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 28 FEBRUARY 2020 TO THE COVERED BOND PROGRAMME BASE PROSPECTUS DATED 16 DECEMBER 2019

This first supplement (the "**First Supplement**") is supplemental to, and should be read in conjunction with, the Base Prospectus dated 16 December 2019 (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 Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The *Autorité des marchés financiers* (the "**AMF**") has granted the approval number 19-570 on 16 December 2019 on the Base Prospectus.

Application has been made for approval of this First Supplement to the AMF in its capacity as competent authority under the Prospectus Regulation. This First Supplement constitutes a supplement to the Base Prospectus and has been prepared for the purpose of Article 23 of the Prospectus Regulation.

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 2019 in the French language which contains the audited financial statements of the Issuer for the financial year ended 31 December 2019 and the statutory auditors' report thereon (the "**2019 Annual Financial Report**");
2. updating the legends entitled "Prohibition of Sales to EEA and UK Retail Investors" of the Base Prospectus;
3. updating the section entitled "Documents Incorporated by Reference" of the Base Prospectus;
4. updating the section entitled "The Issuer" of the Base Prospectus;
5. updating the section entitled "Borrower and the Borrower Facility Agreement" of the Base Prospectus;
6. updating the section entitled "Subscription and Sale" of the Base Prospectus; and
7. updating the section entitled "General Information" 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 may affect the assessment of the Covered Bonds to be issued under 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, a right of withdrawal is only granted to those investors who had already agreed to purchase or subscribe for the securities before this First Supplement was published and where the securities had not yet been delivered to the investors at the time when the significant new factor, material mistake or material inaccuracy arose or was noted; investors can exercise their right of withdrawal up to 3 March 2020 with the Authorised Offerors.

TABLE OF CONTENTS

Page

PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS

The legend entitled "Prohibition of Sales to EEA Retail Investors" appearing of page 3 of the Base Prospectus is hereby deleted in its entirety and replaced with the following (the changes appear in blue):

"**IMPORTANT EEA AND UK RETAIL INVESTORS – If the Final Terms in respect of any Covered Bonds include a legend entitled "Prohibition of Sales to EEA and UK retail Investors", the Covered Bonds 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**") or in the United Kingdom (the "UK"). 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, 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 Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the "**PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.**"

The legend entitled "PROHIBITION OF SALES TO EEA RETAIL INVESTORS" in the section "Form of Final Terms 1" appearing on page 170 and in the section "Form of Final Terms 2" appearing on page 188 of the Base Prospectus is hereby deleted in its entirety and replaced with the following (the changes appear in blue)

- [**PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** - The Covered Bonds 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**") or in the United Kingdom (the "**UK**"). 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 [Directive 2014/65/EU ("**MiFID II**")/MiFID II]; (ii) a customer within the meaning of Directive 2016/97/EU, as amended, 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 Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the "**PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPS Regulation.][1]

[1] Delete legend if the Covered Bonds constitute "packaged" products, in which case, insert "Not Applicable" in paragraph 10(viii) of Part B below. Include legend if the Covered Bonds may constitute "packaged" products and the Issuer intends to prohibit the Covered Bonds being offered, sold or otherwise made available to EEA and UK retail investors. In this case insert "Applicable" in paragraph 10(viii) of Part B below.

RISK FACTORS

1. The paragraph entitled "*Several items of the Issuer's balance sheet are subject to credit risk*" in the section "Risk Factors" on pages 14 and 15 of the Base Prospectus is hereby deleted in its entirety and replaced with the following (the changes appear in blue):

"*Several items of the Issuer's balance sheet are subject to credit risk*

Several items of the Issuer's balance sheet are subject to credit risk, in particular its cash and loans both on steady-state as well as in the event of a transfer of collateral. Under steady-state, the Issuer's balance sheet is mainly exposed to its parent company:

– the Issuer's cash, which reflects the investment of its equity, is composed of sight deposits in HSBC France's accounting books. Such deposits are subject to a minimum rating requirement described in the Base Prospectus (long-term rate A by S&P and short-term rate P-1 by Moody's). As of the date of this Base Prospectus, the long-term rating of HSBC France is AA- (Fitch), Aa3 (Moody's) and AA- (S&P) and the short-term rating of HSBC France is F1+ (Fitch), P-1 (Moody's) and A-1+ (S&P). As at 31 December 2019, the Issuer's cash amounted to €116,504,926;

– the other major component of the Issuer's asset under steady-state is all the Borrower Advances granted to HSBC France that replicate the characteristics of the Covered Bonds issued. The related credit risk is considered low as long as HSBC France complies with the requirements of the Programme (long-term rating BBB by S&P and counterparty risk Baa2 by Moody's). As of the date of this Base Prospectus, the long-term rating of HSBC France is AA- (Fitch), Aa3 (Moody's) and AA- (S&P) and the counterparty risk assigned to HSBC France by Moody's is Aa2/P-1. As at 31 December 2019, the Borrower Debt amounted to €4,253,870,135 (ie the Advances still alive and the corresponding interests).

