

**First Supplement dated 7 April 2017
to the Euro Medium Term Note Programme Base Prospectus dated 17 January 2017**



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

This first supplement (the **Supplement**) is supplemental to, and should be read in conjunction with, the base prospectus dated 17 January 2017 which was granted the visa no. 17-021 on 17 January 2017 (the **Base Prospectus**) prepared by HSBC France (the **Issuer**) with respect to its €20,000,000,000 Euro Medium Term Note Programme of HSBC France (the **Programme**).

The Base Prospectus as supplemented constitutes a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (the **Prospectus Directive**). The *Autorité des Marchés Financiers* (the **AMF**) has granted visa no. 17-021 on 17 January 2017 in respect of the Base Prospectus.

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

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

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

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

This Supplement has been prepared for the purposes of:

- (a) incorporating by reference the English translation of HSBC France's *Document de référence 2016* and inserting a related cross-reference table in the "Documents Incorporated by Reference" section of the Base Prospectus;
- (b) updating the "Programme Summary" and the "*Résumé en Français du Programme*";
- (c) updating the "Risk Factors Relating to the Issuer" section; and
- (d) updating sections 3, 4, 5 and 8 of the "General Information" section of the Base Prospectus.

In accordance with Article 16.2 of the Prospectus Directive, in the case of an offer of Notes to the public, investors who have already agreed to purchase or subscribe for Notes issued under the Programme before this Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date of publication of this Supplement to withdraw their acceptances. This right to withdraw shall expire by close of business on 11 April 2017.

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

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SUMMARY OF THE PROGRAMME

The "Summary of the Programme " on pages 5 to 20 of the Base Prospectus is amended as follows:

(a) Element B.10 is deleted in its entirety and replaced with the following:

B.10	Qualifications in the auditors' report	Not Applicable.
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(b) Element B.12 is deleted in its entirety and replaced with the following:

B.12	Selected historical key financial information	HSBC France group		
		<i>(in millions of euros)</i>	31/12/2016 Audited	31/12/2015 Audited
		Total operating income before loan impairment (charges)/releases and other credit risk provisions	2,317	2,371
		Loan impairment charges and other credit risk provisions	(73)	(121)
		Operating profit	432	618
		Profit attributable to shareholders of the parent company	310	445
		Shareholders' funds of the parent company	5,842	5,838
		Loans and advances to customers	41,327	38,524
		Customer accounts	34,220	32,811
		Total assets	169,423	168,458
		Total Capital Ratio	13.2%	14.9%
		Common Equity Tier One ratio	13.2%	14.9%
		Cost efficiency ratio	78%	68.8%
		Liquidity Coverage Ratio (LCR)	122%	127%
			Consolidated cash flow table Audited	

			<i>(in millions of euros)</i>	31/12/2016	31/12/2015
			Cash and cash equivalents at 1 January ¹	5,638	9,734
			Net cash from operating activities	3,224	(193)
			Net cash (used in)/from investing activities	1,103	(3,572)
			Net cash (used in)/from financing activities	(165)	(377)
			Effect of exchange rate changes on cash and cash equivalents	7	46
			Cash and cash equivalents at the end of the period ¹	9,807	5,638
		There has been no material adverse change in the prospects of the Issuer since 31 December 2016 and there has been no significant change in the financial or trading position of the Issuer since 31 December 2016.			

(c) Element B.13 is deleted in its entirety and replaced with the following:

B.13	Recent material events relating to the Issuer's solvency	Not applicable.
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(d) Within element D.2, a second paragraph entitled "**Counterparty risk**" is added in the "**Financial risks**" section and a sixth paragraph entitled "**Environmental risk**" is added in the "**Operational risks**" section, as follows:

D.2	Key information on the main risks specific to the issuer	Counterparty risk: is the risk that the counterparty to a transaction may default before completing the satisfactory settlement of the transaction. Counterparty credit risk arises for derivatives and securities financing transactions both when registered on the trading and non-trading books.
		Environmental risk: environmental risks comprise risks relating to a changing climate, environment and economy. It consists of anticipating and preparing for shifts in environmental priorities and societal expectations. The Group manages the risk that the financial services which it provides to customers may have unacceptable impacts on

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		people or the environment. Sustainability risk can also lead to commercial risk for customers, credit risk for the bank and significant reputational risk for the Group.
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RESUME EN FRANÇAIS DU PROGRAMME

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

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

B.10	Réserves contenues dans le rapport des Commissaires aux comptes	Sans objet.
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(b) L'Elément B.12 est supprimé et entièrement remplacé par ce qui suit :

