sum* of (a) the depreciation of the index, *plus* (b) 25 per cent (calculated as 100 per cent *minus* the Strike Level).

Accordingly, the Final Redemption Amount payable to the investor will depend on:

- the Final Performance;
- the Return Threshold;
- the Digital Rate; and
- the Strike Level.

Calculation of the Final Redemption Amount

The Final Redemption Amount will be calculated as follows:

(i) If the Final Performance is greater than or equal to the Return Threshold (i.e. 100 per cent), then an investor will be entitled on redemption to an amount per Note equal to EUR 1,640 (calculated as EUR 1,000 (i.e. the calculation amount of such Note) *multiplied by* 164% (calculated as 100% + the Digital Rate)).

(ii) If the Final Performance is less than the Return Threshold and:

(A) greater than or equal to the Strike Level, then an investor will be entitled on redemption to an amount per Note equal to EUR 1,000 (being, the calculation amount of such Note); or

(B) less than the Strike Level, the investor will be entitled to an amount on redemption to an amount per Note equal to EUR 1,000 (i.e. the calculation amount of such Note) *multiplied by* a percentage equal to the *sum* of (x) 25 per cent (calculated as 100 per cent *minus* the Strike Level), *plus* (y) such Final Performance.

Final Redemption Amount worked example:

The hypothetical scenario

In accordance with the information set out in the Specific Terms:

- The Notes are linked to the Euronext Transatlantic Sector Titans Decrement 5% index, and have quarterly Autocall Valuation Dates in respect of which the Reference Performance of the index is observed
- The calculation amount of each Note is EUR 1,000
- No Autocall Event has occurred in respect of any Autocall Valuation Date specified in the Specific Terms, and the Notes have not been otherwise redeemed or purchased and cancelled

- The Final Performance of the index is its Reference Performance on 12 May 2034. The Reference Performance of the index is calculated as the Reference Value (i.e. the closing level) of the index on 12 May 2034, *divided* by the initial level of such index

- The initial level of the index is the Reference Value (i.e. the closing level) of such index on 19 May 2026. For the purposes of this example, such initial level is 3,500

Scenario 1

The Reference Value (i.e. the closing level) of the index on 12 May 2034 is 3,700.

The Final Performance (calculated as 3,700 *divided* by 3,500 (expressed as a percentage)) is greater than the Return Threshold of 100 per cent.

Therefore, in this scenario, the Notes are redeemed on 12 June 2034 (i.e. the Maturity Date), at an amount equal to EUR 1,640 per Note (calculated in accordance with (i) under "*Calculation of the Final Redemption Amount*" above).

Scenario 2

The Reference Value (i.e. the closing level) of the index on 12 May 2034 is 2,900.

The Final Performance (calculated as 2,900 *divided* by 3,500 (expressed as a percentage)) is less than the Return Threshold of 100 per cent but greater than the Strike Level of 75 per cent.

Therefore, in this scenario, the Notes are redeemed on 12 June 2034 (i.e. the Maturity Date), at an amount equal to EUR 1,000 per Note (calculated in accordance with (ii)(A) under "*Calculation of the Final Redemption Amount*" above).

Scenario 3

The Reference Value (i.e. the closing level) of the index on 12 May 2034 is 2,000.

The Final Performance (calculated as 2,000 *divided* by 3,500 (expressed as a percentage)) is less than the Return Threshold of 100 per cent and less than the Strike Level of 75 per cent.

Therefore, in this scenario, the Notes are redeemed on 12 June 2034 (i.e. the Maturity Date), at an amount equal to EUR 821.43 per Note (calculated in accordance with (ii)(B) under "*Calculation of the Final Redemption Amount*" above).

Scenario 4

The Reference Value (i.e. the closing level) of the index on 12 May 2034 is 1,000.

The Final Performance (calculated as 1,000 *divided* by 3,500 (expressed as a percentage)) is less than the Return Threshold of 100 per cent and less than the Strike Level of 75 per cent.

Therefore, in this scenario, the Notes are redeemed on 12 June 2034 (i.e. the Maturity Date), at an amount equal to EUR 535.71 per Note (calculated in accordance with (ii)(B) under "*Calculation of the Final Redemption Amount*" above).

GENERAL INFORMATION

This section provides additional, general disclosure in relation to the Notes and the Programme.

1. The continuation of the Programme and the issue of Notes under the Programme by HBCE have been authorised pursuant to resolutions of the board of directors (*conseil d'administration*) of HBCE passed on 18 July 2025.

2. The net proceeds from the issue of Notes will be used by the Issuer for profit making or risk hedging purposes.

3. The Notes will be offered solely to qualified investors as defined in the EU Prospectus Regulation.

4. The Notes will be issued in bearer dematerialised form (*au porteur*) and will be inscribed in the books of Euroclear France (acting as central depositary), which shall credit the accounts of Account Holders, and accepted for clearance through Euroclear France. The address of Euroclear France is 10-12 place de la Bourse, 75002 Paris, France.

5. Settlement arrangements will be agreed between the Issuer, the Dealer and the Principal Paying Agent.

6. In relation to the Issuer, any transfer of, or payment in respect of, a Note involving (i) any individual or entity ("**Person**") who or which is the subject of United Nations, European Union, Swiss, United Kingdom or United States sanctions (collectively, "**Sanctions**"), (ii) any Person located or resident in or incorporated in or constituted under the laws of any country, region or territory that is the subject of Sanctions, or (iii) any Person owned or controlled by any of the foregoing or by any Person acting on behalf of the foregoing, may be subject to restrictions, including under Sanctions or other similar measures.

7. Notices to the Noteholders are made in accordance with the General Conditions set out in the Base Prospectus (as incorporated by reference herein).

8. There has been no significant change in the financial position or financial performance of HBCE and its subsidiary undertakings since 30 June 2025 nor any material adverse change in the prospects of HBCE since 31 December 2024.

9. Save as disclosed in (a) Note 25 "*Provisions*" on pages 310 to 311 and Note 32 "*Legal proceedings and regulatory matters relating to HSBC group entities generally*" on page 317 of the HBCE 2024 Universal Registration Document of 19 February 2025 (incorporated by reference herein), and (b) Note 8 "*Provisions*" on pages 55 to 56 and Note 10 *"Legal proceedings and regulatory matters relating to HSBC group entities generally*" on pages 56 to 57 of the HBCE Registration Document First Amendment, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which HBCE is aware) during the 12-month period before the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of HBCE or HBCE and its subsidiary undertakings.

10. The date of the constitutive documents *(statuts)* of HBCE is 23 November 2022.

11. This Prospectus and all the documents incorporated by reference herein will be available for viewing via https://www.about.hsbc.fr/investor-relations/debt-issuance or the relevant link included for such document in the section entitled "*Documents Incorporated by Reference*". For the avoidance of doubt, unless specifically incorporated by reference into this Prospectus, information contained on the website does not form part of this Prospectus.

12. The Legal Entity Identifier ("**LEI**") code of HBCE is: F0HUI1NY1AZMJMD8LP67.

13. The business address of the directors of HBCE is 38 avenue Kléber, 75116 Paris, France.

REGISTERED AND HEAD OFFICE OF THE ISSUER AND DEALER

HSBC Continental Europe
38 avenue Kléber
75116 Paris
France

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