The bulk of the cover pool is composed of prime Home Loans with the following characteristics: (i) all fixed-rate and (ii) with first-lien mortgage or guaranteed by Crédit Logement. In addition, it is voluntarily over-collateralised, above the regulatory minimum of 105% and above the overcollateralization level required by the Rating Agencies in order to obtain an AAA rating, i.e. as at 31 December 2019, €5,699,784,018.

If an event occurs under the Programme (for example, a Borrower Event of Default or a downgrade of HSBC France's rating below a specific threshold), the Issuer shall access to the ownership of the Eligible Assets granted as Borrower Collateral Security. Then, the remaining credit risk shall come from the transferred Home Loans portfolio, which is mitigated by the guarantees granted directly or indirectly on the Home Loan Receivables."

2. The paragraph entitled "*The EU Resolution and Recovery Directive*" in the section "Risk Factors" on pages 15 to 17 of the Base Prospectus is hereby deleted in its entirety and replaced with the following (the changes appear in blue):

"The EU Resolution and Recovery Directive

Directive 2014/59/EU of the European Parliament and of the Council dated 15 May 2014 on the resolution of financial institutions provides for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "**Bank Recovery and Resolution Directive**" or "**BRRD**"). The BRRD provides authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business – which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution – which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in – which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims including Covered Bonds to equity (the "**general bail-in tool**"), which equity could also be subject to any future application of the general bail-in tool. Relevant claims for the purposes of the bail-in tool would include the claims of the holders in respect of any Covered Bonds issued under the Programme, only if and to the extent that the bond liability exceeded the value of the cover pool collateral against which it is secured. In this respect, it is to be noted that the Issuer shall maintain at any time a Minimum Legal Cover Ratio of 105% and the Legal Cover Ratio as of 30 September 2019 certified by the Specific Controller was 129.36% and as of 31 December 2019 was 129.83% (not yet certified by the Specific Controller).

Regarding covered bonds such as the Covered Bonds, the BRRD provides that the relevant resolution authority shall not exercise the write down or conversion powers in relation to secured liabilities including covered bonds and liabilities in the form of financial instruments used for hedging purposes which form an integral part of the cover pool and which according to national law are secured in a way similar to covered bonds, whether they are governed by the law of a Member State or of a third country.

The BRRD also provides that in exceptional circumstances, where the bail-in tool is applied, the relevant resolution authority may exclude or partially exclude certain liabilities from the application of the write-down or conversion powers where: (a) it is not possible to bail-in that liability within a reasonable time; (b) the exclusion is strictly necessary and is proportionate to achieve the continuity of critical functions and core business lines in a manner that maintains the ability of the institution under resolution to continue key operations, services and transactions; (c) the exclusion is strictly necessary and proportionate to avoid giving rise to widespread contagion, in particular as regards eligible deposits held by natural persons and micro, small and medium sized enterprises, which would severely disrupt the functioning of financial markets, including of financial market infrastructures, in a manner that could cause a serious disturbance to the economy of a Member State or of the Union; or (d) the application of the bail-in tool to those liabilities would cause a destruction in value such that the losses borne by other creditors would be higher than if those liabilities were excluded from bail-in. Consequently, where a resolution authority decides to exclude or partially exclude an eligible liability or class of eligible liabilities, the level of write down or conversion applied to other eligible liabilities - as the holders of the Covered Bonds - when not excluded, may be increased to take account of such exclusions. Subsequently, if the losses that would have been borne by those liabilities have not been passed on fully to other creditors, the resolution financing arrangement may make a contribution to the institution under resolution to (i) cover any losses which have not been absorbed by eligible liabilities and restore the net asset value of the institution under resolution to zero and/or (ii) purchase shares or other instruments of ownership or capital instruments in the institution under resolution, in order to recapitalise the institution. The last step - if there are losses left - would be an extraordinary public financial support through additional financial stabilisation tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework. An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. In particular, holders of Covered Bonds may be subject to write-down (including to zero) or conversion into equity on any application of the general bail-in tool (subject, in the case of covered bonds such as the Covered Bonds, to the limitations set out above), which may result in such holders losing some or all of their investment. The BRRD also provides that the relevant resolution authority can modify the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments).The exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of the holders of the Covered Bonds, the price or value of their investment in any Covered Bonds and/or the ability of the Issuer to satisfy its obligations under any Covered Bonds.

