



HSBC SFH (France)

(duly licensed French specialised credit institution)

€ 8,000,000,000 COVERED BOND PROGRAMME
for the issue of Obligations de Financement de l'Habitat

FIRST SUPPLEMENT DATED 1 MARCH 2019
TO THE COVERED BOND PROGRAMME BASE PROSPECTUS
DATED 23 NOVEMBER 2018

This first supplement (the “**First Supplement**”) is supplemental to, and should be read in conjunction with the Base Prospectus dated 23 November 2018 (the “**Base Prospectus**”) prepared in relation to the € 8,000,000,000 Covered Bond Programme of HSBC SFH (France) (the “**Issuer**”) (the “**Programme**”). The Base Prospectus constitutes a base prospectus for the purpose of the Directive 2003/71/EC, as amended (the “**Prospectus Directive**”). The *Autorité des marchés financiers* (the “**AMF**”) has granted visa n°18-534 on 23 November 2018 on the Base Prospectus.

Application has been made for approval of this First 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. This First Supplement constitutes a supplement to the Base Prospectus and has been prepared for the purpose of Article 16.1 of the Prospectus Directive and of Article 212-25 of the AMF’s *Règlement général*.

Terms defined in the Base Prospectus have the same meaning when used in this First Supplement.

This First Supplement has been prepared for the following purposes:

1. incorporating by reference the annual financial report of HSBC SFH (France) for the year ended 31 December 2018 in the French language which contains the audited financial statements of the Issuer for the financial year ended 31 December 2018 and the statutory auditors' report thereon (the “**2018 Annual Financial Report**”);
2. updating the Summary of the Programme section of the Base Prospectus;
3. updating the Documents Incorporated by Reference section of the Base Prospectus;
4. updating the Issuer section of the Base Prospectus;
5. updating the Borrower and the Borrower Facility Agreement section of the Base Prospectus; and
6. updating the General Information section of the Base Prospectus.

Save as disclosed in this First Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is material in the context of the Programme. To the extent that there is any inconsistency between (a) any statements in this First Supplement and (b) any other statement in the Base Prospectus (or incorporated thereto by reference), the statements in this First Supplement will prevail.

Copies of this First Supplement may be obtained, without charge on request, at the principal office of the Issuer and the Paying Agents set out at the end of the Base Prospectus during normal business hours so long as any of the Covered Bonds are outstanding. The First Supplement will be published on the websites of (i) the AMF (www.amf-france.org), (ii) the HSBC France (www.hsbc.fr) and (iii) www.info-financiere.fr.

To the extent applicable, and provided that the conditions of Article 212-25 of the AMF’s *Règlement général* are fulfilled, investors who have already agreed to purchase or subscribe for Covered Bonds to be issued under the Programme before this First Supplement is published, have the right, according to Article 212-25 II of the AMF’s *Règlement général*, to withdraw their acceptances within a time limit of two working days after the publication of this First Supplement (*i.e.*, no later than 5 March 2019).

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SUMMARY OF THE PROGRAMME

1. The paragraph B.4b of Section B “Issuer” of the Summary of the Programme on page 7 is hereby deleted and shall be replaced with the following:

B.4b	Description of any known trends affecting the Issuer and the industries in which it operates	Not Applicable. The outlook of the Issuer has not been affected since the date of its last published audited financial statements.
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2. The paragraph B.4b of Section B “Émetteur” of the *Résumé en Français du Programme* (French Summary of the Programme) on page 26 is hereby deleted and shall be replaced with the following:

B.4b	Description de toutes les tendances connues touchant l'Émetteur ainsi que des industries de son secteur	Sans objet. Les perspectives de l'Émetteur n'ont pas été affectées depuis la date de publication de ses derniers états financiers audités.
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3. The paragraph B.10 of Section B “Issuer” of the Summary of the Programme on page 8 is hereby deleted and shall be replaced with the following:

B.10	Qualifications in the auditors' report	Not Applicable. The statutory auditors' audit reports on the financial statements of HSBC SFH (France) for the years ended 31 December 2018 and 31 December 2017 do not contain any qualifications.
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4. The paragraph B.10 of Section B “Émetteur” of the *Résumé en Français du Programme* (French Summary of the Programme) on page 27 is hereby deleted and shall be replaced with the following:

