

USD 277,000,000 Zero Coupon Callable Notes due January 2049

(the "Notes")

issued under

€ 20,000,000,000 Euro Medium Term Note Programme

of

HSBC France

Issue Price: 100.00 per cent.

Issue Date: 23 January 2019

This information package includes the Base Prospectus dated 14 September 2018 (the "**Base Prospectus**") and the Final Terms for the Notes dated 10 January 2019 (the "**Final Terms**", together with the Base Prospectus, the "**Information Package**").

The Notes will be issued by HSBC France (the "**Issuer**").

Application will be made by the Issuer for the Notes to be listed on the Taipei Exchange (the "**TPEX**") in the Republic of China (the "**ROC**").

The Notes will be traded on the TPEX pursuant to the applicable rules of the TPEX. Effective date of listing and trading of the Notes is on or about 23 January 2019.

TPEX is not responsible for the content of the Information Package and no representation is made by TPEX to the accuracy or completeness of the Information Package. TPEX expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this Information Package. Admission to the listing and trading of the Notes on the TPEX shall not be taken as an indication of the merits of the Issuer or the Notes.

The Notes have not been, and shall not be, offered, sold or resold, directly or indirectly, to investors other than "professional institutional investors" as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the ROC. Purchasers of the Notes are not permitted to sell or otherwise dispose of the Notes except by transfer to the aforementioned professional institutional investors.

Lead Manager

HSBC Bank (Taiwan) Limited

Manager

Cathay United Bank Co., Ltd.



HSBC France

€ 20,000,000,000

Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme (the **Programme**) described in this base prospectus (the **Base Prospectus**), HSBC France (the **Issuer**), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the **Notes**). The aggregate nominal amount of Notes outstanding will not at any time exceed € 20,000,000,000 (or its equivalent in other currencies at the date of issue).

This Base Prospectus shall be in force for a period of one year as from the date of its approval by the *Autorité des marchés financiers* in France (the **AMF**).

This Base Prospectus (together with all supplements thereto from time to time) contains the base terms and conditions of the Notes to be issued under the Programme and constitutes a base prospectus for the purposes of Article 5.4 of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended (the **Prospectus Directive**). The terms and conditions applicable to each Tranche (as defined in "General Description of the Programme") not contained herein will be determined by the Issuer and the relevant Dealer(s) at the time of the issue on the basis of the then prevailing market conditions and will be set out in the relevant final terms (the **Final Terms**) (a form of which is contained herein). Application has been made to the AMF in France for the approval of this Base Prospectus in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements the Prospectus Directive.

Application has been made to Euronext Paris for Notes issued under the Programme to be admitted to trading on Euronext Paris. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU dated 15 May 2014 (each such market being a **Regulated Market**). Notes issued under the Programme may also be listed and admitted to trading on any other Regulated Market in such Member State of the European Economic Area (**EEA**), including, without limitation, the Electronic Bond Market, the regulated market organised and managed by Borsa Italiana S.p.A. (**MOT**), and/or offered to the public in any Member State of the EEA, in each case in accordance with the Prospectus Directive, or may be listed on an unregulated stock exchange or market, including, without limitation, the Electronic Bond Market, the multilateral trading facility of Borsa Italiana S.p.A. (**ExtraMOT**) and the multilateral trading facility of Euro TLX SIM S.p.A. (**Euro TLX**), or may be unlisted.

The relevant Final Terms in respect of the issue of any Notes will specify whether or not such Notes will be listed and admitted to trading and/or offered to the public and, if so, the relevant Regulated Market(s) where the Notes will be listed and admitted to trading and/or the Member State(s) in the EEA where the Notes will be offered to the public.

Notes may be issued either in dematerialised form (**Dematerialised Notes**) or in materialised form (**Materialised Notes**) as more fully described herein.

Dematerialised Notes will at all times be in book entry form in compliance with Articles L.211-3 *et seq.* of the French *Code monétaire et financier*. No physical documents of title will be issued in respect of the Dematerialised Notes.

Dematerialised Notes may, at the option of the Issuer, be (i) in bearer form (*au porteur*) inscribed as from the issue date in the books of Euroclear France (acting as central depository) which shall credit the accounts of the Account Holders (as defined in "Terms and Conditions of the Notes - Form, Denomination, Title and Redenomination") including Euroclear Bank SA/NV (**Euroclear**) and the depository bank for Clearstream Banking S.A. (**Clearstream**), or (ii) in registered form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder (as defined in "Terms and Conditions of the Notes - Form, Denomination, Title and Redenomination"), in either fully registered form (*au nominatif pur*), in which case they will be inscribed in an account maintained by the Issuer or by a registration agent (appointed in the relevant Final Terms) for the Issuer, or in administered registered form (*au nominatif administré*) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Noteholder.

Materialised Notes will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a **Temporary Global Certificate**) will initially be issued in relation to Materialised Notes. Such Temporary Global Certificate will subsequently be exchanged for definitive Materialised Notes with, where applicable, coupons for interest or talons attached (the **Definitive Materialised Notes**), on or after a date expected to be on or about the 40th day after the issue date of the Notes (subject to postponement as described in "Temporary Global Certificate in respect of Materialised Notes") upon certification as to non-U.S. beneficial ownership as more fully described herein. Temporary Global Certificates will (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, be deposited on the issue date with a common depository for Euroclear and Clearstream, or (b) in the case of a Tranche (as defined in "Terms and Conditions of the Notes") intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream or delivered outside a clearing system, be deposited as agreed between the Issuer and the Relevant Dealer (as defined below).

The Programme is currently rated AA- by Standard & Poor's Global Ratings, Aa3 by Moody's Investors Services Inc. and AA- by Fitch Ratings. The long term debt of the Issuer is currently rated AA- (with stable outlook) by Standard & Poor's Global Ratings, Aa3 (with stable outlook) by Moody's Investors Services Inc. and AA- (with stable outlook) by Fitch Ratings. Notes issued under the Programme may, or may not, be rated. The rating of a Tranche of Notes (if any) will be specified in the relevant Final Terms as well as whether or not such credit ratings are issued by a credit rating agency established in the European Union and has applied for registration under Regulation (EU) No. 1060/2009 (the **CRA Regulation**) as amended by Regulation (EU) No. 513/2011 and if so, whether the credit rating agency is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the CRA Regulation, will be disclosed in the Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change, or withdrawal at any time by the assigning rating agency without notice.

This Base Prospectus, any document incorporated by reference therein and so long as Notes are admitted to trading on any Regulated Market of the EEA and/or offered to the public in any Member State of the EEA in accordance with the Prospectus Directive, the relevant Final Terms are available on the website of the AMF (www.amf-france.org) and on the website of the Issuer (<http://www.about.hsbc.fr/investor-relations/debt-issuance>).

Prospective investors should consider the factors described under the section "Risk Factors" for certain information relevant to an investment in the Notes.

Arranger

HSBC

Dealers

HSBC France

HSBC

This Base Prospectus (together with all supplements thereto from time to time) contains or incorporates by reference all relevant information concerning the Issuer and its consolidated subsidiaries taken as a whole (the Group) which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer, as well as the base terms and conditions of the Notes to be issued under the Programme. The terms and conditions applicable to each Tranche (as defined in "Terms and Conditions of the Notes") not contained herein (including, without limitation, the aggregate nominal amount, the issue price, the redemption price thereof, and interest, if any, payable thereunder) will be determined by the Issuer and the relevant Dealer(s) at the time of issue and will be set out in the relevant Final Terms.

This Base Prospectus (together with all supplements thereto from time to time) may only be used for the purposes for which it has been published.

This Base Prospectus should be read and construed in conjunction with any supplement that may be published from time to time and with any document and/or information which is or may be incorporated herein by reference (see "Documents incorporated by Reference" below) and in relation to any Series (as defined herein) of Notes, should be read and construed together with the relevant Final Terms.

No person is or has been authorised to give any information or to make any representation other than those contained or incorporated by reference in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger or any of the Dealers (as defined in "Summary of the Programme"). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Group since the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

IMPORTANT - EEA RETAIL INVESTORS – If the Final Terms in respect of any Notes include a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, MiFID II) ; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the Insurance Mediation Directive or IMD), 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 Directive. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the PRIIPs Regulation) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MiFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes, taking into account the five (5) categories referred to in item 18 of the Guidelines published by the European Securities and Markets Authority (ESMA) on 5 February 2018 and which channels for distribution of the Notes are appropriate. Any person subsequently selling or recommending the Notes (a distributor as defined in MiFID II) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own

target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the MiFID Product Governance Rules), any Dealer subscribing for any Notes is a manufacturer as defined in MiFID II in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID II Product Governance Rules.

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. For a description of these and certain further restrictions on offers, sales and transfers of Notes and on distribution of this Base Prospectus, see "Subscription and Sale".

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Arranger or the Dealers to subscribe for, or purchase, any Notes.

The Arranger and the Dealers have not separately verified the information contained or incorporated by reference in this Base Prospectus. Neither the Arranger nor any of the Dealers (except HSBC France in its capacity as Issuer, and then only to the extent set out under "Person responsible for the information given in the Base Prospectus") makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information contained or incorporated by reference in this Base Prospectus. Neither this Base Prospectus nor any other information supplied in connection with the Programme (including any information incorporated by reference therein) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme (including any information incorporated by reference therein) should purchase the Notes. Each prospective investor should determine for itself the relevance of the information contained or incorporated by reference in this Base Prospectus and its investment in the Notes should be based upon such investigation as it deems necessary. Neither the Arranger nor any of the Dealers undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to €, Euro, euro and EUR are to the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union and as amended by the Treaty of Amsterdam, references to £, pounds sterling and Sterling are to the lawful currency of the United Kingdom, references to \$, USD and US dollars are to the lawful currency of the United States of America, references to ¥, JPY and Yen are to the lawful currency of Japan and references to CHF and Swiss Francs are to the lawful currency of Switzerland.

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SUMMARY OF THE PROGRAMME

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

This summary is provided for purposes of the issue by HSBC France of Notes of a denomination less than €100,000 (or its equivalent in any other currency) which are offered to the public or admitted to trading on a regulated market of the European Economic Area. The issue specific summary relating to this type of Notes will be annexed to the relevant Final Terms and will comprise (i) the information below with respect to the summary of the Base Prospectus and (ii) the information below included in the item "issue specific summary".

Section A - Introduction and warnings		
A.1	General disclaimer regarding the summary	<p>This summary should be read as an introduction to the base prospectus dated 14 September 2018, being granted visa no. 18-433 by the AMF on 14 September 2018 (the Base Prospectus) relating to the Euro Medium Term Note Programme (the Programme) of HSBC France (the Issuer). Any decision to invest in the Notes should be based on a consideration by any investor of the Base Prospectus as a whole, including any documents incorporated by reference, any supplement from time to time and the final terms relating to the relevant Notes (the Final Terms). Where a claim relating to information contained in this Base Prospectus and in the Final Terms is brought before a court, the plaintiff may, under the national legislation of the Member State of the European Economic Area where the claim is brought, be required to bear the costs of translating this Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus and the applicable Final Terms or if it does not provide, when read together with the other parts of this Base Prospectus, key information as described in Article 2.1 of the Prospectus Directive in order to aid investors when considering whether to invest in the Notes.</p> <p><i>Issue specific summary</i></p> <p>[The Base Prospectus has been supplemented by [supplement[s] dated [●] [and [●]] being granted visa no. [●] [and [●]] by the AMF on [●] [and [●]] [respectively]].] (to be included if the Base Prospectus has been supplemented)</p>
A.2	Information regarding consent by the Issuer to the use of the Prospectus	<p>In the context of any offer of Notes in France, the United Kingdom, Germany, the Netherlands, Belgium, the Grand Duchy of Luxembourg, Spain and/or Italy (the Public Offer Jurisdictions) that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive, as amended, (a Public Offer), the Issuer may consent to the use of the Base Prospectus and the relevant Final Terms (together, the Prospectus) in connection with a Public Offer of any Notes during the offer period specified in the relevant Final Terms (the Offer</p>

		<p>Period) and in the Public Offer Jurisdiction(s) specified in the relevant Final Terms by any financial intermediary duly authorised designated in such Final Terms (each an Authorised Offeror). The consent referred to above relates to Offer Periods (if any) ending no later than the date falling 12 months from the date of the approval of the Base Prospectus by the <i>Autorité des marchés financiers</i>.</p> <p>The Terms and Conditions of the Public Offer shall be provided to Investors by that Authorised Offeror at the time of the Public Offer. Neither the Issuer nor any of the Dealers or other Authorised Offerors has any responsibility or liability for such information or the consequences of its use by the relevant Investors.</p> <p><i>Issue specific summary</i></p> <p>[Not applicable, the Notes are not offered to the public.] /</p> <p>[In the context of the offer of the Notes in [●] (Public Offer Jurisdiction[s]) which is not made within an exemption from the requirement to publish a prospectus under the Prospectus Directive, as amended (the Public Offer), the Issuer consents to the use of the Prospectus in connection with such Public Offer of any Notes during the period from [●] until [●] (the Offer Period) and in the Public Offer Jurisdiction[s] by [●] / [any financial intermediary] (the Authorised Offeror[s]). [The Authorised Offeror[s] must satisfy the following conditions: [●]]</p> <p>The consent referred to above relates to Offer Periods (if any) ending no later than the date falling 12 months from the date of the approval of the Base Prospectus by the <i>Autorité des marchés financiers</i>.</p> <p>The Terms and Conditions of the Public Offer shall be provided to Investors by that Authorised Offeror at the time of the Public Offer. Neither the Issuer nor any of the Dealers or other Authorised Offerors has any responsibility or liability for such information or the consequences of its use by the relevant Investors.] /</p> <p>[Not Applicable: the Issuer does not consent to the use of the Base Prospectus (please include this wording for public offers in Italy where the intermediaries only perform the investment service of placement the Notes without subscribing them).]</p>
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Section B – Issuer		
B.1	The legal and commercial name of the Issuer	HSBC France.
B.2	The domicile and legal form of the Issuer, the legislation under which the Issuer	HSBC France is a <i>société anonyme</i> incorporated in France under French law and is headquartered at 103, avenue des Champs-Élysées (75008 Paris).

	operates and its country of incorporation																															
B.4b	A description of any known trends affecting the Issuer and the activities in which it operates	<p>The Issuer and the banking industry are mainly exposed to :</p> <ul style="list-style-type: none">- historical low interest environment,- regulatory changes, and- volatility in the markets notably due to the result of the referendum on the UK's membership of the European Union.																														
B.5	Description of the Issuer's Group and the Issuer's position within the Group	HSBC France share capital and voting rights is held at 99.99% by HSBC Bank plc, headquartered in London. HSBC Bank plc, is a 100% subsidiary of HSBC Holdings plc, the holding company for the HSBC Group, one of the world's largest banking and financial services organisations.																														
B.9	Profit forecast or estimate	None. There is no profit forecast or estimate.																														
B.10	Qualifications in the auditors' report	The free English language translation of the Statutory Auditors' report on the 2016 consolidated financial statements does not contain an emphasis of matter paragraph. The free English language translation of the Statutory Auditors' report on the 2017 consolidated financial statements contains an emphasis of matter paragraph. The free English language translation of the limited review report on the 2018 interim financial information issued by the statutory auditors contains an emphasis of matter paragraph on page 59 of the Update to the 2017 Registration Document.																														
B.12	Selected historical key financial information	<table><tr><th colspan="5">HSBC France group</th></tr><tr><th>(in millions of euros)</th><th>30/06/2018 Limited review¹</th><th>30/06/2017 Limited review²</th><th>31/12/2017 Audited²</th><th>31/12/2016 Audited²</th></tr><tr><td>Total operating income before loan impairment (charges)/releases and other credit risk provisions</td><td>903</td><td>1,034</td><td>1,907</td><td>2,317</td></tr><tr><td>Loan impairment charges and other credit risk provisions</td><td>(15)</td><td>4</td><td>(81)</td><td>(73)</td></tr><tr><td>Operating profit</td><td>10</td><td>196</td><td>219</td><td>432</td></tr><tr><td>Profit attributable to shareholders of the parent company</td><td>20</td><td>126</td><td>177</td><td>310</td></tr></table>	HSBC France group					(in millions of euros)	30/06/2018 Limited review ¹	30/06/2017 Limited review ²	31/12/2017 Audited ²	31/12/2016 Audited ²	Total operating income before loan impairment (charges)/releases and other credit risk provisions	903	1,034	1,907	2,317	Loan impairment charges and other credit risk provisions	(15)	4	(81)	(73)	Operating profit	10	196	219	432	Profit attributable to shareholders of the parent company	20	126	177	310
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Cash and cash equivalents at the end of the period	16,837	22,163	22,231	9,807																																						
		¹ IFRS 9 applicable ² IAS 39 applicable IFRS 9 Impacts: The adoption of IFRS 9 on January 1, 2018 reduced HSBC France Group's net position by EUR 31 million net of taxes deferred, with an increase of EUR 5 million related to the 'Classification and Measurement' phase and a decrease of EUR 36 million in the																																								

		<p>‘Impairment’ phase. The IFRS9 transition reduced the transitional CET1 ratio by 2 basis points. The total amount of provisions for expected credit losses at 1 January 2018 is EUR 578 million for financial assets at amortized cost, EUR 16 million for commitments and guarantees and EUR 5 million for financial assets at fair value through other comprehensive income.</p> <p>There has been no material adverse change in the prospects of the Issuer since 31 December 2017 and, except as disclosed in the two paragraphs below, there has been no significant change in the financial or trading position of the Issuer since 30 June 2018.</p> <p>Capital increases</p> <p>The board of directors at its meeting on 30 May 2018 decided, under the delegation granted by the shareholders’ general meeting on 26 April 2017, to increase the Issuer’s core capital by approximately EUR 100 million (of which EUR 6.2 million of share capital). Following the completion of this operation on 25 July 2018, the Issuer’s share capital has been increased from EUR 337,189,135 to EUR 343,410,030.</p> <p>As part of the anticipation of activities transfers to the balance sheet of the Issuer, the board of directors decided, at its meeting of 26 July 2018, an increase of the Issuer’s capital of approximately EUR 388 million (of which EUR 23.2 million of share capital). Following the completion of this operation on 30 August 2018, the Issuer’s share capital has been increased from EUR 343,410,030 to EUR 366 584 940.</p> <p>Acquisition of subsidiaries and activities from European branches</p> <p>In the context of the upcoming structural changes to mitigate the consequences related to the future exit of the United Kingdom from the European Union and to simplify the legal organisation in continental Europe, the Issuer acquired on 1 August 2018 100% of European subsidiaries HSBC Polska Bank SA and HSBC Institutional Trust Services (Ireland) DAC.</p> <p>In the same context, the Issuer will acquire the activities of seven European branches (in Belgium, the Czech Republic, Ireland, Italy, Luxembourg, the Netherlands and Spain) from HSBC Bank plc. The transfer of branches is expected to be effective during the first quarter of 2019. These changes have been and will be approved by the appropriate supervisory authorities and the relevant boards of directors.</p>
B.13	Recent material events relating to the Issuer’s solvency	Not Applicable. Except as disclosed in the Base Prospectus, there are no recent events that the Issuer considers as material for investors since the date of the last published financial statements.
B.14	Extent to which the Issuer is dependent upon other entities within the Group	Please refer to item B.5 above.
B.15	Principal activities of the Issuer	HSBC France is a subsidiary of HSBC Group, one of the largest and strongest banking groups in the world the ambition of which is to become the leading international bank. In France, HSBC is willing to be the privileged partner of French corporates for their international development and of retail clients for wealth management. HSBC France’s activity is composed of the full range of HSBC activities, i.e. (i) Retail Banking and

		<p>Wealth Management (ii) Commercial Banking, (iii) Global Banking and Markets and (iv) Global Private Banking.</p> <p>Retail Banking and Wealth Management (RBWM) comprises four main business areas: Retail Banking, Wealth Management, Asset Management and Insurance. RBWM provides products and services to individuals across the world to manage their finances, save and invest for their future. RBWM offers solutions from day-to-day transaction banking, including deposits, and short and long term financing to insurance and investment products, advising clients to help manage and protect their financial wealth.</p> <p>Commercial Banking (CMB) serves corporate customers from small enterprises focused primarily on their domestic markets, through to large corporates operating globally. HSBC supports customers with tailored relationship management and financial solutions to allow them to operate efficiently and to grow. This includes providing them with working capital, term loans, payment services, international trade facilitation, project finance and the expertise for acquisitions and access to financial markets. HSBC is also a leader in the development of the Chinese currency, the Renminbi, with capacity to deal in more than fifty countries.</p> <p>Global Banking and Markets (GB&M) operates on key capital markets, providing transactional and financing solutions to major corporate and institutional clients worldwide. GB&M is positioned as a key partner to assist customers in their projects and activities in France and globally, thanks to the HSBC Group's local and international capabilities. HSBC offers a full range of banking solutions, including advisory, vanilla and structured financing products, merger and acquisitions, access to debt and equity markets, project finance, payments and cash management, trade services, and a wide range of markets capabilities (rates, foreign exchange and equities).</p> <p>Leveraging the HSBC Group's expertise and strongly tailored solutions, the Private Bank (GPB) teams work closely with clients and other HSBC business lines to provide solutions to grow, manage and preserve wealth today and for the future. GPB serves high net worth individuals and families, offering tailored products and services, through the expertise of its discretionary and advisory management teams.</p>
B.16	Extent to which the Issuer is directly or indirectly owned or controlled	<p>HSBC Bank plc, headquartered in London, holds 99.99% of HSBC France share capital and voting rights. HSBC Bank plc is a 100% subsidiary of HSBC Holdings plc, the holding company for the HSBC Group, one of the world's largest banking and financial services organisations.</p>
B.17	Credit ratings assigned to the Issuer or its debt securities	<p>The Programme is currently rated AA- by Standard & Poor's Global Ratings, Aa3 by Moody's Investors Services Inc. and AA- by Fitch Ratings. The long term debt of the Issuer is currently rated AA- (with stable outlook) by Standard & Poor's Global Ratings, Aa3 (with stable outlook) by Moody's Investors Services Inc. and AA- (with stable outlook) by Fitch Ratings. Notes issued under the Programme may, or may not, be rated. The rating (if any) will be specified in the relevant Final Terms.</p> <p>Each of Standard & Poor's Global Ratings, Moody's Investors Services Inc. and Fitch</p>

		<p>Ratings is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 on credit rating agencies, as amended, (the CRA Regulation). Each of Standard & Poor's Global Ratings, Moody's Investors Services Inc. and Fitch Ratings is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the CRA Regulation.</p> <p>A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change, or withdrawal at any time by the assigning credit rating agency without notice.</p> <p>Issue specific summary</p> <p>[Not applicable, the Notes have not been rated.] / [The Notes to be issued have been rated [●] by [●] [and [●] by [●]].]</p>
Section C - Securities		
C.1	Type, class and security identification of the Notes	<p>The Notes are issued on a syndicated or non syndicated basis, in series (each a Series) having one or more issue dates and on terms otherwise identical (or identical save as to the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a Tranche) on the same or different issue dates. The specific terms of each Tranche (including, without limitation, the aggregate nominal amount, issue price, redemption price thereof, and interest, if any, payable thereunder which, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be determined by the Issuer and the relevant Dealer(s) at the time of the issue and will be set out in the final terms of such Tranche (the Final Terms).</p> <p>The relevant Final Terms will specify if the Notes are Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes and their ISIN code and common code.</p> <p>Issue specific summary</p> <p>The Notes are [€/U.S./£/[●]] [[●] per cent./Floating Rate/Zero Coupon] Notes [due [●]].</p> <p>The ISIN code of the Notes is: [●].</p> <p>The common code of the Notes is: [●].</p> <p>The Series number is [●] and the Tranche number is [●].</p>
C.2	Currencies	<p>Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Euro, US dollars, Japanese Yen, Swiss Francs, Sterling and in any other currency (with the exception of Renminbi) agreed between the Issuer and the relevant Dealer(s).</p> <p>Issue specific summary</p> <p>The Notes are denominated in [●].</p>

C.5	A description of any restrictions on the free transferability of the Notes	Save certain restrictions regarding the purchase, offer, sale and delivery of the Notes, or possession or distribution of the Base Prospectus any other offering material or any Final Terms, there is no restriction on the free transferability of the Notes.
C.8	Description of rights attached to the Notes	<p><u>Issue Price</u></p> <p>Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.</p> <p><u>Specified Denomination</u></p> <p>Notes shall be issued in the Specified Denomination(s) set out in the relevant Final Terms. Notes having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent.</p> <p>Dematerialised Notes shall be issued in one denomination only.</p> <p><u>Form of the Notes</u></p> <p>Notes may be issued in either dematerialised form (Dematerialised Notes) or materialised form (Materialised Notes).</p> <p>Dematerialised Notes may, at the option of the Issuer be issued in bearer dematerialised form (<i>au porteur</i>) or in registered dematerialised form (<i>au nominatif</i>) and, in such latter case, at the option of the relevant holder, in either <i>au nominatif pur</i> or <i>au nominatif administré</i> form. No physical documents of title will be issued in respect of Dematerialised Notes. Materialised Notes may be in bearer materialised form (Bearer Materialised Notes) only if they are issued outside France. A Temporary Global Certificate will be issued initially in respect of each Tranche of Bearer Materialised Notes.</p> <p>The Notes have been accepted for clearance through Euroclear France as central depository in relation to Dematerialised Notes and Clearstream Banking S.A. (Clearstream), Euroclear Bank SA/NV (Euroclear) or any other clearing system that may be agreed between the Issuer, the fiscal agent in respect of the Programme (the Fiscal Agent) and the relevant Dealer in relation to Materialised Notes, including, for Notes listed on the MOT of Borsa Italiana S.p.A., Monte Titoli (through the relevant clearing system's bridge account).</p> <p><u>Status of the Notes</u></p> <p>The Notes and, where applicable, any relative Coupons, will constitute direct, unconditional, senior preferred and unsecured obligations of the Issuer and rank and will rank at all times:</p> <p>(i) <i>pari passu</i> without any preference among themselves and with other Senior Preferred Obligations of the Issuer;</p> <p>(ii) senior to Senior Non-Preferred Obligations of the Issuer and any obligations ranking junior to Senior Non-Preferred Obligations ; and</p>

(iii) junior to all present and future claims benefiting from statutory preferences.

Subject to applicable law, in the event of the voluntary or judicial liquidation (*liquidation amiable ou liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer, the rights of Noteholders to payment under the Senior Preferred Notes rank:

A. junior to present and future claims benefiting from other preferred exceptions; and

B. senior to Senior Non Preferred Obligations.

Senior Non-Preferred Obligations means any obligations or other instruments issued by the Issuer which fall or are expressed to fall within the category of obligations described in article L.613-30-3-I-4° of the French *Code monétaire et financier*.

Senior Preferred Obligations means any obligations (including the Notes) or other instruments issued by the Issuer which fall or are expressed to fall within the category of obligations described in article L.613-30-3-I-3° of the French *Code monétaire et financier*. For the avoidance of doubt, all unsubordinated debt securities issued by the Issuer prior to 11 December 2016 constitute Senior Preferred Obligations.

Negative pledge

There is no negative pledge.

Event of Default

The Notes may become due and payable at their principal amount together with any accrued interest thereon if the Issuer, (a) is in default in the payment of the principal or interest of the Notes (under certain conditions), (b) is in default of performance of any of its obligations under the Notes (under certain conditions), (c) sells, transfers or otherwise disposes of directly or indirectly, the whole or a substantial part of its assets, or the Issuer enters into voluntary liquidation, subject to certain exceptions and (d) applies for or is subject applies for or is subject to the appointment of an ad hoc representative (*mandataire ad hoc*) or has applied to enter into a conciliation procedure (*procédure de conciliation*) or into an accelerated safeguard procedure (*procédure de sauvegarde accélérée*) or into an accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*) or into a safeguard procedure (*procédure de sauvegarde*) or a judgement is rendered for its judicial liquidation (*liquidation judiciaire*) or for a transfer of the whole of the business (*cession totale de l'entreprise*) or makes any conveyance for the benefit of, or enters into any agreement with, its creditors.