The BRRD was implemented in France by the *Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière* dated 20 August 2015 (the "**Ordinance**"), which generally is currently in effect.

The Ordinance has been ratified by law no. 2016-1691 dated 9 December 2016 (*Loi n°2016-1691 du 9 décembre 2016 relative à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique*) which also incorporates provisions which clarify the implementation of the BRRD.

The BRRD has been amended by Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 which shall be implemented under French law within 18 months from the date of its entry into force on 27 June 2019.

As from 1 January 2016, a single resolution board (the "**Single Resolution Board**") established by Regulation (EU) no. 806/2014 of the European Parliament and of the Council of 15 July 2014 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 and a Single Resolution Fund, together with national authorities, are in charge of resolution planning and preparation of resolution decisions for cross-border credit institutions and banking groups.

Since 1 January 2015, the Single Resolution Board works in close cooperation with the *Autorité de contrôle prudentiel et de résolution* (*ACPR*), which will remain responsible inter alia for implementing the resolution plan according to the Single Resolution Board's instructions."

3. The paragraph entitled "*The Issuer is exposed to certain operational risks*" in the section "Risk Factors" on page 17 of the Base Prospectus is hereby deleted in its entirety and replaced with the following (the changes appear in blue):

"*The Issuer is exposed to certain operational risks*

The Issuer is exposed to several types of operational risks that are inherent to its operations, including fraudulent and other criminal activities (both internal and external, including cyber), breakdown in processes. These operational risks could have an adverse effect on the business, the customers, the financial conditions and results of operations of the Issuer.

The main operational risks for the Issuer include the following:

- the financial crime risk refer to potential money laundering, terrorism's financing, sanctions with respect to the Borrower's customers. HSBC France has a responsibility to help protect the integrity of the global financial system. To fulfil this responsibility, HSBC France have made and continue to make, significant investments in the ability to detect, deter and prevent financial crime and HSBC France has set a framework to be followed within its group. The framework is built to observe the letter and spirit of all relevant laws, codes rules, regulations, and standards of good market practice. These include for the Issuer more specifically those relating to financial crime compliance such as anti money laundering, Counter Terrorism and Proliferation Financing, and Sanctions in relation with the Borrower Collateral Security (i.e. the Home Loan Receivables which will be granted with full title transfer (*remise en pleine propriété à titre de garantie*)).

- The risks linked to security of information with respect to unauthorised access, alteration or theft of information. The risk from cyber-attack remains a concern for HSBC France's group and failure to protect its operations from internet crime or cyber-attacks may result in financial loss, business disruption and / or loss of data or other sensitive information that could undermine the reputation and the ability to keep or attract Bondholders. The risk related to insider has been also considered by the Issuer. This risk comprises the risk implicit in actions by employees of HSBC France, contractors of the Issuer or of HSBC France, or others (such as third-party vendors), with authorised access to sensitive information, systems, premises, infrastructure, to cause reputational, regulatory or operational harm.

- The risk linked to transaction settlement error or failure to perform in the day-to-day activities, due to unavaibility of systems, human errors, or process deployment, disruption from the external environment, dependency in the information technology system.

As at 31 December 2019, none of the above-mentioned operational risks have been detected by the Issuer at the Issuer's level."

4. The paragraph entitled "*Borrower's ability to pay under the Borrower Debt*" in the section "Risk Factors" on page 18 of the Base Prospectus is hereby deleted in its entirety and replaced with the following (the changes appear in blue):

"*Borrower's ability to pay under the Borrower Debt*

Neither the Issuer nor any other party to the Programme Documents (other than, upon certain circumstances, the Borrower as grantor of the Borrower Collateral Security and as Cash Collateral Provider) guarantees or warrants the full and timely payment by the Borrower of any sums of principal or interest payable under the Borrower Debt, being part of the Issuer Assets. As at 31 December 2019, the Borrower Debt amounted to €4,253,870,135.

The likelihood of timely payments by the Borrower under the Borrower Debt is assessed through the monitoring of HSBC France's rating. If this rating falls below a long-term rating of BBB by S&P and a counterparty risk rating of Baa2 by Moody's, the Issuer shall be entitled to enforce the Borrower Collateral Security. As of the date of this Base Prospectus, the long-term rating of HSBC France is AA- (Fitch), Aa3 (Moody's) and AA- (S&P) and the counterparty risk assigned to HSBC France by Moody's is Aa2/P-1.

Should the Borrower be subject to any applicable insolvency proceedings (including the procedures of safeguard, moratorium, suspension of payments, controlled management, liquidation or similar insolvency proceedings), this would impair the ability of the Issuer to claim against the Borrower to obtain timely payment of amounts of principal and interest due and payable under the Borrower Debt and as a consequence, this may adversely affect the Issuer's ability to perform its obligations under the Covered Bonds.