B.10	Réserves contenues dans le rapport des Commissaires aux comptes	Sans objet. Les rapports d'audit des commissaires aux comptes sur les états financiers de HSBC SFH (France) pour les exercices clos le 31 décembre 2018 et le 31 décembre 2017 ne contiennent aucune réserve.
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5. The paragraph B.12 of Section B “Issuer” of the Summary of the Programme on pages 8 to 10 is hereby deleted and shall be replaced with the following:

B.12	Selected historical key financial information (audited)	The tables below set out summary information extracted from the Issuer’s audited financial statements as at 31 December 2018 and 31 December 2017:		
		<i>in euros</i>	31/12/2018	31/12/2017
		<u>ASSETS</u>		
		INTER-BANK TRANSACTIONS AND SIMILAR		
		- Cash and central banks		
		- Government paper and similar securities		
		- Receivables - credit institutions	4,547,664,189	3,714,863,843
		CUSTOMERS TRANSACTIONS		
		- Current accounts in debit		
		- Commercial receivables		
		- Other customer loans, and lease transactions and similar		
		BONDS, SHARES, OTHER FIXED-INCOME AND FLOATING-RATE SECURITIES		
		- Bonds and other fixed-income securities		
		- Equities and other floating-rate securities		
		INVESTMENTS, HOLDINGS IN RELATED COMPANIES AND OTHER SECURITIES HELD ON A LONG-TERM BASIS		
		- Equity investments and other long-term holdings in securities		
		- Holdings in related		

		companies		
		TANGIBLE AND INTANGIBLE FIXED ASSETS		
		- Intangible assets		
		- Property, plant and equipment		
		ACCRUALS AND SUNDRY ASSETS		
		- Other assets	304,332	195,215
		- Accruals	13,146,022	8,014,772
		TOTAL	4,561,114,543	3,723,073,830
		<u>LIABILITIES</u>		
		INTER-BANK TRANSACTIONS AND SIMILAR		
		- Central banks		
		- Payables - credit institutions	0	0
		CUSTOMERS TRANSACTIONS		
		- Special savings accounts		
		- Customer current accounts in credit		
		- Other customer liabilities		
		DEBT REPRESENTED BY A SECURITY		
		- Savings bonds		
		- Inter-bank market securities and negotiable debt securities		
		- Bonds and similar items		
		- Other debt represented by a security	4,444,971,649	3,606,965,279
		ACCRUALS AND OTHER LIABILITIES		
		- Other liabilities	85,082	243,938

	- Accruals	1,357,453	1,258,297
	PROVISIONS		
	SUBORDINATED DEBT		
	GENERAL BANKING RISK FUND (GBRF)		
	EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT (EXCLUDING FRBG)		
	- Subscribed capital	113,250,000	113,250,000
	- Issue and transfer premiums		
	- Reserves	299,649	247,562
	- Regulated provisions and investment subsidies		
	- Retained earnings	226,167	67,015
	- Profit (loss) for the period	924,543	1,041,739
	TOTAL	4,561,114,543	3,723,073,830

There has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements.

There has been no significant change in the financial or trading position of the Issuer since the end of the last financial period for which audited financial information has been published.

The tables below set out summary information extracted from the Issuer's audited financial statements as at 31 December 2018 and 31 December 2017.

INCOME STATEMENT	31/12/2018	31/12/2017
Interest and similar income	61,409,353	62,034,259
Interest and similar expense	-60,627,824	-60,907,447
Commission income	2,591,108	1,722,502
Commission expense	0	0
Gains or losses on trading account securities	875	-6,759
Other banking income (charges)	48	-1,315
NET OPERATING INCOME	3,373,560	2,841,239
General operating expenses	-1,746,856	-1,082,598