		<p><u>Withholding tax</u></p> <p>All payments of principal and interest by or on behalf of the Issuer in respect of the Notes or Coupons will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. If such a withholding or deduction is required by French law, the Issuer will have to gross-up its payments to the fullest extent then permitted by law and subject to certain exceptions.</p> <p><u>Governing law</u></p> <p>The Notes, Coupons and Talons are governed by, and shall be construed in accordance with, French law.</p> <p><u>Issue specific summary</u></p> <p>Form of Notes: [Dematerialised Notes / Materialised Notes].</p> <p>[If the Notes are Dematerialised Notes: Dematerialised Notes are [in bearer dematerialised form (<i>au porteur</i>)] / [in registered dematerialised form (<i>au nominatif</i>)].]</p> <p>[If the Notes are Materialised Notes: Materialised Notes will be in bearer form only.]</p> <p>Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [<i>insert date</i>] (<i>if applicable</i>)]</p> <p>Specified Denomination: [●]</p>
C.9	Interest, maturity and redemption provisions, yield and representation of the Noteholders	<p>Please also refer to the information provided in item C.8 above.</p> <p><u>Interest Rates and Interests Periods</u></p> <p>The Notes can be Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes. The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.</p> <p>For the avoidance of doubt, the interest payable under any Note shall in all instances be at least equal to zero.</p> <p><u>Interest Rate Commencement Date and Maturity Date</u></p> <p>The interest commencement date and the maturity date shall be specified in the relevant Final Terms.</p> <p><u>Fixed Rate Notes</u></p> <p>Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.</p> <p><u>Floating Rate Notes</u></p> <p>Floating Rate Notes will bear interest determined separately for each Series as follows:</p> <p>(i) on the same basis as the floating rate under a notional interest rate swap</p>

		<p>transaction in the relevant Specified Currency governed by the June 2013 FBF Master Agreement, as published by the <i>Fédération Bancaire Française</i>, or</p> <p>(ii) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., or</p> <p>(iii) by reference to LIBOR, EURIBOR and CMS.</p> <p>in each case plus or minus any applicable margin, if any, and calculated and payable as indicated in the applicable Final Terms. Floating Rate Notes may also have a maximum rate of interest, a minimum rate of interest or both.</p> <p><u>Zero Coupon Notes</u></p> <p>Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.</p> <p><u>Maturities</u></p> <p>Subject to compliance with all relevant laws, regulations and directives, the Notes will have a minimum maturity of one month from the date of original issue as specified in the relevant Final Terms.</p> <p><u>Redemption</u></p> <p>Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at the Final Redemption Amount determined in accordance with the Terms and Conditions of the Notes.</p> <p><u>Redemption prior to the maturity date</u></p> <p>The Final Terms issued in respect of each issue of each Tranche will state whether such Notes may be redeemed prior to their stated maturity (i) at the option of the Issuer (either in whole or in part) and/or (ii) at the option of the holder of the Notes (the Noteholders) and/or (iii) for taxation reasons.</p> <p><u>Yield to maturity</u></p> <p>The Final Terms issued in respect of each issue of Fixed Rate Notes will set out an indication of the yield applicable if the Notes are held until their maturity.</p> <p><u>Representation of the Noteholders</u></p> <p>The Noteholders will, in respect of all Tranches of the relevant Series, be grouped automatically for the defence of their common interests in a masse (the Masse), which will be governed by the provisions of Articles L.228-46 et seq. of the French Code de commerce with the exception of Articles L.228-71 (only with respect to Notes issued outside France) and R.228-69 of the French Code de commerce and as supplemented by the Terms and Conditions of the Notes.</p> <p>The Masse will act in part through a representative (the Representative) and in part through collective decisions of the holders of Notes. The names and addresses of the initial Representative and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the representative of the single Masse of all Tranches in such Series.</p> <p>Collective decisions are adopted either in a general meeting or by consent following a written decision.</p> <p>If and for so long as the Notes of any Series are held by a sole Noteholder, and unless a</p>
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		have taken in this capacity and shall make it available, upon request, to any subsequent holder of all or part of the Notes of such Series. A Representative shall be appointed when the Notes of a Series are held by more than one Noteholder.]
C.10	Derivative component in interest payments	Not applicable, the Notes issued under the Programme do not contain any derivative components. Please also refer to item C.9 above.
C.11	Admission to trading	<p>Application has been made to Euronext Paris for Notes issued under the Programme to be admitted to trading on Euronext Paris. The Notes may be admitted to trading on any other Regulated Market in the EEA in accordance with the Prospectus Directive or on an unregulated stock exchange or market, as specified in the relevant Final Terms. As specified in the relevant Final Terms, a Series of Notes may be unlisted and not admitted to trading.</p> <p><i>Issue specific summary</i></p> <p>[Application has been made for the Notes to be admitted to trading on [the regulated market of Euronext Paris]/[the MOT of Borsa Italiana S.p.A.]/[the ExtraMOT of Borsa Italiana]/[Euro TLX]/[•].] / [Not applicable, the Notes are not admitted to trading on any stock exchange or market.]</p>

Section D –Risks Factors		
D.2	Key information on the key risks that are specific to the Issuer	<p>An investment in the Notes involves certain risks that should be considered before any investment decision. In particular, the Issuer and its subsidiaries taken as a whole (the Group), is subject to risks inherent in its activities, including:</p> <p><u>Financial risks:</u></p> <ul style="list-style-type: none"> • Credit risk: is the risk of financial loss if a customer or counterparty fails to meet a payment obligation under a contract. It arises principally from direct lending, trade finance and leasing business. • Counterparty risk: is the risk that the counterparty to a transaction may default before completing the satisfactory settlement of the transaction. Counterparty credit risk arises for derivatives and securities financing transactions both when registered on the trading and non-trading books. • Market risk: is the day-to-day potential for an investor to experience losses from fluctuations in securities prices. • Structural interest-rate risk: stems from banking operations and structural components of the balance sheet and does not concern market operations. Structural interest rate risk arises mainly from the changes in the spread between

		<p>future returns on assets and future costs of liabilities due to variations in interest rates.</p> <ul style="list-style-type: none"> • Structural foreign exchange risk: The structural foreign exchange exposition of HSBC France is limited. It concerns few investments, not significant, in the foreign subsidiaries. Structural foreign exchange exposition arising from banking operations is systematically transferred to the trading room which manages exchange rate risk according to the limits set by the Risk Management Committee. <p>There is also an exchange rate risk on equity due to investments in foreign currency that are not hedged by financing in foreign currency. This exposure, termed as "structural", corresponds to net investments in subsidiaries, branches or associated companies for which the euro is not the functional currency.</p> <p>HSBC France's investments in foreign subsidiaries are small in amount. The structural foreign exchange exposure is mainly linked to these subsidiaries' profits retained in reserves.</p> <ul style="list-style-type: none"> • Liquidity and funding risk: is defined as the risk that HSBC France does not have sufficient financial resources to meet its obligations as they fall due, or will access to such resources only at an excessive cost. This risk arises from mismatches in the timing of cash flows. Funding risk (a form of liquidity risk) arises when the liquidity needed to fund illiquid asset positions cannot be obtained on the expected terms and when required. <p><u>Operational risks:</u></p> <ul style="list-style-type: none"> • Legal risk: Legal risks include those connected with changes of laws and regulations, and defence litigation matters (some of which may have a significant effect on the financial situation of the HSBC France group net assets). The HSBC France Legal Department (DAJ) is responsible for HSBC France group's legal risks oversight as a second line of defence, and helps the various HSBC France group businesses to prevent and control legal risk. The DAJ is in charge of litigation follow-up, and ensure that the risks framework for legal and tax risks remains adequate in the face of changes in laws, regulations and group organization. Legal risks include the management risks directly or indirectly linked to litigation involving the Issuer. The most significant legal proceedings relate to (i) anti-money laundering and sanctions-related, (ii) investigations and reviews into the setting of London interbank offered rates and other benchmark interest and foreign exchange rates and (iii) credit default swap regulatory investigation and litigation. • Tax risk: Tax risks include some tax positions that are discussed with tax authorities, as well as changes of laws.
		<ul style="list-style-type: none"> • IT Systems Risk: is defined by failure to comply with legal duties, human or code errors, loss of expertise relating to projects and/or technologies, unavailability or damage of information system and critical services performance and capacity, software vulnerabilities, loss or lack of controls relating to sensitive functions or processes for outsourced services, failure of key suppliers in the regulatory sense, internal or external fraud.
		<ul style="list-style-type: none"> • Non-compliance risk: is defined by situations of failure of compliance and infringements of internal rules of procedure. • Accounting risk: accounting and reconciliation procedures designed to verify the existence, exhaustivity and validity of financial statements The Finance

		<p>Department is responsible for the proper application of the HSBC France group's accounting principles and accounting control procedures. It defines the procedures and controls to be applied in each legal entity's accounting department.</p>
		<ul style="list-style-type: none"> • Environmental risk: environmental risks comprise risks relating to a changing climate, environment and economy. It consists of anticipating and preparing for shifts in environmental priorities and societal expectations. The Group manages the risk that the financial services which it provides to customers may have unacceptable impacts on people or the environment. Sustainability risk can also lead to commercial risk for customers, credit risk for the bank and significant reputational risk for the Group.
D.3	Key information on the key risks that are specific to the Notes	<p>In addition to the risk factors relating to the Issuer, there are other factors which are material for the purpose of assessing the risks related to the Notes including the following:</p> <ul style="list-style-type: none"> - Modification of the Conditions - Modification and waivers of conditions affecting the Notes can be effected by a collective decision adopted either in a general meeting or by consent following a written decision of Noteholders binding all Noteholders including those who did not attend or were not represented at the relevant general meeting or Noteholders who voted in a manner contrary to the majority or did not consent to the relevant written decision; - Taxation - Investors should consult its own advisers as to legal, tax and related aspects investment in the Notes; - The proposed financial transaction tax - the draft directive on the proposed common financial transaction tax has a very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances ; <p>Market value of the Notes - the market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors (including, but not limited to, the volatility of market interests and yield rates and the time remaining to the maturity date and economic, financial and political events in France or elsewhere);</p> <ul style="list-style-type: none"> - The Notes may not be a suitable investment for all investors - each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes; - EU Bank Recovery and Resolution 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 which is designed to enable a range of actions to be taken by relevant regulatory authorities in relation to credit institutions and investment firms which are considered to be at risk of failing (including <i>inter alia</i>, bail-in). The resolution authority may, when an institution is being considered to have reached the point of non-viability commence resolution proceedings and exercise resolution tools and powers, such as bail-in. When applying bail-in, the resolution authority must first reduce or cancel common equity tier one, thereafter reduce, cancel or convert additional tier one

		<p>instruments, then tier two instruments and other subordinated debts to the extent required. Only if this total reduction is less than the amount needed, the resolution authority will reduce or convert to the extent required the rest of eligible liabilities (including senior debt instruments such as the Notes). The impact of this Directive and its implementing provisions on credit institutions, including the Issuer, could materially affect the activity and financial condition of the Issuer and the value of any Notes;</p> <p>- The secondary market generally - there can be no assurance of a secondary market for the Notes or the continuity of such market if one develops and there can thus be a lack of liquidity on such market;</p> <p>- Exchange rate risks and exchange controls - a significant change in exchange rates and a modification in exchange controls may affect the investors and as a result investors may receive less interest or principal than expected, or no interest or principal;</p> <p>- Credit ratings may not reflect all risks - credit ratings may not reflect all risks relating to the Notes ;</p> <p>- Legal investment considerations may restrict certain investments - potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the jurisdiction where the Notes are transferred or other jurisdictions.</p> <p>Issue specific summary</p> <p><i>[(Insert if the Notes include an optional redemption feature at the option of the Issuer) - The optional redemption feature of the Notes might negatively affect the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.]</i></p> <p><i>[(Insert if the Notes include an optional redemption feature at the option of the Noteholders) - Exercise of the put option in respect of certain Notes may affect the liquidity of the Notes of the same Series in respect of which such option is not exercised. Depending on the number of Notes of the same Series in respect of which the put option provided in the relevant Final Terms is exercised, any trading market in respect of those Notes in respect of which such option is not exercised may become illiquid.]</i></p> <p><i>[(Insert for Fixed Rate Notes) - The Notes are Fixed Rate Notes which involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.]</i></p> <p><i>[(Insert for Floating Rate Notes) - The Notes which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be [added or subtracted] from such base rate. There will be a periodic adjustment of the reference rate (every [three months]/[six months]/[●]). Accordingly, the market value of the Notes may be volatile if changes to the reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate.]</i></p> <p><i>[(Insert for Fixed/Floating Rate Notes or Floating/Fixed Rate Notes as the case may be) [- The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate, the new floating rate at any time may be lower than the rates on other Notes.] / [- The new fixed rate may be lower than the then prevailing rates on other</i></p>
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E.4	Interests of natural and legal persons involved in the issue of the Notes	<p>The relevant Final Terms will specify any interest of natural and legal persons involved in the issue of the Notes.</p> <p><i>Issue specific summary</i></p> <p>[Not applicable, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.] [The Dealer will be paid aggregate commissions equal to [●] per cent. of the nominal amount of the Notes. So far as the Issuer is aware, no other person involved in the issue of the Notes has an interest material to the offer.] [<i>Amend as appropriate if there are other interest</i>].</p>
E.7	Estimated expenses charged to investor by the Issuer or the offeror	<p>The relevant Final Terms will specify as the case may be the estimated expenses applicable to any Tranche of Notes.</p> <p><i>Issue specific summary</i></p> <p>[The estimated expenses charged to the investor amount to [●]./ Not applicable, there are no expenses charged to the investor.]</p>

RESUME EN FRANÇAIS DU PROGRAMME

Les résumés sont composés des informations requises appelées « Éléments ». Ces éléments sont numérotés dans les sections A à E (A.1 –E.7).

Ce résumé contient tous les éléments devant être inclus dans un résumé pour ce type de valeurs mobilières et d'Émetteur. La numérotation des Éléments peut ne pas se suivre en raison du fait que certains Éléments n'ont pas à être inclus.

Bien qu'un Éléments doive être inclus dans le résumé du fait du type de valeur mobilière et d'Émetteur concerné, il se peut qu'aucune information pertinente ne puisse être donnée sur cet Éléments. Dans ce cas, une brève description de l'Éléments est incluse dans le résumé suivie de la mention "Sans objet".

Ce résumé est fourni dans le cadre d'une émission par HSBC France de Titres ayant une valeur nominale unitaire inférieure à 100 000 euros (ou sa contrevalet dans toute autre devise) qui sont offerts au public ou admis à la négociation sur un marché réglementé de l'Espace Economique Européen. Le résumé spécifique à l'émission de ce type de Titres sera annexé au Conditions Définitives concernées et comprendra (i) les informations relatives au résumé du Prospectus de Base figurant ci-dessous et (ii) les informations contenues dans les rubriques "*résumé spécifique à l'émission*" figurant ci-dessous.

Section A - Introduction et avertissements		
A.1	Avertissement général relatif au résumé	<p>Ce résumé doit être lu comme une introduction au prospectus de base du 14 septembre 2018, auquel l'AMF a attribué le visa n° 18-433 en date du 14 septembre 2018 (le Prospectus de Base) relatif au <i>Euro Medium Term Note Programme</i> (le Programme) d'HSBC France (l'Émetteur). Toute décision d'investir dans les Titres doit être fondée sur un examen exhaustif du Prospectus de Base par les investisseurs, y compris les documents qui y sont incorporés par référence, tout supplément qui pourrait être publié à l'avenir et les conditions définitives relatives aux Titres concernés (les Conditions Définitives). Lorsqu'une action concernant l'information contenue dans le présent Prospectus de Base et dans les Conditions Définitives est intentée devant un tribunal, le plaignant peut, selon la législation nationale de l'État Membre de l'Espace Economique Européen, avoir à supporter les frais de traduction de ce Prospectus de Base avant le début de la procédure judiciaire. Seule peut être engagée la responsabilité civile des personnes qui ont présenté le résumé ou la traduction de ce dernier, mais seulement si le contenu du résumé est trompeur, inexact ou contradictoire par rapport aux autres parties du Prospectus de Base ou des Conditions Définitives ou s'il ne fournit pas, lu en combinaison avec les autres parties du Prospectus de Base, les informations clés tel que décrites à l'Article 2.1 de la Directive Prospectus permettant d'aider les investisseurs lorsqu'ils envisagent d'investir dans les Titres.</p> <p>Résumé spécifique à l'émission</p> <p>[Le Prospectus de Base a été complété par [[le]/[les] supplément[s] en date du [●] [et [●]] auquel l'AMF a [respectivement] attribué le[s] visa[s] n° [●] [et [●]] en date du [●] [et [●]].] (à intégrer si le Prospectus de Base a fait l'objet d'un supplément)</p>
A.2	Information relative au consentement de l'Émetteur	<p>Dans le cadre de toute offre de Titres en France, au Royaume-Uni, en Allemagne, aux Pays-Bas, en Belgique, au Grand-Duché de Luxembourg, en Espagne et/ou en Italie (les Pays de l'Offre Publique) qui ne bénéficie pas de l'exemption à l'obligation de publication d'un prospectus en vertu de la Directive Prospectus, telle que modifiée, (une Offre au Public), l'Émetteur peut consentir à l'utilisation du Prospectus de Base</p>

	<p>concernant l'utilisation du Prospectus</p>	<p>et des Conditions Définitives applicables (ensemble, le Prospectus) dans le cadre d'une Offre au Public de tout Titre durant la période d'offre indiquée dans les Conditions Définitives concernées (la Période d'Offre) et dans les Pays de l'Offre Publique indiqué(s) dans les Conditions Définitives concernées par tout intermédiaire financier dûment autorisé désigné dans ces Conditions Définitives (chacun un Établissement Autorisé). Le consentement mentionné ci-dessus s'applique à des Périodes d'Offre (le cas échéant) se terminant au plus tard à l'issue d'une période de 12 mois à compter de la date d'approbation du Prospectus de Base par l'Autorité des marchés financiers.</p> <p>Les Modalités de l'Offre au Public devront être communiquées aux Investisseurs par l'Établissement Autorisé au moment de l'Offre au Public. Ni l'Émetteur ni aucun des Agents Placeurs ou autres Établissements Autorisés ne sont responsables de cette information ou des conséquences de son utilisation par les Investisseurs concernés.</p> <p><i>Résumé spécifique à l'émission</i></p> <p>[Non Applicable, les Titres ne sont pas offerts au public.] /</p> <p>[Dans le cadre de l'offre des Titres réalisée en [●] (le[s] Pays de l'Offre Publique), cette offre ne bénéficiant pas de l'exemption à l'obligation de publication d'un prospectus en vertu de la Directive Prospectus, telle que modifiée, (l'Offre Publique), l'Émetteur consent à l'utilisation du Prospectus dans le cadre de l'Offre Publique des Titres durant la période d'offre allant du [●] au [●] (la Période d'Offre) dans le[s] Pays de l'Offre Publique par [●] / [tout intermédiaire financier] (l'[les] Établissement[s] Autorisé[s]). [L'[les] Établissement[s] Autorisé[s] devra(ont) remplir les conditions suivantes : [●].]</p> <p>Le consentement auquel il est fait référence ci-dessus concerne (le cas échéant) les Périodes d'Offre qui se terminent au plus tard 12 mois après la date d'approbation du Prospectus de Base par l'Autorité des marchés financiers.</p> <p>Les Modalités de l'Offre Publique devront être communiquées aux Investisseurs par l'Établissement Autorisé au moment de l'Offre Publique. Ni l'Émetteur ni aucun des Agents Placeurs ou des Établissements Autorisés ne sont responsables de cette information ou des conséquences de son utilisation par les Investisseurs concernés.] /</p> <p>[Non Applicable: l'Émetteur ne donne pas son consentement à l'utilisation du Prospectus de Base. (veuillez intégrer ce paragraphe pour les offres au public en Italie lorsque les intermédiaires remplissent uniquement le service d'investissement de placement des Titres sans les souscrire).]</p>
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Section B – Émetteur		
B.1	La raison sociale et le nom commercial de l'Émetteur	HSBC France.
B.2	Le siège social et la forme juridique de l'Émetteur/la législation qui régit l'activité et le pays d'origine de l'Émetteur	HSBC France est une société anonyme de droit français immatriculée en France dont le siège social est 103, avenue des Champs-Élysées (75008 Paris).
B.4b	Une description de toutes les tendances connues touchant l'Émetteur ainsi que les marchés sur lesquels il intervient	<p>L'Émetteur et le secteur bancaire sont principalement exposés à :</p> <ul style="list-style-type: none"> - un environnement de taux historiquement bas, - des changements règlementaires, et - une volatilité des marchés due notamment au résultat du référendum sur le maintien ou la sortie du Royaume-Uni de l'Union Européenne.
B.5	Description du Groupe de l'Émetteur et de la position de l'Émetteur au sein du Groupe	Le capital et les droits de vote de HSBC France sont détenus à 99,99% par HSBC Bank plc dont le siège social est situé à Londres, qui est une filiale détenue à 100% par HSBC Holdings plc, la société holding du Groupe HSBC, l'un des plus importants groupes de services bancaires et financiers au monde.
B.9	Prévision ou estimation du bénéfice	Néant. Il n'y a pas de prévision ou d'estimation du bénéfice.
B.10	Réserves contenues dans le rapport des Commissaires aux	La traduction anglaise libre des rapports des contrôleurs légaux sur les comptes consolidés 2016 ne contient pas d'observation. La traduction anglaise libre des rapports des contrôleurs légaux sur les comptes consolidés 2017 contient une observation. La traduction anglaise libre du rapport de revue limitée relatif à l'information financière semestrielle 2018 émis par les contrôleurs légaux contient des observations en page 59 de l'Actualisation du Document de Référence pour 2017.

	comptes					
B.12	Informations financières sélectionnées historiques clés	Informations financières sélectionnées concernant le Groupe HSBC France				
		(en millions d'euros)	30/06/2018 Revue limitée ¹	30/06/2017 Revue limitée ²	31/12/2017 Audité ²	31/12/2016 Audité ²
		Produit net bancaire avant dépréciation pour risque de crédit	903	1.034	1.907	2.317
		Dépréciations pour risque de crédit	(15)	4	(81)	(73)
		Résultat d'Exploitation	10	196	219	432
		Résultat net part du groupe	20	126	177	310
		Capitaux propres part du groupe	5.968	5.687	5.676	5.842
		Prêts et créances sur la clientèle	44.567	42.187	44.856	41.327
		Comptes créditeurs de la clientèle	38.748	37.821	38.277	34.220
		Total du bilan	172.114	177.477	167.544	169.423
		Ratio total des fonds propres « plein »	15,2%	14,3%	14,1%	13,2%
		Ratio Common Equity Tier 1 « plein »	12,2%	13,0%	13,1%	13,2%
		Coefficient d'exploitation (reporté)	95%	75%	84%	78,2%
		Liquidity Coverage Ratio (LCR)	169%	159%	149%	122%
		Tableau des flux de trésorerie consolidé				
		Audité				
		(en millions d'euros)	30/06/2018 Revue limitée ¹	30/06/2017 Revue limitée ²	31/12/2017 Audité ²	31/12/2016 Audité ²
		Trésorerie en début de période	22.231	9.807	9.807	5.638
		Flux nets de trésorerie provenant des activités opérationnelles	(7.263)	8.348	7.069	3.224

		Flux nets de trésorerie provenant des activités d'investissement	1.319	3.958	5.392	1.103
		Flux nets de trésorerie provenant des activités de financement	549	65	(5)	(165)
		Effet de change sur la trésorerie	1	(15)	(32)	7
		Trésorerie en fin de période	16.837	22.163	22.231	9.807
	<p>¹ Norme IFRS 9 applicable</p> <p>² Norme IAS 39 applicable</p> <p>Impacts de la norme IFRS 9 :</p> <p>L'adoption de la norme IFRS 9 au 1er janvier 2018 a réduit la situation nette du Groupe HSBC France de 31 millions EUR nets d'impôts différés, avec une augmentation de 5 millions EUR liée à la phase "Classification et Évaluation" et une diminution de 36 millions EUR liée à la phase "Dépréciation". La transition IFRS 9 a eu pour effet de diminuer le ratio CET1 transitionnel de 2 points de base. Le montant total des provisions pour pertes de crédit attendues au 1er janvier 2018 est de 578 million millions EUR pour les actifs financiers au coût amorti, de 16 million millions EUR pour les engagements et garantie et de 5 millions EUR sur les actifs financiers à la juste valeur par les autres éléments du résultat global.</p> <p>Aucune détérioration significative n'a eu de répercussions sur les perspectives de l'Emetteur depuis le 31 décembre 2017 et excepté ce qui figure dans les deux paragraphes ci-dessous il n'y a eu aucun changement significatif dans la situation financière ou commerciale de l'Emetteur depuis le 30 juin 2018.</p> <p>Augmentations de capital</p> <p>Le conseil d'administration de l'Emetteur lors de sa réunion du 30 mai 2018 a décidé, dans le cadre de la délégation de compétence consentie à cet effet par l'assemblée générale le 26 avril 2017, d'augmenter les fonds propres durs de l'Emetteur d'environ 100 millions EUR (dont 6,2 millions EUR de capital social). Suite à la réalisation de cette opération le 25 juillet 2018, le capital social de l'Emetteur a été porté de 337.189.135 EUR à 343.410.030 EUR.</p> <p>Dans le cadre de l'anticipation de transferts d'activités vers le bilan de l'Emetteur, le conseil d'administration a décidé, lors de sa réunion du 26 juillet 2018, une augmentation des fonds propres durs de l'Emetteur d'environ 388 millions EUR (dont 23,2 millions EUR de capital social). Suite à la réalisation de cette opération le 30 août 2018, le capital social de l'Emetteur a été porté de 343 410 030 EUR à 366 584 940 EUR.</p> <p>Acquisition de filiales et d'activités de succursales européennes</p> <p>Dans le cadre des changements structurels visant à anticiper les conséquences de la sortie future du Royaume Uni de l'Union Européenne et dans l'objectif de simplifier l'organisation des activités en Europe continentale, l'Emetteur a acquis le 1er août 2018 100% des filiales européennes HSBC Polska Bank SA et HSBC Institutional Trust Services (Ireland) DAC.</p>					

		<p>Dans le même cadre, l'Emetteur a prévu d'acquérir les activités de sept succursales européennes (en Belgique, en République tchèque, en Irlande, en Italie, au Luxembourg, aux Pays-Bas et en Espagne), actuellement rattachées à HSBC Bank plc. L'acquisition des actifs et des passifs des succursales devrait être effective durant le premier trimestre 2019. Ces évolutions ont été et vont être approuvées par les autorités de supervision compétentes et les conseils d'administration concernés.</p>
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B.13	Événement récent relatif à l'Émetteur présentant un intérêt significatif pour l'évaluation de sa solvabilité	Sans objet. Excepté ce qui figure dans le Prospectus de Base, il n'y a pas d'évènement récent que l'Émetteur considère comme significatif pour les investisseurs depuis la fin de la période couverte par les derniers états financiers publiés.
B.14	Degré de la dépendance de l'Émetteur à l'égard d'autres entités du Groupe	Merci de vous référer à l'élément B.5 ci-dessus.
B.15	Principales activités de l'Émetteur	<p>HSBC France est la filiale de l'un des groupes bancaires les plus importants et solides au monde, le Groupe HSBC, dont l'ambition est d'être la première banque internationale. En France, HSBC ambitionne de devenir le partenaire de référence pour accompagner les entreprises françaises dans leur développement international et les particuliers dans la gestion de leur patrimoine. L'activité de HSBC France inclut l'ensemble des métiers du Groupe HSBC : (i) la Banque de particuliers et gestion de patrimoine, (ii) la Banque d'entreprises, (iii) la Banque de financement, d'investissement et de marchés et (iv) la Banque privée.</p> <p>La Banque de particuliers et de gestion de patrimoine (RBWM) comprend 4 activités principales : les services financiers aux particuliers, la gestion de patrimoine, la gestion d'actifs et les activités d'assurance. RBWM fournit des produits et des services bancaires transactionnels permettant aux particuliers de gérer leurs finances à travers le monde, d'épargner et d'investir pour l'avenir. RBWM propose des solutions allant des opérations bancaires quotidiennes, y compris les dépôts, le financement à court ou à long terme à la fourniture de produits d'investissement et d'assurance et d'investissement et au conseil en gestion et protection de leur patrimoine financier.</p> <p>La Banque d'entreprises (CMB) offre ses services à ses entreprises clientes, de la PME focalisée sur son marché domestique à la grande entreprise internationale. HSBC propose un large éventail de services bancaires et financiers pour aider les entreprises clientes à optimiser leur gestion et développer leurs activités. La gamme de produits et services proposés aux clients inclut des solutions d'optimisation du fonds de roulement, des crédits à terme, des solutions de paiement et de gestion de trésorerie, des produits de financement, une assistance pour les échanges internationaux, des solutions de financement de projets ainsi qu'une expertise en matière de fusion-acquisition et un accès aux marchés financiers. HSBC est le leader du développement de la monnaie chinoise, le Renminbi, comme monnaie d'échange, avec sa capacité à traiter cette devise dans plus de cinquante pays.</p>

		<p>La Banque de financement, d'investissement et de marchés (GB&M) opère sur les principaux marchés de capitaux et offre des services transactionnels ainsi que des solutions de financement aux grandes entreprises et aux institutionnels au niveau international. GB&M est un partenaire de référence pour accompagner ses clients dans leurs projets et leurs opérations en France et dans le monde grâce à la dimension à la fois locale et internationale du Groupe HSBC. HSBC propose une gamme complète de services bancaires : activités de conseil, financements simples et structurés, fusions et acquisitions, émissions de dette et d'actions, financement de projets, gestion de trésorerie, financement du commerce international et activités de marchés (taux, change et actions).</p> <p>En s'appuyant sur la force du Groupe HSBC et les produits les plus adaptés du marché, la Banque privée (GPB) travaille en collaboration avec ses clients et les autres lignes de métiers de HSBC pour fournir des solutions leur permettant de faire croître, de gérer et de préserver leur patrimoine aujourd'hui et pour l'avenir. GBP propose une offre de produits et de services personnalisés à une clientèle d'individus et de familles fortunées, en s'appuyant sur l'expertise de ses équipes de gestion discrétionnaire et conseillée.</p>
B.16	Entité(s) ou personne(s) détenant ou contrôlant directement ou indirectement l'Émetteur	<p>HSBC Bank plc, qui détient 99,99% du capital et des droits de vote de HSBC France et dont le siège social est situé à Londres, est une filiale détenue à 100% par HSBC Holdings plc, la société holding du Groupe HSBC, l'un des plus importants groupes de services bancaires et financiers au monde.</p>
B.17	Notation assignée à l'Émetteur ou à ses titres d'emprunt	<p>Le Programme est actuellement noté AA- par Standard & Poor's Global Ratings, Aa3 par Moody's Investors Services Inc. et AA- par Fitch Ratings. La dette à long terme de l'Émetteur est actuellement notée AA- (perspective stable) par Standard & Poor's Global Ratings, Aa3 (perspective stable) par Moody's Investors Services Inc. et AA- (perspective stable) par Fitch Ratings. Les Titres émis sous le Programme peuvent faire, ou ne pas faire, l'objet d'une notation. La notation, le cas échéant, sera spécifiée dans les Conditions Définitives concernées.</p> <p>Standard & Poor's Global Ratings, Moody's Investors Services Inc. et Fitch Ratings sont établies dans l'Union Européenne et est(sont) enregistrée(s) conformément au Règlement (CE) n°1060/2009 du Parlement Européen et du Conseil du 16 septembre 2009 sur les agences de notation de crédit tel que modifié (le Règlement ANC). Standard & Poor's Global Ratings, Moody's Investors Services Inc. et Fitch Ratings figurent sur la liste des agences de notation de crédit publiée sur le site internet de l'Autorité Européenne des Marchés Financiers (www.esma.europa.eu/supervision/credit-rating-agencies/risk) conformément au Règlement ANC.</p> <p>Une notation n'est pas une recommandation d'acheter, de vendre ou de conserver des titres financiers et peut être suspendue, modifiée ou retirée à tout moment par l'agence de notation qui a attribué la notation.</p> <p>Résumé spécifique à l'émission [Sans Objet, les Titres n'ont pas fait l'objet d'une notation.]/[Les Titres ont été notés</p>

		[●] par [●] [et [●] par [●]].
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Section C – Valeurs mobilières		
C.1	Nature; catégorie et identification des Titres	<p>Les Titres seront émis sur une base syndiquée ou non-syndiquée par souches (dénommées chacune Souche) à une même date ou à des dates d'émissions différentes et seront à tous autres égards identiques (ou à tous égards à l'exception du premier paiement d'intérêts), les Titres d'une même Souche étant supposées être fongibles entre elles. Chaque Souche pourra être émise par tranches (dénommées chacune Tranche) aux mêmes dates d'émission ou à des dates d'émission différentes. Les conditions particulières de chaque Tranche (y compris mais de façon non limitative, le montant nominal total, le prix d'émission, le montant de remboursement et le taux d'intérêt, le cas échéant, y afférent qui, sauf en ce qui concerne la date d'émission, le prix d'émission, le premier paiement d'intérêts et le montant nominal de la Tranche, seront identiques aux conditions des autres Tranches de la même Souche) seront déterminées par l'Emetteur et l'(les) Agent(s) Placeur(s) concerné(s) au moment de l'émission et seront indiquées dans les conditions définitives de cette Tranche (les Conditions Définitives).</p> <p>Les Conditions Définitives concernées préciseront si les Titres sont des Titres à Taux Fixe, des Titres à Taux variable ou des Titres à Coupon Zéro ainsi que leur code ISIN et leur code commun.</p> <p><i>Résumé spécifique à l'émission</i></p> <p>Emission de Titres libellés en [€/\$/£/[●]] [portant intérêt [au taux de [●]% / à taux variable] / [à zéro coupon] [venant à échéance en [●]]].</p> <p>Le code ISIN des Titres est : [●].</p> <p>Le code commun des Titres est : [●].</p> <p>Le numéro de la Souche est le : [●] et le numéro de la Tranche est le : [●].</p>
C.2	Devises	<p>Sous réserve de la conformité avec toutes les lois, règlements et directives applicables, les Titres peuvent être émis en Euros, dollars US, Yen Japonais, Francs Suisse, Livre Sterling et toute autre devise (à l'exception du Renminbi) déterminée par un accord entre l'Emetteur et l'(les) Agent(s) Placeur(s) concerné(s).</p> <p><i>Résumé spécifique à l'émission</i></p> <p>Les Titres seront émis en [●].</p>
C.5	Description de toute restriction imposée à la libre négociabilité des Titres	<p>Sous réserve de certaines restrictions relatives à l'achat, l'offre, la vente et la livraison des Titres et à la possession ou distribution du Prospectus de Base, tout autre document d'offre ou toutes Conditions Définitives, il n'existe pas de restriction imposée à la libre négociabilité des Titres.</p>
C.8	Description des droits attachés aux	<p><u>Prix d'émission</u></p> <p>Les Titres peuvent être émis au pair ou avec une décote ou une prime par rapport à leur valeur nominale.</p>