B.12	Informations financières sélectionnées historiques clés	Informations financières sélectionnées concernant le Groupe		
			31/12/2016	31/12/2015
		(en millions d'euros)	Audité	Audité
		Produit net bancaire avant dépréciation pour risque de crédit	2.317	2.371
		Dépréciations pour risque de crédit	(73)	(121)
		Résultat d'Exploitation	432	618
		Résultat net part du groupe	310	445
		Capitaux propres part du groupe	5.842	5.838
		Prêts et créances sur la clientèle	41.327	38.524
		Comptes créditeurs de la clientèle	34.220	32.811
		Total du bilan	169.423	168.458
		Ratio total des fonds propres	13,2%	14,9%

			Ratio Common Equity Tier 1	13,2%	14,9%
			Coefficient d'exploitation	78%	68,8%
			<i>Liquidity Coverage Ratio</i> (LCR)	122%	127%
		Tableau des flux de trésorerie consolidé			
		Audité			
			<i>(en millions d'euros)</i>	31/12/2016	31/12/2015
			Trésorerie en début de période ²	5.638	9.734
			Flux nets de trésorerie provenant des activités opérationnelles	3224	(193)
			Flux nets de trésorerie provenant des activités d'investissement	1.103	(3.572)
			Flux nets de trésorerie provenant des activités de financement	(165)	(377)
			Effet de change sur la trésorerie	7	46
			Trésorerie en fin de période ¹	9.807	5.638
		Aucune détérioration significative n'a eu de répercussions sur les perspectives de l'Emetteur depuis le 31 décembre 2016 et il n'y a eu aucun changement significatif dans la situation financière ou commerciale de l'Emetteur depuis le 31 décembre 2016.			

(c) L'élément B.13 est supprimé et entièrement remplacé par ce qui suit :

² Les opérations de prise en pension avec les établissements de crédit de maturité inférieure ou égale à un mois n'étaient pas incluses dans la présentation publiée en 2015. Le montant de trésorerie et équivalents de trésorerie au 31 décembre 2015 intègre désormais les opérations de prise en pension avec les établissements de crédit de maturité inférieure ou égale à un mois pour un montant de 3 034 millions EUR.

B.13	Événement récent relatif à l'Émetteur présentant un intérêt significatif pour l'évaluation de sa solvabilité	Sans objet.
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- (d) Au sein de l'élément D.2, un deuxième paragraphe intitulé « **Le risque de contrepartie** » est ajouté dans la section « **Les risques financiers** » et un sixième paragraphe intitulé « **Le risque environnemental** » est ajouté dans la section « **Les risques opérationnels** », comme suit :

Élément	Titre	
D.2	Informations clés sur les principaux risques propres à l'Émetteur	<p>Le risque de contrepartie : est défini comme le risque que la contrepartie d'une opération fasse défaut avant le règlement définitif de l'ensemble des flux de trésorerie liés à l'opération. Le risque de contrepartie apparaît pour les transactions de dérivés, de pensions ou de prêts et emprunts de titres ainsi que les opérations à règlement différé, qu'elles soient enregistrées dans le portefeuille bancaire ou dans le portefeuille de négociation.</p>
		<p><u>Le risque environnemental</u> : les risques environnementaux comprennent les risques liés au changement climatique, à l'environnement et à l'économie. Il s'agit de faire en sorte que l'activité de l'Émetteur anticipe et se prépare aux évolutions des priorités environnementales et attentes sociétales. Le Groupe gère le risque que des services financiers fournis à ses clients puissent avoir une incidence inacceptable sur les personnes ou l'environnement. Le risque lié au développement durable peut également entraîner un risque commercial pour les clients, un risque de crédit pour la banque et un sérieux risque de réputation pour le Groupe.</p>

RISK FACTORS

The paragraph under the heading "Risks Relating to the Issuer" and above the heading "Risk Factors Relating to the Notes" on pages 38 and 39 of the Base Prospectus is completed as follows:

The first paragraph of such section is deleted and replaced by the following:

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

A second paragraph shall be added to the "**Financial risks**" section as follows:

"Counterparty risk: is the risk that the counterparty to a transaction may default before completing the satisfactory settlement of the transaction. Counterparty credit risk arises for derivatives and securities financing transactions both when registered on the trading and non-trading books."

A sixth paragraph shall be added to the "**Operational risks**" section as follows:

"- Environmental risk: environmental risks comprise risks relating to a changing climate, environment and economy. It consists of anticipating and preparing for shifts in environmental priorities and societal expectations. The Group manages the risk that the financial services which it provides to customers may have unacceptable impacts on people or the environment. Sustainability risk can also lead to commercial risk for customers, credit risk for the bank and significant reputational risk for the Group."