		GROSS OPERATING INCOME	1,626,704	1,758,641															
		OPERATING PROFIT	1,626,704	1,758,641															
		NET OPERATING PROFIT BEFORE TAX	1,626,704	1,758,641															
		Exceptional items	0	0															
		Income tax	-702,161	-716,902															
		NET INCOME	924,543	1,041,739															
		The table below sets out the principal elements of the cash flow statements of the Issuer (see “The Issuer - Cash flow statements (fiscal years 2018 and 2017 audited)”) <table border="1"> <tr> <td><i>In Thousand Euros</i></td> <td>31/12/2018</td> <td>31/12/2017</td> </tr> <tr> <td>TOTAL NET CASHFLOW FROM OPERATING ACTIVITIES</td> <td>-836,627</td> <td>1,577,163</td> </tr> <tr> <td>TOTAL NET CASHFLOW FROM INVESTMENTS ACTIVITIES</td> <td>0</td> <td>0</td> </tr> <tr> <td>TOTAL NET CASHFLOW FROM FINANCING ACTIVITIES</td> <td>831,985</td> <td>-2,245,791</td> </tr> <tr> <td>NET VARIATION OF CASH OR CASH EQUIVALENT</td> <td>-4,642</td> <td>-668,628</td> </tr> </table>			<i>In Thousand Euros</i>	31/12/2018	31/12/2017	TOTAL NET CASHFLOW FROM OPERATING ACTIVITIES	-836,627	1,577,163	TOTAL NET CASHFLOW FROM INVESTMENTS ACTIVITIES	0	0	TOTAL NET CASHFLOW FROM FINANCING ACTIVITIES	831,985	-2,245,791	NET VARIATION OF CASH OR CASH EQUIVALENT	-4,642	-668,628
<i>In Thousand Euros</i>	31/12/2018	31/12/2017																	
TOTAL NET CASHFLOW FROM OPERATING ACTIVITIES	-836,627	1,577,163																	
TOTAL NET CASHFLOW FROM INVESTMENTS ACTIVITIES	0	0																	
TOTAL NET CASHFLOW FROM FINANCING ACTIVITIES	831,985	-2,245,791																	
NET VARIATION OF CASH OR CASH EQUIVALENT	-4,642	-668,628																	

6. The paragraph B.12 of Section B “Émetteur” of the *Résumé en Français du Programme* (French Summary of the Programme) on pages 28 to 30 is hereby deleted and shall be replaced with the following:

B.12	Informations financières sélectionnées (auditées)	Les tableaux ci-dessous présentent un résumé des informations extraites des états financiers de l'Émetteur aux 31 décembre 2018 et 31 décembre 2017 audités par les commissaires aux comptes :																									
		<table border="1"> <thead> <tr> <th colspan="3">Bilan social</th> </tr> <tr> <th>(en euros)</th> <th>31/12/2018</th> <th>31/12/2017</th> </tr> </thead> <tbody> <tr> <td colspan="3"><u>ACTIF</u></td> </tr> <tr> <td colspan="3">OPERATIONS INTERBANCAIRES ET ASSIMILEES</td> </tr> <tr> <td>- Caisse, Banque centrales</td> <td></td> <td></td> </tr> <tr> <td>- Effets publics et valeurs assimilées</td> <td></td> <td></td> </tr> <tr> <td>- Créances sur les établissements de crédit</td> <td>4.547.664.189</td> <td>3.714.863.843</td> </tr> <tr> <td colspan="3">OPERATIONS AVEC LA CLIENTELE</td> </tr> <tr> <td>- Comptes ordinaires débiteurs</td> <td></td> <td></td> </tr> </tbody> </table>	Bilan social			(en euros)	31/12/2018	31/12/2017	<u>ACTIF</u>			OPERATIONS INTERBANCAIRES ET ASSIMILEES			- Caisse, Banque centrales			- Effets publics et valeurs assimilées			- Créances sur les établissements de crédit	4.547.664.189	3.714.863.843	OPERATIONS AVEC LA CLIENTELE			- Comptes ordinaires débiteurs
Bilan social																											
(en euros)	31/12/2018	31/12/2017																									
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OPERATIONS AVEC LA CLIENTELE																											
- Comptes ordinaires débiteurs																											