	Titres	<p><u>Valeur Nominale Unitaire</u></p> <p>Les Titres auront la ou les Valeur(s) Nominale(s) Unitaires(s) indiquées dans les Conditions Définitives concernées. Les Titres qui ont une échéance inférieure à un an seront considérés comme des dépôts au regard de l'interdiction d'accepter des dépôts prévue par la section 19 du <i>Financial Services and Markets Act 2000</i> sauf s'ils sont émis auprès d'un groupe limité d'investisseurs professionnels et ont une dénomination d'au moins 100.000 livres sterling ou sa contre-valeur.</p> <p>Les Titres dématérialisés seront émis avec une seule valeur nominale.</p> <p><u>Forme des Titres</u></p> <p>Les Titres pourront être émis sous forme de titres dématérialisés (Titres Dématérialisés) ou matérialisés (Titres Matérialisés).</p> <p>Les Titres Dématérialisés peuvent, au choix de l'Émetteur, soit être émis au porteur, soit au nominatif et, dans ce dernier cas, au choix du porteur concerné, être au nominatif pur ou au nominatif administré. Aucun titre papier ne sera émis pour les Titres Dématérialisés. Les Titres Matérialisés peuvent être émis au porteur (Titres Matérialisés au Porteur) uniquement s'ils sont émis hors de France. Un Certificat Global Temporaire émis au porteur relatif à chaque Tranche de Titres Matérialisés au Porteur sera initialement émis.</p> <p>Les Titres seront déposés auprès d'Euroclear France en qualité de dépositaire central pour les Titres Dématérialisés et Clearstream Banking S.A. (Clearstream), Euroclear Bank SA/NV (Euroclear) ou tout autre système de compensation convenu par l'Émetteur, l'agent financier dans le cadre du Programme (l'Agent Financier) et l'Agent Placeur concerné pour les Titres Matérialisés, y compris, en cas de Titres cotés sur le MOT de Borsa Italiana S.p.A., Monte Titoli (au travers du compte-relais du système de clearing concerné).</p> <p><u>Rang de créance des Titres</u></p> <p>Les Titres et, le cas échéant, les Coupons y afférents, constitueront des engagements directs, inconditionnels, senior préférées et non assortis de sûretés de l'Émetteur et venant :</p> <ul style="list-style-type: none"> (i) au même rang entre eux et que toutes les autres Obligations Senior Préférées de l'Émetteur, (ii) à un rang supérieur aux Obligations Senior Non-Préférées de l'Émetteur et à toutes les obligations de rang subordonné aux Obligations Senior Non-Préférées de l'Émetteur et (iii) à un rang subordonné à toutes les créances présentes ou futures bénéficiant d'un privilège par détermination de la loi. <p>Sous réserve de la loi applicable, en cas de liquidation amiable ou judiciaire de l'Émetteur, de procédure d'insolvabilité ou de toute autre procédure similaire affectant l'Émetteur, les droits des porteurs au paiement au titre des Obligations Senior Préférées seront payés :</p> <ul style="list-style-type: none"> A. après les créances présentes ou futures bénéficiant d'un autre privilège ; et B. en priorité par rapport aux Obligations Senior Non-Préférées. <p>Obligations Senior Non-Préférées désignent toutes les obligations de l'Émetteur ou autres titres émis par l'Émetteur qui entrent, ou dont il est stipulé qu'ils entrent, dans la catégorie des obligations de l'article L.613-30-3-I-4° du Code monétaire et</p>
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		<p>financier.</p> <p>Obligations Senior Préférées désignent toutes les obligations (y compris les Titres) de l’Emetteur ou autres titres émis par l’Emetteur qui entrent, ou dont il est stipulé qu’ils entrent, dans la catégorie des obligations de l’article L.613-30-3-I-3° du Code monétaire et financier. Afin d’éviter toute ambiguïté, les obligations non subordonnées émises par l’Emetteur avant le 11 décembre 2016 constituent des Obligations Senior Préférées.</p> <p><u>Maintien de l’emprunt à son rang</u></p> <p>Il n'existe pas de clause de maintien de l'emprunt à son rang.</p> <p><u>Cas de Défaut</u></p> <p>Les Titres seront exigibles et payables à leur montant principal avec tout intérêt couru y afférent si l'Emetteur (a) est en défaut de paiement sur le principal ou les intérêts (sous certaines conditions), (b) n'a pas rempli l'une quelconque de ses obligations relatives aux Titres (sous certaines conditions), (c) vend, transfère ou d'une quelconque façon cède directement ou indirectement, l'ensemble ou une part substantielle de ses actifs, ou l'Emetteur conclue une liquidation volontaire, sous réserve de certaines exceptions et (d) demande ou est soumis à la nomination d'un mandataire ad hoc ou a demandé à être soumis à une procédure de conciliation, ou une procédure de sauvegarde accélérée, ou une procédure de sauvegarde financière accélérée, ou une procédure de sauvegarde ou un jugement est rendu pour sa liquidation judiciaire, ou pour la cession totale de l'entreprise, ou conclue tout transfert au bénéfice de, ou conclu tout accord avec, ses créanciers.</p> <p><u>Fiscalité</u></p> <p>Tous les paiements de principal et d'intérêts par ou pour le compte de l'Emetteur au titre des Titres ou Coupons seront effectués sans aucune retenue à la source ou prélèvement au titre de tout impôt ou taxe de toute nature, imposés, levés, recouvrés ou retenus à la source, par ou pour le compte de la France, ou de l'une de ses autorités ayant le pouvoir de lever l'impôt, à moins que cette retenue à la source ou ce prélèvement ne soit exigé par la loi. Si une telle retenue à la source ou un tel prélèvement est exigé par la loi française, l'Emetteur sera tenu de majorer ses paiements dans la mesure autorisée par la loi et sous réserve de certaines exceptions.</p> <p><u>Droit applicable</u></p> <p>Les Titres, Coupons et Talons seront régis et interprétés conformément au droit français.</p> <p><i>Résumé spécifique à l’émission</i></p> <p>Forme des Titres : [Titres Dématérialisés /Titres Matérialisés] [Si les Titres sont des Titres Dématérialisés : Les Titres Dématérialisés sont des Titres [au porteur] / [au nominatif.]] [Si les Titres sont des Titres Matérialisés : Les Titres Matérialisés sont des Titres au porteur uniquement.]</p> <p>Prix d’Emission : [●] pour cent du Montant Nominal Total</p>
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		<p>[majoré de intérêts courus à compter de [insérer la date] (si applicable)].</p> <p>Valeur Nominale Unitaire : [●]</p>
C.9	<p>Intérêts, échéance et modalités de remboursement, rendement et représentation des Porteurs des Titres</p>	<p>Merci de vous reporter également à l'information fournie à la section C.8 ci-dessus.</p> <p><u>Taux d'Intérêt et Périodes d'Intérêt</u></p> <p>Les Titres peuvent être des Titres à Taux Fixe, des Titres à Taux Variable ou des Titres à Coupon Zéro. La durée des périodes d'intérêts pour les Titres et le taux d'intérêt applicable ou sa méthode de calcul pourront être constants ou varier au cours du temps pour chaque Souche. Les Titres pourront avoir un taux d'intérêt maximum, un taux d'intérêt minimum, ou les deux. L'utilisation des périodes d'intérêts courus permet de prévoir des taux d'intérêts différents des Titres pour la même période d'intérêts. Ces informations seront prévues dans les Conditions Définitives concernées.</p> <p>Pour éviter toute ambiguïté, les intérêts payables au titre de tout Titre seront en toutes circonstances au moins égal à zéro.</p> <p><u>Date de Commencement des Intérêts et Date d'échéance</u></p> <p>La date de commencement des intérêts et la date d'échéance seront indiquées dans les Conditions Définitives</p> <p><u>Titres à Taux Fixe</u></p> <p>Les coupons fixes seront payables à terme échu à la date ou aux dates de chaque année prévues par les Conditions Définitives.</p> <p><u>Titres à Taux Variable</u></p> <p>Les Titres à Taux Variable porteront intérêt déterminé de façon différente pour chaque Souche, comme suit:</p> <ul style="list-style-type: none"> (i) sur la même base que le taux variable applicable à une opération d'échange de taux d'intérêt notionnel dans la Devise Précisée applicable, conformément à la Convention-Cadre FBF de juin 2013, tel que publié par la Fédération Bancaire Française ; (ii) sur la même base que le taux variable applicable à une opération d'échange de taux d'intérêt notionnel dans la Devise Précisée, conformément à un contrat incluant les Définitions ISDA 2006 telles que publiées par la <i>International Swaps and Derivatives Association, Inc.</i> ; ou (iii) par référence au LIBOR, EURIBOR et CMS, <p>dans chaque cas, tel qu'ajusté à la hausse ou à la baisse en fonction des marges éventuellement applicables, et calculé et payable conformément aux Conditions Définitives concernées. Les Titres à Taux Variable pourront aussi avoir un taux d'intérêt maximum, un taux d'intérêt minimum, ou les deux à la fois.</p> <p><u>Titres à Coupon Zéro</u></p> <p>Les Titres à Coupon Zéro seront émis à leur valeur nominale ou avec une décote et ne porteront pas intérêt.</p> <p><u>Echéances</u></p> <p>Sous réserve du respect de toutes lois, réglementations et directives applicables, les Titres auront une maturité d'un mois minimum à compter de la date d'émission initiale tel qu'indiqué dans les Conditions Définitives concernées.</p> <p><u>Remboursement</u></p>

		<p>Sous réserve du rachat et de l'annulation des Titres ou du remboursement anticipé de ces Titres, ceux-ci seront remboursés à la Date d'Echéance pour un montant égal au Montant de Remboursement Final déterminé conformément aux Modalités des Titres.</p> <p><u>Remboursement avant la date d'échéance</u></p> <p>Les Conditions Définitives préparées à l'occasion de chaque Tranche de Titres indiqueront s'ils peuvent être remboursés avant la date d'échéance prévue (i) au gré de l'Émetteur (en totalité ou en partie) et/ou (ii) des porteurs de Titres (les Porteurs) et/ou (iii)</p> <p>pour raisons fiscales.</p> <p><u>Rendement à maturité</u></p> <p>Les Conditions Définitives de chaque émission de Titres à Taux Fixe préciseront le rendement des Titres applicable si les Titres sont détenus jusqu'à leur maturité.</p> <p><u>Représentation des Porteurs de Titres</u></p> <p>Les Porteurs de Titres seront groupés automatiquement, au titre de toutes les Tranches d'une même Souche, pour la défense de leurs intérêts communs en une masse (la Masse) qui sera régie par les dispositions des articles L.228-46 et s. du Code de commerce à l'exception des articles L.228-71 (uniquement pour les Titres émis hors de France) et R.228-69 du Code de commerce, telles que complétées par les Modalités des Titres.</p> <p>La Masse agira en partie par l'intermédiaire d'un représentant (le Représentant) et en partie par l'intermédiaire de décisions collectives des Porteurs de Titres. Les noms et adresses du Représentant initial et de son suppléant seront précisés dans les Conditions Définitives concernées. Le Représentant désigné dans le cadre de la première Tranche d'une Souche sera le représentant de la Masse unique de toutes les autres Tranches de cette Souche.</p> <p>Les décisions collectives sont adoptées soit en assemblée générale, soit par consentement obtenu à l'issue d'une décision écrite.</p> <p>Si et aussi longtemps que les Titres d'une Souche seront détenus par un seul Porteur et si aucun Représentant n'a été désigné au titre de cette Souche, le Porteur concerné exercera l'ensemble des pouvoirs, droits et obligations dévolus à la Masse par les dispositions du Code de commerce, telles que complétées par les Modalités des Titres. Ce Porteur unique tiendra un registre de l'ensemble des décisions prises qu'il aura prises en cette qualité et le mettra à disposition, sur demande, de tout Porteur ultérieur de tout ou partie des Titres de cette Souche.</p>
		<p><i>Résumé spécifique à l'émission :</i></p> <p>Base(s) d'Intérêt : [Taux Fixe [●] %] [Taux Variable [●] +/- [●] %] [Taux Fixe/Variable] [Coupon Zéro]</p> <p>Date de Commencement des Intérêts : [Préciser/Date d'Emission/Sans Objet]</p> <p>Date d'échéance : [Préciser (pour les Titres à Taux Variable) la Date de Paiement des Intérêts tombant le ou le plus près du mois et de l'année concernés]</p> <p>Montant de Remboursement Final [[●] par Titre d'une Valeur Nominale Unitaire]</p>

		<p>de chaque Titre : de [●]]</p> <p>Option de remboursement au gré de l'Emetteur: [Applicable]/[Sans objet]</p> <p>Option de remboursement au gré des Porteurs : [Applicable]/[Sans objet]</p> <p>Montant de Remboursement Optionnel : [Applicable : [●]]/[Sans objet]</p> <p>Montant de Remboursement Anticipé : [Applicable : [●]]/[Sans objet]</p> <p>Rendement (des Titres à Taux Fixe): [Applicable]/[Sans objet]</p> <p>Représentation des Porteurs de Titres : Emission hors de France : [Applicable/Sans Objet]</p> <p>[Les nom et adresse du Représentant sont [●] et de son suppléant sont [●]. Le Représentant ne recevra pas de rémunération. / Le Représentant recevra une rémunération de [●]. / Aussi longtemps que les Titres d'une Souche seront détenus par un seul Porteur, le Porteur concerné exercera l'ensemble des pouvoirs, droits et obligations dévolus à la Masse par les dispositions du Code de commerce, telles que complétées par les Modalités des Titres. Ce Porteur unique tiendra un registre de l'ensemble des décisions qu'il aura prises en cette qualité et devra le mettre à disposition, sur demande, de tout Porteur ultérieur de tout ou partie des Titres de cette Souche. Un Représentant devra être nommé dès lors que les Titres d'une Souche sont détenus par plus d'un Porteur.]</p>
C.10	Paiement des intérêts liés à un (des) instrument(s) dérivé(s)	<p>Sans objet, les Titres émis dans le cadre du Programme ne sont liés à aucun instrument dérivé.</p> <p>Merci de vous reporter également à la section C.9 ci-dessus.</p>

C.11	Admission à la négociation	<p>Une demande d'admission aux négociations des Titres émis sous le Programme sur Euronext Paris a été faite. Les Titres peuvent être admis à la négociation sur tout autre Marché Réglementé au sein de l'EEE conformément à la Directive Prospectus ou tout autre marché non réglementé ou bourse de valeurs, tel qu'indiqué dans les Conditions Définitives concernées. Les Conditions Définitives indiqueront si une Souche de Titre n'est pas cotée ni admise à la négociation.</p> <p>Résumé spécifique à l'émission</p> <p>[Une demande d'admission aux négociations des Titres sur [le marché réglementé d'Euronext Paris] / [le MOT de Borsa Italiana S.p.A.]/[l'ExtraMOT de Borsa Italiana]/[l'Euro TLX]/ [●] a été déposée. / Sans objet, les Titres ne sont pas admis aux négociations sur une bourse ou un quelconque marché.]</p>
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Section D –Facteurs de Risque		
D.2	Informations clés sur les principaux risques propres à l'Émetteur	<p>Un investissement dans les Titres implique certains risques qui devraient être pris en compte avant toute décision d'investissement. En particulier, l'Émetteur, avec ses filiales prises dans leur ensemble (le Groupe), est exposé aux risques inhérents à ses activités, notamment :</p> <p><u>Les risques financiers :</u></p> <p>Le risque de crédit : est le risque de perte financière si un client ou une contrepartie ne respecte pas une obligation en vertu d'un contrat. Il se pose principalement dans les activités de prêts, de crédits commerciaux, de trésorerie et de crédit-bail.</p> <p>Le risque de contrepartie : est défini comme le risque que la contrepartie d'une opération fasse défaut avant le règlement définitif de l'ensemble des flux de trésorerie liés à l'opération. Le risque de contrepartie apparaît pour les transactions de dérivés, de pensions ou de prêts et emprunts de titres ainsi que les opérations à règlement différé, qu'elles soient enregistrées dans le portefeuille bancaire ou dans le portefeuille de négociation.</p> <p>Le risque de marché : est le risque pour un investisseur de subir des pertes des fluctuations du cours des titres.</p> <p>Le risque de taux structurel : affecte les opérations bancaires et les composants structurels du bilan et n'affecte pas le fonctionnement du marché. Le risque de taux structurel provient, principalement, de la variation des écarts entre le rendement futur des actifs et le coût futur des passifs du fait des variations de taux d'intérêt.</p> <p>Le risque de change structurel : L'exposition au risque de change structurel de HSBC France est limitée. Elle concerne quelques investissements non significatifs dans les filiales à l'étranger. Les positions de change issues de l'activité bancaire sont systématiquement transférées à la salle des marchés, qui assure la gestion du risque de change dans le cadre de limites fixées par le <i>Risk Management Committee</i>.</p> <p>Par ailleurs, il existe un risque de change qui correspond au risque de variation des fonds propres dû à des investissements en devises non couverts par des financements en devises. Cette exposition, dite structurelle, au risque de change correspond aux</p>

	<p>investissements nets dans les filiales, succursales ou entreprises associées dont l'euro n'est pas la devise fonctionnelle.</p> <p>Les investissements de HSBC France dans des filiales étrangères sont faibles en montant. L'exposition structurelle au risque de change est principalement liée au résultat de ces filiales conservé en réserves.</p> <p>Le risque de liquidité et risque de financement : se définit comme le risque que HSBC France ne dispose pas de ressources financières suffisantes pour honorer ses obligations lorsqu'elles échoient, ou qu'il ne puisse obtenir ces ressources sans payer un coût excessif. Ce risque résulte de la différence d'échéance des flux de trésorerie. Le risque de financement (qui est une forme de risque de liquidité) se matérialise lorsque les ressources nécessaires au financement d'un actif illiquides ne peuvent pas être obtenues sur les termes prévus au moment requis.</p> <p><u>Les risques opérationnels :</u></p> <p>Le risque juridique : Les risques juridiques comprennent les risques liés aux changements de lois et réglementations, et les risques liés aux dossiers de litige en défense (certains pouvant avoir un effet significatif sur la situation financière du groupe HSBC France). Le HSBC France Legal Department aide les différents secteurs du groupe HSBC France à prévenir, à maîtriser les risques juridiques. Il est également en charge du suivi des litiges, et s'assure que le cadre demeure adéquat face aux risques concernant un changement de loi, de règlement et d'organisations. Les risques juridiques concernent notamment la gestion des risques liés directement ou indirectement aux dossiers relatifs aux litiges impliquant l'Emetteur. Les procédures les plus significatives concernent (i) des enquêtes dans le cadre de la législation relative à la lutte contre le blanchiment de capitaux et de la législation relative aux sanctions financières internationales, (ii) des enquêtes et procédures concernant la fixation du Libor et autres taux de change et taux d'intérêt de référence et (iii) une enquête des autorités de régulation et actions en cours concernant les produits dérivés de crédit (Credit Default Swaps ou CDS).</p>
	<p>Le risque fiscal : Les risques fiscaux comprennent certaines positions fiscales qui font l'objet de discussions avec les autorités ainsi que des changements de lois.</p> <p>Le risque informatique : est défini par le non-respect des obligations légales, les erreurs humaines, les erreurs de programmation, le manque de compétences en matière de projets et / ou de technologies, l'indisponibilité du système d'information lorsque de nouveaux développements ou de nouvelles solutions tierces sont mises en oeuvre, les vulnérabilités du système de code, l'externalisation des fonctions sensibles et processus, la perte ou l'endommagement de pistes de vérification, défaillance de certains fournisseurs clés au sens réglementaire, la fraude interne et externe.</p> <p>Le risque de non-conformité : est défini par les situations d'échec de conformité et d'infractions aux règles de procédure interne.</p> <p>Le risque comptable : les risques comptables comprennent les risques relatifs à la bonne application des principes comptables et à la vérification de l'exhaustivité et la validité des résultats financiers. La Direction Financière est responsable de la bonne application des principes comptables et des dispositifs de contrôle comptable au sein du Groupe. Elle définit, pour le Groupe, les procédures et les contrôles à appliquer, dans chaque entité juridique.</p>
	<p>Le risque environnemental : les risques environnementaux comprennent les risques</p>

		liés au changement climatique, à l'environnement et à l'économie. Il s'agit de faire en sorte que l'activité de l'Emetteur anticipe et se prépare aux évolutions des priorités environnementales et attentes sociétales. Le Groupe gère le risque que des services financiers fournis à ses clients puissent avoir une incidence inacceptable sur les personnes ou l'environnement. Le risque lié au développement durable peut également entraîner un risque commercial pour les clients, un risque de crédit pour la banque et un sérieux risque de réputation pour le Groupe.
D.3	Informations clés sur les principaux risques propres aux Titres	<p>En sus des facteurs de risque relatifs à l'Emetteur, il existe d'autres facteurs qui sont significatifs pour évaluer les risques liés aux notamment:</p> <ul style="list-style-type: none"> - Modification des Modalités - Des modifications et renonciations de modalités relatives aux Titres peuvent être effectuées par une décision collective adoptée par l'assemblée générale des Porteurs des Titres ou obtenue à l'issue d'une décision écrite qui lie l'ensemble des Porteurs, y compris les Porteurs non présents ou représentés à l'assemblée générale, ayant voté en sens contraire à la majorité ou n'ayant pas consenti à la décision écrite; - Fiscalité - Les investisseurs doivent consulter leurs propres conseillers concernant les aspects juridiques, fiscaux et les autres aspects liés à l'investissement dans les Titres ; - Proposition d'une taxe sur les transactions financières - la proposition de directive relative à la taxe commune sur les transactions financières a un champ d'application très large et pourrait, si elle était adoptée, s'appliquer à certaines opérations portant sur les Titres (y compris les transactions sur le marché secondaire) dans certaines circonstances ; - Valeur de marché des Titres - la valeur de marché des Titres sera affectée par la solvabilité de l'Emetteur et/ou du Groupe et par un certain nombre de facteurs supplémentaires (y compris mais de façon non limitative, la volatilité des taux d'intérêt de marché et des taux de rendement et la durée résiduelle et des événements économiques, financiers et politiques en France ou ailleurs) ; - Les Titres peuvent ne pas être un investissement approprié pour tous les investisseurs - chaque investisseur potentiel doit déterminer, sur le fondement de son propre examen indépendant et des conseils professionnels qu'il estime appropriés selon les circonstances, si la souscription des Titres est pleinement adaptée à ses besoins financiers, ses objectifs et sa situation, et si cette souscription est un investissement adapté et approprié, nonobstant les risques clairs et importants inhérents au fait d'investir dans ou de détenir des Titres ; - La Directive sur le Redressement et la Résolution bancaire dans l'UE - La Directive 2014/59/UE du Parlement Européen et du Conseil du 15 mai 2014 sur la résolution des établissements de crédit établit un cadre pour le redressement et la résolution des défaillances d'établissements de crédit et d'entreprises d'investissement afin de mettre en place une série de mesures pouvant être prises par les autorités de contrôle compétentes pour les établissements de crédit et les entreprises d'investissement considérés comme étant en risque de défaillance (incluant notamment le renflouement interne). L'autorité de résolution peut, lorsqu'une institution est considérée comme ayant atteint un point de non-viabilité, entamer une procédure de résolution et utiliser des outils et pouvoirs de résolution, tels que

		<p>l'instrument de renflouement interne. Lorsqu'elle utilise l'instrument de renflouement interne, l'autorité de résolution doit appliquer les pouvoirs de dépréciation et d'annulation en premier aux instruments de fonds propres de base de catégorie 1, ensuite déprécier, annuler ou convertir les instruments de fonds propres additionnels de catégorie 1 et enfin les instruments de fonds propres de catégorie 2 et autres créances subordonnées dans la mesure nécessaire. Si, et seulement si, la réduction totale ainsi opérée est inférieure à la somme recherchée, l'autorité de résolution, réduira ou convertira dans la proportion nécessaire le reste des créances éligibles (y compris les titres de dettes non subordonnées tels que les Titres). L'impact de cette Directive et ses dispositions d'application sur les établissements de crédit, y compris l'Emetteur, pourrait affecter de manière préjudiciable l'activité et la situation financière de l'Emetteur et la valeur des Titres ;</p> <ul style="list-style-type: none"> - Le marché secondaire en général - il ne peut y avoir de certitude sur l'existence d'un marché secondaire pour les Titres ou sur la continuité d'un tel marché si celui-ci se développe et il peut ainsi y avoir une absence de liquidité sur ce marché ; - Risques de taux de change et contrôles des changes - une variation significative des taux de change et une modification du contrôle des changes pourraient affecter les investisseurs et les investisseurs pourraient ainsi recevoir un intérêt ou principal moins élevé que prévu, ou aucun intérêt ou principal ; - Les notations de crédit ne peuvent pas refléter tous les risques - les notations de crédit pourraient ne pas refléter tous les risques relatifs aux Titres ; - Des considérations d'investissement d'ordre légales peuvent restreindre certains investissements - les acquéreurs et vendeurs potentiels des Titres doivent être informés qu'ils peuvent être tenus de payer des impôts ou droits documentaires ou taxes conformément aux lois et pratiques du territoire dans lesquels les Titres sont transférés ou dans d'autres territoires. <p>Résumé spécifique à l'émission</p> <p><i>[(Insérer si les Titres prévoient une option de remboursement à l'option de l'Emetteur)]</i>- La caractéristique de remboursement optionnel des Titres pourrait avoir un effet négatif sur la valeur de marché de ces Titres. Pendant la période au cours de laquelle l'Émetteur peut rembourser les Titres, la valeur de marché des Titres ne connaît généralement pas de hausse substantielle au-dessus du prix auquel ils peuvent être remboursés. Cela peut aussi être vrai durant toute la période précédant la période de remboursement.]</p> <p><i>[(Insérer si les Titres prévoient une option de remboursement à l'option des Porteurs)]</i>- L'exercice d'une option de remboursement au gré des Porteurs pour certains Titres peut affecter la liquidité des Titres de cette même Souche pour lesquels une telle option n'aura pas été exercée. En fonction du nombre de Titres d'une même Souche pour lesquels l'option de remboursement prévue dans les Conditions Définitives concernées aura été exercée, le marché des Titres pour lesquels un tel droit de remboursement n'est pas été exercé pourrait devenir illiquide.]</p>
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		<p>[(Insérer si les Titres sont à taux fixe)- Les Titres portent intérêt à taux fixe, il ne peut être exclu que des changements subséquents sur le marché des taux d'intérêts puissent affecter de manière négative la valeur des Titres.]</p> <p>[(Insérer si les Titres sont à taux variable)- La rémunération des Titres à taux variable est composée (i) d'un taux de référence (ii) auquel [s'ajoute]/[est soustraite] une marge. Le taux de référence sera ajusté de manière périodique (tous les [trois mois]/[six mois]/[●]). La valeur de marché des Titres à taux variable peut donc fluctuer si des changements affectant le taux de référence peuvent seulement être reflétés dans le taux de ces Titres à la prochaine période d'ajustement du taux de référence concerné.]</p> <p>[(Insérer si les Titres sont des Titres à Taux Fixe/Taux Variable ou des Titres à Taux Variable/Taux Fixe, selon le cas) [- La possibilité de conversion offerte à l'Émetteur peut affecter le marché secondaire et la valeur de marché des Titres, l'écart de taux des Titres à Taux Fixe/Taux Variable peut être moins favorable que les écarts de taux sur des Titres à Taux Variable ayant le même taux de référence, le nouveau taux variable peut être à tout moment inférieur aux taux d'intérêt des autres Titres.] / [- Le nouveau taux fixe peut être inférieur aux taux d'intérêt en vigueur pour les autres Titres.]]</p> <p>[(Insérer si les Titres sont des Titres à Coupon Zéro et autres Titres émis en dessous du pair ou assortis d'une prime d'émission)- La valeur de marché de ces Titres a tendance à être plus sensible aux fluctuations relatives aux variations des taux d'intérêt que les titres portant intérêt classiques.]</p> <p>[(Insérer si les Titres à Taux Variable sont indexés sur un indice de référence)- Le règlement et la réforme des "indices de référence" pourraient avoir un impact défavorable significatif sur la valeur des Titres à Taux Variable indexés sur ou faisant référence à de tels "indices de référence".]</p> <p>[(Insérer si les Titres à Taux Variable sont indexés au LIBOR)- La future cessation du LIBOR pourrait avoir un impact défavorable significatif sur la valeur des Titres à Taux Variable faisant référence au LIBOR.]</p>
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Section E - Offre		
E.2b	Raisons de l'offre et utilisation du produit de l'Offre	<p>Le produit net de l'émission de chaque Tranche de Titres sera utilisé par l'Émetteur pour les besoins généraux de l'entreprise, y compris la réalisation de profit, sauf indication contraire dans les Conditions Définitives concernées.</p> <p>Résumé spécifique à l'émission</p> <p>[Le produit net de l'émission de des Titres sera utilisé par l'Émetteur pour les besoins généraux de l'entreprise / Autre (préciser).]</p>
E.3	Modalités de l'Offre	<p>Les Titres pourront être offerts au public en France, au Royaume-Uni, en Allemagne, aux Pays-Bas, en Belgique, au Grand-Duché de Luxembourg, en Espagne et/ou en Italie, comme spécifié dans les Conditions Définitives applicables.</p> <p>Il existe des restrictions concernant l'achat, l'offre, la vente et la livraison des Titres ainsi qu'à la possession ou la distribution du Prospectus de Base ou de tout autre document d'offre ou des Conditions Définitives.</p> <p>A l'exception de la section A.2 ci-dessus, et sans préjudice de la possibilité pour l'Émetteur de nommer des intermédiaires financiers afin de placer les Titres, ni</p>

		<p>l'Émetteur ni aucun des Agents Placeurs n'a autorisé une personne à faire une Offre au Public en aucune circonstance et aucune personne n'est autorisée à utiliser le Prospectus de Base dans le cadre de ses offres de Titres. Ces offres ne sont pas faites au nom de l'Émetteur ni par aucun des Agents Placeurs ou des Etablissements Autorisés et ni l'Émetteur ni aucun des Agents Placeurs ou des Etablissements Autorisés n'est responsable des actes de toute personne procédant à ces offres.</p> <p>Résumé spécifique à l'émission</p> <p>[Les Titres sont offerts au public en [●]. / Sans objet, les Titres ne font pas l'objet d'une offre au public.]</p> <p>[Période d'Offre : Du [●] au [●].</p> <p>Prix de l'Offre : [Prix d'émission]/[Sans objet]/[●].</p> <p>Conditions auxquelles l'Offre est soumise : [Sans objet]/[●].</p> <p>Description du processus de souscription: [Sans objet]/[●].</p> <p>Détails concernant le montant minimum ou maximum de de souscription : [Sans objet]/[●].</p> <p>Modalités et date à laquelle les résultats de l'Offre seront annoncés au public : [Sans objet]/[●].]</p>
E.4	Intérêts des personnes morales ou physiques impliquées dans l'émission	<p>Les Conditions Définitives concernées préciseront les intérêts des personnes morales ou physiques impliquées dans l'émission des Titres.</p> <p>Résumé spécifique à l'émission</p> <p>[Sans objet, à la connaissance de l'Emetteur, aucune personne participant à l'émission n'y a d'intérêt significatif.] [L'Agent Placeur percevra des commissions d'un montant de [●]% du montant en principal des Titres. A la connaissance de l'Emetteur, aucune autre personne participant à l'émission n'y a d'intérêt significatif.]. <i>[Modifier de façon appropriée s'il existe d'autres intérêts].</i></p>
E.7	Estimation des Dépenses mises à la charge de l'investisseur par l'Émetteur ou l'offreur	<p>Les Conditions Définitives concernées préciseront le cas échéant une estimation des dépenses relatives à chaque Tranche de Titres.</p> <p>Résumé spécifique à l'émission</p> <p>[Les dépenses mises à la charge à l'investisseur sont estimées à [●]./ Sans objet, aucune dépense ne sera mise à la charge de l'investisseur.]</p>

RISK FACTORS

RISK FACTORS RELATING TO THE ISSUER

Risk factors in connection with the Issuer are set out in detail on pages 62 to 121 of the English translation of the Issuer's 2017 Registration Document and on pages 12 to 21 of the Update to the 2017 Registration Document which are incorporated by reference in this Base Prospectus.

In particular, the Issuer is exposed to the principal risks described below:

- Financial risks:

- Credit risk: is the risk of financial loss if a customer or counterparty fails to meet a payment obligation under a contract. It arises principally from direct lending, trade finance and leasing business.
- Counterparty risk: is the risk that the counterparty to a transaction may default before completing the satisfactory settlement of the transaction. Counterparty credit risk arises for derivatives and securities financing transactions both when registered on the trading and non-trading books.
- Market risk: is the day-to-day potential for an investor to experience losses from fluctuations in securities prices.
- Structural interest-rate risk: stems from banking operations and structural components of the balance sheet and does not concern market operations. Structural interest rate risk arises mainly from the changes in the spread between future returns on assets and future costs of liabilities due to variations in interest rates.
- Structural foreign exchange risk: The structural foreign exchange exposition of HSBC France is limited. It concerns few investments, not significant, in the foreign subsidiaries. Structural foreign exchange exposition arising from banking operations is systematically transferred to the trading room which manages exchange rate risk according to the limits set by the Risk Management Committee.