However, in such event, the Issuer would be entitled to accelerate the payment of such amounts and then immediately enforce the Borrower Collateral Security or the Cash Collateral (including upon and following the commencement of insolvency proceedings against the Cash Collateral Provider and/or the Borrower)."

5. **The paragraph entitled "*Risks related to maintenance of Borrower Collateral Security prior to or following enforcement thereof*" in the section "Risk Factors" on pages 20 and 21 of the Base Prospectus is hereby deleted in its entirety and replaced with the following (the changes appear in blue):**

"*Risks related to maintenance of Borrower Collateral Security prior to or following enforcement thereof*

If the collateral value of the Home Loan Receivables (amounting to €5,699,784,018 at 31 December 2019 and representing 134% of the Covered Bonds currently outstanding (i.e. €4,250,000,000)) granted as Borrower Collateral Security in favour of the Issuer pursuant to the Borrower Collateral Security Agreement has not been maintained in accordance with the terms of the Asset Cover Test or the Amortisation Test or the other provisions of the Programme Documents, the value of the relevant Borrower Collateral Security Assets or any part thereof (both before and after the occurrence of a Borrower Event of Default) or the price or value of such Home Loan Receivables and related Home Loan Security upon the sale or refinancing thereof by the Issuer may be affected.

The value of the properties securing the Home Loans may decrease as a result of any number of factors, including the national or international economic climate, regional economic or housing conditions, changes in tax laws, mortgage interest rates, inflation, the availability of financing, yields on alternative investments, increasing utility costs and other day-to-day expenses, political developments and government policies. In addition, as the properties securing the Home Loans are predominantly located in France, the value of such properties may therefore decline in the event of a general downturn in the value of property in France. In this respect, it is to be noted that holders of Home Loans are composed of premium clients a large part of which are located in Paris and in the region Ile-de-France.

The materialization of any of the foregoing factors could adversely affect the Issuer's business, financial condition, cash flows and results of operations, and may result in the Issuer having insufficient funds to meet its obligations under the Covered Bonds."

6. **The paragraph entitled "*Sale or refinancing of Home Loan Receivables and related Home Loan Security by the Issuer following enforcement of the Borrower Collateral Security*" in the section "Risk Factors" on pages 21 and 22 of the Base Prospectus is hereby deleted in its entirety and replaced with the following (the changes appear in blue):**

"*Sale or refinancing of Home Loan Receivables and related Home Loan Security by the Issuer following enforcement of the Borrower Collateral Security*

After title to the Home Loan Receivables granted as Borrower Collateral Security and the related Home Loan Security has been definitively transferred to the Issuer upon enforcement of the Borrower Collateral Security (the "**Transferred Assets**"), the Administrator will organise the sale or refinancing by the Issuer of such Home Loan Receivables and related Home Loan Security in order for the Issuer to receive sufficient Available Funds to make payments when due under the relevant Series of Covered Bonds (after taking into account all payments to be made in priority thereto according to the relevant Priority Payment Order and the relevant payment dates and Final Maturity Date under each relevant Series of Covered Bonds). As at 31 December 2019, the Home Loan Receivables amounted to €5,699,784,018 and the Home Loan Securities to €4,250,000,000.

The Administrator will organise the sale or refinancing by the Issuer of the Home Loan Receivables granted as Borrower Collateral Security and the related Home Loan Security in accordance with the Administrative Agreement (see "**The Issuer – The Administrative Agreement**").

The Administrative Agreement provides that the Administrator shall ensure that the Transferred Assets which are proposed for sale or refinancing by the Issuer (the "**Selected Assets**") at any relevant date (the "**SARA Relevant Date**") will be selected on a random basis, provided that (i) no more Selected Assets will be selected than are necessary for the estimated sale or refinancing proceeds to equal the Adjusted Required Redemption Amount, and

(ii) the aggregate outstanding principal amount or value (and interest accrued thereon) of such Selected Assets shall not exceed the "**Selected Assets Required Amount (SARA)**", which is calculated as follows:

SARA = Adjusted Required Redemption Amount * A/B

where:

"**Adjusted Required Redemption Amount**" means an amount equal to the euro equivalent of the outstanding principal amount of the first Series of Covered Bonds maturing after the SARA Relevant Date (together with Interest Amount accrued thereon), less amounts standing to the credit of the Issuer Accounts (excluding all amounts to be applied on the first Payment Date following the SARA Relevant Date to repay higher ranking amounts in the relevant Priority Payment Order and those amounts that are required to repay any Series which mature prior to or on the same date as the relevant Series);

"**A**" means the euro equivalent of the aggregate of the outstanding principal amount or value (together with interest accrued thereon) of all Transferred Assets; and

"**B**" means the euro equivalent of the outstanding principal amount (together with Interest Amount accrued thereon) in respect of all Series of Covered Bonds then outstanding.

