

**Third Supplement dated 9 March 2020
to the Euro Medium Term Note Programme Base Prospectus dated 12 April 2019**



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

This third supplement (the **Third Supplement**) is supplemental to, and should be read in conjunction with, the base prospectus dated 12 April 2019 which was granted the visa no. 19-160 on 12 April 2019 by the *Autorité des Marchés Financiers* (the **AMF**) (the **Base Prospectus**), as supplemented by the first supplement to the Base Prospectus dated 26 August 2019 (the **First Supplement**) which was granted the visa no. 19-410 on 26 August 2019 and by the second supplement to the Base Prospectus dated 23 December 2019 (the **Second Supplement**) which was granted the visa no. 19-588 on 23 December 2019, which have been prepared by HSBC France (the **Issuer**) with respect to its €20,000,000,000 Euro Medium Term Note Programme of HSBC France (the **Programme**).

The Base Prospectus as supplemented constitutes a base prospectus in accordance with Article 5.4 of Directive 2003/71/EC, as amended or superseded (the **Prospectus Directive**), and in accordance with Article 46.3 of Regulation (EU) 2017/1129 (the **Prospectus Regulation**).

Application has been made for approval of this Third 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 Third Supplement.

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

This Third 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 Third Supplement has been prepared for the purposes of:

1. updating the "Summary of the Programme" and the "*Résumé en français du Programme*";
2. updating the "Risk Factors Relating to the Issuer" section;
3. incorporating by reference the English translation of HSBC France's *Document d'enregistrement universel 2019* and inserting a related cross-reference table in the "Documents Incorporated by Reference" section of the Base Prospectus; and
4. updating sections 3, 4, 6 and 9 of the "General Information" section of the Base Prospectus.

In accordance with Article 16.2 of the Prospectus Directive and Article 212-25 II of the AMF's *Règlement Général*, 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 Third 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 Third Supplement to withdraw their acceptances. This right to withdraw shall expire by close of business on 11 March 2020.

Copies of this Third 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 as 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 22 of the Base Prospectus is amended as follows:

- Element B.10 is deleted in its entirety and replaced with the following:

| | | |
|-------------|---|---|
| B.10 | Qualifications in the auditors’ report | The free English language translation of the Statutory Auditors’ report on the 2018 consolidated financial statements contains an emphasis of matter paragraph. The free English language translation of the Statutory Auditors’ report on the 2019 consolidated financial statements contains an emphasis of matter paragraph. |
|-------------|---|---|

- 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> | 31/12/2019 Audited ¹ | 31/12/2018 Audited ² |
| | | Total operating income before loan impairment (charges)/releases and other credit risk provisions | 2,227 | 1,736 |
| | | Change in expected credit losses and other credit impairment charges | (128) | 10 |
| | | Operating profit | (22) | 45 |
| | | Profit attributable to shareholders of the parent company | (39) | (17) |
| | | Total shareholders’ equity | 8,443 | 6,555 |
| | | Loans and advances to customers | 56,956 | 46,997 |
| | | Customer accounts | 57,550 | 41,906 |
| | | Total assets | 237,680 | 180,946 |
| | | Fully loaded Total Capital Ratio | 16.9% | 15.7% |
| | | Fully loaded Common Equity Tier One ratio | 13.5% | 13.1% |
| | | Cost efficiency ratio (<i>adjusted</i>) | 83.5% | 95.4% |

| | | | | | |
|--|--|--|---|---|------|
| | | | Liquidity Coverage Ratio (LCR) | 152% | 128% |
| | | Consolidated cash flow table | | | |
| | | Audited | | | |
| | | <i>(in millions of euros)</i> | 31/12/2019 Audited ¹ | 31/12/2018 Audited ² | |
| | | Cash and cash equivalents at 1 January | 31,031 | 24,683 | |
| | | Net cash from operating activities | 18,603 | 4,250 | |
| | | Net cash (used in)/from investing activities | (2,531) | 1,068 | |
| | | Net cash (used in)/from financing activities | 2,515 | 1,026 | |
| | | Effect of exchange rate changes on cash and cash equivalents | (2) | 4 | |
| | | Cash and cash equivalents at the end of the period | 49,616 | 31,031 | |
| | | <p>¹ IFRS 16 applicable</p> <p>² IFRS 9 applicable</p> <p>IFRS 16 ‘Leases’ Impacts:</p> <p>On 1 January 2019, HSBC France adopted the requirements of IFRS 16 retrospectively. The cumulative effect of initially applying the standard was recognised as an adjustment to the opening balance of retained earnings at that date. Comparatives were not restated. The adoption of the standard increased assets by EUR 219 million and increased financial liabilities by the same amount with no effect on net assets or retained earnings.</p> <p>IFRS 9 Impacts:</p> <p>The adoption of IFRS 9 on 1 January 2018 reduced HSBC France Group's net position by EUR 31 million net of taxes deferred, with an increase of EUR 5 million related to the ‘Classification and Measurement’ phase and a decrease of EUR 36 million in the ‘Impairment’ phase. The IFRS9 transition reduced the transitional CET1 ratio by 2 basis points. The total amount of provisions for expected credit losses at 1 January 2018 is EUR 578 million for financial assets at amortized cost, EUR 16 million for commitments and guarantees and EUR 5 million for financial assets at fair value through other comprehensive income.</p> <p>There has been no material adverse change in the prospects of the Issuer since 31 December 2019 and there has been no significant change in the financial or trading position of the Issuer since 31 December 2019.</p> | | | |