		<ul style="list-style-type: none"> - Créances commerciales - Autres concours à la clientèle et opérations de crédit-bail et assimilées 		
		<p>OBLIGATIONS, ACTIONS, AUTRES TITRES A REVENU FIXE ET VARIABLE</p> <ul style="list-style-type: none"> - Obligations et autres titres à revenu fixe - Actions et autres titres à revenue variable 		
		<p>PARTICIPATIONS, PARTS DANS LES ENTREPRISES LIEES, ET AUTRES TITRES DETENUS A LONG TERME</p> <ul style="list-style-type: none"> - Participations et autres titres détenus à long terme - Parts dans les entreprises liées 		
		<p>IMMOBILISATIONS CORPORELLES ET INCORPORELLES</p> <ul style="list-style-type: none"> - Immobilisations incorporelles - Immobilisations corporelles 		
		<p>COMPTES DE REGULARISATION ET ACTIFS DIVERS</p> <ul style="list-style-type: none"> - Autres actifs - Comptes de régularisation 	<p>304.332</p> <p>13.146.022</p>	<p>195.215</p> <p>8.014.772</p>
		TOTAL	4.561.114.543	3.723.073.830
		<p style="text-align: center;"><u>PASSIF</u></p> <p>OPERATIONS INTERBANCAIRES ET ASSIMILEES</p> <ul style="list-style-type: none"> - Banques centrales - Dettes envers les établissements de crédit 	<p>0</p>	<p>0</p>
		<p>OPERATIONS AVEC LA CLIENTELE</p> <ul style="list-style-type: none"> - Comptes d'épargne à régime spécial - Comptes ordinaires créditeurs de la 		

		clientèle		
		- Autres dettes envers la clientèle		
		DETTES REPRESENTÉES PAR UN TITRE		
		- Bons de caisses		
		- Titres de marché interbancaires et titres de créances négociables		
		- Emprunts obligataires et assimilés		
		- Autres dettes représentées par un titre	4.444.971.649	3.606.965.279
		COMPTES DE REGULARISATION ET PASSIF DIVERS		
		- Autres passifs	85.082	243.938
		- Comptes de régularisation	1.357.453	1.258.297
		PROVISIONS		
		DETTES SUBORDONNÉES		
		FONDS POUR RISQUES BANCAIRES GÉNÉRAUX (FRBG)		
		CAPITAUX PROPRES PART DU GROUPE (HORS FRBG)		
		- Capital souscrit	113.250.000	113.250.000
		- Primes d'émission et d'apport		
		- Réserves	299.649	247.562
		- Provisions réglementées et subventions d'investissement		
		- Report à nouveau	226.167	67.015
		- Résultat de l'exercice	924.543	1.041.739
		TOTAL	4.561.114.543	3.723.073.830
		Aucune détérioration significative n'a affecté les perspectives de l'Émetteur depuis la date de ses derniers états financiers vérifiés et publiés.		
		Aucun changement significatif de la situation financière ou commerciale de		

l'Émetteur n'est survenu depuis la fin du dernier exercice pour lequel des états financiers vérifiés ont été publiés.

Les tableaux ci-dessous présentent un résumé des informations extraites des états financiers de l'Émetteur aux 31 décembre 2018 et 31 décembre 2017 audités par les commissaires aux comptes.

En euros	31/12/18	31/12/17
COMPTE DE RESULTAT		
Intérêts et produits assimilés	61.409.353	62.034.259
Intérêts et charges assimilés	-60.627.824	-60.907.447
Commissions (produits)	2.591.108	1.722.502
Commissions (charges)	0	0
Gains ou pertes sur opérations de négociation	875	-6.759
Autres charges et produits d'exploitation bancaire	48	-1.315
PRODUIT NET BANCAIRE	3.373.560	2.841.239
Charges générales d'exploitation	-1.746.856	-1.082.598
RESULTAT BRUT D'EXPLOITATION	1.626.704	1.758.641
RESULTAT D'EXPLOITATION	1.626.704	1.758.641
RESULTAT COURANT AVANT IMPÔT	1.626.704	1.758.641
Résultat exceptionnel	0	0
Impôt sur les bénéfices	-702.161	-716.902
RESULTAT NET	924.543	1.041.739