DOCUMENTS INCORPORATED BY REFERENCE

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

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

- (a) The paragraph corresponding to the first bullet point is deleted in its entirety and replaced by the following:

 “- the English translation of the Issuer's 2016 *Document de référence* filed with the *Autorité des marchés financiers* on 1 March 2017 under No. D.17-0118 (the **2016 Registration Document**);”;
- (b) The paragraph corresponding to the third bullet point is deleted in its entirety; and
- (c) The table under the heading “**CROSS REFERENCE LIST**” on pages 53 to 56 of the Base Prospectus is deleted in its entirety and replaced by the following:

INFORMATION INCORPORATED BY REFERENCE Annex XI of the European Regulation 809/2004/EC	REFERENCE
3. RISK FACTORS	2016 Registration Document pages 18 to 22 and 111 to 179
4. INFORMATION ABOUT THE ISSUER	
<u>4.1. History and development of the Issuer</u>	2016 Registration Document page 346
<u>4.1.2. Place of registration of the Issuer and its registration number</u>	2016 Registration Document page 344
<u>4.1.3 Date of incorporation and the length of life of the issuer, except where indefinite</u>	2016 Registration Document page 344
<u>4.1.4 Domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business of different from its registered office)</u>	2016 Registration Document page 344
<u>4.1.5. Recent Developments</u>	2016 Registration Document page 22
5. BUSINESS OVERVIEW	
<u>5.1. Principal activities:</u>	2016 Registration Document pages 3 to 18 and 293
<u>5.1.2. New product and/or activities:</u>	2016 Registration Document pages 3 to 18 and 293
<u>5.1.3. Principal markets:</u>	2016 Registration Document pages 3 to 18 and 293

INFORMATION INCORPORATED BY REFERENCE Annex XI of the European Regulation 809/2004/EC	REFERENCE
<u>5.1.4 Basis for any statement in the registration document made by the issuer regarding its competitive position.</u>	2016 Registration Document pages 3 to 18 and 293
6. ORGANISATIONAL STRUCTURE	
<u>6.1 Brief description of the group and of the issuer's position within it</u>	2016 Registration Document pages 2 to 22 and 328 to 331 and 335 to 337
<u>6.2 Issuer's dependence upon other entities within the group</u>	2016 Registration Document pages 336 to 346
7. TREND INFORMATION	2016 Registration Document page 22
9. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES	
Name, business addresses and functions in the Issuer of the members of the administrative, management or supervisory bodies and indication of the principal activities performed by them outside the Issuer	2016 Registration Document pages 24 to 38
Conflict of Interest	2016 Registration Document page 42
10. MAJOR SHAREHOLDERS	
<u>10.1 To the extent know to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused</u>	2016 Registration Document pages 40 and 347
11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
<u>Issuer's audited consolidated annual financial statements for the year ended 31 December 2016</u>	
- Balance sheet	2016 Registration Document page 192
- Income statement	2016 Registration Document page 190
- Cash flow statement	2016 Registration Document page 193
- Notes	2016 Registration Document pages 196 to 287

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

GENERAL INFORMATION

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

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

“There has been no significant change in the financial position of the Issuer or the Group since 31 December 2016.”;
- (b) the paragraph (4) on page 125 of the Base Prospectus is deleted in its entirety and replaced by the following:

“There has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2016.”;
- (c) The paragraph (5) on page 125 of the Base Prospectus is deleted in its entirety and replaced by the following:

“There are no recent events that the Issuer considers as material for investors since the date of the last published financial statements.”
- (d) the paragraph (6) on page 125 of the Base Prospectus is deleted and replaced by the following:

“Except as disclosed on pages 166 to 167 of the 2016 Registration Document, neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceeding which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer.”
- (e) the paragraph (9) (ii) on page 126 of the Base Prospectus is deleted in its entirety and replaced by the following:

“(ii) the consolidated audited financial statements of the Issuer in respect of the financial years ended 31 December 2015 and 2016;”.

RESPONSIBILITY STATEMENT

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

HSBC France

103, avenue des Champs Elysées
75008 Paris
France

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

Dated 7 April 2017



In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement général*) of the French *Autorité des marchés financiers* ("AMF"), in particular Articles 211-1 to 216-1, the AMF has granted to this Supplement the visa n°17-147 on 7 April 2017. This Supplement has been prepared by HSBC France and its signatories assume responsibility for it. This Supplement and the Base Prospectus may only be used for the purposes of a financial transaction if completed by Final Terms. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa has been granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information in it is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it. This visa has been granted subject to the publication of Final Terms in accordance with Article 212-32 of the AMF's General Regulations, setting out the terms of the securities being issued.