There is also an exchange rate risk on equity due to investments in foreign currency that are not hedged by financing in foreign currency. This exposure, termed as "structural", corresponds to net investments in subsidiaries, branches or associated companies for which the euro is not the functional currency.

HSBC France's investments in foreign subsidiaries are small in amount. The structural foreign exchange exposure is mainly linked to these subsidiaries' profits retained in reserves.

- Liquidity and funding risk: is defined as the risk that HSBC France does not have sufficient financial resources to meet its obligations as they fall due, or will access to such resources only at an excessive cost. This risk arises from mismatches in the timing of cash flows. Funding risk (a form of liquidity risk) arises when the liquidity needed to fund illiquid asset positions cannot be obtained on the expected terms and when required.

- Operational risks:

- Legal risk: Legal risks include those connected with changes of laws and regulations, and defence litigation matters (some of which may have a significant effect on the financial situation of the HSBC France group net assets). The HSBC France Legal Department (DAJ) is responsible for HSBC France group's legal risks oversight as a second line of defence, and helps the various HSBC France group businesses to prevent and control legal risk. The DAJ is in charge of litigation follow-up, and ensure that the risks framework for legal and tax risks remains adequate in the face of changes in laws,

regulations and group organization. Legal risks include the management risks directly or indirectly linked to litigation involving the Issuer. The most significant legal proceedings relate to (i) anti-money laundering and sanctions-related, (ii) investigations and reviews into the setting of London interbank offered rates and other benchmark interest and foreign exchange rates and (iii) credit default swap regulatory investigation and litigation.

- Tax risk: Tax risks include some tax positions that are discussed with tax authorities, as well as changes of laws.
- IT Systems Risk: is defined by failure to comply with legal duties, human or code errors, loss of expertise relating to projects and/or technologies, unavailability or damage of information system and critical services performance and capacity, software vulnerabilities, loss or lack of controls relating to sensitive functions or processes for outsourced services, failure of key suppliers in the regulatory sense, internal or external fraud.
- Non-compliance risk: is defined by situations of failure of compliance and infringements of internal rules of procedure.
- Accounting risk: accounting and reconciliation procedures designed to verify the existence, exhaustivity and validity of financial statements The Finance Department is responsible for the proper application of the HSBC France group's accounting principles and accounting control procedures. It defines the procedures and controls to be applied in each legal entity's accounting department.
- Environmental risk: environmental risk comprises risks relating to a changing climate, environment and economy. It consists of anticipating and preparing for shifts in environmental priorities and societal expectations. The Group manages the risk that the financial services which it provides to customers may have unacceptable impacts on people or the environment. Sustainability risk can also lead to commercial risk for customers, credit risk for the bank and significant reputational risk for the Group.

RISK FACTORS RELATING TO THE NOTES

The following paragraphs describe the principal risk factors that the Issuer believes material to the Notes to be offered and/or listed and admitted to trading in order to assess the market risk associated with these Notes. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and consult their own financial and legal advisers about risks associated with investments in a particular Series of Notes and the suitability of investing in the Notes in light of their particular situation.

1. The Notes may not be a suitable investment for all investors

Each prospective investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement to this Base Prospectus and the relevant Final Terms;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact the relevant Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where

the currency for principal or interest payments is different from the prospective investor's currency;

- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets;
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks;
- (vi) be aware, in terms of the legislation or regulatory regime applicable to such investor, of the applicable restrictions on its ability to invest in the Notes and in any particular type of Note; and
- (vii) be aware that some Notes may be redeemable at an amount below par (including Zero Coupon Notes) in which case investors may lose the value of part or their entire investment.

2. Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for prospective investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

The redemption amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholders. As a consequence, part of the capital invested by the Noteholder may be lost, so that the Noteholder in such case would not receive the total amount of the capital invested.

In addition, the Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Prospective investors should consider reinvestment risk in light of other investments available at that time.

Notes subject to optional redemption by the Noteholders

Exercise of the Put Option in respect of certain Notes may affect the liquidity of the Notes of the same Series in respect of which such option is not exercised. Depending on the number of Notes of the same Series in respect of which the Put Option provided in the relevant Final Terms is exercised, any trading market in respect of those Notes in respect of which such option is not exercised may become illiquid.

Fixed Rate Notes

Investment in Notes which bear interest at a fixed rate involves the risk that subsequent changes in market interest rates may adversely affect the value of the relevant Tranche of Notes.

Floating Rate Notes

Investment in Notes which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the relevant Final Terms) of the reference rate (e.g., every three months or six months) which itself will change in accordance with general market conditions. Accordingly, the market value of floating rate Notes may be volatile if changes, particularly short term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate. This volatility is increased if the Floating Rate Notes include a multiplying coefficient. A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the terms and conditions of the Notes provide for frequent interest payment dates, investors are exposed to reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing. In addition, the Issuer's ability to also issue Fixed Rate Notes may affect the market value and the secondary market (if any) of the Floating Rate Notes (and *vice versa*).

Potential Conflicts of Interest

All or some of the Dealers and their affiliates have and/or may in the future engage, in investment banking, commercial banking and other financial advisory and commercial dealings with the Issuer and its affiliates and in relation to securities issued by any entity of the Group. They have or may (i) engage in investment banking, trading or hedging activities including activities that may include prime brokerage business, financing transactions or entry into derivative transactions, (ii) act as underwriters in connection with offering of shares or other securities issued by any entity of the Group or (iii) act as financial advisers to the Issuer or other companies of the Group. In the context of these transactions, certain of such Dealers have or may hold shares or other securities issued by entities of the Group. Where applicable, they have or will receive customary fees and commissions for these transactions. In addition, the Calculation Agent may be an affiliate of the Issuer, and potential conflicts of interest may exist therefore between the Calculation Agent and the Noteholders.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Zero Coupon Notes and Notes issued at a substantial discount or premium

The market values of Zero Coupon Notes and securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks", are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a "benchmark". Regulation (EU) 2016/1011 (the **Benchmarks Regulation**) was published in the Official Journal of the EU on 29 June 2016 and applies from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities (such as the Issuer) of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to or referencing "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to the "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark" or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a "benchmark".

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a "benchmark".

Future discontinuance of LIBOR may adversely affect the value of Floating Rate Notes which reference LIBOR

On 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forwards. This may cause LIBOR to perform differently than it did in the past and may have other consequences which cannot be predicted.

Investors should be aware that, if LIBOR were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which reference LIBOR will be determined for the relevant period by the fall-back provisions applicable to such Notes. Depending on the manner in which the LIBOR rate is to be determined under the Terms and Conditions, this may (i) if ISDA Determination or FBF Determination applies, be reliant upon the provision by reference banks of offered quotations for the LIBOR rate which, depending on market circumstances, may not be available at the relevant time or (ii) if Screen Rate Determination applies, result in the effective application of a fixed rate based on the

rate which applied in the previous period when LIBOR was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference LIBOR.

Risks relating to Green Bonds

The Final Terms relating to any specific Tranche of Notes may provide that the Issuer intends to use an amount equal to the net proceeds of the issue of those Notes (the **Green Bonds**) to fund eligible businesses and projects in Eligible Sectors as defined in the green bond framework dated 6 November 2015 and available on the following website: <https://www.hsbc.com/investor-relations/fixed-income-investors/green-and-sustainability-bonds> (the **Green Bond Framework**), as amended and supplemented from time to time and as specified in the relevant Final Terms.

Prospective investors should have regard to the information set out in the relevant Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Green Bonds together with any other investigation such investor deems necessary. In particular, no assurance is given by the Issuer or the Dealers that the use of such proceeds for any Eligible Sector will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply. Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes a "green" or an equivalently-labelled lending. In addition the requirements of any such label may evolve from time to time, accordingly, no assurance is or can be given to investors that any Eligible Sector or use(s) the subject of, or related to, any Eligible Sectors will meet any or all investor expectations regarding such "green" or other equivalently-labelled performance objectives.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Green Bonds and in particular with any Eligible Sector, to fulfill any environmental, sustainable and/or other criteria. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold any such Green Bonds.

While it is the intention of the Issuer to apply the proceeds of any Green Bonds so specified to the relevant Eligible Sector, in, or substantially in, the manner described in the relevant Final Terms, there can be no assurance that the relevant Eligible Sector or use(s) the subject of, or related to, any Eligible Sector, will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such eligible sector. Nor can there be any assurance that businesses and projects in such Eligible Sector will be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the Green Bonds.

Any such event or failure to apply the proceeds of any issue of Green Bonds to any Eligible Sector as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on may have a material adverse effect on the value and marketability of such Green Bonds and also potentially the value of any other Green Bonds and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose. For the avoidance of doubt, it is however specified that payments of principal and interest (as the case may be) on the Green Bonds shall not depend on the performance of businesses and projects in the relevant Eligible Sector.

No Dealer makes any representation as to the suitability of the Green Bonds to fulfil environmental or sustainability criteria required by prospective investors. The Dealers have not undertaken, nor are responsible for, any assessment of the eligibility criteria, any verification of whether the Green Bonds meet the eligibility criteria, or the monitoring of the use of proceeds. Investors should refer to the Issuer's website or any third-party opinion.

3. **Risks related to Notes generally**

Set out below is a brief description of certain risks relating to the Notes generally:

Modification of the Conditions

Condition 12 of the Notes contains provisions for holding a General Meeting or taking a Written Decision, as defined in Condition 12, affecting the common interests of the Noteholders. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend or were not represented at the relevant General Meeting or Noteholders who voted in a manner contrary to the majority or did not consent to the Written Decision. Collective Decisions can be taken on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, as more fully described in Condition 12.

Taxation

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the jurisdiction where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for the tax treatment of financial instruments such as the Notes. Potential investors cannot rely upon the tax summary contained in this Base Prospectus but should ask for their own tax adviser's advice on their individual taxation with respect to the subscription, acquisition, holding, disposal and redemption of the Notes. Only such adviser is in a position to duly consider the specific situation of the potential investor.

The proposed financial transaction tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). In March 2016, Estonia indicated its withdrawal from the enhanced cooperation.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional Member States of the European Union may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

EU Resolution and Recovery Directive

On 2 July 2014, Directive 2014/59/EU providing 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**) entered into force. The BRRD is designed to provide 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 impact of the BRRD and its implementing provisions on credit institutions, including the Issuer, could materially affect the activity and financial condition of the Issuer and the value of any Notes.

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 provided to authorities in the BRRD are divided into three categories: (i) preparatory steps and plans to minimise the risks of potential problems (preparation and prevention); (ii) in the event of incipient problems, powers to arrest a firm's deteriorating situation at an early stage so as to avoid insolvency (early intervention); and (iii) where a firm's insolvency might raise a concern as to the general public interest, a clear plan to reorganise or wind down the firm in an orderly fashion while preserving its critical functions and as far as possible limiting taxpayers' exposure to losses (which should be used as a last resort).

The BRRD currently contains four resolution tools and powers:

- (i) sale of business: enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply;
- (ii) bridge institution: enables resolution authorities to transfer all or part of the business of the firm to a "bridge bank" (a publicly controlled entity holding such business or part of a business with a view to reselling it);
- (iii) asset separation: enables resolution authorities to transfer impaired or problem assets to asset management vehicles to allow such assets to be managed and worked out over time; and
- (iv) bail-in: gives resolution authorities the power to write-down the claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims (including Notes) to equity (the **general bail-in tool**), such equity being potentially subject to future cancellation, transfer or dilution by application of the general bail-in tool. When applying bail-in or a statutory write-down (including to zero) and conversion into equity power (including amendment of the terms of the Notes such as a variation of the maturity), the resolution authority must first reduce or cancel common equity tier one, thereafter reduce, cancel, convert additional tier one instruments, then tier two instruments and other subordinated debts to the extent required and up to their capacity. If the debt bail-in or statutory write-down and conversion power has entered into force and only if this total reduction is less than the amount needed, the resolution authority will reduce or convert to the extent required the principal amount or outstanding amount payable in respect of unsecured creditors in accordance with the hierarchy of claims in normal insolvency proceedings (including senior debt instruments such as the Notes).

The BRRD also provides that in exceptional circumstances, where the general 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. Such exclusion will apply in particular where: (a) it is not possible to bail-in a particular liability within a reasonable time; (b) the exclusion is strictly necessary and is proportionate so as to achieve the continuity of critical functions and core business lines of the institution under resolution; (c) the exclusion is strictly necessary and proportionate so as to avoid giving rise to widespread contagion, which would severely disrupt the functioning of financial markets, including of financial market infrastructures, in a manner that could cause serious disruption to the economy of a Member State of the European Union; or (d) the application of the general bail-in tool to those liabilities would cause a reduction in value such that the losses borne by other creditors would be higher than if those liabilities were excluded from bail-in altogether.

Consequently, where the relevant resolution authority decides to exclude or partially exclude an eligible liability or class of eligible liabilities:

- (i) the level of write down or conversion applied to other eligible liabilities – due to Noteholders as the case may be - when not excluded, may be increased to take account of such exclusions; and
- (ii) if the losses that would have been borne by those liabilities have not been passed on fully to other creditors, the financing arrangement for resolution may make a contribution to the institution under resolution, within certain limits, including the requirement that such contribution does not exceed 5% of the global liabilities of such institution to (a) 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 (b) purchase shares or other instruments of ownership or capital instruments in the institution under resolution, in order to recapitalise the institution. The final step – to the extent any losses remain - would be the granting of 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.

The BRRD applies since 1 January 2015, except for the general bail-in tool which applies since 1 January 2016.

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 (the **SRM Regulation**) has established a centralised power of resolution entrusted to a Single Resolution Board (the **SRB**) and to the national resolution authorities. For Member States participating in the Banking Union (which includes France), the Single Resolution Mechanism (the **SRM**) fully harmonises the range of available tools, but Member States are authorised to introduce additional tools at national level to deal with crises, as long as they are compatible with the resolution objectives and principles set out in the BRRD.

As from November 2014, the European Central Bank (the **ECB**) has taken over the prudential supervision under the SSM of significant credit institutions in Eurozone member states. In addition, an SRM has been set up to ensure that the resolution of banks across the Eurozone is harmonised. Under Article 5(1) of the SRM Regulation, the SRM has been granted those responsibilities and powers granted to the member states' resolution authorities under the BRRD for those banks subject to direct supervision by the ECB. The ability of the SRB to exercise these powers came into force at the start of 2016.

The Issuer has been designated as a significant supervised entity for the purposes of Article 49(1) of the SSM Regulation and is consequently subject to the direct supervision of the ECB. This means that the

Issuer is also subject to the SRM, which came into force in 2015. The SRM Regulation mirrors the BRRD and, to a large extent, refers to the BRRD so that the SRB is able to apply the same powers that would otherwise be available to the relevant national resolution authority.

The implementation of the BRRD in France was made by several legislative texts. The banking law dated 26 July 2013 regarding the separation and the regulation of banking activities (*Loi de séparation et de régulation des activités bancaires*) (the **Banking Law**) had anticipated the implementation of the BRRD and had introduced in the French *Code monétaire et financier* Article L. 613-31-16 which allows the ACPR to exercise resolution powers when an institution is subject to a procedure relating to its recovery or resolution.

Ordinance no. 2015-1024 dated 20 August 2015 (*Ordonnance n° 2015-1024 du 20 août 2015 portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) (the **Ordinance**) published in the Official Journal on 21 August 2015 has introduced various provisions amending and supplementing the Banking Law to adapt French law to European Union legislation regarding financial matters. Many of the provisions contained in the BRRD were already similar in effect to provisions contained in the Banking Law. Decree no. 2015-1160 dated 17 September 2015 and three orders dated 11 September 2015 (*décret et arrêtés*) implementing provisions of the Ordinance regarding (i) recovery planning implementing Section A of the Annex of the BRRD , (ii) resolution planning implementing Section B of the Annex of the BRRD, and (iii) criteria to assess the resolvability of an institution or group implementing Section C of the Annex of the BRRD, were published on 20 September 2015, mostly to define implementing rules of the BRRD..

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.

French credit institutions (as the Issuer) must now comply at all times with minimum requirements for own funds and eligible liabilities (the **MREL**) under Article L.613-44 of the *French Code monétaire et financier*. The MREL is expressed as a percentage of total liabilities and equity of the institution and aims to prevent institutions to structure their commitments in a manner which could limit or prevent the effectiveness of the bail-in tools.

Implementation provisions of the BRRD in France include the bail-in tool and therefore the powers of reducing the principal, cancellation or conversion of subordinated notes. Accordingly, if the Issuer were to be subjected to a resolution process, holders of Notes may be subject to write-down (including to zero) or conversion into equity on any application of the general bail-in tool (including amendment of the terms of the Notes such as a variation of the maturity), in application of (i) the decision of the college of resolution of the ACPR or (ii) the decision of the SRB when SRM applies, which may result in such holders losing some or all of their investment. The SRB works in close cooperation with the ACPR, in particular in relation to resolution planning, and has assumed full resolution powers as from 1 January 2016, the contributions of the transfer conditions at the Single Resolution Fund being met by this date.

It is not yet possible to assess the full impact of the BRRD on the Issuer and the French law implementation provisions and there can be no assurance that it will not adversely affect the rights of holders of Notes, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

The holders of Notes have very limited rights to contest and/or ask for the suspension of the exercise of the relevant competent authorities' resolution powers.

Principles of the Financial Stability Board on Loss-absorbing and Recapitalisation Capacity of G-SIBs in Resolution / Total Loss-absorbing Capacity (TLAC) Term Sheet

On 9 November 2015 Financial Stability Board (the **FSB**) published a document entitled "Principles on loss-absorbing and Recapitalization Capacity of G-SIBs in Resolution / Total Loss-absorbing Capacity (**TLAC**) Term Sheet" to improve the absorption capacity losses for global systemically important banks (**G-SIBs**) resolution. The FSB principles aim to ensure that G-SIBs will have sufficient capacity to absorb losses in the event of resolution of this entity to minimize any impact on financial stability, ensure the continuity of critical functions and avoid exposing taxpayers to losses. They will come into force on 1 January 2019.

The Minimum TLAC requirement will be applied to each resolution entity within each G-SIB. Minimum TLAC is an additional requirement to minimum regulatory capital requirements.

Minimum TLAC must be :

- (i) at least 16% of the resolution group's RWAs (**TLAC RWA Minimum**) as from 1 January 2019 and at least 18% as from 1 January 2022. This requirement does not include any applicable regulatory capital (Basel III) buffers, which must be met in addition to the TLAC RWA Minimum.
- (ii) at least 6% of the Basel III leverage ratio denominator (**TLAC LRE Minimum**) as from 1 January 2019. As from 1 January 2022, the TLAC LRE Minimum must be at least 6.75% of the Basel III leverage ratio denominator.

The Issuer is not considered as a G-SIB, however, the requirement for an institution to have a capacity to absorb losses can be applied in addition to, or instead of the minimum capital requirements and eligible committed to under the BRRD. Implementing provisions regarding the minimum TLAC requirement in France remain uncertain and similar requirements may apply to non-G-SIBs.

Whereas the implementing provisions relating to the TLAC requirements are still being developed, it is not possible to determine the scope, nature and impact on the Issuer and it can not be excluded that the Issuer has to issue a significant amount of eligible liabilities in order to comply on time with the minimum TLAC (including liabilities qualifying T2 Capital).

Risks relating to the United Kingdom's vote to leave the European Union

On 23 June 2016 the UK held a referendum to decide on the UK's membership of the European Union. The UK vote was to leave the European Union and the UK Government invoked article 50 of the Lisbon Treaty relating to withdrawal on 29 March 2017. Under article 50, the Treaty on the European Union and the Treaty on the Functioning of the European Union cease to apply in the relevant state from the date of entry into force of a withdrawal agreement, or, failing that, two years after the notification of the intention to withdraw, although this period may be extended in certain circumstances. There are a number of uncertainties in connection with the future of the UK and its relationship with the European Union. The negotiation of the UK's exit terms are ongoing. Until the terms and timing of the UK's exit from the European Union are clearer, it is not possible to determine the impact that the referendum, the UK's departure from the European Union and/or any related matters may have on the business of the Issuers. As such, no assurance can be given that such matters would not adversely affect the market value and/or the liquidity of the Notes in the secondary market.

Changes in law

The Terms and Conditions of the Notes are based on French law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to French law or administrative practice after the date of this Base Prospectus.

Except as otherwise provided by the relevant Final Terms, Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a Masse, as defined in Condition 12. However, under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the **Assembly**) in order to defend their common interests if a safeguard procedure (*procédure de sauvegarde*), an accelerated safeguard procedure (*procédure de sauvegarde accélérée*), an accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*), or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme (such as a Euro Medium Term Note Programme) and regardless of their governing law.

The Assembly deliberates on the proposed safeguard plan (*projet de plan de sauvegarde*), accelerated safeguard plan (*plan de sauvegarde accélérée*), accelerated financial safeguard plan (*plan de sauvegarde financière accélérée*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling payments which are due and/or partially or totally writing-off debts;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into securities that give or may give right to share capital.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the amount of debt securities held by the holders attending such Assembly or represented thereat). No quorum is required to convoke of the Assembly.

For the avoidance of doubt, the provisions relating to the Representation of the Noteholders described in the Terms and Conditions of the Notes set out in this Base Prospectus and, if applicable, the relevant Final Terms will only be applicable to the extent they do not conflict with compulsory insolvency law provisions that apply in these circumstances.

A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs.

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the Notes. These incidental costs may significantly reduce or even exclude the potential profit of the Notes. For instance, credit institutions as a rule charge their clients for own commissions, which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional - domestic or foreign - parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of securities (direct costs), Noteholders must also take into account any additional costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

No limitation on issuing or guaranteeing debt ranking senior or pari passu with the Notes

There is no restriction on the amount of debt which the Issuer may issue or guarantee. The Issuer and its subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect of indebtedness of third parties, including indebtedness or guarantees that rank *pari passu* or senior to the obligations of the Issuer under the Notes. If the Issuer's financial condition were to deteriorate, the Noteholders could suffer direct and materially adverse consequences, and if the Issuer were liquidated (whether voluntary or not), Noteholders could suffer loss of their entire investment. In addition, the Notes do not contain any "negative pledge" or similar clause, meaning that the Issuer and its subsidiaries and affiliates may pledge its or their assets to secure other obligations without granting similar security in respect of the Notes.

The Notes contain limited events of default

The holder of any Note may only give notice that such Note is immediately due and repayable in a limited number of events. Such events of default do not include notably a cross-default of the Issuer's other debt obligations.

4. Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

Market value of the Notes

The market value of the Notes will be affected by the creditworthiness of the Issuer and a number of additional factors, including, but not limited to, the volatility of market interests and yield rates and the time remaining to the maturity date.

The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid and may be sensitive to changes in financial markets. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case should the Issuer be in financial distress, which may result in any sale of the Notes having to be at a substantial discount to their principal amount or for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have an adverse effect on the market value of Notes.

Although application has been made for the Notes issued under the Programme to be listed and admitted to trading on Euronext Paris, there is no assurance that such application will be accepted and that any particular Tranche of Notes will be so admitted.

In addition, Noteholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Base Prospectus), whereby there is a general lack of liquidity in the secondary market for instruments similar to certain of the Notes which may be issued hereunder. Such lack of liquidity may result in investors suffering losses on the Notes in secondary

resales even if there is no decline in the performance of the Notes. The Issuer cannot predict whether these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes and instruments similar to the Notes at that time.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

The credit ratings of the Issuer are an assessment of its ability to pay its obligations, including those on the offered Notes. Consequently, actual or anticipated declines in the credit ratings of the Issuer may affect the market value of the relevant Notes

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

RETAIL CASCADES

In the context of any offer of Notes in France, the United Kingdom, Germany, the Netherlands, Belgium, the Grand Duchy of Luxembourg, Spain and/or Italy (the **Public Offer Jurisdictions**) that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive, as amended, (a **Public Offer**), the Issuer may consent to the use of the Base Prospectus and the relevant Final Terms (the **Prospectus**) in connection with a Public Offer of any Notes during the offer period specified in the relevant Final Terms (the **Offer Period**) and in the Public Offer Jurisdiction(s) specified in the relevant Final Terms by:

(1) any financial intermediary authorised to make such offers pursuant to the Markets in Financial Instruments Directive 2004/39/EC specified in the relevant Final Terms; or

(2) if so specified in the relevant Final Terms, any financial intermediary which satisfies the following conditions: (a) acts in accordance with all applicable laws, rules, regulations and recommendations of any applicable regulatory bodies (the **Rules**), from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential investor; (b) complies with the restrictions set out under "*Subscription and Sale*" in this Base Prospectus which would apply as if it were a Dealer and considers the relevant manufacturer's target market assessment and distribution channels identified under the "MiFID II product governance" legend set out in the relevant Final Terms; (c) ensures that any fee (and any commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Notes is fully and clearly disclosed to investors or potential investors; (d) holds all licences, consents, approvals and permits required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules; (e) retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the relevant Dealer(s) and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer(s) in order to enable the Issuer and/or the relevant Dealer(s) to comply with the Rules relating to anti-money laundering, prevention of corruption and client identification applicable to the Issuer and/or the relevant Dealer(s); (f) does not, directly or indirectly, cause the Issuer or the relevant Dealer(s) to breach any Rule or any requirement to obtain or make any filing, authorisation or consent in any jurisdiction; and (g) satisfies any further conditions specified in the relevant Final Terms, (in each case an **Authorised Offeror**). For the avoidance of doubt, none of the Dealers or the Issuer shall have any obligation to ensure that an Authorised Offeror complies with applicable laws and regulations and shall therefore have no liability in this respect.

The Issuer accepts responsibility, in the Public Offer Jurisdiction(s) specified in the Final Terms, for the content of the Prospectus in relation to any person (an **Investor**) in such Public Offer Jurisdiction(s) to whom an offer of any Notes is made by any Authorised Offeror and where the offer is made during the period for which that consent is given. However, neither the Issuer nor any Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

The consent referred to above relates to Offer Periods (if any) occurring within 12 months from the date of the approval of this Base Prospectus by the AMF.

In the event the Final Terms designate financial intermediary(ies) to whom the Issuer has given its consent to use the Prospectus during an Offer Period, the Issuer may also give consent to additional Authorised Offerors after the date of the relevant Final Terms and, if it does so, it will publish any new information in relation to such Authorised Offerors who are unknown at the time of the approval of this Base Prospectus or the filing of the relevant Final Terms at <http://www.about.hsbc.fr/investor-relations/debt-issuance>.

If the Final Terms specify that any financial intermediary may use the Prospectus during the Offer Period, any such Authorised Officer is required, for the duration of the Offer Period, to publish on its

website a statement confirming that it is using the Prospectus for the relevant Public Offer with the consent of the Issuer and in accordance with the conditions attached thereto.

Other than as set out above, and without prejudice to the possibility for the Issuer to appoint financial intermediaries to place the Notes, neither the Issuer nor any of the Dealers has authorised the making of any Public Offer by any person in any circumstances and such person is not permitted to use the Prospectus in connection with its offer of any Notes. Any such offers are not made on behalf of the Issuer or by any of the Dealers or Authorised Offerors and none of the Issuer or any of the Dealers or Authorised Offerors has any responsibility or liability for the actions of any person making such offers.

An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to the price, allotment, settlement/delivery arrangements and any costs or taxes to be invoiced to the Investor (the Terms and Conditions of the Public Offer). The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, accordingly, the Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Public Offer shall be provided to Investors by that Authorised Offeror at the time of the Public Offer. Neither the Issuer nor any of the Dealers or other Authorised Offerors has any responsibility or liability for such information or the consequences of its use by the relevant Investors.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus shall be read and construed in conjunction with the following documents (excluding any documents incorporated by reference in such documents) which have been previously published and filed with the AMF and which are incorporated by reference in, and shall be deemed to form part of, this Base Prospectus:

- the English translation of the Issuer's *Actualisation du Document de référence 2017* filed with the *Autorité des marchés financiers* on 6 August 2018 under No. D.18-0068-A01 (the **Update to the 2017 Registration Document**);
- the English translation of the Issuer's 2017 *Document de référence* filed with the *Autorité des marchés financiers* on 22 February 2018 under No. D.18-0068 (the **2017 Registration Document**);
- the English translation of the Issuer's 2016 *Document de référence* filed with the *Autorité des marchés financiers* on 1 March 2017 under No. D.17-0118 (the **2016 Registration Document**); and
- the section "Terms and Conditions" of the following base prospectuses / offering circular relating to the Programme: (i) Offering Circular dated 20 September 2004 (pages 15 to 50), (ii) Base Prospectus dated 28 November 2005 (pages 40 to 74), (iii) Base Prospectus dated 15 September 2006 (pages 56 to 116), (iv) Base Prospectus dated 13 November 2007 (pages 57 to 118), (v) Base Prospectus dated 21 October 2008 (pages 54 to 115), (vi) Base Prospectus dated 5 October 2009 (pages 42 to 103), (vii) Base Prospectus dated 5 October 2010 (pages 47 to 108), (viii) Base Prospectus dated 5 October 2011 (pages 45 to 106), (ix) Base Prospectus dated 14 December 2012 (pages 55 to 84), (x) Base Prospectus dated 16 January 2014 (pages 63 to 90), (xi) Base Prospectus dated 12 December 2014 (pages 56 to 83), (xii) Base Prospectus dated 7 January 2016 (pages 59 to 86), (xiii) Base Prospectus dated 17 January 2017 (pages 65 to 92) and (xiv) Base Prospectus dated 14 September 2017 (pages 67 to 96),

save that any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

The non incorporated parts of the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus and are not relevant for the investors.

All documents incorporated by reference in this Base Prospectus may be obtained, without charge on request, at the principal office of the Issuer and the Paying Agent set out at the end of this Base Prospectus during normal business hours so long as any of the Notes are outstanding. In addition such documents will be published on the website of the AMF (www.amf-france.org).