- Element D.2 is deleted in its entirety and replaced with the following:

| | | |
|------------|---|---|
| D.2 | Key information on the key risks that are specific to the Issuer | <p>An investment in the Notes involves certain risks that should be considered before any investment decision. In particular, the Issuer and its subsidiaries taken as a whole (the Group), is subject to risks inherent in its activities, including:</p> <ul style="list-style-type: none"> - Macroeconomic risks - Competition risk - Cyber threats and unauthorised access to systems - Tax transparency risks - Regulatory Compliance including Conduct - Financial crime risks - Climate change - IBOR Transition risk - Business Model risk - Reputational Risk - Geo-political Risk - IT risks & Operational resilience risks - People risks - Execution risks (conflicting priorities and conflicts vis-à-vis the allocation of resources on different projects in progress) - Model risks (business decisions on the basis of models in both financial and non-financial contexts) - Data management risks - Third Party Risk |
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RESUME EN FRANÇAIS DU PROGRAMME

Le « *Résumé en français du Programme* » figurant aux pages 23 à 41 du Prospectus de Base est modifié comme suit :

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

| | | |
|-------------|--|---|
| B.10 | Réserves contenues dans le rapport des Commissaires aux comptes | La traduction anglaise libre du rapport des contrôleurs légaux sur les comptes consolidés 2018 contient une observation. La traduction anglaise libre du rapport des contrôleurs légaux sur les comptes consolidés 2019 contient une observation. |
|-------------|--|---|

- L'Elément B.12 est supprimé et entièrement remplacé par ce qui suit :

| | | | | |
|-------------|--|--|--|--|
| B.12 | Informations financières sélectionnées historiques clés | Informations financières sélectionnées concernant le Groupe HSBC France | | |
| | | (en millions d'euros) | 31/12/2019 Audité ¹ | 31/12/2018 Audité ² |
| | | Produit net bancaire avant variations relatives aux dépréciations pour pertes attendues et autres pertes enregistrées au titre du risque de crédit | 2 227 | 1 736 |
| | | Dépréciations pour risque de crédit | (128) | 10 |
| | | Résultat d'Exploitation | (22) | 45 |
| | | Résultat net part du groupe | (39) | (17) |
| | | Capitaux propres part du groupe | 8 443 | 6 555 |
| | | Prêts et créances sur la clientèle | 56 956 | 46 997 |
| | | Comptes créditeurs de la clientèle | 57 550 | 41 906 |
| | | Total du bilan | 237 680 | 180 946 |

| | | | | | |
|--|--|--|--|--|-------|
| | | | Ratio total des fonds propres « plein » | 16,9% | 15,7% |
| | | | Fonds propres de base de catégorie 1 (%) | 13,5% | 13,1% |
| | | | Coefficient d'exploitation (<i>ajusté</i>) | 83,5% | 95,4% |
| | | | Ratio de liquidité à court terme (« LCR ») (%) | 152% | 128% |
| | | Tableau des flux de trésorerie consolidé | | | |
| | | Audité | | | |
| | | <i>(en millions d'euros)</i> | 31/12/2019 Audité ¹ | 31/12/2018 Audité ² | |
| | | Trésorerie et équivalents de trésorerie à l'ouverture | 31 031 | 24 683 | |
| | | Flux nets de trésorerie provenant des activités d'exploitation | 18 603 | 4 250 | |
| | | Flux nets de trésorerie provenant des activités d'investissement | (2 531) | 1 068 | |
| | | Flux nets de trésorerie provenant des activités de financement | 2 515 | 1 026 | |
| | | Effet de change sur la trésorerie et équivalents de trésorerie | (2) | 4 | |
| | | Trésorerie et équivalents de trésorerie à la clôture | 49 616 | 31 031 | |
| | | ¹ Norme IFRS 16 applicable ² Norme IFRS 9 applicable Impacts de la norme IFRS 16 'Contrats de locations' : Au 1 ^{er} janvier 2019, HSBC France a adopté la norme IFRS 16 rétrospectivement. L'effet cumulé au titre de la première application de la norme a été imputé sur les capitaux d'ouverture sans retraitements des états financiers comparatifs. L'adoption de la norme a augmenté le montant de l'actif de 219 millions EUR et le montant du passif financier du même montant sans impact sur l'actif net ou les capitaux propres. | | | |