Le tableau ci-dessous décrit les principaux éléments du tableau de flux de trésorerie de l'Émetteur (voir "The Issuer - Cash flow statements (fiscal years 2018 and 2017 audited)")

<i>En milliers d'euros</i>	31/12/2018	31/12/2017
FLUX DE TRESORERIE OPÉRATIONNELS	-836.627	1.577.163

		FLUX DE TRESORERIE DES INVESTISSEMENTS	0	0
		FLUX DE TRESORERIE FINANCIERS	831.985	-2.245.791
		VARIATION DE TRÉSORERIE NETTE	-4.642	-668.628

7. The paragraph B.13 of Section B “Issuer” of the Summary of the Programme on page 11 is hereby deleted and shall be replaced with the following:

B.13	Recent material events relevant to the evaluation of the Issuer’s solvency	Not Applicable. There are no events particular to the Issuer which are to a material extent relevant to an evaluation of its solvency.
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8. The paragraph B.13 of Section B “Émetteur” of the *Résumé en Français du Programme* (French Summary of the Programme) on page 30 is hereby deleted and shall be replaced with the following:

B.13	Evènement récent présentant un intérêt significatif pour l’évaluation de la solvabilité de l’Émetteur	Sans objet. Aucun évènement propre à l’Émetteur n’est pertinent de manière significative afin d’évaluer sa solvabilité.
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DOCUMENTS INCORPORATED BY REFERENCE

The section entitled “Documents Incorporated by Reference” on pages 72 to 74 of the Base Prospectus is hereby deleted and shall be replaced with the following:

“The Base Prospectus shall be read and construed in conjunction with the following documents which have been previously or simultaneously published and filed with the AMF and which are incorporated in, and shall be deemed to form part of, the Base Prospectus:

- the annual financial report of HSBC SFH (France) for the year ended 31 December 2018 in the French language and prepared in accordance with French generally accepted accounting principles and the statutory auditors’ report thereon (together the “**2018 Annual Financial Report**”); and
- the annual financial report of HSBC SFH (France) for the year ended 31 December 2017 in the French language and prepared in accordance with French generally accepted accounting principles and the statutory auditors’ report thereon (together the “**2017 Annual Financial Report**”).

All documents incorporated by reference in the Base Prospectus may be obtained, without charge on request, at the principal office of Issuer and the Paying Agents set out at the end of the Base Prospectus during normal business hours so long as any of the Covered Bonds are outstanding. Such documents will be published on the websites of (i) the AMF (www.amf-france.org), (ii) the HSBC France (www.hsbc.fr) and (iii) www.info-financiere.fr.

The information incorporated by reference in the Base Prospectus shall be read in connection with the cross-reference list below. Any information not listed in the cross-reference list but included in the documents incorporated by reference is given for information purposes only.

Cross-reference list

(Annex IV and Annex IX of the European Regulation 809/2004/EC, as amended)

FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
<u>Historical financial information</u>	2018 Annual Financial Report
- Balance sheet (<i>Bilan</i>)	Pages 60 to 61
- Profit and loss account (<i>Compte de résultat</i>)	Page 62
- Cash Flow Statements (<i>Tableau de flux de trésorerie</i>)	Page 63
- Statement of changes in equity (<i>Tableau de variations de capitaux propres</i>)	Page 64
- Notes (<i>Annexe comptable</i>)	Pages 65 to 87
- Statutory Auditors' Report (<i>Rapport des Commissaires aux comptes - Exercice clos le 31 décembre 2018</i>)	Pages 88 to 92
- Board of Directors's Report (<i>Rapport du Conseil d'Administration</i>)	Pages 3 to 58
<u>Historical financial information</u>	2017 Annual Financial Report
- Balance sheet (<i>Bilan</i>)	Pages 59 to 60
- Profit and loss account (<i>Compte de résultat</i>)	Page 61
- Cash Flow Statements (<i>Tableau de flux de trésorerie</i>)	Page 62
- Statement of changes in equity (<i>Tableau de variations de capitaux propres</i>)	Page 63
- Notes (<i>Annexe comptable</i>)	Pages 64 to 86
- Statutory Auditors' Report (<i>Rapport des Commissaires aux comptes - Exercice clos le 31 décembre 2017</i>)	Pages 87 to 91
- Board of Directors's Report (<i>Rapport du Conseil d'Administration</i>)	Pages 3 to 57
ISSUER RISK MANAGEMENT	
2018 Annual Financial Report	Pages 13 to 33
2017 Annual Financial Report	Pages 12 to 32