The information incorporated by reference in this 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

INFORMATION INCORPORATED BY REFERENCE Annex XI of the European Regulation 809/2004/EC	REFERENCE
3. RISK FACTORS	Update to the 2017 Registration Document pages 12 to 21 2017 Registration Document pages 62 to 121
4. INFORMATION ABOUT THE ISSUER	

INFORMATION INCORPORATED BY REFERENCE Annex XI of the European Regulation 809/2004/EC	REFERENCE
<u>4.1. History and development of the Issuer</u>	2017 Registration Document page 239
<u>4.1.2. Place of registration of the Issuer and its registration number</u>	2017 Registration Document page 238
<u>4.1.3 Date of incorporation and the length of life of the issuer, except where indefinite</u>	2017 Registration Document page 238
<u>4.1.4 Domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business of different from its registered office)</u>	2017 Registration Document page 238
<u>4.1.5 Recent Developments</u>	2017 Registration Document page 14
5. BUSINESS OVERVIEW	
<u>5.1 Principal activities:</u>	Update to the 2017 Registration Document pages 3 to 11 2017 Registration Document pages 3 to 14 and 198
<u>5.1.2 New product and/or activities:</u>	2017 Registration Document pages 3 to 14 and 198
<u>5.1.3 Principal markets:</u>	Update to the 2017 Registration Document pages 3 to 11 2017 Registration Document pages 3 to 14 and 198
<u>5.1.4 Basis for any statement in the registration document made by the Issuer regarding its competitive position</u>	2017 Registration Document pages 3 to 14 and 198
6. ORGANISATIONAL STRUCTURE	
<u>6.1 Brief description of the group and of the issuer's position within it</u>	2017 Registration Document pages 2 to 15 and 226 and 232 to 234
<u>6.2 Issuer's dependence upon other entities within the Group</u>	2017 Registration Document pages 233 to 240
7. TREND INFORMATION	Update to the 2017 Registration Document page 9 2017 Registration Document page 14
9. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES	
Name, business addresses and functions in the Issuer of the members of the administrative, management or supervisory bodies and indication of the principal activities performed by them outside the Issuer	2017 Registration Document pages 17 to 23
Conflict of Interest	2017 Registration Document page 25

INFORMATION INCORPORATED BY REFERENCE Annex XI of the European Regulation 809/2004/EC	REFERENCE
10. MAJOR SHAREHOLDERS	
<u>10.1 To the extent known to the Issuer, state whether the Issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused</u>	2017 Registration Document pages 23 and 240
11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
<u>Interim and other financial information for the period ended 30 June 2018</u>	
<u>- Balance sheet</u>	Update to the 2017 Registration Document page 32
<u>- Income statement</u>	Update to the 2017 Registration Document page 30
<u>- Cash flow statement</u>	Update to the 2017 Registration Document page 33
<u>- Notes</u>	Update to the 2017 Registration Document pages 36 to 58
<u>-Auditor's report relating to the above</u>	Update to the 2017 Registration Document page 59
<u>-Consolidated statement of comprehensive income</u>	Update to the 2017 Registration Document page 31
<u>- Consolidated statement of changes in equity</u>	Update to the 2017 Registration Document page 34 to 35
<u>Issuer's audited consolidated annual financial statements for the year ended 31 December 2017</u>	
- Balance sheet	2017 Registration Document page 129
- Income statement	2017 Registration Document page 127
- Cash flow statement	2017 Registration Document page 130
- Notes	2017 Registration Document pages 132 to 187
- Auditor's report relating to the above	2017 Registration Document pages 188 to 192
- Consolidated statement of comprehensive income	2017 Registration Document page 128
- Consolidated statement of changes in equity	2017 Registration Document page 131
<u>Issuer's audited consolidated annual financial statements for the year ended 31 December 2016</u>	
- Balance sheet	2016 Registration Document page 192

INFORMATION INCORPORATED BY REFERENCE Annex XI of the European Regulation 809/2004/EC	REFERENCE
- Income statement	2016 Registration Document page 190
- Cash flow statement	2016 Registration Document page 193
- Notes	2016 Registration Document pages 196 to 287
- Auditors' report relating to the above	2016 Registration Document pages 288 and 289
- Consolidated statement of comprehensive income	2016 Registration Document page 191
- Consolidated statement of changes in equity	2016 Registration Document pages 194 and 195
11.6 Legal and arbitration proceedings	Update to the 2017 Registration Document pages 53 to 54 2017 Registration Document pages 182 and 183
11.7 Significant change in the issuer's financial position	Update to the 2017 Registration Document pages 9 and 58
12. MATERIAL CONTRACTS	2017 Registration Document page 240

The sections "Terms and Conditions" of the bases prospectuses / offering circular referred to in the table below are incorporated by reference in this Base Prospectus for the purpose only of further issues of Notes to be assimilated (*assimilées*) and form a single series with the Notes already issued with the "Terms and Conditions" of the relevant bases prospectus or offering circular.

Terms and Conditions" of the bases prospectuses / offering circular	
Offering Circular dated 20 September 2004	pages 15 to 50
Base Prospectus dated 28 November 2005	pages 40 to 74
Base Prospectus dated 15 September 2006	pages 56 to 116
Base Prospectus dated 13 November 2007	pages 57 to 118
Base Prospectus dated 21 October 2008	pages 54 to 115
Base Prospectus dated 5 October 2009	pages 42 to 103
Base Prospectus dated 5 October 2010	pages 47 to 108
Base Prospectus dated 5 October 2011	pages 45 to 106
Base Prospectus dated 14 December 2012	pages 55 to 84
Base Prospectus dated 16 January 2014	pages 63 to 90
Base Prospectus dated 12 December 2014	pages 56 to 83
Base Prospectus dated 7 January 2016	pages 59 to 86
Base Prospectus dated 17 January 2017	pages 65 to 92
Base Prospectus dated 14 September 2017	pages 67 to 96

Non-incorporated parts of the base prospectuses / offering circular referred to in the table above are not relevant for the investors.

SUPPLEMENT TO THE BASE PROSPECTUS

If at any time the Issuer shall be required to prepare a supplement to this Base Prospectus pursuant to Article 16 of the Prospectus Directive and Article 212-25 of the General Regulation (*Règlement Général*) of the AMF, following the occurrence of a new factor, a material mistake or inaccuracy or omission relating to the information included or incorporated by reference in this Base Prospectus (including the "Terms and Conditions" of the Notes) which is capable of affecting the assessment of any Notes, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus or a restated Base Prospectus, which in respect of any subsequent issue of Notes to be admitted to trading on Euronext Paris or on a Regulated Market of a Member State of the EEA or to be offered to the public in France or in any Member State of the EEA, shall constitute a supplement to the Base Prospectus for the purpose of the Prospectus Directive.

In accordance with and pursuant to Article 16.2 of the Prospectus Directive, where the Notes are offered to the public, investors who have already agreed to purchase or subscribe for Notes before any supplement is published have the right, exercisable within two working days after the publication of this supplement, to withdraw their acceptances provided that the new factor, mistake or inaccuracy referred to in Article 16.1 of the Prospectus Directive arose before the final closing of the offer to the public and the delivery of the Notes. That period may be extended by the Issuer or, if any, the relevant Authorised Offeror(s). The final date of the right of withdrawal shall be stated in the supplement.

GENERAL DESCRIPTION OF THE PROGRAMME

The following general description does not purport to be complete and is qualified in its entirety by the remainder of this Base Prospectus. The Notes will be issued pursuant to the "Terms and Conditions of the Notes" set out on pages 70 to 98 as completed by the provisions of the relevant Final Terms.

Words and expressions defined in "Terms and Conditions of the Notes" below shall have the same meanings in this general description.

Issuer: HSBC France.

Arranger: HSBC Bank plc.

Dealers: HSBC Bank plc.
HSBC France.

The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to **Permanent Dealers** are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to **Dealers** are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.

At the date of this Base Prospectus, only credit institutions and investment firms incorporated in a Member State of the European Union (EU) and which are authorised by the relevant authority of such member home state to lead-manage bond issues in such Member State may act (a) as Dealers with respect to non-syndicated issues of Notes denominated in Euro and (b) as lead manager of issues of Notes denominated in Euro issued on a syndicated basis.

Description: Euro Medium Term Note Programme.

Programme Limit: Up to € 20,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.

Fiscal Agent and Principal Paying Agent: BNP Paribas Securities Services

Calculation Agent: HSBC Bank plc

Method of Issue: The Notes may be offered to the public or not and/or listed and admitted to trading or not, and in each case may be issued on a syndicated or non-syndicated basis.

The specific terms of each Tranche (including, without limitation, the aggregate nominal amount, issue price, redemption price thereof, and interest, if any, payable thereunder) will be determined by the Issuer and the relevant Dealer(s) at the time of the issue and will be set out in the relevant Final Terms.

Maturities:	Subject to compliance with all relevant laws, regulations and directives, the Notes will have a minimum maturity of one month from the date of original issue as specified in the relevant Final Terms.
Currencies:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Euro, US dollars, Japanese Yen, Swiss Francs, Sterling and in any other currency (with the exception of Renminbi) agreed between the Issuer and the relevant Dealer(s).
Denomination:	Notes shall be issued in the Specified Denomination(s) set out in the relevant Final Terms. Notes having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent.
Status of the Notes:	<p>Dematerialised Notes shall be issued in one denomination only.</p> <p>The Notes and, where applicable, any relative Coupons, will constitute direct, unconditional, senior preferred and unsecured obligations of the Issuer and rank and will rank at all times:</p> <ul style="list-style-type: none"> (i) <i>pari passu</i> without any preference among themselves and with other Senior Preferred Obligations of the Issuer; (ii) senior to Senior Non-Preferred Obligations of the Issuer and any obligations ranking junior to Senior Non-Preferred Obligations ; and (iii) junior to all present and future claims benefiting from statutory preferences. <p>Subject to applicable law, in the event of the voluntary or judicial liquidation (<i>liquidation amiable ou liquidation judiciaire</i>) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer, the rights of Noteholders to payment under the Senior Preferred Notes rank:</p> <ul style="list-style-type: none"> A. junior to present and future claims benefiting from other preferred exceptions; and B. senior to Senior Non Preferred Obligations. <p>Senior Non-Preferred Obligations means any obligations or other instruments issued by the Issuer which fall or are expressed to fall within the category of obligations described in article L.613-30-3-I-4° of the French <i>Code monétaire et financier</i>.</p> <p>Senior Preferred Obligations means any obligations (including the Notes) or other instruments issued by the Issuer which fall or are expressed to fall within the category of obligations described in article L.613-30-3-I-3° of the French <i>Code monétaire et financier</i>. For the avoidance of doubt, all unsubordinated debt securities issued by the Issuer prior to 11 December 2016 constitute Senior Preferred Obligations.</p>
Events of Default:	The terms of the Notes will contain events of default as set out in Condition

10.

Redemption Amount:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at the Final Redemption Amount specified in the Final Terms.
Optional Redemption:	The Final Terms issued in respect of each issue of each Tranche will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders, and if so the terms applicable to such redemption.
Early Redemption:	Except as provided in "Optional Redemption" above, Notes will be redeemable at the option of the Issuer prior to their stated maturity only for tax reasons.
Taxation:	All payments of principal and interest and other revenues by or on behalf of the Issuer in respect of the Notes or Coupons will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. If such withholding or deduction is required by French law, the Issuer will have to gross-up its payments to the fullest extent then permitted by law and subject to certain exceptions. For a description of the French withholding tax rules, see Condition 9 "Terms and Conditions of the Notes - Taxation" and the "Taxation" section.
Interest Periods and Interest Rates:	<p>The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.</p> <p>For the avoidance of doubt, the interest payable under any Note shall in all instances be at least equal to zero.</p>
Fixed Rate Notes:	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
Floating Rate Notes:	<p>Floating Rate Notes will bear interest determined separately for each Series as follows:</p> <ul style="list-style-type: none">(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by the June 2013 FBF Master Agreement, as published by the <i>Fédération Bancaire Française</i>, or(ii) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., or(iii) by reference to LIBOR, EURIBOR, CMS.

in each case plus or minus any applicable margin, if any, and calculated and payable as indicated in the applicable Final Terms. Floating Rate Notes may also have a maximum rate of interest, a minimum rate of interest or both.

Zero Coupon Notes: Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.

Redenomination: Notes issued in the currency of any Member State of the EU which participates in the third stage (or any further stage) of European Monetary Union may be redenominated into Euro, all as more fully provided in Condition 1 (d).

Consolidation: Notes of one Series may be consolidated with Notes of another Series as more fully provided in Condition 14 (b).

Form of Notes: Notes may be issued either in dematerialised form (**Dematerialised Notes**) or in materialised form (**Materialised Notes**).

Dematerialised Notes may, at the option of the Issuer, be issued in bearer form (*au porteur*) or in registered form (*au nominatif*) and, in such latter case, at the option of the relevant holder, in either fully registered form (*au nominatif pur*) or administered registered form (*au nominatif administré*). No physical documents of title will be issued in respect of Dematerialised Notes. See "Terms and Conditions of the Notes - Form, Denomination, Title and Redenomination".

Materialised Notes will be in bearer form only. A Temporary Global Certificate will initially be issued in respect of each Tranche of Materialised Notes. Materialised Notes may only be issued outside France.

Governing Law: French law.

Clearing Systems: Euroclear France as central depositary in relation to Dematerialised Notes and, in relation to Materialised Notes, Clearstream and Euroclear or any other clearing system that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer(s). With respect to Notes listed on the MOT of Borsa Italiana S.p.A., Materialised Notes and Dematerialised Notes may also be cleared through the relevant clearing system's bridge account with Monte Titoli S.p.A., Milan, Italy, as operator of the Monte Titoli system (Piazza degli Affari 6, Milan, Italy) and any successor organisation or system (**Monte Titoli**).

Initial Delivery of Dematerialised Notes: One Paris business day before the issue date of each Tranche of Dematerialised Notes, the *Lettre comptable* relating to such Tranche shall be deposited with Euroclear France as central depositary.

Initial Delivery of Materialised Notes: On or before the issue date for each Tranche of Materialised Notes, the Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depositary for Euroclear and Clearstream or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer(s).

Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Listing and admission to trading:	<p>Application has been made to Euronext Paris for Notes issued under the Programme to be admitted to trading on Euronext Paris. The Notes may be admitted to trading on any other Regulated Market in the EEA, including, without limitation, the Electronic Bond Market, the regulated market organised and managed by Borsa Italiana S.p.A. (MOT), in accordance with the Prospectus Directive or on an unregulated stock exchange or market, including, without limitation, the Electronic Bond Market, the multilateral trading facility of Borsa Italiana S.p.A. (ExtraMOT) and the multilateral trading facility of Euro TLX SIM S.p.A. (Euro TLX), as specified in the relevant Final Terms. As specified in the relevant Final Terms, a Series of Notes may be unlisted and not admitted to trading.</p>
Offer to the public:	The Notes may be offered to the public in any Member State of the EEA only if so specified in the relevant Final Terms and in accordance with any applicable laws and regulations.
Rating:	<p>Notes issued under the Programme may, or may not, be rated. The rating (if any) will be specified in the relevant Final Terms.</p> <p>The relevant Final Terms will specify whether or not such credit ratings are issued by a credit agency established in the European Union and registered under the Regulation (EC) No. 1060/2009 on credit rating agencies (the CRA Regulation) as amended by Regulation (EU) No. 513/2011 and if so, whether the credit rating agency is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the CRA Regulation, will be disclosed in the Final Terms.</p> <p>A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change, or withdrawal at any time by the assigning rating agency without notice.</p>
Selling Restrictions:	<p>There are restrictions on the offer and sale of Notes and the distribution of offering materials in various jurisdictions. See "Subscription and Sale". In connection with the offering and sale of a particular Tranche, additional selling restrictions may be imposed which will be set out in the relevant Final Terms.</p> <p>The Issuer is Category 2 for the purposes of Regulation S under the U.S. Securities Act of 1933, as amended (the Securities Act).</p> <p>Materialised Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor United States Treasury Regulation section, including without limitation, regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the D Rules) unless (i) the relevant Final Terms state that such Materialised Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor United States Treasury Regulation section, including without limitation, regulations issued in accordance with Internal Revenue Service</p>

Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the **C Rules**) or (ii) such Materialised Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 (**TEFRA**), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

Dematerialised Notes do not require compliance with the TEFRA Rules.

Available information:

So long as Notes are capable of being issued under the Programme, copies of documents relating to the Issuer (notably *statuts* and financial statements), this Base Prospectus together with all supplements thereto from time to time, any translations of the offering documentation prepared in the context of a public offer of the Notes (if applicable), and the Final Terms related to Notes listed and admitted to trading on a Regulated Market of the EEA or offered to the public in a Member State of the EEA, in each case in accordance with the Prospectus Directive, and the Agency Agreement will, when published, be available during usual 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).

The Base Prospectus together with all supplements thereto from time to time, any translations of the offering documentation prepared in the context of a public offer of the Notes (if applicable) and the Final Terms related to Notes listed and admitted to trading on a Regulated Market of the EEA or offered to the public in a Member State of the EEA, in each case in accordance with the Prospectus Directive will be available on the website of the Issuer (<http://www.about.hsbc.fr/investor-relations/debt-issuance>) and on the website of the Autorité des marchés financier (www.amf-france.org).

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, as completed by the provisions of the relevant Final Terms, shall be applicable to the Notes. In the case of Dematerialised Notes, the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed by the relevant Final Terms. In the case of Materialised Notes, either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms (and subject to simplification by the deletion of non-applicable provisions) or (ii) these terms and conditions as so completed shall be endorsed on Definitive Materialised Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms. References below to **Conditions** are, unless the context requires otherwise, to the numbered paragraphs below. References in the Conditions to **Notes** are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

Article 1195 of the French *Code civil* shall not apply to these Conditions.

The Notes are issued by HSBC France (the **Issuer**) on a syndicated or non syndicated basis, in series (each a **Series**) having one or more issue dates and on terms otherwise identical (or identical save as to the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a **Tranche**) on the same or different issue dates. The specific terms of each Tranche (including, without limitation, the aggregate nominal amount, issue price, redemption price thereof, and interest, if any, payable thereunder and which, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be determined by the Issuer and the relevant Dealer(s) at the time of the issue and will be set out in the final terms of such Tranche (the **Final Terms**).

The Notes are issued with the benefit of an amended and restated agency agreement dated 14 September 2018 (the **Agency Agreement**) between the Issuer, BNP Paribas Securities Services as fiscal agent and principal paying agent, and HSBC Bank plc as calculation agent. The fiscal agent, the paying agent(s), and the calculation agent(s) for the time being (if any) are referred to below respectively as the **Fiscal Agent**, the **Paying Agents** (which expression shall include the Fiscal Agent), and the **Calculation Agent(s)**. The holders of the interest coupons (the **Coupons**) relating to interest bearing Materialised Notes and, where applicable in the case of such Notes, talons (the **Talons**) for further Coupons are respectively referred to below as the **Couponholders**.

For the purposes of these Terms and Conditions, **Regulated Market** means any regulated market situated in a member state of the European Economic Area (**EEA**) as defined in the markets in financial instruments directive 2004/39/EC.

1. **Form, Denomination, Title and Redenomination**

(a) *Form*

Notes may be issued either in dematerialised form (**Dematerialised Notes**) or in materialised form (**Materialised Notes**), as specified in the relevant Final Terms.

- (i) Title to Dematerialised Notes will be evidenced in accordance with Articles L.211-3 *et seq.* of the French *Code monétaire et financier* by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Dematerialised Notes.

Dematerialised Notes are issued, at the option of the Issuer, in either bearer form (*au porteur*), which will be inscribed in the books of Euroclear France (acting as central depository) which shall credit the accounts of the Account Holders, or in registered form (*au nominatif*) and, in such latter case, at the option of the relevant holder in either administered registered form (*au*

nominatif administré) inscribed in the books of an Account Holder designated by the relevant Noteholder or in fully registered form (*au nominatif pur*) inscribed in an account maintained by the Issuer or a registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the **Registration Agent**).

For the purpose of these Conditions, **Account Holder** means any authorised intermediary institution entitled to hold accounts, directly or indirectly, with Euroclear France, and includes Euroclear Bank SA/NV (**Euroclear**) and the depositary bank for Clearstream Banking S.A. (**Clearstream**).

- (ii) Materialised Notes are issued in bearer form only. Materialised Notes in definitive form (**Definitive Materialised Notes**) are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. In accordance with Articles L.211-3 *et seq.* of the French *Code monétaire et financier*, securities (such as Notes constituting obligations under French law) in materialised form and governed by French law must be issued outside the French territory.

Materialised Notes and Dematerialised Notes may also be cleared through one or more clearing system(s) other than or in addition to Euroclear France, Euroclear and/or Clearstream Luxembourg, as may be specified in the relevant Final Terms, including, for Notes listed on the MOT of Borsa Italiana S.p.A., Monte Titoli (through the relevant Clearing System's bridge account).

- (iii) The Notes may be **Fixed Rate Notes, Floating Rate Notes, Fixed/Floating Rate Notes and Zero Coupon Notes**.

- (b) *Denomination(s)*

Notes shall be issued in the specified denomination(s) as set out in the relevant Final Terms (the **Specified Denomination(s)**).

Notes having a maturity of less than one year in respect of which the issue proceeds are to be accepted in the United Kingdom will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (the **FSMA**) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent.

Dematerialised Notes shall be issued in one Specified Denomination only.

- (c) *Title*

- (i) Title to *Dematerialised* Notes in bearer form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Account Holders. Title to Dematerialised Notes in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts maintained by the Issuer or by the Registration Agent.
- (ii) Title to Definitive Materialised Notes, including, where appropriate, Coupons and/or a Talon attached, shall pass by delivery.

- (iii) Except as ordered by a court of competent jurisdiction or as required by law, the Noteholder (as defined below), Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

In these Conditions,

Noteholder or, as the case may be, "holder of any Note" means (a) in the case of Dematerialised Notes, the individual or entity whose name appears in the account of the relevant Account Holder, the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes and (b) in the case of Materialised Notes, the bearer of any Definitive Materialised Note and the Coupons or Talons relating to it.

Outstanding means, in relation to Notes of any Series, all the Notes issued other than (a) those that have been redeemed in accordance with these Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid as provided in Condition 7, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and that are held or have been cancelled as provided in the Conditions, (e) in the case of Definitive Materialised Notes (i) those mutilated or defaced Definitive Materialised Notes that have been surrendered in exchange for replacement Definitive Materialised Notes, (ii) (for the purpose only of determining how many such Definitive Materialised Notes are outstanding and without prejudice to their status for any other purpose) those Definitive Materialised Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Definitive Materialised Notes have been issued and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more Definitive Materialised Notes, pursuant to its provisions.

(d) *Redenomination*

- (i) The Issuer may (if so specified in the relevant Final Terms), on any date, without the consent of the Noteholder, Coupon or Talon, by giving at least 30 days' notice in accordance with Condition 15 and on or after the date on which the European Member State in whose national currency the Notes are denominated has become a participating Member State in the single currency of the European Economic and Monetary Union (as provided in the Treaty establishing the European Community (the **EC**), as amended from time to time (the **Treaty**) or events have occurred which have substantially the same effects (in either case, **EMU**), redenominate all, but not some only, of the Notes of any Series into Euro and adjust the aggregate principal amount and the Specified Denomination(s) set out in the relevant Final Terms accordingly, as more fully described below. The date on which such redenomination becomes effective shall be referred to in these Conditions as the **Redenomination Date**.
- (ii) The redenomination of the Notes pursuant to Condition 1(d)(i) shall be made by converting the principal amount of each Note from the relevant national currency into Euro using the fixed relevant national currency Euro conversion rate established by the Council of the European Union pursuant to applicable regulations of the Treaty and rounding the resulting figure to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). If the Issuer so elects, the figure resulting from conversion of the principal amount of each Note using the fixed relevant national currency Euro conversion rate shall be rounded down to the nearest Euro. The Euro denominations of the Notes so determined shall be notified to Noteholders in accordance with Condition 15. Any balance remaining from the redenomination with a denomination higher than Euro 0.01 shall be paid by way of cash adjustment rounded to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). Such cash adjustment will be

payable in Euros on the Redenomination Date in the manner notified to Noteholders by the Issuer.

- (iii) Upon redenomination of the Notes, any reference hereon to the relevant national currency shall be construed as a reference to Euro.
- (iv) The Issuer may, with the prior approval of the Fiscal Agent, in connection with any redenomination pursuant to this Condition or any consolidation pursuant to Condition 14, without the consent of the Noteholder, Coupon or Talon, make any changes or additions to these Conditions or Condition 14 (including, without limitation, any change to any applicable business day definition, business day convention, principal financial centre of the country of the Specified Currency, interest accrual basis or benchmark), taking into account market practice in respect of redenominated Euromarket debt obligations and which it believes are not prejudicial to the interests of such holders. Any such changes or additions shall, in the absence of manifest error, be binding on the Noteholders, Coupons and Talons and shall be notified to Noteholders in accordance with Condition 15 as soon as practicable thereafter.
- (v) Neither the Issuer nor any Paying Agent shall be liable to the Noteholder, Coupon or Talon or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euros or any currency conversion or rounding effected in connection therewith.

2. **Conversions and Exchanges of Notes**

(a) *Dematerialised Notes*

Dematerialised Notes issued in bearer form (*au porteur*) may not be converted into Dematerialised Notes in registered form, whether in fully registered form (*au nominatif pur*) or in administered registered form, (*au nominatif administré*).

Dematerialised Notes issued in registered form (*au nominatif*) may not be converted into Dematerialised Notes in bearer form (*au porteur*).

Dematerialised Notes issued in fully registered form (*au nominatif pur*) may, at the option of the holder of such Notes, be converted into Notes in administered registered form (*au nominatif administré*), and vice versa. The exercise of any such option by such holder shall be made in accordance with Article R.211-4 of the French *Code monétaire et financier*. Any such conversion shall be effected at the cost of such holder.

(b) *Materialised Notes*

Materialised Notes of one Specified Denomination may not be exchanged for Materialised Notes of another Specified Denomination (as defined in the relevant Final Terms).

3. **Status**

The Notes, and, where applicable, any relative Coupons are direct, unconditional, senior preferred and unsecured obligations of the Issuer and rank and will rank at all times:

- (i) *pari passu* without any preference among themselves and with other Senior Preferred Obligations of the Issuer;
- (ii) senior to Senior Non-Preferred Obligations of the Issuer and any obligations ranking junior to Senior Non-Preferred Obligations ; and

(iii) junior to all present and future claims benefiting from statutory preferences.

Subject to applicable law, in the event of the voluntary or judicial liquidation (*liquidation amiable ou liquidation judiciaire*) of the Issuer, bankruptcy proceedings or any other similar proceedings affecting the Issuer, the rights of Noteholders to payment under the Senior Preferred Notes rank:

A. junior to present and future claims benefiting from other preferred exceptions; and

B. senior to Senior Non Preferred Obligations.

In these Conditions, the following defined terms shall have the meanings set out below:

Senior Non-Preferred Obligations means any obligations or other instruments issued by the Issuer which fall or are expressed to fall within the category of obligations described in article L.613-30-3-I-4° of the French *Code monétaire et financier*.

Senior Preferred Obligations means any obligations (including the Notes) or other instruments issued by the Issuer which fall or are expressed to fall within the category of obligations described in article L.613-30-3-I-3° of the French *Code monétaire et financier*. For the avoidance of doubt, all unsubordinated debt securities issued by the Issuer prior to 11 December 2016 constitute Senior Preferred Obligations.

4. **Interest and other Calculations**

Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

Benchmark means the Reference Rate as set out in the relevant Final Terms.

Business Day means:

- (i) in the case of Euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer payment system or any successor thereto (the **TARGET 2 System**) is operating (a **TARGET Business Day**), and/or
- (ii) in the case of a Specified Currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency, and/or
- (iii) in the case of a Specified Currency and/or one or more business centre(s) specified in the relevant Final Terms (the **Business Centre(s)**), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres so specified.

Day Count Fraction means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the **Calculation Period**):

- (i) if **Actual/Actual**, **Actual/Actual-ISDA**, **Act/Act** or **Act/Act-ISDA** or **Actual/365-FBF** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year

divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365).

- (ii) if **Actual/Actual-ICMA** or **Act/Act-ICMA** is specified in the relevant Final Terms:
- (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (B) if the Calculation Period is longer than one Determination Period, the sum of:
- (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
- (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

in each case, where **Determination Period** means the period from and including a Determination Date in any year to but excluding the next Determination Date and **Determination Date** means the date specified in the relevant Final Terms or, if none is so specified, the Interest Payment Date.

- (iii) if **Actual/Actual-FBF** is specified in the relevant Final Terms, the fraction whose numerator is the actual number of days elapsed during such period and whose denominator is 365 (or 366 if 29 February falls within the Calculation Period). If the Calculation Period is of a duration of more than one year, the basis shall be calculated as follows:
- the number of complete years shall be counted back from the last day of the Calculation Period;
 - this number shall be increased by the fraction for the relevant period calculated as set out in the first paragraph of this definition.
- (iv) if **Actual/365 (Fixed)**, **Act/365 (Fixed)**, **A/365 (Fixed)** or **A/365F** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365.
- (v) if **Actual/360**, **Act/360** or **A/360** is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360.
- (vi) if **30/360**, **360/360** or **Bond Basis** is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{DayCountFraction} = \frac{1}{360} \times [(360 \times (Y2 - Y1)) + (30 \times (M2 - M1)) + (D2 - D1)]$$

where:

Y1 is the year, expressed as a number, in which the first day of the Calculation Period falls;
Y2 is the year, expressed as a number, in which the day immediately following the last day included the Calculation Period falls;

M1 is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

M2 is the calendar month, expressed as a number, in which the day immediately following the last day included the Calculation Period falls;

D1 is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

D2 is the calendar day, expressed as a number, immediately following the last day included the Calculation Period, unless such number would be 31 and D1 greater than 29, in which case D2 will be 30.

- (vii) if **30/360-FBF** or **Actual 30A/360 (American Bond Basis)** is specified in the relevant Final Terms, in respect of each Calculation Period, the fraction whose denominator is 360 and whose numerator is the number of days calculated as for 30^E/360-FBF, subject to the following exception:

where the last day of the Calculation Period is the 31st and the first day is neither the 30th nor the 31st, the last month of the Calculation Period shall be deemed to be a month of 31 days.

The fraction is:

If $dd2 = 31$ and $dd1 \neq (30, 31)$

then:

$$\frac{1}{360} \times [(yy2 - yy1) \times 360 + (mm2 - mm1) \times 30 + (dd2 - dd1)]$$

or

$$\frac{1}{360} \times [(yy2 - yy1) \times 360 + (mm2 - mm1) \times 30 + \text{Min}(dd2, 30) - \text{Min}(dd1, 30)]$$

Where:

D1 (dd1, mm1, yy1) is the date of the beginning of the period

D2 (dd2, mm2, yy2) is the date of the end of the period

- (viii) if **30^E/360** or **Eurobond Basis** is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{DayCount Fraction} = \frac{1}{360} \times [(360 \times (Y2 - Y1)) + [30 \times (M2 - M1)] + (D2 - D1)]$$

where:

Y1 is the year, expressed as a number, in which the first day of the Calculation Period falls;

Y2 is the year, expressed as a number, in which the day immediately following the last day included the Calculation Period falls;

M1 is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

M2 is the calendar month, expressed as a number, in which the day immediately following the last day included the Calculation Period falls;

D1 is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

D2 is the calendar day, expressed as a number, immediately following the last day included the Calculation Period, unless such number would be 31, in which case D2 will be 30.

- (ix) if **30^E/360-FBF** is specified in the relevant Final Terms, in respect of each Calculation Period, the fraction whose denominator is 360 and whose numerator is the number of days elapsed during such period, calculated on the basis of a year comprising 12 months of 30 days, subject to the following exception:

if the last day of the Calculation Period is the last day of the month of February, the number of days elapsed during such month shall be the actual number of days.

Using the same abbreviations as for 30/360-FBF, the fraction is:

$$\frac{1}{360} \times [(yy2 - yy1) \times 360 + (mm2 - mm1) \times 30 + \text{Min}(dd2, 30) - \text{Min}(dd1, 30)]$$

- (x) if **30^E/360-ISDA** is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{1}{360} \times [(360 \times (Y2 - Y1)) + (30 \times (M2 - M1)) + (D2 - D1)]$$

where:

Y1 is the year, expressed as a number, in which the first day of the Calculation Period falls;

Y2 is the year, expressed as a number, in which the day immediately following the last day included the Calculation Period falls;

M1 is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

M2 is the calendar month, expressed as a number, in which the day immediately following the last day included the Calculation Period falls;

D1 is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

D2 is the calendar day, expressed as a number, immediately following the last day included the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

Euro-zone means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty.

FBF Definitions means the definitions set out in the June 2013 FBF Master Agreement relating to transactions on forward financial instruments as supplemented by the Technical Schedules (*Additifs Techniques*) as published by the *Fédération Bancaire Française* (together the **FBF Master Agreement**), as may be supplemented or amended as at the Issue Date.

Interest Accrual Period means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

Interest Amount means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be.

Interest Commencement Date means the Issue Date or such other date as may be specified in the relevant Final Terms.

Interest Determination Date means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro or (ii) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the day falling two Business Days in the city specified in the Final Terms for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro.

Interest Payment Date means the date(s) specified in the relevant Final Terms.

Interest Period means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

Interest Period Date means each Interest Payment Date unless otherwise specified in the relevant Final Terms.

ISDA Definitions means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., as may be supplemented or amended as at the Issue Date.

Margin means for an Interest Accrual Period, the percentage or figures with respect to the applicable Interest Accrual Period specified in the applicable Final Terms, it being specified that such margin can have a positive or a negative value or be equal to zero.

Rate of Interest means the rate of interest payable from time to time in respect of the Notes and that is either specified or calculated in accordance with the provisions in the relevant Final Terms.

Reference Banks means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified in the relevant Final Terms.

Reference Rate means the rate specified as such in the relevant Final Terms which shall be either EURIBOR, LIBOR or CMS (or any successor or replacement rate).

Relevant Screen Page means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Final Terms or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Reference Rate.

Specified Currency means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Notes are denominated.

5. **Interest on Fixed Rate Notes**

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date.

If a fixed amount of interest (**Fixed Coupon Amount**) or a broken amount of interest (**Broken Amount**) is specified in the relevant Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Final Terms.