The Administrator (or the Substitute Administrator) acting on behalf of the Issuer will offer the Selected Assets for sale to potential buyers for the best price reasonably available, but in any event for an amount not less than the Adjusted Required Redemption Amount.

If the Selected Assets have not been sold or refinanced (in whole or in part) in an amount equal to the Adjusted Required Redemption Amount by the date which is six (6) months prior to the Final Maturity Date of the Series of Covered Bonds maturing after the SARA Relevant Date (after taking into account all payments, provisions and credits to be made in priority thereto), then the Administrator will (i) organise the offer for sale of the Selected Assets by the Issuer for the best price reasonably available, or (ii) seek a refinancing of the Selected Assets by the Issuer on the best terms reasonably available, even if the price obtained in this case for the Selected Assets is less than the Adjusted Required Redemption Amount.

For the purpose hereof, the Administrator may through a tender process select a portfolio manager of recognised standing which shall be appointed by the Issuer to advise it in relation to the sale or refinancing of the Transferred Assets. This portfolio manager can be appointed by the Issuer on terms intended to incite the portfolio manager to achieve the best price for the sale or refinancing of the Transferred Assets (if such terms are commercially available in the market).

In respect of any sale or refinancing of the Selected Assets, the Administrator shall use all reasonable endeavours to procure that the Selected Assets are sold as quickly as reasonably practicable (in accordance, as the case may be, with the recommendations of the portfolio manager) taking into account the market conditions at that time.

There is no guarantee that a buyer will be found to acquire the Home Loan Receivables granted as Borrower Collateral Security and the related Home Loan Security at the times required and there can be no guarantee or assurance as to the price which may be able to be obtained, which may affect the ability of the Issuer to make payments when due under the Covered Bonds.

In addition, with respect to any sale or refinancing of the Home Loan Receivables granted as Borrower Collateral Security and the related Home Loan Security to third parties, the Issuer will not be permitted to give warranties or indemnities as to those assets. There is no assurance that representations or warranties previously given by the Borrower with respect to such assets pursuant to the terms of the Borrower Collateral Security Agreement may benefit a third-party purchaser of such assets upon sale or refinancing thereof by the Issuer. Accordingly, there is a risk that the price or value of such assets upon the sale or refinancing thereof by the Issuer be adversely affected by the lack of representations and warranties which in turn could adversely affect the ability of the Issuer to make payments when due under the relevant Series of Covered Bonds."

7. The paragraph entitled "*The Issuer relies on HSBC France and its successors for the provision of liquidity*" in the section "Risk Factors" on pages 22 and 23 of the Base Prospectus is hereby deleted in its entirety and replaced with the following (the changes appear in blue):

"*The Issuer relies on HSBC France and its successors for the provision of liquidity*

The Issuer has entered into the Cash Collateral Agreement with HSBC France (as Cash Collateral Provider), who has agreed to provide liquidity to the Issuer upon certain rating trigger events occurring. As at 31 December 2019, there was no need to provide liquidity under the Cash Collateral Agreement.

Failure of HSBC France to provide liquidity where required under the Cash Collateral Agreement may adversely affect the Issuers' ability to perform its obligations under the Covered Bonds and as a consequence Bondholders could receive a diminished return on their investment in the Covered Bonds."

8. The paragraph entitled "*The Issuer relies on HSBC France or its successors for the monitoring of the Borrower Collateral Security Assets*" in the section "Risk Factors" on page 25 of the Base Prospectus is hereby deleted in its entirety and replaced with the following (the changes appear in blue):

"*The Issuer relies on HSBC France or its successors for the monitoring of the Borrower Collateral Security Assets*

The Issuer has entered into the Borrower Collateral Security Agreement with HSBC France, who has agreed to administer and monitor the Borrower Collateral Security Assets and/or the Borrower Collateral Security. As at 31 December 2019, Borrower Collateral Security Assets amounted to €5,699,784,018.

Under the relevant Programme Documents, the Issuer may terminate the appointment of HSBC France (such termination not being effective until a substitute servicer with the required rating shall have replaced HSBC France), in which case the transfer of the monitoring function to any entity outside the HSBC Group may result in delays, increased costs and/or losses for the Issuer, could create operational and administrative difficulties for the Issuer and could adversely affect its ability to perform its obligations under the Covered Bonds. In addition, if the Borrower fails to adequately administer the Borrower Collateral Security Assets and/or the Borrower Collateral Security, this may lead to diminished value of the Borrower Collateral Security or any part thereof, and in turn, the ability of the Issuer to make payments under the Covered Bonds.