| | | |
|--|--|--|
| | | <p>Impacts de la norme IFRS 9 :</p> <p>L'adoption de la norme IFRS 9 au 1er janvier 2018 a réduit la situation nette du Groupe HSBC France de 31 millions EUR nets d'impôts différés, avec une augmentation de 5 millions EUR liée à la phase "Classification et Évaluation" et une diminution de 36 millions EUR liée à la phase "Dépréciation". La transition IFRS 9 a eu pour effet de diminuer le ratio CET1 transitionnel de 2 points de base. Le montant total des provisions pour pertes de crédit attendues au 1er janvier 2018 est de 578 millions EUR pour les actifs financiers au coût amorti, de 16 millions EUR pour les engagements et garantie et de 5 millions EUR sur les actifs financiers à la juste valeur par les autres éléments du résultat global.</p> <p>Aucune détérioration significative n'a eu de répercussions sur les perspectives de l'Emetteur depuis le 31 décembre 2019 et il n'y a eu aucun changement significatif dans la situation financière ou commerciale de l'Emetteur depuis le 31 décembre 2019.</p> |
|--|--|--|

- L'Elément D.2 est supprimé et entièrement remplacé par ce qui suit :

| | | |
|------------|--|---|
| D.2 | Informations clés sur les principaux risques propres à l'Émetteur | <p>Un investissement dans les Titres implique certains risques qui devraient être pris en compte avant toute décision d'investissement. En particulier, l'Emetteur, avec ses filiales prises dans leur ensemble (le Groupe), est exposé aux risques inhérents à ses activités, notamment :</p> <ul style="list-style-type: none"> - Risques macroéconomiques - Risque de concurrence - Risque "cyber" - Risque de non-transparence fiscale - Risques de non-conformité réglementaire, y compris aux règles de bonne conduite - Risque de criminalité financière - Changement climatique - Risques liés à la transition des indices de taux - Risque sur le modèle opérationnel et financier - Risque réputationnel - Risque géopolitique - Risques des systèmes informatiques & résilience opérationnelle - Risques psycho-sociaux - Risques d'exécution (conflits de priorité et d'allocation de moyens des différents projets en cours) - Risque de modèle (décisions prises sur la base de modèles à caractère financier ou non) - Risques liés à la gestion de données - Risques liés aux tiers |
|------------|--|---|

RISK FACTORS

- Risk Factors Relating to the Issuer

The paragraphs under the heading “Risk Factors Relating to the Issuer” and above the heading “Risk Factors Relating to the Notes” on pages 42 and 43 of the Base Prospectus is deleted and replaced by the following:

“Risk factors in connection with the Issuer are set out in detail on pages 78 to 150 of the English translation of the Issuer's 2019 Universal Registration Document, which is incorporated by reference in this Base Prospectus.”

DOCUMENTS INCORPORATED BY REFERENCE

The English translation of the Issuer's 2019 *Document d'enregistrement universel* has been filed with the AMF for the purposes of the Prospectus Regulation and, by virtue of this Third 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:

- On page 61 of the Base Prospectus, 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 2019 *Document d'enregistrement universel* filed with the *Autorité des marchés financiers* on 19 February 2020 under No. D.20-0071 (the **2019 Universal Registration Document**);”;
- The paragraph corresponding to the third bullet point is deleted in its entirety; and
- The table under the heading “CROSS REFERENCE LIST” on pages 61 to 64 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 | 2019 Universal Registration Document pages 78 to 150 |
| 4. INFORMATION ABOUT THE ISSUER | |
| <u>4.1. History and development of the Issuer</u> | 2019 Universal Registration Document page 266 |
| <u>4.1.2. Place of registration of the Issuer and its registration number</u> | 2019 Universal Registration Document page 265 |
| <u>4.1.3 Date of incorporation and the length of life of the issuer, except where indefinite</u> | 2019 Universal Registration Document page 265 |
| <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> | 2019 Universal Registration Document page 265 |
| <u>4.1.5. Recent Developments</u> | 2019 Universal Registration Document pages 5, 8 and 9 |
| 5. BUSINESS OVERVIEW | |
| <u>5.1. Principal activities:</u> | 2019 Universal Registration Document pages 4, 9 to 19 and 229 |
| <u>5.1.2. New product and/or activities:</u> | 2019 Universal Registration Document pages 4, 9 to 19 and 229 |