6. **Interest on Floating Rate Notes**

(a) *Interest Payment Date*

Each Floating Rate Note bears interest shall do so on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(b) *Business Day Convention*

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day. Notwithstanding the foregoing, where the applicable Final Terms specify that the relevant Business Day Convention is to be applied on an "unadjusted" basis, the Interest Amount payable on any date shall not be affected by the application of that Business Day Convention.

(c) *Rate of Interest for Floating Rate Notes*

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined according to the provisions below relating to either ISDA Determination, FBF Determination or Screen Rate Determination, depending upon which is specified in the relevant Final Terms.

(i) **ISDA Determination for Floating Rate Notes**

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (i), **ISDA Rate** for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified in the relevant Final Terms;
- (B) the Designated Maturity is a period specified in the relevant Final Terms; and
- (C) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (i), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity**, **Reset Date** and **Swap Transaction** have the meanings given to those terms in the ISDA Definitions.

In the applicable Final Terms, when the paragraph "Floating Rate Option" specifies that the rate is determined by linear interpolation, in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Floating Rate Option, one of which shall be determined as if the Designated Maturity were the period of time for which rates are available of next shorter length before the length of the relevant Interest Period, and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available of next longer length after the length of the relevant Interest Period.

(ii) FBF Determination for Floating Rate Notes

Where FBF Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Agent as a rate equal to the relevant FBF Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (ii), **FBF Rate** for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Agent under a notional interest rate swap transaction (*Echange*) in the relevant Specified Currency incorporating the FBF Definitions and under which:

- (A) the Floating Rate is as specified in the relevant Final Terms and
- (B) the Floating Rate Determination Date is as specified in the relevant Final Terms

For the purposes of this sub-paragraph (ii), **Floating Rate**, **Agent** and **Floating Rate Determination Date** are translations of the French terms *Taux Variable*, *Agent* and *Date de Détermination du Taux Variable*, respectively, which have the meanings given to those terms in the FBF Definitions.

In the applicable Final Terms, when the paragraph "Floating Rate" specifies that the rate is determined by linear interpolation, in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Floating Rate, one of which shall be determined as if the maturity were the period of time for which rates are available of next shorter length before the length of the relevant Interest Period, and the other of which shall be determined as if the maturity were the period of time for which rates are available of next longer length after the length of the relevant Interest Period.

(iii) Screen Rate Determination for Floating Rate Notes

- (a) Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the relevant Final Terms) the Margin (if any) as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon.

- (b) if the Relevant Screen Page is not available or, if sub-paragraph (a)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (a)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (c) if paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is

LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Rate Multiplier or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

In the applicable Final Terms, when the paragraph "Reference Rate" specifies that the rate is determined by linear interpolation, in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate, one of which shall be determined as if the maturity were the period of time for which rates are available of next shorter length before the length of the relevant Interest Period, and the other of which shall be determined as if the maturity were the period of time for which rates are available of next longer length after the length of the relevant Interest Period.

- (d) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the Floating Rate Notes is specified as being CMS Rate, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be determined by the Calculation Agent by reference to the following formula:

CMS Rate + Margin

(A) If the Relevant Screen Page is not available at the Relevant Time on the relevant Interest Determination Date: (i) the Calculation Agent shall request each of the CMS Reference Banks to provide the Calculation Agent with its quotation for the Relevant Swap Rate at approximately the Relevant Time on the relevant Interest Determination Date; (ii) if at least three of the CMS Reference Banks provide the Calculation Agent with such quotations, the CMS Rate for such Interest Accrual Period shall be the arithmetic mean of such quotations, eliminating the highest quotation (or, in the event of equality, one of the highest quotations and the lowest quotation (or, in the event of equality, one of the lowest quotations) and (iii) if on any Interest Determination Date less than three or none of the CMS Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Calculation Agent on such commercial basis as considered appropriate by the Calculation Agent in its absolute discretion (or, if the Notes are listed on MOT and/or admitted to trading ExtraMOT, acting in good faith and in a commercially

reasonable manner), in accordance with the then prevailing standard market practice.

(B) For the purposes of this sub-paragraph (d):

CMS Rate shall mean the applicable swap rate for swap transactions in the Specified Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page as at the Relevant Time on the relevant Interest Determination Date in question, all as determined by the Calculation Agent.

CMS Reference Banks means (i) where the Specified Currency is Euro, the principal office of five leading swap dealers in the inter-bank market, (ii) where the Specified Currency is Sterling, the principal London office of five leading swap dealers in the London inter-bank market, (iii) where the Specified Currency is United States dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, or (iv) in the case of any other Specified Currency, the principal relevant Financial Centre office of five leading swap dealers in the relevant Financial Centre inter-bank market, in each case selected by the Calculation Agent (if the Notes are listed on MOT and/or admitted to trading ExtraMOT, acting in good faith and in a commercially reasonable manner).

Designated Maturity and **Margin**, shall have the meaning given to those terms in the applicable Final Terms.

In the applicable Final Terms, when the paragraph "Reference Rate" specifies that the rate is determined by linear interpolation, in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate, one of which shall be determined as if the maturity were the period of time for which rates are available of next shorter length before the length of the relevant Interest Period, and the other of which shall be determined as if the maturity were the period of time for which rates are available of next longer length after the length of the relevant Interest Period.

(d) *Zero Coupon Notes*

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date pursuant to an Issuer's Option or, if so specified in the relevant Final Terms, pursuant to Condition 7(d) or otherwise and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 7(d)(i)).

(e) *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate (i) that the Issuer may elect to convert on the date set out in the Final Terms from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate or (ii) that will automatically change from a Fixed Rate to a Floating Rate or from a Floating Rate to a Fixed Rate on the date set out in the Final Terms.

(f) *Accrual of Interest*

Interest shall cease to accrue on each Note on the due date for redemption unless (i) in the case of Dematerialised Notes, payment on such due date; or (ii) in the case of Materialised Notes, payment upon due presentation is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 6 to the Relevant Date.

(g) *Margin, Rate Multiplier, Maximum/Minimum Rates of Interest and Redemption Amounts and Rounding:*

If any Margin and/or Rate Multiplier is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (c) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin and/or multiplying the Reference Rate by the Rate Multiplier, subject always to the next paragraph.

If any Maximum or Minimum Rate of Interest or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be. For the avoidance of doubt, the Interest Amount payable under any Note shall in all instances be at least equal to zero.

For the purposes of any calculations required pursuant to these Conditions, (w) if FBF Determination is specified in the relevant Final Terms, all percentages resulting from such calculations shall be rounded, if necessary, to the nearest ten-thousandth of a percentage point (with halves being rounded up), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest fifth decimal (with halves being rounded up), (y) all figures shall be rounded to seven figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the country of such currency.

(h) *Calculations*

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount is specified in the relevant Final Terms in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(i) *Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts*

As soon as practicable after the relevant time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination (as defined in the relevant Final Terms) of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the

Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed and admitted to trading on a Regulated Market of the EEA or on an unregulated stock exchange and the rules applicable to that Regulated Market or such unregulated stock exchange so require, such Regulated Market or such unregulated stock exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such Regulated Market or such unregulated stock exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 6(b), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(j) *Calculation Agent*

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined in Condition 1(c) above). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Paris office, as appropriate, or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid. So long as the Notes are listed and admitted to trading on any Regulated Market(s) or any unregulated stock exchange(s) and the applicable rules of, or applicable to, that Regulated Market or that stock exchange so require, notice of any change of Calculation Agent shall be given in accordance with Condition 15.

7. Redemption, Purchase and Options

(a) *Final Redemption*

Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount which is its nominal amount (except in case of Zero Coupon Notes).

(b) *Redemption at the Option of the Issuer and Partial Redemption*

If a Call Option is specified in the relevant Final Terms, the Issuer may, subject to giving not less than 15 nor more than 30 days' irrevocable notice in accordance with Condition 15 to the Noteholders (or such other notice period as may be specified in the relevant Final Terms) redeem all or, if so provided, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount (being the nominal amount) together with interest accrued to the date fixed for redemption (except in case of Zero Coupon Notes which shall be at their Amortised Nominal Amount as defined in Condition 7(d)(i)), if any. Any such redemption must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed as specified in the

relevant Final Terms and no greater than the maximum nominal amount to be redeemed as specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's Option in respect of Materialised Notes, the notice to holders of such Materialised Notes shall also contain the numbers of the Definitive Materialised Notes to be redeemed or in respect of which such Option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and Regulated Market or unregulated stock exchange requirements.

In the case of a partial redemption of, or a partial exercise of an Issuer's Option in respect of, Dematerialised Notes, the redemption shall be effected by reducing the nominal amount of all such Dematerialised Notes in a Series in proportion to the aggregate nominal amount redeemed.

So long as the Notes are admitted to trading on Euronext Paris and the rules applicable to that Regulated Market so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in accordance with Articles 221-3 and 221-4 of the *Règlement Général* of the *Autorité des marchés financiers* and on the website of any other competent authority and/or Regulated Market of the EEA Member State where the Notes are listed and admitted to trading, a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes, a list of any Materialised Notes drawn for redemption but not surrendered.

(c) *Redemption at the Option of Noteholders*

If a Put Option is specified in the relevant Final Terms, the Issuer shall, at the option of the Noteholder, upon the Noteholder giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount (being the nominal amount) together with interest accrued to the date fixed for redemption (except in case of Zero Coupon Notes which shall be its Amortised Nominal Amount as defined in Condition 7(d)(i)).

To exercise such option or any other Noteholders' option that may be set out in the relevant Final Terms the Noteholder must deposit with a Paying Agent at its specified office a duly completed option exercise notice (the **Exercise Notice**) in the form obtained during normal business hours from any Paying Agent or the Registration Agent, as the case may be, within the notice period. In the case of Materialised Notes, the Exercise Notice shall have attached to it the relevant Notes (together with all unmatured Coupons and unexchanged Talons). In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Paying Agent with a specified office in Paris, as specified in the Exercise Notice. No option so exercised and, where applicable, no Note so deposited or transferred, may be withdrawn without the prior consent of the Issuer.

(d) *Early Redemption*

(i) *Zero Coupon Notes*

- (A) The Optional Redemption Amount or the Early Redemption Amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to Condition 7(b), 7(c) and 7(e) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Nominal Amount or Early Redemption Amount, as the case may be, (calculated as provided below) of such Note.

- (B) Subject to the provisions of sub-paragraph (C) below, the (i) Amortised Nominal Amount of any such Note shall be, with respect to Conditions 7(b) and 7(c), the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Final Terms, shall be such rate as would produce an Amortised Nominal Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date (the **Amortisation Yield**)) compounded annually (the **Amortised Nominal Amount**) and (ii) Early Redemption Amount, with respect to Condition 7(e) and 10, (x) if "Zero Coupon Accrual Yield and Reference Price" is specified as the "Early Redemption Amount" in the relevant Final Terms, the early redemption amount payable in respect of such Notes will be the sum of a reference amount specified in the relevant Final Terms known as the "Zero Coupon Note Reference Price" and the product of an annually compounded percentage rate specified in the relevant Final Terms known as the Accrual Yield applied to the Zero Coupon Note Reference Price over a period from the issue date to the date of early redemption or (y) if "Zero Coupon Accrual Yield and Reference Price" is not specified as the "Early Redemption Amount" in the relevant Final Terms, the early redemption amount payable in respect of such Note will be (a) the amount specified as the "Early Redemption Amount" in the relevant Final Terms, or (b) the fair market value set out in Condition 7(d)(ii)(iii) if "Fair Market Value" is specified as the "Early Redemption Amount" in the relevant Final Terms. If Fair Market Value Floor is specified in the relevant Final Terms as being applicable, then the Fair Market Value shall in no event be less than the amount equal to the percentage per Specified Denomination specified as the Fair Market Value Floor Percentage in the relevant Final Terms.
- (C) If the Amortised Nominal Amount or Early Redemption Amount, as the case may be, payable in respect of any such Note upon its redemption pursuant to Condition 7(b), 7(c) and 7(e) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Optional Redemption Amount or the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Nominal Amount or Early Redemption Amount, as the case may be, of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable was the Relevant Date. The calculation of the Amortised Nominal Amount or Early Redemption Amount, as the case may be, in accordance with this sub-paragraph shall continue to be made (as well after as before judgement) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 6(e).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction as specified in Condition 4.

(ii) Other Notes

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 7(e) or upon it becoming due and payable as provided in Condition 10 shall be, as specified in the relevant Final Terms either (i) the Final Redemption Amount together with interest accrued to the date fixed for redemption or (ii) a percentage of the Specified Denomination as specified in the relevant Final Terms for such Note or (iii) the fair market value of each Note (which for the Notes listed on MOT and/or admitted to trading ExtraMOT and/or Euro TLX, may not be less than

the nominal amount) in relation to its early redemption date, as determined by the Issuer (acting in good faith and in a commercially reasonable manner), and/or the Calculation Agent, as applicable, less any reasonable costs and expenses of the Issuer and/or any affiliate of the Issuer of unwinding any underlying and/or related hedging and/or funding arrangements, except for Notes listed on MOT and/or admitted to trading ExtraMOT and/or Euro TLX, and any such calculation of the fair market value shall have the effect of preserving for the Noteholders the economic equivalent of the obligations of the Issuer to make payments in respect of the Notes which would, but for such early redemption, have fallen due after the relevant early redemption date. For the purposes of calculating the Fair Market Value following an Event of Default pursuant to Condition 10 only, in determining the fair market value of the Notes, no account shall be taken of the creditworthiness of the Issuer, who shall be deemed to be able to perform fully its obligations in respect of the Notes. In addition, if Fair Market Value Floor is specified in the relevant Final Terms as being applicable, then the Fair Market Value shall in no event be less than the amount equal to the percentage per Specified Denomination specified as the 'Fair Market Value Floor Percentage' in the relevant Final Terms.

(e) *Redemption for Taxation Reasons:*

If, by reason of any change in French law, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Notes or Coupons, not be able to make such payment without having to pay additional amounts as specified under Condition 9(b) below, the Issuer may, at its option, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, subject to having given not more than 45 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 15, redeem all, but not some only, of the Notes at their Early Redemption Amount together with, unless otherwise specified in the Final Terms, any interest accrued to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal, interest and other revenues without withholding or deduction for French taxes.

If the Issuer would, on the next payment of principal, interest and other revenues in respect of the Notes or Coupons, be prevented by French law from making payment to the Noteholders or, if applicable, Couponholders of the full amounts then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 9(b) below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than 7 days' prior notice to the Noteholders in accordance with Condition 15, redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount together with, unless otherwise specified in the Final Terms, any interest accrued to the date set for redemption on (A) the latest practicable Interest Payment Date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes or Coupons, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders shall be the later of (i) the latest practicable date on which the Issuer could make payment of the full amount then due and payable in respect of the Notes or Coupons and (ii) 14 days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified in the relevant Final Terms, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes, or, if applicable, Coupons or, if that date is passed, as soon as practicable thereafter.

(f) *Purchases*

In compliance with applicable law and regulation, the Issuer shall have the right at all times to purchase Notes (provided that, in the case of Materialised Notes, all unmatured Coupons and unexchanged

Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise (including by tender offer) at any price.

Unless the possibility of holding and reselling is expressly excluded in the Final Terms, Notes so purchased by the Issuer may be held and resold in accordance with applicable laws and/or regulations or cancelled in accordance with Condition 7 (g) below.

(g) *Cancellation*

All Notes purchased by or on behalf of the Issuer to be cancelled, will be cancelled, in the case of Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Notes, by surrendering the relevant Temporary Global Certificate or the Definitive Materialised Notes in question, together with all unmatured Coupons and all unexchanged Talons, if applicable, to the Fiscal Agent and, in each case, if so transferred or surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised Notes, all rights relating to payment of interest and other amounts relating to such Dematerialised Notes and, in the case of Definitive Materialised Notes, all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

8. **Payments and Talons**

(a) *Dematerialised Notes*

Payments of principal and interest in respect of Dematerialised Notes shall (i) in the case of Dematerialised Notes in bearer dematerialised form or administered registered form, be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the Noteholders and, (ii) in the case of Dematerialised Notes in fully registered form, to an account denominated in the relevant currency with a Bank (as defined below) designated by the relevant Noteholder. All payments validly made to such Account Holders or Bank will be an effective discharge of the Issuer in respect of such payments.

(b) *Definitive Materialised Notes*

(i) Method of payment

Subject as provided below, payments in a Specified Currency will be made by credit or transfer to an account denominated in the relevant Specified Currency, or to which the Specified Currency may be credited or transferred (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is euro, shall be any country in the Euro-zone, and, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively).

(ii) Presentation and surrender of Definitive Materialised Notes and Coupons

Payments of principal in respect of Definitive Materialised Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of partial payment of any sum due, annotation) of such Notes, and payments of interest in respect of Definitive Materialised Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part

payment of any sum due, annotation) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 11) or, if later, 5 years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note becomes due and repayable prior to its Maturity Date, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any Definitive Materialised Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against presentation and surrender (if appropriate) of the relevant Definitive Materialised Note.

(c) *Payments in the United States*

Notwithstanding the foregoing, if any Materialised Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) *Payments subject to Fiscal Laws*

All payments are subject in all cases but without prejudice to the provisions of Condition 9 to (i) any applicable fiscal or other laws, regulations and directives in the place of payment and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) *Appointment of Agents*

The Fiscal Agent, the Paying Agent, the Calculation Agent and the Registration Agent initially appointed by the Issuer and their respective specified offices are listed at the end of the Base Prospectus relating to the Programme of the Notes of the Issuer. The Fiscal Agent, the Paying Agents and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each such case, do not assume any obligation or relationship of agency for any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, Registration Agent or Calculation Agent and to appoint other Fiscal Agent, Paying Agent(s), Registration Agent(s) or Calculation Agent(s) or additional Paying Agent(s), Registration Agent(s) or Calculation Agent(s), provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require, (iv) Paying Agents having specified offices in at least two major European cities provided that (A) so long as the Notes are admitted to trading on the Luxembourg Stock Exchange and the rules applicable to that Regulated Market so require, the Issuer will maintain a Paying Agent in Luxembourg, and (B) so long as the Notes are admitted to trading on Euronext Paris and the rules applicable to that Regulated Market so require, the Issuer will maintain a Paying Agent allowed to provide in France services relating to issues of securities within the meaning of Directive 2006/48/EC relating to the taking up and pursuit of the business of credit institutions, (v) in the case of Dematerialised Notes in fully registered form, a Registration Agent, and (vi) such other agents as may be required by the rules of any other stock exchange on which the Notes may be listed and admitted to trading.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Materialised Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 15.

(f) *Talons*

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 11).

(g) *Business Days for Payment*

If any date for payment in respect of any Note or Coupon is not a business day, the Noteholder or Couponholder shall not be entitled to payment until the next following business day unless otherwise specified in the relevant Final Terms, nor to any interest or other sum in respect of such postponed payment. In this paragraph, **business day** means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised Notes, on which Euroclear France is open for business or (ii) in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, (B) on which banks and foreign exchange markets are open for business in such jurisdictions as shall be specified as **Financial Centres** in the relevant Final Terms and (C) (i) in the case of a payment in a currency other than Euro, where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) in the case of a payment in Euro, which is a TARGET Business Day.

(h) *Bank*

For the purpose of this Condition 8, **Bank** means a bank in the principal financial centre of the relevant currency or, in the case of Euro, in a city in which banks have access to the TARGET 2 System.

9. **Taxation**

(a) **Withholding Tax**

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes or Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

(b) **Additional Amounts**

If French law should require that payments of principal, interest and other revenues by or on behalf of the Issuer in respect of any Note or Coupon be subject to withholding or deduction in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon, as the case may be:

(i) **Other connection**

to, or to a third party on behalf of, a Noteholder or Couponholder who is liable to such taxes, duties, assessments or governmental charges of whatever nature in respect of such Notes or Coupon by reason of his having some connection with France other than the mere holding of the Note or Coupon; or

(ii) **More than 30 days after the Relevant Date**

in the case of Definitive Materialised Notes, more than 30 days after the Relevant Date except to the extent that the Noteholder or Couponholder would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day.

References in these Conditions to (i) **principal** shall be deemed to include any premium payable in respect of the Notes, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Nominal Amounts and all other amounts in the nature of principal payable pursuant to Condition 7 or any amendment or supplement to it, (ii) **interest** shall be deemed to include all Interest Amounts, any Arrears of Interest as the case may be, and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and (iii) **principal** and/or **interest** shall be deemed to include any additional amounts that may be payable under this Condition.

10. **Events of Default**

The Representative (as defined in Condition 12) acting on its own initiative or upon request of any Noteholder, may, upon written notice addressed on behalf of the Masse (as defined in Condition 12) to the Fiscal Agent (with copy to the Issuer) given before all defaults shall have been cured, cause the principal amount of all the Notes (and not some only) to become due and payable, together with any accrued interest thereon, as of the date on which such notice for payment is received by the Fiscal Agent if:

- (i) the Issuer is in default in the payment of principal of, or interest on, any Note (including the payment of any additional amounts mentioned in Condition 9) when due and payable and such default shall continue for more than thirty (30) days thereafter; or
- (ii) the Issuer is in default in the performance of any of its other obligations under the Notes and such default has not been cured within forty-five (45) days after the receipt by the Fiscal Agent of the written notice of such default by the Representative or a Noteholder; or
- (iii) the Issuer sells, transfers or otherwise disposes of, directly or indirectly, the whole or a substantial part of its assets, or the Issuer enters into voluntary liquidation, except in the case of a disposal, liquidation, merger or other reorganisation in which all of or substantially all of the Issuer's assets are transferred to a legal entity which assumes all of the Issuer's liabilities including the Notes and whose main purpose, or one of whose main purposes, is the continuation of, and which effectively continues, the Issuer's activities; or
- (iv) the Issuer applies for or is subject to the appointment of an ad hoc representative (*mandataire ad hoc*) or has applied to enter into a conciliation procedure (*procédure de conciliation*) or into an accelerated safeguard procedure (*procédure de sauvegarde accélérée*) or into an accelerated financial safeguard procedure (*procédure de sauvegarde financière accélérée*) or into a safeguard procedure (*procédure de sauvegarde*) or a judgement is rendered for its judicial liquidation (*liquidation judiciaire*) or for a transfer of the whole of the business (*cession totale de l'entreprise*) or makes any conveyance for the benefit of, or enters into any agreement with, its creditors.

11. **Prescription**

Claims against the Issuer for payment in respect of any amount due under the Notes, Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or 5 years (in the case of interest) from the appropriate Relevant Date in respect of them.

12. **Representation of Noteholders**

The Noteholders will, in respect of all Tranches of the relevant Series, be grouped automatically for the defence of their common interests in a *masse* (the **Masse**), which will be governed by the provisions of Articles L.228-46 *et seq.* of the French *Code de commerce* with the exception of Articles L.228-71 and R.228-69 of the French *Code de commerce* and as supplemented by this Condition 12.

(a) **Legal Personality**

The *Masse* will be a separate legal entity and will act in part through a representative (the **Representative**) and in part through collective decisions of the Noteholders (the **Collective Decisions**).

The *Masse* alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

(b) **Representative**

The names and addresses of the Representative and its alternate (if any) will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single *Masse* of all subsequent Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms. No additional remuneration is payable in relation to any subsequent Tranche of any given Series.

In the event of death, liquidation, retirement, resignation or revocation of appointment of the Representative, such Representative will be replaced by its alternate, if any. Another Representative may be appointed.

All interested parties will at all times have the right to obtain the names and addresses of the Representative and the alternate Representative (if any) at the registered office of the Issuer.

(c) **Powers of the Representative**

The Representative shall (in the absence of any Collective Decision to the contrary) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders, with the capacity to delegate its powers.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

(d) **Collective Decisions**

Collective Decisions are adopted either in a general meeting (the **General Meeting**) or by consent following a written consultation (the **Written Consultation**).

In accordance with Article R. 228-71 of the French Code de commerce, the rights of each Noteholder to participate in Collective Decision will be evidenced by the entries in the books of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) of the name of such Noteholder as of 0:00, Paris time, on the second (2nd) business day in Paris preceding the date set for the Collective Decision.

Collective Decisions must be published in accordance with Condition 12(h).

The Issuer shall hold a register of the Collective Decisions and shall make it available, upon request, to any subsequent holder of any of the Notes of such Series.

(A) **General Meetings**

A General Meeting may be called at any time either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth (1/30th) of the principal amount of Notes outstanding, may address to the Issuer and the Representative a demand for a General Meeting to be called. If such General Meeting has not been called within two months after such demand, the Noteholders may commission one of them to petition the competent court to appoint an agent (*mandataire*) who will call the General Meeting.

General Meetings may deliberate validly on first convocation only if the Noteholders present or represented hold at least one fifth (1/5th) of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. The decisions of the General Meeting shall be taken by a two-third (2/3rd) majority of votes held by the Noteholders attending such General Meetings or represented thereat.

Notice of the date, time, place and agenda of any General Meeting will be published in accordance with Condition 12(h) not less than fifteen (15) calendar days prior to the date of the General Meeting on first convocation and not less than five (5) calendar days prior to the date of the General Meetings on second convocation.

Each Noteholder has the right to participate in a General Meeting in person, by proxy or by correspondence.

Each Noteholder or representative thereof will have the right to consult or make a copy of the text of the resolutions which will be proposed and of the reports, if any, which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer and at any other place specified in the notice of the General Meeting, during the fifteen (15) calendar day period preceding the holding of the General Meeting on first convocation, or during the five (5) calendar day period preceding the holding of the General Meeting on second convocation.

(B) Written Decisions and Electronic Consent

At the initiative of the Issuer or the Representative, Collective Decisions may also be taken by a Written Decision.

Such Written Decision shall be signed by or on behalf of Noteholders holding not less than 66.67 per cent. in nominal amount of the Notes outstanding, without having to comply with formalities and time limits referred to in Condition 12(d)(A). Any Written Decision shall, for all purposes, have the same effect as a resolution passed at a General Meeting of such Noteholders. Pursuant to Article L.228-46-1 of the French *Code de commerce*, approval of a Written Resolution may also be given by way of electronic communication allowing the identification of Noteholders (the **Electronic Consent**).

(C) Exclusion of certain provisions of the French *Code de commerce*

The following provisions of the French *Code de commerce* shall not apply to the Notes:

(i) Article L.228-65 I. 1° requiring prior approval by Collective Decision for proposed changes to the form or corporate objects of the Issuer;

(ii) Articles L.228-65 I. 3°, L.236-13 and L.236-18 requiring prior approval by Collective Decision for any proposed merger or spin-off;

(iii) Article L.228-65 I. 4° requiring prior approval by Collective Decision for issuance of notes guaranteed by security (*sûreté réelle*).

(e) **Expenses**

The Issuer shall pay all expenses relating to the operation of the Masse, including expenses relating to the calling and holding of Collective Decisions and, more generally, all administrative expenses resolved upon by the Collective Decisions, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

(f) **Single Masse**

The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first mentioned Series in accordance with Condition 14, shall, for the defence of their respective common interests, be grouped in a single *Masse*. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single *Masse* of all such Series.

(g) **Sole Noteholder**

If and for so long as the Notes of any Series are held by a sole Noteholder, and unless a Representative has been appointed in relation to such Series, such Noteholder will exercise all the powers, rights and obligations entrusted to the *Masse* by the provisions of the French *Code de commerce*, as supplemented by these Terms and Conditions. Such sole Noteholder shall hold a register of the decisions it will have taken in this capacity and shall make it available, upon request, to any subsequent holder of all or part of the Notes of such Series.

(h) **Notices to Noteholders**

Any notice to be given to Noteholders in accordance with this Condition 12 shall be given in accordance with Condition 15.

(i) **Full Masse**

For Notes issued with a denomination of less than €100,000 (or its equivalent in any other currency), Condition 12 shall apply to the Notes subject to the following modifications.

(A) Condition 12(d)(C) shall not apply to the Notes.

(B) Except if the Final Terms specify "Issue outside France" as applicable, Condition 12(e) shall be deleted and replaced by the following:

"12(e) Expenses

The Issuer shall pay all expenses relating to the operations of the Masse, including all expenses relating to the calling and holding of Collective Decisions and, more generally, all administrative expenses resolved upon by Collective Decisions."

For the avoidance of doubt, in this Condition 12, the term "outstanding" shall not include those Notes purchased by the Issuer in accordance with Condition 7(f) that are held by it and not cancelled.

13. **Replacement of Definitive Materialised Notes Coupons and Talons**

If, in the case of any Materialised Notes, a Definitive Materialised Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and Regulated Market or unregulated stock exchange regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for this purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and

indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Definitive Materialised Note, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Materialised Notes, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised Notes, Coupons or Talons must be surrendered before replacements will be issued.

14. Further Issues and Consolidation

(a) Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further Notes to be assimilated (*assimilables* for the purpose of French Law) with the Notes provided such Notes and the further Notes carry rights identical in all respects (or identical in all respects save as to the principal amount thereof and the first payment of interest) and that the terms of such Notes provide for such assimilation, and references in these Conditions to **Notes** shall be construed accordingly.

(b) Consolidation

The Issuer, with the prior approval of the Fiscal Agent (which shall not be unreasonably withheld), may from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than 30 days' prior notice to the Noteholders in accordance with Condition 15, without the consent of the Noteholders or Couponholders, consolidate the Notes of one Series denominated in Euro with the Notes of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other Notes have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

15. Notices

- (a) Notices to the holders of Materialised Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if, at the option of the Issuer, they are published (i) so long as such Notes are admitted to trading on Euronext Paris, in a leading daily newspaper of general circulation in France (which is expected to be *Les Échos*) or (ii) in a daily leading newspaper of general circulation in Europe (which is expected to be the *Financial Times*), or (iii) they are published following Articles 221-3 and 221-4 of the General Regulation (*Règlement Général*) of the AMF and so long as such Notes are listed and admitted to trading on any Regulated Market(s) or any unregulated stock exchange(s) and the applicable rules of that Regulated Market or unregulated stock exchange so require, notices shall also be published in a leading daily newspaper with general circulation in the city/ies where the Regulated Market(s) or unregulated stock exchange(s) on which such Notes are listed and/or admitted to trading is/are located and (iv) (a) so long as the Notes are listed and admitted to trading on the Luxembourg Stock Exchange's Regulated Market, notices may also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu), or (b) so long as the Notes are listed and admitted to trading on MOT or ExtraMOT, notices may also be published, if and so long as the rules of the exchange so require, by the Issuer on the website of Borsa Italiana S.p.A. (www.borsaitaliana.it), or (c) so long as the Notes are listed and admitted to trading on Euro TLX, notices may also be published by the Issuer on the website of EuroTLX (www.eurotlx.com).
- (b) Notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either, (i) mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after

the mailing or (ii) at the option of the Issuer, they are published (a) so long as such Notes are admitted to trading on Euronext Paris, in a leading daily newspaper of general circulation in France (which is expected to be *Les Échos*) or (b) in a leading daily newspaper of general circulation in Europe (which is expected to be the Financial Times), or (c) they are published following Articles 221-3 and 221-4 of the General Regulation (*Règlement Général*) of the AMF and so long as such Notes are listed and admitted to trading on any Regulated Market(s) or any unregulated stock exchange(s) and the applicable rules of that Regulated Market or unregulated stock exchange so require, notices shall also be published in a leading daily newspaper with general circulation in the city/ies where the Regulated Market(s) or unregulated stock exchange(s) on which such Notes are listed and admitted to trading is/are located and (d) so long as the Notes are listed and admitted to trading on the Luxembourg Stock Exchange's Regulated Market, notices may also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

- (c) Any notice given by publication shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Notes in accordance with this Condition.
- (d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared, including Monte Titoli (through the relevant Clearing System's bridge account), in substitution for the mailing and publication as required by Conditions 15 (a), (b) and (c) above; except that so long as such Notes are listed on any stock exchange(s) and the rules applicable to that stock exchange so require, notices shall also be published in a daily newspaper with general circulation in the city/ies where the stock exchange(s) on which such Notes is/are listed.
- (e) Notices relating to Collective Decisions pursuant to Condition 12 and pursuant to Articles R. 228-79 and R. 236-11 of the French *Code de commerce* shall be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Notes are for the time being cleared and (for the avoidance of doubt) Conditions 15(a), (b), (c), (d) shall not apply to such notice.