THE ISSUER

1. The paragraph “*Issuer Financial Elements*” in the section “The Issuer” on pages 121 and 122 of the Base Prospectus is hereby deleted and replaced with the following:

“Issuer Financial Elements

The financial year of the Issuer runs from 1 January to 31 December. The annual results of the Issuer incorporated by reference herein are non-consolidated accounts. The Issuer does not have subsidiaries and does not produce consolidated financial statements.

Comparative Financial Data (in euros)

	31/12/2018 (audited)	31/12/2017 (audited)
Income Statement		
Net operating income	3,373,560	2,841,239
Gross operating income	1,626,704	1,758,641
Net income	924,543	1,041,739
Balance Sheet		
Total balance sheet	4,561,114,543	3,723,073,830
Equity attributable to the owners of the parent (excluding FRBG)	114,700,359	114,606,316
Debt represented by a security	4,444,971,649	3,606,965,279

As of 31 December, 2018, the balance sheet presents a total of 4,561,114,543 euros, as a reminder the total balance sheet as of 31 December 2017 was of 3,723,073,830 euros. The balance sheet has increased over the year mainly due to a new bonds emission.

As of 31 December, 2018, the net income presents a total of 924,543 euros, as a reminder the net income as of 31 December 2017 was of 1,041,739 euros. The decrease of the net income over the year can be explained by the following two factors; firstly, the increase of operating activities, which are the principal revenue-producing activities of the entity, furthermore and mainly, there has been an increase of the general operating expenses.

Prudential Ratios

The Issuer's prudential ratios are assessed at the Issuer's level.

2. **The paragraph “Cash flow statements (first semester 2018 and fiscal years 2017 and 2016 audited)” in the section “The Issuer” on pages 122 and 124 of the Base Prospectus is hereby deleted and replaced with the following:**

“Cash flow statements (fiscal years 2018 and 2017 audited)

The cash flow statement analyses changes in cash flow from operating activities, investing activities and financing activities between two financial periods.

It is prepared using the indirect method. Net income for the period is restated for non-monetary items:

- depreciation allowances for tangible and intangible assets, net depreciation, net provisions, other transactions without cash payments such as expenses payable and accrued income, and corporate tax due on the following financial period;
- cash flows from operating, investing and financing activities are determined by the difference between the items in the annual financial statements for the previous year and for the current year.

Operating activities include lending to HSBC France of resources from financial activities.

Investment activities correspond to the acquisition of investment notes, subscription of term deposits, and coupons and interest amounts of such investments.

Financing activities correspond to the issue of shares, and the issue or reimbursement of unsubordinated long-term loans, and the issue of covered bonds.

Cash flow is defined according to the standards of the CNC. It includes cash on hand and demand deposits at the Banque de France, in post office accounts and with banks.”

HSBC SFH (France)