| <p style="text-align: center;">INFORMATION INCORPORATED BY REFERENCE</p> <p style="text-align: center;">Annex XI of the European Regulation 809/2004/EC</p> | <p style="text-align: center;">REFERENCE</p> |
|---|---|
| <p><u>5.1.3. Principal markets:</u></p> | <p>2019 Universal Registration Document pages 4, 9 to 19 and 229</p> |
| <p><u>5.1.4 Basis for any statement in the registration document made by the issuer regarding its competitive position.</u></p> | <p>2019 Universal Registration Document pages 4 to 19</p> |
| <p>6. ORGANISATIONAL STRUCTURE</p> | |
| <p><u>6.1 Brief description of the group and of the issuer's position within it</u></p> | <p>2019 Universal Registration Document pages 3 to 20, 252 and 259 to 262</p> |
| <p><u>6.2 Issuer's dependence upon other entities within the group</u></p> | <p>2019 Universal Registration Document pages 259 to 261</p> |
| <p>7. TREND INFORMATION</p> | <p>2019 Universal Registration Document pages 5, 8 and 9</p> |
| <p>9. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES</p> | |
| <p>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</p> | <p>2019 Universal Registration Document pages 22 to 29</p> |
| <p>Conflict of Interest</p> | <p>2019 Universal Registration Document page 38</p> |
| <p>10. MAJOR SHAREHOLDERS</p> | |
| <p><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></p> | <p>2019 Universal Registration Document pages 265 to 267</p> |
| <p>11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</p> | |
| <p><u>Issuer's audited consolidated annual financial statements for the year ended 31 December 2019</u></p> | |
| <p>- Balance sheet</p> | <p>2019 Universal Registration Document page 158</p> |
| <p>- Income statement</p> | <p>2019 Universal Registration Document page 156</p> |
| <p>- Cash flow statement</p> | <p>2019 Universal Registration Document page 159</p> |
| <p>- Notes</p> | <p>2019 Universal Registration Document pages 162 to 221</p> |
| <p>- Auditors' report relating to the above</p> | <p>2019 Universal Registration Document pages 222 to 225</p> |

| INFORMATION INCORPORATED BY REFERENCE | REFERENCE |
|---|--|
| Annex XI of the European Regulation 809/2004/EC | |
| - Consolidated statement of comprehensive income | 2019 Universal Registration Document page 157 |
| - Consolidated statement of changes in equity | 2019 Universal Registration Document pages 160 and 161 |
| <u>Issuer's audited consolidated annual financial statements for the year ended 31 December 2018</u> | |
| - Balance sheet | 2018 Registration Document page 149 |
| - Income statement | 2018 Registration Document page 147 |
| - Cash flow statement | 2018 Registration Document page 150 |
| - Notes | 2018 Registration Document pages 152 to 219 |
| - Auditors' report relating to the above | 2018 Registration Document pages 220 to 224 |
| - Consolidated statement of comprehensive income | 2018 Registration Document page 148 |
| - Consolidated statement of changes in equity | 2018 Registration Document page 151 |
| 11.6 Legal and arbitration proceedings | 2019 Universal Registration Document pages 137 to 138, 215 to 216 and 250 to 251 |
| 11.7 Significant change in the issuer's financial position | 2019 Universal Registration Document pages 19, 218 and 251 |
| 12. MATERIAL CONTRACTS | 2019 Universal Registration Document page 266 |

GENERAL INFORMATION

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

- the paragraph (3) on page 146 of the Base Prospectus is deleted in its entirety and replaced by the following:

“Except as disclosed on pages 19, 218 and 251 of the 2019 Universal Registration Document, there has been no significant change in the financial position of the Issuer or the Group since 31 December 2019”;
- the paragraph (4) on page 146 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 2019”;
- the paragraph (6) on page 146 of the Base Prospectus is deleted in its entirety and replaced by the following:

“Except as disclosed on pages 137 to 138, 215 to 216 and 250 to 251 of the 2019 Universal 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.”
- the paragraph (9) (ii) on page 147 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 2018 and 2019;”.

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 Third 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

COO of Global Markets – France

Duly authorised

Dated 9 March 2020



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 Third Supplement the visa n°20-082 on 9 March 2020. This Third Supplement has been prepared by HSBC France and its signatories assume responsibility for it. This Third 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 an approval by the AMF of the opportunity of the transaction contemplated hereby nor 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.