As a consequence, Bondholders could lose all or a significant part of their investment in the Covered Bonds."

9. The paragraph entitled "*Interest and currency risks*" in the section "Risk Factors" on page 28 of the Base Prospectus is hereby deleted in its entirety and replaced with the following (the changes appear in blue):

"*Interest and currency risks*

Each Borrower Advance granted by the Issuer for the benefit of the Borrower under the Borrower Facility Agreement shall be made available in the same Specified Currency and according to the same interest conditions to those applicable to the Covered Bonds funding such Borrower Advance. As a consequence, as long as a Borrower Event of Default has not occurred, the Issuer shall not be exposed to any currency and interest risk regarding the Borrower Debt and the Covered Bonds. As at 31 December 2019, the Borrower Debt amounted to €4,253,870,135.

There is no assurance that the Home Loan Receivables that are part of the Borrower Collateral Security bear interest by way of the same conditions as those of the Covered Bonds and are denominated in the same currency as the Covered Bonds. Upon the occurrence of a Borrower Event of Default and the enforcement of the Borrower Collateral Security, Home Loan Receivables and related Home Loans Security shall be transferred to the Issuer."

DOCUMENTS INCORPORATED BY REFERENCE

The section entitled "*Documents Incorporated by Reference*" on pages 45 and 46 of the Base Prospectus is hereby deleted in its entirety 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 2019 in the French language and prepared in accordance with French generally accepted accounting principles and the statutory auditors' report thereon (together the "**2019 Annual Financial Report**"); and

  https://www.about.hsbc.fr/-/media/france/fr/investors-relations/hsbc-sfh/rapport-financier-annuel-2019.pdf

- 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

  https://www.about.hsbc.fr/-/media/france/fr/investors-relations/hsbc-sfh/190227-hsbc-sfh-rapport-financier-annuel-2018.pdf

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.

For the purpose of the Prospectus Regulation, information can be found in the documents incorporated by reference in this Base Prospectus in accordance with the following cross-reference table (in which the numbering refers to the relevant items of Annexes 6 and 7 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation).

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 6 and Annex 7 of the Regulation (EU) 2019/980)

Extracts of Annexes 6 and 7 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation		**2019 Annual Financial Report (page number)**	**2018 Annual Financial Report (page number)**
SECTION 11	FINANCIAL INFORMATION CONCERNING THE ISSUER’S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES		
11.1	Historical financial information		
11.1.1	Historical financial information covering the latest two financial years (at least 24 months) or such shorter period as the issuer has been in operation and the audit report in respect of each year.	57 to 89	60 to 92
11.1.3	Accounting standards		-
11.1.5	Financial information		
	- Balance sheet	57 to 58	60 to 61
	- Income statement	59	62
	- Statement of cash flows	60	63
	- Statement of changes in equity	61	64
	- Accounting policies and explanatory notes	62 to 84	65 to 87
11.1.7	Age of financial information (in month)	2	14
11.3	Auditing of Historical financial information	85 to 89	88 to 92

SECTION 4	INFORMATION ABOUT THE ISSUER		
4.1.5	Recent events relating to the issuer	5 to 8	6 to 10

THE ISSUER

1. **The paragraph entitled "*Issuer Financial Elements*" in the section "The Issuer" on pages 103 to 104 of the Base Prospectus is hereby deleted in its entirety 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)

	31/12/2019 (audited)	31/12/2018 (audited)
Income Statement		
Net operating income	2,936,207	3,373,560
Gross operating income	1,417,673	1,626,704
Net income	873,778	924,543
Balance Sheet		
Total balance sheet	4,381,070,993	4,561,114,543
Equity attributable to the owners of the parent (excluding FRBG)	114,668,137	114,700,359
Debt represented by a security	4,265,017,076	4,444,971,649

As of 31 December 2019, the balance sheet presents a total of 4,381,070,993 euros, as a reminder the total balance sheet as of 31 December 2018 was of 4,561,114,543 euros. The balance sheet has decreased over the year mainly due to the reimbursement of the bond initiated the 23rd December 2010.

As of 31 December 2019, the net income presents a total of 873,778 euros, as a reminder the net income as of 31 December 2018 was of 924,543 euros. The decrease of the net income is mainly due to the reimbursement of the bond initiated the 23rd December 2010.