16. **Governing Law and Jurisdiction**

(a) **Governing Law**

The Notes Coupons and Talons are governed by, and shall be construed in accordance with, French law.

(b) **Jurisdiction**

Any claim against the Issuer in connection with any Notes Coupons or Talons may be brought before any competent court in Paris.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used for the Issuer's general corporate purposes unless otherwise specified in the relevant Final Terms.

RECENT DEVELOPMENTS

As of August 31, 2018, there was no change of more than 0.1% in the amount of subordinated liabilities as compared with the amount shown in the unaudited interim condensed consolidated financial statements of the Issuer as at June 30, 2018.

TEMPORARY GLOBAL CERTIFICATES IN RESPECT OF MATERIALISED NOTES

Temporary Global Certificates

A Temporary Global Certificate without interest coupons (a **Temporary Global Certificate**) will initially be issued in connection with each Tranche of Materialised Notes, which will be delivered on or prior to the issue date of the Tranche with a common depositary (the **Common Depositary**) for Euroclear Bank SA/NV (**Euroclear**) and for Clearstream Banking S.A. (**Clearstream**). Upon the delivery of such Temporary Global Certificate with a Common Depositary, Euroclear, Clearstream will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depositary may also credit with a nominal amount of Notes the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream held by such other clearing systems. Conversely, a nominal amount of Notes that is initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, or other clearing systems.

Exchange

Each Temporary Global Certificate issued in respect of Materialised Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (i) if the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with the U.S Treasury regulation section 1.163–5(c)(2)(i)(C) (or any successor United States Treasury Regulation section, including without limitation, regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (**TEFRA C**) under the Tax Equity and Fiscal Responsibility Act of 1982 (**TEFRA**) or in a transaction to which TEFRA is not applicable (as to which, see "Summary of the Programme -Selling Restrictions"), in whole, but not in part, for Definitive Materialised Notes and
- (ii) otherwise, in whole but not in part, upon certification, if required under subsection 3 of the U.S Treasury regulation section 1.163–5(c)(2)(i)(D) (or any successor United States Treasury Regulation section, including without limitation, regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (**TEFRA D**), as to non-U.S. beneficial ownership for Definitive Materialised Notes.

Delivery of Definitive Materialised Notes

On or after its Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to, or to the order of, the Fiscal Agent. In exchange for any Temporary Global Certificate, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Notes. In this Base Prospectus, **Definitive Materialised Notes** means, in relation to any Temporary Global Certificate, the Definitive Materialised Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Notes will be security printed in accordance with any applicable legal and stock exchange requirement.

Exchange Date

Exchange Date means, in relation to a Temporary Global Certificate in respect of any Materialised Notes, the day falling after the expiry of 40 days after its issue date, provided that in the event any further Materialised

Notes which are to be consolidated with such first mentioned Materialised Notes are issued prior to such day pursuant to Condition 14(a), the Exchange Date may, at the option of the Issuer, be postponed to the day falling after the expiry of 40 days after the issue date of such further Materialised Notes.

In the case of Materialised Notes with an initial maturity of more than 1 year (and that are not relying on the TEFRA C Rules), the Definitive Materialised Note shall bear the following legend:

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE OF 1986.

TAXATION

The following is an overview limited to certain tax considerations in France, Italy and Luxembourg relating to the Notes that may be issued under the Programme and specifically contains information on taxes on the income from the Notes withheld at source. This overview is based on the laws in force in France, Italy and Luxembourg as of the date of this Base Prospectus and is subject to any changes in law and interpretation thereof (potentially with a retroactive effect). It does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe, purchase, hold, dispose of or redeem the Notes. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the tax consequences of any investment in or ownership and disposition of the Notes.

1 FRENCH TAXATION

The following is an overview of certain withholding tax considerations that may be relevant to holders of the Notes who do not concurrently hold shares of the Issuer.

- (a) Notes which are not assimilated (*assimilables*) with Notes issued before 1 March 2010

Payments of interest and other assimilated revenues made by the Issuer with respect to Notes (other than Notes which are assimilated (*assimilables*) for the purpose of French law) and form a single series with Notes issued before 1 March 2010 having the benefit of Article 131 *quater* of the French *Code général des impôts*) will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a Non-Cooperative State). If such payments under the Notes are made outside France in a Non-Cooperative State, a 75% withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*. A draft law published by the French government on 28 March 2018 would, if adopted in its current form, (i) expand the list of Non-Cooperative States as defined under Article 238-0 A of the French *Code général des impôts* to include the jurisdictions on the list set out in Annex I to the conclusions adopted by the Council of the European Union on 5 December 2017, as updated, (the **EU List**) and, as a consequence, (ii) expand this withholding tax regime to certain jurisdictions included in the EU List.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other assimilated revenues on such Notes will not be deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid on a bank account opened in such a Non-Cooperative State (the **Deductibility Exclusion**). The draft law published by the French government on 28 March 2018 abovementioned would, if adopted in its current form, expand this regime to the jurisdictions included in the EU List. Under certain conditions, any such non-deductible interest and other assimilated revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other assimilated revenues may be subject to the withholding tax set out under Article 119 bis 2 of the French *Code général des impôts*, at a rate of (i) 12.8% for payments benefiting individuals who are not French tax residents, (ii) 30% (to be aligned on the standard corporate income tax rate set forth in Article 219-I of the French *Code général des impôts* for fiscal years starting from 1 January 2020) for payments benefiting legal persons who are not French tax residents or (iii) 75% for payments made outside France in a Non-Cooperative State (subject to certain exceptions and the more favourable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, neither the 75% withholding tax provided by Article 125 A III of the French *Code général des impôts* nor, to the extent the relevant interest and other assimilated revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the Deductibility Exclusion will apply in respect of an issue of Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other assimilated revenues to be made in a Non-Cooperative State (the **Exception**). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211, BOI-RPPM-RCM-30-10-20-40-20140211 and BOI-IR-DOMIC-10-20-20-60-20150320, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the main purpose and effect of such issue of Notes if such Notes are:

- (A) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
 - (B) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
 - (C) admitted, at the time of their issue, to the operations of a central depository or of a securities delivery and payment systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.
- (b) Notes which are assimilated (*assimilables*) with Notes issued before 1 March 2010

Payments of interest and other revenues with respect to Notes which are assimilated (*assimilables* for the purpose of French law) and form a single series with Notes issued before 1 March 2010 with the benefit of Article 131 *quater* of the French *Code général des impôts* will be exempt from the withholding tax set out under Article 125 A III of the French *Code général des impôts*.

Notes issued before 1 March 2010, whether denominated in Euro or in any other currency, and constituting *obligations* under French law, or *titres de créances négociables* within the meaning of the *Bulletin Officiel des Finances Publiques-Impôts* BOI-RPPM-RCM-30-10-30-30-20140211 or other debt securities issued under French or foreign law and considered by the French tax authorities as falling into similar categories, are deemed to be issued outside the Republic of France for the purpose of Article 131 *quater* of the French *Code général des impôts*, in accordance with the aforementioned *Bulletin Officiel des Finances Publiques-Impôts*.

In addition, interest and other revenues paid by the Issuer on Notes which are to be assimilated (*assimilables* for the purpose of French law) and form a single series with Notes issued before 1 March 2010 will not be subject to the Deductibility Exclusion and hence will not be subject to the withholding tax set out in Article 119 *bis* 2 of the French *Code général des impôts* solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

- (c) Pursuant to Article 125 A I of the French *Code général des impôts*, where the paying agent (*établissement payeur*) is established in France and subject to certain limited exceptions, interest and similar revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 12.8% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding at a global rate of 17.2% on such interest and similar revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.

2 LUXEMBOURG TAXATION

The statements herein regarding withholding tax considerations in Luxembourg are based on the laws in force in the Grand Duchy of Luxembourg as of the date of this Base Prospectus and are subject to any changes in law.

The following information is of a general nature only, is not intended to be, nor should it be construed to be, legal or tax advice, and does not purport to be a comprehensive description of all the Luxembourg tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject and as to their tax position, as a result of the purchase, ownership and disposal of the Notes.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax

(a) Non-resident holders of Notes

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

(b) Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the **Relibi Law**), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 20 %.

3 ITALY TAXATION

The statements in this Base Prospectus regarding taxation are based on the laws in force in Italy as at the date of this Programme and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

Tax treatment of the Notes classifying as bonds or debentures similar to bonds

Legislative Decree No. 239 of 1 April 1996, as subsequently amended (**Decree 239**), provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, inter alia, by non-Italian resident issuers.

For these purposes, debentures similar to bonds are defined as bonds that incorporate an unconditional obligation to pay, at redemption, an amount not less than their nominal value (whether or not providing for interim payments) and that do not give any right to directly or indirectly participate in the management of the relevant Issuer or of the business in relation to which they are issued nor any type of control on the management.

Italian resident Noteholders

Where the Italian resident Noteholder is (a) an individual not engaged in an entrepreneurial activity to which the relevant Notes are connected (unless he has opted for the application of the "*risparmio gestito*" regime — see under "*Capital gains tax*", below); (b) a non-commercial partnership; (c) a non-commercial private or public institution; or (d) an investor exempt from Italian corporate income taxation, interest, premium and other income relating to the Notes, accrued during the relevant holding period, are subject to a withholding tax, referred to as *imposta sostitutiva*, levied at the rate of 26%. In the event that Noteholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the *imposta sostitutiva*, on interest, premium and other income relating to the Notes if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Law No. 232 of 11 December 2016, as subsequently amended (the **Finance Act 2017**).

Where an Italian resident Noteholder is a company or similar commercial entity or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation (**IRES**) and, in certain circumstances, depending on the "status" of the Noteholder, also to the regional tax on productive activities (**IRAP**)).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001 (**Decree 351**), Article 32 of Law Decree No. 78 of 31 May 2010, converted into law by Law No. 122 of 30 July 2010 and Legislative Decree No. 44 of 4 March 2014, all as amended, payments of interest, premiums or other proceeds in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and article 14-bis of Law No. 86 of 25 January 1994 and Italian real estate investment companies with fixed capital (**Real Estate SICAFs**) are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund.

If the investor is resident in Italy and is a fund, an Italian investment company with fixed capital (**SICAF**) or an Italian investment company with variable capital (**SICAV**) established in Italy (together, the **Fund**) and either (i) the fund or (ii) its manager is subject to the supervision of a regulatory authority, and the relevant Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such results but a substitute tax of 26% (**Collective Investment Fund Tax**) will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005 (the **Decree No. 252**)) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20% substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, interest, premium and other income relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Italian Finance Act 2017.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* (**SIMs**), fiduciary companies, *società di gestione del risparmio* (**SGRs**), stockbrokers and other entities identified by a decree of the Ministry of Economy and Finance (each an **Intermediary**).

An Intermediary must (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary; and (b) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Noteholder.

Non-Italian resident Noteholders

No Italian *imposta sostitutiva* is applied on payments to a non-Italian resident Noteholder of interest or premium relating to the Notes provided that, if such Notes are held in Italy, the non-Italian resident Noteholder declares itself to be a non-Italian resident according to Italian tax regulations.

Atypical securities

Interest payments relating to Notes that are not deemed to fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) may be subject to a

withholding tax, levied at the rate of 26%. For this purpose, debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the withholding tax on interest, premium and other income relating to the Notes that are classified as atypical securities, if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of the Finance Act 2017.

The 26% withholding tax mentioned above does not apply to interest payments made to a non-Italian resident Noteholder and to an Italian resident Noteholder which is (a) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (b) a commercial partnership, or (c) a commercial private or public institution.

Capital gains tax

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is (i) an individual not holding the Notes in connection with an entrepreneurial activity; (ii) a non-commercial partnership; (iii) a non-commercial private or public institution, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at 26%. Noteholders may set off losses with gains.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Notes if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Finance Act 2017.

In respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Noteholders under (i) to (iii) above, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Noteholder holding Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. The relevant Noteholders must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Pursuant to Law Decree No. 66 of 24 April 2014, as enacted with amendments by law No. 89 of 23 June 2014 (**Decree No. 66**), capital losses may be

carried forward to be offset against capital gains of the same nature realised after 30 June 2014 up to a limit of 76.92% of the capital losses realised from 1 January 2012 to 30 June 2014.

As an alternative to the tax declaration regime, Noteholders under (i) to (iii) above may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the relevant Notes (the "*risparmio amministrato*" regime). Such separate taxation of capital gains is allowed subject to (i) Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express election for the *risparmio amministrato* regime being punctually made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in its annual tax return. Pursuant to Decree 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 up to a limit of 76.92% of the capital losses realised from 1 January 2012 to 30 June 2014.

Any capital gains realised by Italian Noteholders under (i) to (iii) above who have entrusted the management of their financial assets, including Notes, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26% substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in its annual tax return. Pursuant to Decree No. 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 up to a limit of 76.92% of the decreases in value registered from 1 January 2012 to 30 June 2014.

Any capital gains realised by a Noteholder which is a Fund will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio. Such result will not be taxed with the Fund, but subsequent distributions in favour of unitholders or shareholders may be subject to the Collective Investment Fund Substitute Tax.

Any capital gains realised by a Noteholder which is an Italian pension fund (subject to the regime provided for by article 17 of the Decree No. 252) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20% substitute tax (with certain adjustments for fiscal year 2015 as provided by the Finance Act for 2015). Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains on the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Finance Act 2017.

Any capital gains realised by a Noteholder who is an Italian resident real estate fund to which the provisions of Decree 351, as subsequently amended, apply or a Real Estate SICAF will be subject neither to *imposta sostitutiva* nor to any other income tax at the level of the real estate fund or a Real Estate SICAF.

Capital gains realised by non-Italian resident Noteholders from the sale or redemption of the Notes are not subject to Italian taxation, provided that the Notes (i) are traded on a regulated market, or (ii) if are not traded on a regulated market, are held outside Italy.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, converted with amendments into Law No. 286 of 24 November, 2006, as subsequently amended, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

(a) transfers in *favour* of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4% on the value of the inheritance or the gift exceeding, for each beneficiary, €1,000,000;

(b) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree, are subject to an inheritance and gift tax applied at a rate of 6% on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6% inheritance and gift tax on the value of the inheritance or the gift exceeding, for each beneficiary, €100,000; and

(c) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8% on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in (a), (b) and (c) on the value exceeding, for each beneficiary, €1,500,000.

Transfer tax

Contracts relating to the transfer of securities are subject to the following registration tax: (i) public deeds and notarised deeds are subject to fixed registration tax at a rate of €200.00; and (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

Stamp duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011, converted with Law No. 214 of 22 December 2011 (**Decree 201**), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the Notes deposited therewith. The stamp duty applies at the rate of 0.2% and cannot exceed €14,000, for taxpayers that are not individuals. This stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the Notes held.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Finance on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 20 June 2012) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Wealth Tax on securities deposited abroad

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding the Notes outside the Italian territory are required to pay an additional tax at a rate of 0.2%.

This tax is calculated on the market value of the Notes at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

4 FOREIGN ACCOUNT TAXPAYER COMPLIANCE ACT

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions including France have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to 1 January 2019 and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under "Terms and Conditions—Further Issues and Consolidation") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes.

FORM OF FINAL TERMS

[The Base Prospectus dated 14 September 2018 expires on 13 September 2019. The updated Base Prospectus shall be available on the websites of (a) the *Autorité des marchés financiers* (www.amf-france.org) and (b) the Issuer (<http://www.about.hsbc.fr/investor-relations/debt-issuance>) and during normal business hours at the registered office of the Issuer and at the specified office of the Paying Agent(s).]¹

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC, as amended (the **Prospectus Directive**). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]²

[MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)]**[MiFID II]**; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. **[Consider any negative target market]**³. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]⁴

[MiFID II product governance / Retail investors, professional investors and ECPs – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in [Directive 2014/65/EU (as

¹ To be included in the case of a public offer which offer period expires after the expiry date of this Base Prospectus.

² Delete legend if the Notes do not constitute "packaged" products, in which case, insert "Not Applicable" in paragraph 8(ix) of Part B below. Include legend if the Notes may constitute "packaged" products and the Issuer intends to prohibit the Notes being offered, sold or otherwise made available to EEA retail investors. In this case insert "Applicable" in paragraph 8(ix) of Part B below.

³ ICMA 1 and ICMA 2 approaches envisage that a negative target market will be unlikely. Note that a programme which only envisages vanilla issuance is unlikely to require a negative target market placeholder. If a negative target market is deemed necessary, wording along the following lines could be included: "The target market assessment indicates that Notes are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested]."

⁴ Legend to be included on front of the Final Terms if following the ICMA 1 "all bonds to all professionals" target market approach.

amended, **MiFID II**)[MiFID II]; **EITHER**⁵ [and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services] **OR**⁶ [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[, / and] portfolio management[, / and] non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]].[*Consider any negative target market*]⁷. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]⁸.]⁹

Final Terms dated [●]

[LOGO, if document is printed]

HSBC France

LEI: F0HUI1NYIAZMJMD8LP67

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the € 20,000,000,000
Euro Medium Term Note Programme**

Issue Price: [●] per cent.

[Name(s) of Dealer(s)]

PART A– CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the **Conditions**) set forth in the Base Prospectus dated 14 September 2018 which received visa no. 18-433 from the *Autorité des marchés financiers* (the **AMF**) on 14 September 2018 [and the supplement[s] to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, as amended from time to time (the **Base Prospectus**). The expression **Prospectus Directive** means Directive 2003/71/EC (as amended), and includes any relevant implementing measure in the Relevant Member State.

⁵ Include for bonds that are not ESMA complex.

⁶ Include for certain ESMA complex bonds. This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability will be necessary. In addition, if the Notes constitute "complex" products, pure execution services are not permitted to retail without the need to make the determination of appropriateness required under Article 25(3) of MiFID II.

⁷ ICMA 1 and ICMA 2 approaches envisage that a negative target market will be unlikely. Note that a programme which only envisages vanilla issuance is unlikely to require a negative target market placeholder. If a negative target market is deemed necessary, wording along the following lines could be included: "The target market assessment indicates that Notes are incompatible with the needs, characteristic and objectives of clients which are [fully risk averse/have no risk tolerance or are seeking on-demand full repayment of the amounts invested]."

⁸ Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared or the Issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

⁹ Legend to be included on front of the Final Terms if following the ICMA 2 approach.

This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive, as amended from time to time and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. [A summary of the issue of the Notes is annexed to these Final Terms.]¹⁰ These Final Terms, the Base Prospectus [and the supplement[s] to the Base Prospectus] are available for viewing on the websites of the Autorité des marchés financiers (www.amf-france.org) and the Issuer (<http://www.about.hsbc.fr/investor-relations/debt-issuance>) at least during a period of twelve months from the date of the Base Prospectus, and during normal business hours at the registered office of the Issuer and at the specified office of the Paying Agent(s) where copies may be obtained.]¹¹ [In addition¹², the Base Prospectus [and the supplement[s] to the Base Prospectus] [is] [are] available for viewing [at/on] [●].]

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the **Conditions**) set forth in the [Offering Circular dated 20 September 2004 / Base Prospectus dated 28 November 2005 / Base Prospectus dated 15 September 2006 / Base Prospectus dated 13 November 2007 / Base Prospectus dated 21 October 2008 / Base Prospectus dated 5 October 2009 / Base Prospectus dated 5 October 2010 / Base Prospectus dated 5 October 2011 / Base Prospectus dated 14 December 2012 / Base Prospectus dated 16 January 2014 / Base Prospectus dated 12 December 2014/ Base Prospectus dated 7 January 2016 / Base Prospectus dated 17 January 2017 / Base Prospectus dated 14 September 2017] which are incorporated by reference in the Base Prospectus dated 14 September 2018. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Prospectus Directive, as amended from time to time and must be read in conjunction with the Base Prospectus dated 14 September 2018 which received visa no. 18-433 from the *Autorité des marchés financiers* (the **AMF**) on 14 September 2018 [and the supplement[s] to the Base Prospectus dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Base Prospectus**), including the Conditions incorporated by reference in the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. [A summary of the issue of the Notes is annexed to these Final Terms.]¹³ [These Final Terms, (including the Conditions) and the Base Prospectus are available for viewing on the websites of (a) (the Autorité des marchés financiers (www.amf-france.org)) at least during a period of twelve months from the date of the Base Prospectus and (b) the Issuer (<http://www.about.hsbc.fr/investor-relations/debt-issuance>)] [and] during normal business hours at, and copies may be obtained from the registered office of the Issuer and at the specified office of the Paying Agent(s).]¹⁴ [In addition, the Final Terms (including the Conditions) and the Base Prospectus dated [●] [and the supplement[s] to the Base Prospectus] are available for viewing [on/at] [●].]¹⁵

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

¹⁰ Only required for Notes with a denomination of less than €100,000.

¹¹ If the Notes are listed on a Regulated Market and/or offered to the public in any Member State of the EEA in accordance with the Prospectus Directive.

¹² If the Notes are listed on a Regulated Market other than Euronext Paris.

¹³ Only required for Notes with a denomination of less than €100,000.

¹⁴ If the Notes are listed on a Regulated Market and/or offered to the public in any Member State of the EEA in accordance with the Prospectus Directive.

¹⁵ If the Notes are listed on a Regulated Market other than Euronext Paris.

1.
 - (i) Series Number: [●]
 - (ii) Tranche Number: [●]
 - (iii) Date on which the Notes will be consolidated and form a single Series: [The Notes will be assimilated (*assimilables*) and form a single Series [*identify earlier Tranches*] on [the Issue Date / exchange of the Temporary Global Certificate for interests in the Definitive Materialised Notes, as referred in paragraph 21(iii) below, which is expected to occur on or about [date].] / [Not Applicable]
2. Specified Currency or Currencies¹⁶: [●]
3. Aggregate Nominal Amount of Notes: [●]
 - (i) Series: [●]
 - (ii) Tranche: [●]
4. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
5. Specified Denomination(s): [●]¹⁷ (*one denomination only for Dematerialised Notes*).
6.
 - (i) Issue Date: [●]
 - (ii) Interest Commencement Date (*if different from the Issue Date*): [●] [*Specify/Issue Date/Not Applicable*]
7. Maturity Date: (*specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*)
8. Interest Basis: [[●] per cent. Fixed Rate]

[[*EURIBOR, LIBOR, CMS*] +/- [●] per cent. Floating Rate]

[Zero Coupon]

[Fixed/Floating Rate]]

(further particulars specified below)
9. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the

¹⁶ Please note that with respect to any domestic issue settled from an Issuer account situated in France, payments relating to Notes shall be made in euros (according to Article 1343-3 of the French *Code civil*).

¹⁷ Notes [(including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the issuer in the United Kingdom or whose issue otherwise constitutes a contravention of S19 FSMA and] which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

(Condition 8)

Maturity Date at [100 per cent.] / [● per cent.] of their nominal amount.

(further particulars specified below)

10. Change of Interest Basis:

[Applicable (for Fixed/Floating Rate Notes)/Not Applicable]

(Specify details for convertibility of the Fixed/Floating Rate Notes in accordance with the provisions of Condition 6(e))

11. Put/Call Options:

[Investor Put]

[Issuer Call]

[Not Applicable]

12. (i) Status of the Notes:

[senior preferred]

(ii) Date of Board approval for issuance of Notes obtained:

[●]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed Rate Note Provisions:

[Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(i) Rate[(s)] of Interest:

[●] per cent. per annum [payable [annually / semi-annually / quarterly / monthly / other (specify)] in arrear]

(ii) Interest Payment Date(s):

[●] in each year

(iii) Fixed Coupon Amount[(s)]:

[●] per [●] in Specified Denomination

(iv) Broken Amount(s):

[[●] payable on the Interest Payment Date falling [in/on] [●]] [Not Applicable]

(v) Day Count Fraction:

[30/360/Actual/Actual (ICMA/ISDA)/include any other option from Condition 4]

(vi) Determination Dates:

[[●] in each year / Not Applicable]

(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular Interest Payment Dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last coupon.)

14. Floating Rate Note Provisions:

[Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [●]
- (iii) First Interest Payment Date: [●]
- (iv) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention] *[Insert "unadjusted" if the application of the relevant business day convention is not intended to affect the Interest Amount]*
- (v) Business Centre(s) (Condition 4): [●]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/FBF Determination/ISDA Determination]
- (vii) Interest Period Dates: [●]
- (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [●]
- (ix) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: [●] *(specify Benchmark [EURIBOR, LIBOR, CMS] and months, e.g. EURIBOR 3 months)*
(If the Rate of Interest is determined by linear interpolation in respect of an interest period (as per Condition 6(c)(iii) or 6(d), insert the relevant interest period(s) and the relevant two rates used for such determination.)
- Relevant Time: [●]
- Interest Determination Date(s): [●]
- Reference Banks (if applicable): [Specify four / Not Applicable]
- Relevant Screen Page: [●] *(in the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- Designated Maturity: [[●] *(only applicable for ISDA Determination and CMS)* / Not Applicable]
- Rate Multiplier: [●]/[Not Applicable]
- (x) ISDA Determination [Applicable/Not Applicable]

–	Floating Rate Option:	[●]
		<i>(If the Rate of Interest is determined by linear interpolation in respect of an interest period (as per Condition 6(c)(i), insert the relevant interest period(s) and the relevant two rates used for such determination.)</i>
–	Reset Date:	[●]
		<i>(N.B. the fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provisions by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time)</i>
(xi)	FBF Determination:	[Applicable/Not Applicable]
–	Floating Rate (Taux Variable):	[●]
		<i>(If the Rate of Interest is determined by linear interpolation in respect of an interest period (as per Condition 6(c)(ii), insert the relevant interest period(s) and the relevant two rates used for such determination.)</i>
–	Floating Rate Determination Date (Date de Détermination du Taux Variable):	[●]
		<i>(N.B. the fall-back provisions applicable to FBF Determination under the Recueil de Taux – Additifs Techniques FBF are reliant upon the provisions by reference banks of offered quotations for LIBOR and/or Euribor which, depending on market circumstances, may not be available at the relevant time)</i>
(xii)	Margin(s):	[+/-] [●] per cent. per annum ¹⁸
(xiii)	Minimum Rate of Interest:	[●] per cent. per annum ¹⁹
(xiv)	Maximum Rate of Interest:	[Not Applicable/[●] per cent. per annum]
(xv)	Day Count Fraction:	[Actual/Actual-ISDA / Actual/365-FBF / Actual/Actual-ICMA / Actual/Actual-FBF / Actual 365 (fixed) / Actual/360 / 30/360 / 30/360-FBF / 30 ^E /360 / 30 ^E /360-FBF / 30 ^E /360-ISDA] [include any other option from Condition 4]

¹⁸ In no event shall the amount of interest payable be less than zero.

¹⁹ In no event shall the amount of interest payable be less than zero.

15. Zero Coupon Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Amortisation Yield: [●] per cent. per annum
- (ii) Day Count Fraction: [Actual/Actual-ISDA / Actual/365-FBF / Actual/Actual-ICMA / Actual/Actual-FBF / Actual/365 (fixed) / Actual/360 / 30/360 / 30/360-FBF / 30^E/360 / 30^E/360-FBF / 30^E/360-ISDA] *[include any other option from Condition 4]*

PROVISIONS RELATING TO REDEMPTION

16. Issuer's optional redemption (Call):
- (Condition 7(b))* [Applicable/Not applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Amount (Call): [specify]
- (ii) Series redeemable in part: [specify — otherwise redemption will only be permitted of entire Series]
- (iii) Optional Redemption Date: [Specify]
- (iv) Notice periods: Minimum Period: [●] days
Maximum Period: [●] days
17. Noteholder's optional redemption (Put): [Applicable/Not applicable]
- (Condition 7(c))* *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Amount (Put): [specify]
- (ii) Optional Redemption Date: [specify]
- (iii) Notice periods: Minimum Period: [●] days
Maximum Period: [●] days
18. Final Redemption Amount of each Note: [[●] per Note [of [●] Specified Denomination]²⁰]
19. Early Redemption Amount:
- (i) Early Redemption Amount(s) of

²⁰

Delete bracketed text in case of Dematerialised Notes.

each Note payable on redemption for taxation reasons or on event of default:

[[100 per cent.] / [[●] per cent.] of their nominal amount.]] / [Fair Market Value - Fair Market Value Floor: [Applicable - Fair Market Value Floor Percentage: [●] per cent. per Specified Denomination] /Not Applicable]] / [Zero Coupon Accrual Yield and Reference Price - Zero Coupon Note Reference Price: [●] and Accrual Yield: [●]]

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

[●] [Yes] / [No]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

20. Form of Notes: [Dematerialised Notes/ Materialised Notes]
- (Delete as appropriate)*
- (i) Form of Dematerialised Notes: [Not Applicable / bearer form (*au porteur*) / administered registered form (*au nominatif administré*) / fully registered form (*au nominatif pur*)]
- (Delete as appropriate)*
- (ii) Registration Agent: [Not Applicable/*if applicable give name and address*] (*Note that a Registration Agent must be appointed in relation to Fully Registered Dematerialised Notes only*)
- (iii) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate exchangeable for Definitive Materialised Notes on the Exchange Date, being 40 days after the Issue Date subject to postponement as specified in the Temporary Global Certificate]
21. Financial Centre(s) for the purposes of Condition 8(g): [Not Applicable/]. *Specify any other applicable Financial Centre (Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraph 15(v) relates.)*
22. Talons for future Coupons to be attached to Definitive Materialised Notes (and dates on which such Talons mature): [Yes/No/Not Applicable. (*If yes, give details*)] (*Only applicable to Materialised Notes*)
23. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition 1(d)] apply]
24. Purchase in accordance with applicable laws and regulations referred to in Condition 7(f) [Applicable/Not Applicable]
25. Consolidation provisions: [Not Applicable/The provisions [in Condition 14(b)] apply]

26. Masse (Condition 12):

[Issue outside of France: [Applicable/Not Applicable]]

[Name and address of the Representative: [●]]

Name and address of the alternate Representative: [●]

The Representation will receive no remuneration/The Representative will receive a remuneration of [●].]

[As long as the Notes are held by a sole Noteholder, such Noteholder will exercise all the powers, rights and obligations entrusted to the *Masse* by the provisions of the French *Code de commerce*, as supplemented by the Conditions. Such sole Noteholder shall hold a register of the decisions it will have taken in this capacity and shall make it available, upon request, to any subsequent holder of all or part of the Notes of such Series. A Representative shall be appointed when the Notes of a Series are held by more than one Noteholder.]

[RESPONSIBILITY]

(Relevant third party information) has been extracted from *(specify source)*. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by *(specify source)*, no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing(s): [Euronext Paris]/[Borsa Italiana]/other (*specify*) [Not Applicable]
- (ii) (a) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Paris] / [MOT] / [ExtraMOT] / [Euro TLX] / other (*specify*) with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Paris] / [MOT] / [ExtraMOT] / [Euro TLX] / other (*specify*) with effect from [●].] / [Not Applicable]
- [The [first / (*specify*)] Tranche(s) of the Notes are already listed as from [its/their respective] issue date.]
- (Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*
- (b) [Regulated Markets or equivalent markets on which, to the knowledge of the Issuer, securities of the same class of the Notes to be offered or admitted to trading are already admitted to trading: [●] / [Not Applicable]]
- (iii) [Estimate of total expenses related to admission to trading: [●]²¹]

2. RATINGS

- Ratings: [The Notes to be issued have not been rated.] / [The Notes to be issued have been rated / The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally:
- [Standard & Poor's Global Ratings: [●]]
 [Moody's Investors Services Inc.: [●]]
 [Fitch Ratings: [●]]
 [[Other]: [●]]
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*
- [Each such credit rating agency is established in the European Union and is registered under Regulation (EU)

²¹ Required only for Notes with a denomination per unit of at least €100,000.