S.A. with capital share of 113 250 000 euros

15, rue Vernet
75008 PARIS
RCS Paris 480 034 917

CASHFLOW STATEMENT

In Thousand Euros	31/12/2018	31/12/2017
Net Profit & Loss	925	1,042
Corporate Tax		
Net appropriations to depreciation of tangible and intangible assets		
Depreciation of goodwill and other fixed assets		
Net appropriations to provisions		
Portion of profits relating to affiliate companies		
Net loss / net gain from investment activities		
Exchange rate variations on cash and cash equivalents	3	-13
Other transactions	-109	164
Total non-monetary items included in net pre-tax profit and other adjustment:	818	1,192
Cashflow relating to transactions with credit instructions	-837,445	1,575,971
Cashflow relating to transactions with customers		
Cashflow from other transactions relating to financial assets or liabilities		
Cashflow from other transactions relating to non-financial assets or liabilities		
Dividend received from affiliates companies		
Taxes paid		
Net decrease / (increase) of assets and liabilities from operating activities	-837,445	1,575,971
TOTAL NET CASHFLOW FROM OPERATING ACTIVITIES	-836,627	1,577,163
Cashflow relating to participating interests		
Cashflow relating to tangible and intangible assets		
TOTAL NET CASHFLOW FROM INVESTMENTS ACTIVITIES	0	0
Cashflow derived from or intended for shareholders		
Other net cashflow from financing activities	838,006	-2,247,355
Income / charges from financing activities	-6,021	1,564
TOTAL NET CASHFLOW RELATING TO FINANCING ACTIVITIES	831,985	-2,245,791
NET VARIATION OF CASH OR CASH EQUIVALENT	-4,642	-668,628
<i>Exchange rate variations on cash and cash equivalents</i>	<i>-3</i>	<i>13</i>
Cash and cash equivalent at opening	122,680	791,295
Cash, central Banks, post office checking accounts (assets and liabilities)	122,680	791,295
Account net balance and loans / borrowings with credit institutions		
Cash and cash equivalent at closing *	118,035	122,680
Cash, central Banks, post office checking accounts (assets and liabilities)	118,035	122,680
Account net balance and loans / borrowings with credit institutions		
TOTAL NET TREASURY VARIATION OR CASH EQUIVALENT	-4,642	-668,628

A3816418 * cf note 1 "loans and advances to banks"

3. The paragraph “*Issuer Statutory Auditors*” in the section “The Issuer” on page 127 of the Base Prospectus is hereby deleted and replaced with the following:

“Issuer Statutory Auditors

The auditors of the Issuer are:

- (a) PricewaterhouseCoopers Audit, 63 rue de Villiers 92208 Neuilly sur Seine Cedex, France; and
- (b) BDO France - Léger & Associés, 43-47, avenue de la Grande Armée, 75116 Paris, France.

The statutory auditors of the Issuer are registered with the *Compagnie Nationale des Commissaires aux Comptes* (official statutory auditors’ representative body).

PricewaterhouseCoopers Audit has been appointed as auditors of the Issuer on 2 March 2015. PricewaterhouseCoopers Audit has audited and rendered an unqualified audit report on the non-consolidated financial statements of the Issuer for the fiscal years ended 2017 and 2018.

BDO France - Léger & Associés has been appointed as auditors of the Issuer on 20 June 2008. BDO France - Léger & Associés has audited and rendered an unqualified audit report on the non-consolidated financial statements of the Issuer for the fiscal years ended 2017 and 2018.”

THE BORROWER AND THE BORROWER FACILITY AGREEMENT

1. On page 142 of the Base Prospectus, in paragraph “The Borrower” “Accounting regulations and methods” is hereby deleted and replaced with the following:

“Accounting regulations and methods

HSBC France presents its accounts according to the provisions in use in all private industrial and commercial companies and is subject to tax in the same way as any commercial entity.

The accounts of HSBC France are subject to examination by PricewaterhouseCoopers Audit and BDO France - Léger & Associés, the statutory auditors (*commissaires aux comptes*) of HSBC France which were reappointed in 2018 by the combined general meeting of HSBC France for a period of six (6) years, expiring at the close of the ordinary general meeting to be called in 2024 to approve the financial statements for the year ending 2023. The accounts of HSBC France must be approved by its board of directors and are submitted, within five (5) months following the end of each financial year, together with the statutory auditors' report, for examination by the shareholders meeting of HSBC France.”