Prudential ratios

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

2. **The paragraph entitled "*Cash flow statements (first semester 2019 and fiscal years 2018 and 2017 audited)*" in the section "The Issuer" on pages 104 to 106 of the Base Prospectus is hereby deleted in its entirety and replaced with the following:**

"**Cash flow statements (fiscal years 2019 and 2018 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	31/12/2019	31/12/2018	31/12/2017
Net Profit & Loss	**874**	**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	0	3	-13
Other transactions		-109	164
Total non-monetary items included in net pre-tax profit and other adjustments	**874**	**818**	**1,192**
Cashflow relating to transactions with credit instructions	175,787	-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	-150		
Dividend received from affiliates companies			
Taxes paid	-118		
Net decrease / (increase) of assets and liabilities from operating activities	**175,520**	**-837,445**	**1,575,971**
TOTAL NET CASHFLOW FROM OPERATING ACTIVITIES	**176,394**	**-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**	**0**
Cashflow derived from or intended for covered bonders			
Other net cashflow from financing activities	-177,018	838,006	-2,247,355
Income / charges from financing activities		-6,021	1,564
Cashflow derived from or intended for shareholders	-906		
TOTAL NET CASHFLOW RELATING TO FINANCING ACTIVITIES	**-177,924**	**831,985**	**-2,245,791**
NET VARIATION OF CASH OR CASH EQUIVALENT	**-1,530**	**-4,642**	**-668,628**
Exchange rate variations on cash and cash equivalents	**0**	**-3**	**13**
Cash and cash equivalent at opening	**118,035**	**122,680**	**791,295**
Cash, central Banks, post office checking accounts (assets and liabilities)	**118,035**	**122,680**	**791,295**
Account net balance and loans / borrowings with credit institutions			
Cash and cash equivalent at closing *	**116,505**	**118,035**	**122,680**
Cash, central Banks, post office checking accounts (assets and liabilities)	**116,505**	**118,035**	**122,680**
Account net balance and loans / borrowings with credit institutions			
TOTAL NET TREASURY VARIATION OR CASH EQUIVALENT	**-1,530**	**-4,642**	**-668,628**

* cf note 1 "loans and advances to banks"

Modifications relating to the presentation of certain elements of the cashflow statement have been made as of December 31, 2019. These adjustments have not been made for the values displayed on December 31, 2018 in this table. If these changes had been taken into account, they would have had an impact of + € 60k on net cash flow linked to financing activities, - € 169k on net cash flow fromoperating activities, and + € 109k on items without cash disbursements.

3. **The paragraph entitled "Issuer Management bodies" in the section "The Issuer" on page 108 of the Base Prospectus is hereby deleted and replaced with the following:**

"**Issuer Management bodies**

The chairman, the chief executive officer and the deputy chief executive officer

Mr. Arnaud Menjot de Champfleur, Chief Executive Officer (*directeur général*) and Mr. Thomas Boudier, Deputy Chief Executive Officer (*directeur général délégué*) are responsible for the conduct of the Issuer's activities vis-à-vis the *Autorité de contrôle prudentiel et de résolution* (ACPR) in accordance with Article L.511-13 of the French Monetary and Financial Code (*Code monétaire et financier*). On the Programme date, Mr. Thomas Boudier, Deputy Chief Executive Officer (*directeur général délégué*), is also Head of Management Control for the Retail Banking and Wealth Management of HSBC France. In accordance with French applicable corporate laws, the Chief Executive Officer (*directeur général*) and the Deputy Chief Executive Officer (*directeur général délégué*) represent the Issuer vis-à-vis third parties. The chairman of the board of directors (*président du conseil d'administration*) of the Issuer ensures the efficient functioning of the board of directors (*conseil d'administration*) of the Issuer.

Board of directors (*conseil d'administration*)

The board of directors of the Issuer consists of a minimum of three (3) members and a maximum of eighteen (18) members. The term of office is three (3) years.

The board of directors of the Issuer is composed of 7 members:

Name and position	**Date of appointment**
Mrs. Laurence Rogier, *président du conseil d'administration*	24 September 2014
Mr. Arnaud Menjot de Champfleur, *directeur général and administrateur*	14 November 2019
Mr. Asselin de Louvencourt, *administrateur indépendant*	20 February 2017
Mr. Sébastien Badina, *administrateur*	16 November 2017
Mr. Xavier Boisseau, *administrateur*	8 January 2010
Mr. Julien Delorme, *administrateur*	16 November 2017
Mr. Guillaume Makowski, *administrateur*	2 February 2017

The members of the board of directors of the Issuer have their business addresses at the registered office of the Issuer.