N° 1060/2009 (as amended) (the **CRA Regulation**). Each of Standard & Poor's Global Ratings, Moody's Investors Services Inc. and Fitch Ratings are included in the list of credit rating agencies published by the European Security and Markets Authority on its website (www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the CRA Regulation.]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

[Save for any fees of *[insert relevant fee disclosure]* payable to the Managers in connection with the Issue of the Notes, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

[When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under article 16 of the Prospectus Directive.]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[Not applicable]²²

- | | | |
|-------|----------------------------|--|
| (i) | [Reasons for the offer: | <p>[●]</p> <p><i>(See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from general corporate purposes will need to include those reasons here.)</i>²³</p> |
| (ii) | [Estimated net proceeds: | <p>[●]</p> <p><i>(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)</i>²⁴</p> |
| (iii) | [Estimated total expenses: | <p>[●]. <i>[Include breakdown of expenses.]</i>²⁵</p> <p><i>(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)</i></p> |

22 Include only for Notes with a denomination per unit of at least €100,000.

23 Not required for Notes with a denomination per unit of at least €100,000.

24 Not required for Notes with a denomination per unit of at least €100,000

25 Not required for Notes with a denomination per unit of at least €100,000.

5. Fixed Rate Notes only – YIELD

[Not Applicable]²⁶

Indication of yield: [●].²⁷

Calculated as *[include specific details of method of calculation in summary form]* on the Issue Date.

6. Floating Rate Notes only - INFORMATION ON FLOATING RATE NOTES

[Not Applicable]²⁸

[Details of historic [EURIBOR/LIBOR/CMS] rates can be obtained from [Reuters/other]].²⁹

[Benchmark: Amounts payable under the Notes will be calculated by reference to [EURIBOR / LIBOR / CMS] which is provided by [●]. [As at [●], [●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the **Benchmarks Regulation**).] [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [●] is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence)]³⁰

7. OPERATIONAL INFORMATION

ISIN Code: [●]

Common Code: [●]

Depositories:

(i) Euroclear France to act as Central Depository: [Yes/No] *[(include for Notes admitted to trading on Borsa Italiana) (through its bridge account with Monte Titoli)]*

(ii) Common Depository for Euroclear Bank SA/NV and Clearstream Banking S.A.: [Yes/No] *[(include for Notes admitted to trading on Borsa Italiana) (through its bridge account with Monte Titoli)]*

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/give name(s), number(s) and addresses]

Delivery: Delivery [against/free of] payment

²⁶ Include where the Notes are not Fixed Rate Notes.

²⁷ Include where the Notes are Fixed Rate Notes

²⁸ Include where the Notes are not Floating Rate Notes.

²⁹ Include where the Notes are Floating Rate Notes

³⁰ Include where the Notes are Floating Rate Notes

Names and addresses of additional Paying Agent(s) (if any): [●]

8. DISTRIBUTION *(Items identified below with *** are not required for Notes with a denomination of at least €100,000)*

- (i) Method of distribution: [Syndicated /Non-syndicated]
- (ii) If syndicated, names [and addresses***] of Managers [and underwriting commitments***]: [Not Applicable/give names[, addresses and underwriting commitments***]
*[(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)***]*
- (iii) [Date of [Subscription] Agreement: [●]***
- (iv) Stabilising Manager(s) (including addresses) (if any): [Not Applicable/give name]
- (v) If non-syndicated, name [and address***] of Dealer: [Not Applicable/give name [and address***]]
- (vi) Total commission and concession***: [●] per cent. of the Aggregate Nominal Amount***
- (vii) U.S. Selling Restrictions: The Issuer is Category 2 for the purposes of Regulation S under the U.S. Securities Act of 1933, as amended.

[TEFRA C/ TEFRA D/ TEFRA not applicable]
(TEFRA rules are not applicable to Dematerialised Notes)
- (viii) [Non-exempt Offer***: [Not Applicable] [An offer of the Notes may be made by the Managers [and [specify, if applicable]] other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported] (**Public Offer Jurisdictions**) during the period from [specify date] until [specify date] (**Offer Period**)./[other (please include an alternative wording where public offer is made in Italy through distributor[s]that are/is not themself/itself offeror[s] and are/is placing the notes in a non-retail cascade scenario)]] (See further Paragraph 9 of Part B below.]
- (ix) Prohibition of Sales to EEA Retail [Not applicable/Applicable]

Investors:

(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified. For the purpose of the above, a "packaged" product shall designate a "packaged retail investment product" which means in accordance with Regulation (EU) No 1286/2014 of 26 November 2014 an investment, where, regardless of the legal form of the investment, the amount repayable to the retail investor is subject to fluctuations because of exposure to reference values or to the performance of one or more assets which are not directly purchased by the retail investor)

9. TERMS AND CONDITIONS OF THE OFFER³¹

[Not Applicable]³²

CONDITIONS, OFFER STATISTICS, EXPECTED TIMETABLE AND ACTION REQUIRED TO APPLY FOR THE OFFER

Conditions to which the offer is subject: [●] *(please insert here, inter alia, categories of potential investors to which the Notes are offered)*

Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the amount of the offer: [●]

The time period, including any possible amendments, during which the offer will be open and description of the application process: [●] /

[Prospective investors may apply to the relevant distributor to subscribe for Notes in accordance with the arrangements existing between the relevant distributor and its customers relating to the subscription of securities generally.

Investors will be notified by the relevant distributor of the amount allotted. Dealings may begin on or around the Issue Date.

Prospective investors will not be required to enter into any contractual arrangements directly with the Issuer in relation to the subscription for the Notes.]

*** Not required for Notes with a denomination of at least €100,000.

³¹ Not required for Notes with a denomination of at least €100,000.

³² Include only for Notes with a denomination per unit of at least €100,000.

A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants: [●]

Details of the minimum and/or maximum amount of application, (whether in number of securities or aggregate amount to invest): [●]

Method and time limits for paying up the securities and for delivery of the Notes: [●]

A full description of the manner and date in which results of the offer are to be made public: [●]

The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised: [●]

10. PLAN OF DISTRIBUTION AND ALLOTMENT³³

[Not Applicable]³⁴

Whether a tranche has been or is being reserved for certain countries, indicate any such tranche: [●]

Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made: [●]

11. PRICING³⁵

[Not Applicable]³⁶

Indication of the expected price at which the securities will be offered. Indicate the amount of any expenses and taxes specifically charged to the subscriber or purchaser: [●]

12. PLACING AND UNDERWRITING³⁷

³³ Not required for Notes with a denomination of at least €100,000

³⁴ Include only for Notes with a denomination per unit of at least €100,000.

³⁵ Not required for Notes with a denomination of at least €100,000.

³⁶ Include only for Notes with a denomination per unit of at least €100,000.

³⁷ Not required for Notes with a denomination of at least €100,000.

[Not Applicable]³⁸

Consent of the Issuer to use the Prospectus during the Offer Period:

[Not Applicable / Applicable with respect to any Authorised Offeror specified below]

Authorised Offeror(s) in the various countries where the offer takes place:

[Not Applicable / Name(s) and address(es) of the financial intermediary(ies) appointed by the Issuer to act as Authorised Offeror(s)/ Any financial intermediary which satisfies the conditions set out below in item "Conditions attached to the consent of the Issuer to use the Prospectus"]

Conditions attached to the consent of the Issuer to use the Prospectus:

[Not Applicable / Where the Issuer has given a general consent to any financial intermediary to use the Prospectus, specify any additional conditions to or any condition replacing those set out on page 5 of the Base Prospectus or indicate "See conditions set out in the Base Prospectus".]

Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under 'best efforts' arrangements. Where not all of the issue is underwritten, a statement of the portion not covered:

[Not Applicable]/[●]

[ANNEX –ISSUE SPECIFIC SUMMARY]

[insert the issue specific summary as applicable]

[ANNEXE – RÉSUMÉ DE L'ÉMISSION]

[insérer le résumé de l'émission le cas échéant]

SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 14 September 2018 between the Issuer, the Permanent Dealers and the Arranger (the **Dealer Agreement**), the Notes will be offered by the Issuer to the Permanent Dealers (other than HSBC France). However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for its expenses incurred in connection with the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealers have agreed to indemnify the Issuer against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling Restrictions

General

These selling restrictions may be modified or supplemented by the agreement of the Issuer and the Dealers in particular following a change in a relevant law, regulation or directive.

Each Dealer has agreed that it will comply, to the best of its knowledge, with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Dealer shall have responsibility therefore.

European Economic Area

If the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA 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 made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in a Member State of the European Economic Area (**EEA**) except that it may make an offer of such Notes to the public in that Member State of the EEA:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member 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 Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;
- (b) at any time to any legal entity which is a qualified investor as defined under the Prospectus Directive;

- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) 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 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in paragraphs (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Member State of the EEA means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State of the EEA by any measure implementing the Prospectus Directive in that Member State of the EEA and the expression **Prospectus Directive** means Directive 2003/71/EC, as amended.

Prohibition of Sales to EEA retail investors

If the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Applicable", each Dealer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. 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 Directive 2014/65/EU (as amended, **MiFID II**); or
 - (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the **Prospectus Directive**); and
- (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account of benefit of, U.S. persons except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Dealer Agreement, it will not offer or sell or, in the case of Materialised Notes, deliver the Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the relevant lead manager, within the United States

or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of an identifiable Tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such Tranche of Notes) may violate the registration requirements of the Securities Act.

Materialised Notes having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations thereunder.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States is unauthorised and any disclosure without prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

United Kingdom

Each Dealer has represented, warranted and agreed that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the **FSMA**) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended: the **FIEA**). Accordingly, each of the Dealers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to or for the benefit of a resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEA and any other relevant laws, regulations and ministerial guidelines of Japan.

France

Each of the Dealers and the Issuer has represented and agreed that:

(i) **Offer to the public in France:**

it has only made and will only make an offer of Notes to the public (*offre au public*) in France during the period (a) beginning on the date of publication of the Final Terms relating to the offer of Notes and (b) ending at the latest on the date which is 12 months after the date of the visa of the *Autorité des marchés financiers* (the **AMF**) on the Base Prospectus, all in accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the provisions of the *Règlement général* of the AMF; or

(ii) **Private placement in France:**

it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and shall only be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals, investing for their own account, all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier* and other applicable regulations.

Hong Kong

Neither this Base Prospectus (nor any other offering material relating to the Notes) has been authorised by the Securities and Futures Commission in Hong Kong, nor has this Base Prospectus (and/or any other offering material relating to the Notes) been registered by the Registrar of Companies in Hong Kong. Accordingly, each Dealer has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (the **SFO**) other than (i) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent); or (ii) to "professional investors" as defined in the SFO and any rules made under the SFO; or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **C(WUMP)O**) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Republic of Italy

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that, unless specified in the relevant Final Terms that a non exempt offer may be made in Italy, the offering of the Notes has not been registered pursuant to Italian securities legislation and,

accordingly, no Notes may be offered, sold or delivered, nor may copies of this Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of the Legislative Decree no. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Article 34-ter, paragraph 1(b) of CONSOB Regulation no. 11971 of 14 May 1999, as amended (the **Regulation No. 11971**); or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of the Regulation No. 11971.

Each Dealer has also represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that any offer, sale, transfer or delivery of the Notes or distribution of copies of this Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes in the Republic of Italy under (a) or (b) above must:

- (i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, Legislative Decree no. 385 of 1 September 1993 (the **Banking Act**), CONSOB Regulation no. 20307 of 15 February 2018, all as amended from time to time;
- (ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Please note that in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offering applies, Notes which are initially offered and placed in Italy or abroad to qualified investors only but in the following year are systematically (“sistematicamente”) distributed on the secondary market in Italy become subject to the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

Belgium

With regard to Notes having a maturity of less than 12 months and/or qualifying as money market instruments within the meaning of the Belgian Prospectus Act (as defined below) (and which therefore fall outside the scope of the Prospectus Directive), this Base Prospectus has not been, and it is not expected that it will be, submitted for approval to the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten / Autorité des services et marchés financiers*) (the **Belgian FSMA**). Accordingly no action will be taken, and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that (i) it shall refrain from taking any action, that would be characterised as or result in a public offering of such Notes in Belgium in accordance with the Prospectus Law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets, as amended or replaced from time to time (the **Belgian Prospectus Act**) and (ii) it has not offered or sold and it will not offer or sell or otherwise make available in Belgium the Notes to, consumers (*consumenten/consommateurs*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*).

The Materialised Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with Article 4 of the Belgian Law of 14 December 2005.

GENERAL INFORMATION

- (1) This Base Prospectus has been approved by the AMF, as competent authority in France for the purposes of the Prospectus Directive.

Application has been made for the delivery by the AMF of a certificate of approval specifying that the Base Prospectus has been drawn up in accordance with the Prospectus Directive to the *Autorité des marchés financiers* (AMF), as competent authority in Luxembourg for the purposes of the Prospectus Directive. In compliance with Article 18 of the Prospectus Directive, such notification may also be made from time to time at the Issuer's request to any other competent authority of any other Member State of the EEA.

- (2) The Issuer has obtained all necessary consents, approvals and authorisations in France in connection with the update of the Programme. Any issuance of Notes under the Programme, to the extent that such Notes constitute obligations under French law, require the decision of the Board of Directors (*Conseil d'Administration*) of the Issuer or, as the case may be, the decision of any person acting by delegation of the Board of Directors (*Conseil d'Administration*) of the Issuer. For this purpose the Board of Directors (*Conseil d'Administration*) of the Issuer has delegated on 26 July 2018 to Jean Beunardeau, Chief Executive Officer (*Directeur Général*), and pursuant to his proposal, to Andrew Wild, Executive Director and Deputy Chief Executive Officer (*Administrateur et Directeur Général Délégué*), to Laurence Rogier, Chief Financial Officer (*Directrice Financière*) and to Xavier Boisseau, Harry-David Gauvin, Yonathan Ebguay and François Goberville all powers to issue obligations and to determine their final terms and conditions, up to a maximum aggregate amount of € 15,000,000,000 (or its equivalent in any other currency) for 1 year from 26 July 2018. Any issue of Notes, to the extent that such Notes do not constitute obligations under French law, fall within the general powers of the *directeur général* or a *directeur général délégué* of the Issuer.
- (3) Except as disclosed on pages 9 and 58 of the Update to the 2017 Registration Document, there has been no significant change in the financial position of the Issuer or the Group since 30 June 2018.
- (4) There has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2017.
- (5) Except as disclosed in the Base Prospectus, there are no recent events that the Issuer considers as material for investors since the date of the last published financial statements.
- (6) Except as disclosed on pages 182 and 183 of the 2017 Registration Document and pages 53 to 54 of the Update to the 2017 Registration Document, neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceeding which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer.
- (7) Application may be made for Notes to be accepted for clearance through Clearstream (42 avenue JF Kennedy, 1855 Luxembourg, Luxembourg), Euroclear (boulevard du Roi Albert II, 1210 Bruxelles, Belgique) and Euroclear France (66 rue de la Victoire, 75009 Paris, France). The Common Code and the International Securities Identification Number (ISIN) or the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.
- (8) This Base Prospectus will be published on the websites of (a) the Autorité des marchés financiers (www.amf-france.org) during at least a period of twelve months from the date of the Base Prospectus and (b) the Issuer (www.hsbc.fr). So long as Notes are admitted to trading on any Regulated Market of the EEA and/or offered to the public in any Member State of the EEA in accordance with the

Prospectus Directive, the relevant Final Terms and Base Prospectus will be published on the websites of the (a) Autorité des marchés financiers (www.amf-france.org) and (b) Issuer (<http://www.about.hsbc.fr/investor-relations/debt-issuance>).

- (9) So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available, free of charge, during usual business hours on any weekday (Saturdays and public holidays excepted), at the registered office of the Issuer and at the specified office of the Paying Agent(s) for the time being in Paris:
- (i) the *statuts* of the Issuer;
 - (ii) the consolidated audited financial statements of the Issuer in respect of the financial years ended 31 December 2016 and 2017;
 - (iii) the most recently published annual consolidated audited financial statements of the Issuer and the most recently published unaudited consolidated semi-annual financial statements of the Issuer;
 - (iv) the Agency Agreement (which includes the form of *Lettre Comptable*, the Temporary Global Certificates, the Definitive Materialised Notes, the Coupons and the Talons);
 - (v) a copy of this Base Prospectus together with any supplement to this Base Prospectus or further Base Prospectus; and
 - (vi) a copy of the Final Terms for Notes that are (i) listed on Euronext Paris, or MOT, or admitted to trading on ExtraMOT or Euro TLX or any other Regulated Market of the EEA and/or (ii) offered to the public in any Member State of the EEA, in accordance with the Prospectus Directive, so long as such Notes are outstanding. Final Terms relating to Notes not listed and admitted to trading nor offered to the public in a Member State of the EEA will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity; and
 - (vii) any translations of the offering documentation prepared in the context of a public offer of the Notes (if applicable).
- (10) For certain information as to the taxation of saving income, see "*Taxation*" in pages 103 to 111 above.
- (11) The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.
- (12) In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.
- (13) The Programme is currently rated AA- by Standard & Poor's Global Ratings, Aa3 by Moody's Investors Services Inc. and AA- by Fitch Ratings. The long term debt of the Issuer is currently rated AA- (with stable outlook) by Standard & Poor's Global Ratings, Aa3 (with stable outlook) by Moody's Investors Services Inc. and AA- (with stable outlook) by Fitch Ratings.
- (14) In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the Stabilising Manager(s)) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting

the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the Final Terms of the offer of the relevant Tranche is made and, if begun, may cease at any time, but it must end no later than the earlier of thirty (30) days after the issue date of the relevant Tranche and sixty (60) days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and rules.

- (15) Amounts payable under the Notes may be calculated by reference to one or more "benchmarks" for the purposes of Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 (the **Benchmarks Regulation**). In this case, a statement will be included in the applicable Final Terms as to whether or not the relevant administrator of the "benchmark" is included in ESMA's register of administrators under Article 36 of the Benchmarks Regulation.

RESPONSIBILITY STATEMENT

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

HSBC France

103, avenue des Champs Elysées

75008 Paris

France

Represented by Mr. Xavier Boisseau

in charge of the *Banque de marchés* (*responsable à la Banque de marchés*)

Duly authorised

Dated 14 September 2018



In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement général*) of the French *Autorité des marchés financiers* (**AMF**), in particular Articles 211-1 to 216-1, the AMF has granted to this Base Prospectus the *visa* n°18-433 on 14 September 2018. This Base Prospectus has been prepared by the Issuer and its signatories assume responsibility for it. This document may only be used for the purposes of a financial transaction if completed by Final Terms. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the *visa* has been granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information in it is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it. This *visa* has been granted subject to the publication of Final Terms in accordance with Article 212-32 of the AMF's General Regulations, setting out the terms of the securities being issued.

REGISTERED OFFICE OF THE ISSUER

HSBC France

103, avenue des Champs Elysées
75008 Paris
France
Tel: +33 1 40 70 70 40

ARRANGER

HSBC Bank plc

8 Canada Square
London E14 5HQ
United Kingdom

DEALERS

HSBC Bank plc

8 Canada Square
London E14 5HQ
United Kingdom

HSBC France

103, avenue des Champs Elysées
75008 Paris
France

FISCAL AGENT AND PRINCIPAL PAYING AGENT

BNP Paribas Securities Services

3,5,7, rue du Général Compans
93500 Pantin
France

CALCULATION AGENT

HSBC Bank plc

8 Canada Square
London E14 5HQ
United Kingdom

AUDITORS OF THE ISSUER

PricewaterhouseCoopers Audit

63, rue de Villiers
92200 Neuilly-sur-Seine
France

BDO France - Léger&Associés

113, rue de l'Université
75007 Paris
France

LEGAL ADVISERS

To the Arranger and the Dealers

Allen & Overy LLP

52, avenue Hoche
75008 Paris
France

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

Final Terms dated 10 January 2019



HSBC France

LEI: F0HUIINYIAZMJMD8LP67

**Issue of USD 277,000,000 Zero Coupon Callable Notes due January 2049
under the € 20,000,000,000
Euro Medium Term Note Programme**

Issue Price: 100.00 per cent.

HSBC Bank (Taiwan) Limited
Cathay United Bank Co., Ltd.
(the **Managers**)

PART A– CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the **Conditions**) set forth in the Base Prospectus dated 14 September 2018 which received visa no. 18-433 from the *Autorité des marchés financiers* (the **AMF**) on 14 September 2018 which constitutes a base prospectus for the purposes of the Prospectus Directive, as amended from time to time (the **Base Prospectus**). The expression **Prospectus Directive** means Directive 2003/71/EC (as amended), and includes any relevant implementing measure in the Relevant Member State.

This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive, as amended from time to time and must be read in conjunction with such Base Prospectus, as so supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. These Final Terms, the Base Prospectus is available for viewing on the websites of the *Autorité des marchés financiers* (www.amf-france.org) and the Issuer

<http://www.about.hsbc.fr/investor-relations/debt-issuance>) at least during a period of twelve months from the date of the Base Prospectus, and during normal business hours at the registered office of the Issuer and at the specified office of the Paying Agent(s) where copies may be obtained.

1.
 - (i) Series Number: Not Applicable
 - (ii) Tranche Number: Not Applicable
 - (iii) Date on which the Notes will be consolidated and form a single Series: Not Applicable
2. Specified Currency or Currencies: U.S. Dollars (USD)
3. Aggregate Nominal Amount of Notes:
 - (i) Series: USD 277,000,000
 - (ii) Tranche: USD 277,000,000
4. Issue Price: 100.00 per cent. of the Aggregate Nominal Amount
5. Specified Denomination: USD 200,000
6.
 - (i) Issue Date: 23 January 2019
 - (ii) Interest Commencement Date *(if different from the Issue Date)*: Not Applicable
7. Maturity Date: 23 January 2049
8. Interest Basis: Zero Coupon
9. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 432.1942375 per cent. of their nominal amount.

(further particulars specified below)
10. Change of Interest Basis: Not Applicable
11. Put/Call Options: Issuer Call
12.
 - (i) Status of the Notes: senior preferred
 - (ii) Date of Board approval for issuance of Notes obtained: Authorisation of the Board of Directors (*Conseil d'Administration*) of the Issuer dated 26 July 2018

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed Rate Note Provisions: Not Applicable

14. Floating Rate Note Provisions:

Not Applicable

15. Zero Coupon Note Provisions

Applicable

(i) Amortisation Yield:

Optional Redemption Dates	Amortised Nominal Amount	Amortisation Yield
23 January 2024	353,529,992.95	127.6281563%
23 January 2025	371,206,492.56	134.0095641%
23 January 2026	389,766,817.17	140.7100423%
23 January 2027	409,255,157.99	147.7455444%
23 January 2028	429,717,915.83	155.1328216%
23 January 2029	451,203,811.68	162.8894627%
23 January 2030	473,764,002.17	171.0339358%
23 January 2031	497,452,202.30	179.5856326%
23 January 2032	522,324,812.33	188.5649142%
23 January 2033	548,441,052.92	197.9931599%
23 January 2034	575,863,105.58	207.8928179%
23 January 2035	604,656,260.88	218.2874588%
23 January 2036	634,889,074.09	229.2018318%
23 January 2037	666,633,527.82	240.6619234%
23 January 2038	699,965,204.02	252.6950195%
23 January	734,963,464.29	265.3297705%

2039		
23 January 2040	771,711,637.43	278.5962590%
23 January 2041	810,297,219.44	292.5260720%
23 January 2042	850,812,080.41	307.1523756%
23 January 2043	893,352,684.49	322.5099944%
23 January 2044	938,020,318.66	338.6354941%
23 January 2045	984,921,334.58	355.5672688%
23 January 2046	1,034,167,401.19	373.3456322%
23 January 2047	1,085,875,771.23	392.0129138%
23 January 2048	1,140,169,559.82	411.6135595%

(ii) Day Count Fraction: 30/360 Unadjusted

PROVISIONS RELATING TO REDEMPTION

16. Issuer's optional redemption (Call): Applicable
(Condition 7(b))

(i) Optional Redemption Amount: As set out in Condition 7(b), the Optional Redemption Amount is the Amortised Nominal Amount for Zero Coupon Notes – Please refer to the Amortised Nominal Amount set out in item 15(i) above.

(ii) Series redeemable in part: Not Applicable

(iii) Optional Redemption Dates: Please refer to the Optional Redemption Dates set out in item 15(i) above

(iv) Notice periods: No less than 5 business days

17. Noteholder's optional redemption (Put): Not Applicable

18. Final Redemption Amount of each Note: 432.1942375 per cent. of Specified Denomination

19. Early Redemption Amount:
- (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default: Fair Market Value – Fair Market Value Floor: Not Applicable
 - (ii) Early Redemption for taxation reasons on days other than Interest Payment Dates: Yes

GENERAL PROVISIONS APPLICABLE TO THE NOTES

20. Form of Notes: Dematerialised Notes
- (i) Form of Dematerialised Notes: bearer form (*au porteur*)
 - (ii) Registration Agent: Not Applicable
 - (iii) Temporary Global Certificate: Not Applicable
21. Financial Centre(s) for the purposes of Condition 8(g): London, New York and Taipei
22. Talons for future Coupons to be attached to Definitive Materialised Notes (and dates on which such Talons mature): Not Applicable
23. Redenomination, renominatisation and reconventioning provisions: Not Applicable
24. Purchase in accordance with applicable laws and regulations referred to in Condition 7(f): Applicable
25. Consolidation provisions: Not Applicable
26. Masse (Condition 12):
- Name and address of the Representative:
- DIIS Group
12, rue Vivienne
75002 Paris
France
- Contact@diisgroup.com
- The Representative will receive a remuneration of EUR 350 (excluding VAT) per year.

RESPONSIBILITY

Signed on behalf of the Issuer:

By:

.....
Duly authorised

A handwritten signature in black ink, consisting of a stylized 'f' followed by a long horizontal stroke that curves upwards at the end.

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing(s): Taipei Exchange (the **TPEX**)
- (ii) (a) Admission to trading: Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on TPEX with effect from 23 January 2019. No assurance can be given as to whether or not, or when, such application will be granted.
- TPEX is not responsible for the contents of the Base Prospectus and this Final Terms and any supplement or amendment thereto and no representation is made by TPEX to the accuracy or completeness of the Base Prospectus and this Final Terms and any supplement or amendment thereto. TPEX expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of the Base Prospectus and this Final Terms and any supplement or amendment thereto. Admission to the listing and trading of the Notes on the TPEX shall not be taken as an indication of the merits of the Issuer or the Notes.
- (b) Regulated Markets or equivalent markets on which, to the knowledge of the Issuer, securities of the same class of the Notes to be offered or admitted to trading are already admitted to trading: Luxembourg, Euronext Paris
- (iii) Estimate of total expenses related to admission to trading: 70,000 New Taiwan dollars

2. RATINGS

Ratings: The Notes to be issued have not been rated.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Managers in connection with the Issue of the Notes, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

Not applicable

5. **Fixed Rate Notes only – YIELD**

Not Applicable

6. *Floating Rate Notes only* - **INFORMATION ON FLOATING RATE NOTES**

Not Applicable

7. **OPERATIONAL INFORMATION**

ISIN Code: FR0013393113

Common Code: 193262821

Depositories:

(i) Euroclear France to act as Central
Depository: Yes

(ii) Common Depository for
Euroclear Bank SA/NV and
Clearstream Banking S.A.: No

Any clearing system(s) other than
Euroclear Bank SA/NV and Clearstream
Banking S.A. and the relevant
identification number(s): Not Applicable

Delivery: Delivery against payment

Names and addresses of additional Paying
Agent(s) (if any): Not Applicable

8. **DISTRIBUTION**

(i) Method of distribution: Syndicated

(ii) If syndicated, names of Managers: HSBC Bank (Taiwan) Limited
Cathay United Bank Co., Ltd.
(the **Managers**)

(iii) Stabilising Manager(s) (including
addresses) (if any): Not Applicable

(iv) If non-syndicated, name of Dealer: Not Applicable

(v) U.S. Selling Restrictions: The Issuer is Category 2 for the purposes of
Regulation S under the U.S. Securities Act of 1933, as
amended.

TEFRA not applicable

Additional Selling Restrictions The Notes may not be offered, sold or re-sold, directly

or indirectly, to investors other than "Professional Institutional Investors" as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the Republic of China (the ROC). Purchasers of the Notes are not permitted to sell or otherwise dispose of the Notes except by transfer to the aforementioned Professional Institutional Investors.

(vi) Prohibition of Sales to EEA Retail Investors: Not Applicable

9. TERMS AND CONDITIONS OF THE OFFER

Not Applicable

10. PLAN OF DISTRIBUTION AND ALLOTMENT

Not Applicable

11. PRICING

Not Applicable

12. PLACING AND UNDERWRITING

Not Applicable

13. ROC TAXATION

The following summary of certain taxation provisions under ROC law is based on current law and practice and that the Notes will be issued, offered, sold and re-sold to professional institutional investors as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the ROC only. It does not purport to be comprehensive and does not constitute legal or tax advice. Investors (particularly those subject to special tax rules, such as banks, dealers, insurance companies and tax-exempt entities) should consult with their own tax advisers regarding the tax consequences of an investment in the Notes.

Interest on the Notes

As the Issuer is not an ROC statutory tax withholder, there is no ROC withholding tax on the interest or deemed interest to be paid on the Notes.

ROC corporate holders must include the interest or deemed interest receivable under the Notes as part of their taxable income and pay income tax at a flat rate of 20 per cent. (unless the total taxable income for a fiscal year is under NT\$500,000), as they are subject to income tax on their worldwide income on an accrual basis. The alternative minimum tax (AMT) is not applicable.

Sale of the Notes

In general, the sale of corporate bonds or financial bonds is subject to a 0.1 per cent. securities transaction tax (STT) on the transaction price. However, Article 2-1 of the Securities Transaction Tax Act of the ROC prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds from 1 January 2010 to 31 December 2026. Therefore, the sale of the Notes will be exempt from STT if the sale is conducted on or before 31 December 2026. Starting from 1 January 2027, any sale of

the Notes will be subject to STT at 0.1 per cent. of the transaction price, unless otherwise provided by the tax laws that may be in force at that time.

Capital gains generated from the sale of bonds are exempt from income tax. Accordingly, ROC corporate holders are not subject to income tax on any capital gains generated from the sale of the Notes. However, ROC corporate holders should include the capital gains in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT exceeds the ordinary income tax calculated pursuant to the Income Basic Tax Act of the ROC (also known as the AMT Act), the excess becomes the ROC corporate holders' AMT payable. Capital losses, if any, incurred by such holders could be carried over 5 years to offset against capital gains of the same category of income for the purposes of calculating their AMT.

14. ROC SETTLEMENT AND TRADING

The Notes will be settled through Euroclear France. Euroclear and Clearstream each has an account opened with Euroclear France. Therefore, investors having an account opened with Euroclear and Clearstream may settle the Notes indirectly through Euroclear France. Investors with a securities book-entry account with a ROC securities broker and a foreign currency deposit account with a ROC bank may request the approval of the Taiwan Depository & Clearing Corporation (TDCC) to the settlement of the Notes through the account of TDCC with Euroclear or Clearstream and, if such approval is granted by the TDCC, the Notes may be so cleared and settled. In such circumstances, TDCC will allocate the respective book-entry interest of such investors in the Notes to the securities book-entry account designated by the investors in the ROC. The Notes will be traded and settled pursuant to the applicable rules and operating procedures of TDCC and the TPEx as domestic bonds.

In addition, an investor may apply to TDCC (by filing in a prescribed form) to transfer the Notes in its own account with Euroclear or Clearstream to the TDCC account with Euroclear or Clearstream for trading in the domestic market or vice versa for trading in overseas markets.

For holders who hold their interests in the Notes through an account opened and held by TDCC with Euroclear or Clearstream, distributions of principal and/or interest for the Notes to such holders may be made by payment services banks whose systems are connected to TDCC to the foreign currency deposit accounts of the holders. Such payment is expected to be made on the second Taiwanese business day following TDCC's receipt of such payment (due to time difference, the payment is expected to be received by TDCC one Taiwanese business day after the distribution date). However, when the holders will actually receive such distributions may vary depending upon the daily operations of the ROC bank with which a holder has its foreign currency deposit account.

15. ADDITIONAL RISK FACTORS

Application will be made for the listing of the Notes on TPEx. No assurance can be given as to whether the Notes will be, or will remain, listed on TPEx. If the Notes fail to or cease to be listed on TPEx, certain investors may not invest in, or continue to hold or invest in, the Notes.