GENERAL INFORMATION

The paragraphs (2), (3), (4), (5), (7), (9) and (13) of the title “General Information” on pages 221 to 223 of the Base Prospectus shall be deleted and replaced with the followings:

“(2) The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in France in connection with the update of the Programme including authorisations by the general meetings of shareholders (*assemblées générales d'actionnaires*) of the Issuer dated 13 November 2018 and 27 February 2019 and the boards of directors (*conseils d'administration*) of the Issuer dated 13 November 2018, 12 February 2019 and 27 February 2019. Any issuance of Covered Bonds under the Programme, to the extent that such Covered Bonds constitute *obligations* under French law, requires the prior authorisation of the board of directors (*conseil d'administration*) of the Issuer, which may delegate its power to any person of its choice. For this purpose, the board of directors (*conseil d'administration*) of the Issuer held on 27 February 2018 delegated for a period of one year to Mr. Guillaume Makowski, Chief Executive Officer (*directeur général*) of the Issuer, and, to Mr. Mathieu Gaudin, Deputy Chief Executive Officer (*directeur general délégué*) and Mr. Xavier Boisseau, the power to decide the issue of bonds (*obligations*) under the Programme, governed by French or foreign law, up to an amount of €3,000,000,000 (or its equivalent in any other currency).

“(3) Save as disclosed in this Base Prospectus, there has been no significant change in the financial or trading position of the Issuer since 31 December 2018.

(4) Save as disclosed in this Base Prospectus, there has been no material adverse change in the prospects of the Issuer since 31 December 2018.

(5) Save as disclosed in this Base Prospectus, there are no events particular to the Issuer which are to a material extent relevant to an evaluation of its solvency.

(7) Save as disclosed in this Base Prospectus, there are no material contracts that are not entered into in the ordinary course of the Issuer's business which could result in any Affiliate being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to Bondholders in respect of the Covered Bonds being issued.

(9) PricewaterhouseCoopers Audit, 63 rue de Villiers 92208 Neuilly sur Seine Cedex, France, (duly authorised as *Commissaire aux comptes*) and BDO France - Léger & Associés, 43-47, avenue de la Grande Armée, 75116 Paris, France, (duly authorised as *Commissaire aux comptes*) have been appointed as *Commissaires aux comptes* of the Issuer (the “**Statutory Auditors**”) respectively as from 2 March 2015 and as from 20 June 2008. The Statutory Auditors have audited and rendered unqualified audit reports on the non-consolidated financial statements of the Issuer for the fiscal years ended 2017 and 2018.

(13) So long as Covered Bonds are capable of being issued under the Programme, copies of the following documents will, when published, be available during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer and at the specified office of the Paying Agent(s):

- (a) the by-laws (*statuts*) of the Issuer;
- (b) the audited non-consolidated financial statements of the Issuer and audit reports thereon in respect of the financial years ended on 31 December 2017 and 31 December 2018;
- (c) the Agency Agreement (which includes the form of the *Lettre Comptable*, the Temporary Global Certificates, the Definitive Materialised Covered Bonds, the Coupons, the Receipts, the Talons, the Terms

and Conditions of the German law Covered Bonds and the form of Assignment of the German law Covered Bonds);

- (d) Final Terms for Covered Bonds that are admitted to trading on Euronext Paris or any other Regulated Market in the EEA;
- (e) a copy of this Base Prospectus together with any supplement to this Base Prospectus or further Base Prospectus;
- (f) all reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Base Prospectus."

PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THIS FIRST SUPPLEMENT

Person responsible for this First Supplement

In the name of the Issuer

To the best of my knowledge (having taken all reasonable care to ensure that such is the case), I represent that the information contained or incorporated by reference in this First Supplement is in accordance with the facts and contains no omission likely to affect its import.

Paris, 1 March 2019

HSBC SFH (France)

15, rue Vernet
75008 Paris
France

Represented by: Guillaume Makowski
Chief Executive Officer



In accordance with Articles L.412-1 and L.621-8 of the French Monetary and Financial Code (*Code monétaire et financier*) and with the *Règlement général* of the *Autorité des marchés financiers* (“AMF”), in particular Articles 212-31 to 212-33, the AMF has granted to this First Supplement the visa n°19-069 on 1 March 2019. It was prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L.621-8-1-I of the French Monetary and Financial Code (*Code monétaire et financier*), the visa was 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 approved the appropriateness of any transaction under the Programme and has verified the accounting and financial data set out herein. This visa has been granted subject to the publication of final terms in accordance with Article 212-32 of the AMF's *Règlement général*, setting out the terms and conditions of the securities to be issued.