Mrs. Laurence Rogier, chairman of the board of directors (*président du conseil d'administration*), is also the Chief Financial Officer (*Directeur Financier*) of HSBC France. Mr. Arnaud Menjot de Champfleur, Chief Executive Officer (*directeur général*), is also Head of Asset, Liability & Capital Management Department of HSBC France. Mr. Asselin de Louvencourt, Issuer Independent Representative (*administrateur indépendant*), holds no other position with HSBC Holdings plc or any of its direct or indirect subsidiaries. Mr. Xavier Boisseau, member of the board of directors (*administrateur*), is also Head of Global Banking and Markets of HSBC France. Mr. Sébastien

Badina member of the board of directors (*administrateur*), is also Head of Retail Credit Risk Portfolio Management in the Retail Credit Risk division of HSBC France. Mr. Julien Delorme, member of the board of directors (*administrateur*), is also Head of Customer Value Management of Retail Banking and Wealth Management division of HSBC France. Mr. Guillaume Makowski, member of the board of directors (*administrateur*), is also Head of Management Information, Analysis and Planning of HSBC France.

4. The paragraph entitled "*Issuer Statutory Auditors*" in the section "The Issuer" on page 110 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 Paris Audit & Advisory, 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, 63 rue de Villiers 92208 Neuilly sur Seine Cedex, France, (duly authorised as *Commissaire aux comptes*) and BDO Paris Audit & Advisory, 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 2018 and 2019."

SUBSCRIPTION AND SALE

The paragraph entitled "*European Economic Area*" in the section "Subscription and Sale" on pages 165 to 169 of the Base Prospectus is hereby deleted in its entirety and replaced with the following (the changes appear in blue):

"European Economic Area and United Kingdom

Unless the Final Terms in respect of any Covered Bonds specify the "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Covered Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA or in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of Directive 2016/97/EU, as amended, 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 the Prospectus Regulation; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds

With regard to any German law Covered Bond, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of German law Covered Bonds to the public (as defined below) in any relevant jurisdiction, except for offerings in compliance with all laws, regulations and directives applicable to the offering of the German law Covered Bonds in the relevant jurisdiction which may differ from the laws, regulations and directives applicable to the offering of securities in such jurisdiction.

If the Final Terms in respect of any Covered Bonds specify "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area and the United Kingdom (each, a "**Relevant State**"), each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant State except that it may make an offer of such Covered Bonds to the public in that Relevant State:

(a) if the Final Terms in relation to the Covered Bonds specify that an offer of those Covered Bonds may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Covered Bonds referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

With regard to any German law Covered Bond, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of German law Covered Bonds to the public (as defined below) in any relevant jurisdiction, except for offerings in compliance with all laws, regulations and directives applicable to the offering of the German law Covered Bonds in the relevant jurisdiction which may differ from the laws, regulations and directives applicable to the offering of securities in such jurisdiction.

For the purposes of this provision, the expression an "**offer of Covered Bonds to the public**" in relation to any German law Covered Bonds in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds, as the same may be varied in that Relevant State by any measure implementing the Prospectus Regulation in that Relevant State and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129."

GENERAL INFORMATION

The paragraphs (2), (3), (4), (5), (7), (9) and (13) of the title "General Information" on pages 215 to 217 of the Base Prospectus shall be deleted in their entireties 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 14 November 2019 and 27 February 2020 and the boards of directors (*conseils d'administration*) of the Issuer dated 14 November 2019 and 27 February 2020. 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 2020 delegated for a period of one year to Mr. Arnaud Menjot de Champfleur, Chief Executive Officer (*directeur général*) of the Issuer, and to Mr. Thomas Boudier, Deputy Chief Executive Officer (*directeur général 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 the Base Prospectus and the First Supplement, there has been no significant change in the financial position or financial performance of the Issuer since 31 December 2019.

(4) Save as disclosed in the Base Prospectus and the First Supplement, there has been no material adverse change in the prospects of the Issuer since 31 December 2019.

(5) Save as disclosed in the Base Prospectus and the First Supplement, 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 the Base Prospectus and the First Supplement, 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 Paris Audit & Advisory, 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 2018 and 2019.

(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 2018 and 31 December 2019;

(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 the Base Prospectus together with any supplement to the 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

I represent, to the best of my knowledge, that the information contained or incorporated by reference in this First Supplement is in accordance with the facts and makes no omission likely to affect its import.

Paris, 28 February 2020

HSBC SFH (France)
15, rue Vernet
75008 Paris
France

Represented by: Arnaud Menjot de Champfleur, Chief Executive Officer

Autorité des marchés financiers

This First Supplement to the Base Prospectus has been approved on 28 February 2020 by the *Autorité des marchés financiers* (the "**AMF**"), in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF has approved this document after having verified that the information in the Base Prospectus is complete, comprehensible and consistent within the meaning of Regulation (EU) 2017/1129.

This approval should not be considered as a favourable opinion on the Issuer that is the subject of this First Supplement.

This First Supplement to the Base Prospectus has been granted the following approval number: 20-059.