



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 *Commission de Surveillance du Secteur Financier* in Luxembourg (the **CSSF**).

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 (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in the relevant Member State of the European Economic Area) (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 CSSF in its capacity as competent authority for the purposes of the Prospectus Directive in Luxembourg under the *loi relative aux prospectus pour valeurs mobilières* dated 10 July 2005 implementing the Prospectus Directive in Luxembourg (the **Prospectus Act 2005**) for the approval of this Base Prospectus as a base prospectus for the purposes of the Prospectus Directive.

By approving this Base Prospectus, the CSSF assumes no responsibility as to the economic or financial soundness of the transactions contemplated by this Base Prospectus or the quality and solvency of the Issuer in accordance with the provisions of article 7(7) of the Prospectus Act 2005.

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC dated 21 April 2004 (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**) 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, 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 S.A./N.V. (**Euroclear**) and the depository bank for Clearstream Banking, société anonyme (**Clearstream, Luxembourg**), 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 40<sup>th</sup> 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, Luxembourg, be deposited on the issue date with a common depository for Euroclear and Clearstream, Luxembourg, 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, Luxembourg or delivered outside a clearing system, be deposited as agreed between the Issuer and the Relevant Dealer (as defined below).

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/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)) 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 and any document incorporated by reference therein are available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the website of the Issuer (for the Base Prospectus: [www.hsbc.fr/1/2/hsbc-france/entreprises-institutionnels/placements/nos-solutions-de-placement-individuelles/emissions-obligataires](http://www.hsbc.fr/1/2/hsbc-france/entreprises-institutionnels/placements/nos-solutions-de-placement-individuelles/emissions-obligataires) and for any document incorporated by reference: [www.hsbc.fr/1/2/hsbc-france/a-propos-d-hsbc/informations-financieres/information-reglementee](http://www.hsbc.fr/1/2/hsbc-france/a-propos-d-hsbc/informations-financieres/information-reglementee)).

**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 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 document and/or information which is or may be incorporated herein by reference in accordance with Article 15 of the Prospectus Act 2005 implementing the Prospectus Directive in Luxembourg and Article 28 of the European Commission Regulation N°809/2004 (as amended) (see "Documents incorporated by Reference" below).**

**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.**

**The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. 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".**

**The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the Securities Act) or with any securities regulatory authority of any state or other jurisdiction of the United States and the Notes may include Materialised Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold or, in the case of Materialised Notes in bearer form, delivered within the United States or to, or for the account or benefit of, United States persons as defined in Regulation S under the Securities Act (Regulation S) or, in the case of certain Materialised Notes in bearer form, the U.S. Internal Revenue Code of 1986 and regulations thereunder. The Notes are being offered and sold outside the United States to non-U.S. Persons in reliance on Regulation S.**

**This Base Prospectus has not been submitted to the clearance procedures of the *Autorité des marchés financiers*.**

**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 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, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. 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 be ended 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.**

**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.**

## 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 consents 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) subject to conditions set out in the relevant Final Terms, any financial intermediary designated in such 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 guidance 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; (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 permissions 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 anti-money laundering, anti-bribery and "know your client" rules applying 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 CSSF.

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 [www.hsbc.fr/1/2/hsbc-france/entreprises-institutionnels/placements/nos-solutions-de-placement-individuelles/emissions-obligataires](http://www.hsbc.fr/1/2/hsbc-france/entreprises-institutionnels/placements/nos-solutions-de-placement-individuelles/emissions-obligataires).

**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 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, 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 price allocations and settlement arrangements (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.**

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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.

<b>Section A - Introduction and warnings</b>		
<b>A.1</b>	<b>General disclaimer regarding the summary</b>	<p>This summary should be read as an introduction to this Base Prospectus. 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 and any supplement from time to time. Where a claim relating to information contained in this Base Prospectus 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 or it does not provide, when read together with the other parts of this Base Prospectus, key information in order to aid investors when considering whether to invest in the Notes.</p>
<b>A.2</b>	<b>Information regarding consent by the Issuer to the use of the Prospectus</b>	<p>[Not applicable, the Notes have a denomination of at least €100,000 (or its equivalent in another currency)]</p> <p>[In the context of the offer of the Notes in [●] (<b>Public Offer Jurisdiction[s]</b>) which is not made within an exemption from the requirement to publish a prospectus under the Prospectus Directive, as amended (the <b>Public Offer</b>), the Issuer consents to the use of the Prospectus in connection with such Public Offer of any Notes during the period from [●] until [●] (the <b>Offer Period</b>) and in the Public Offer Jurisdiction[s] by [●] / [any financial intermediary] (the <b>Authorised Offeror[s]</b>). [The Authorised Offeror[s] must satisfy the following conditions: [●]]</p> <p>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.</p> <p>The Issuer accepts responsibility, in the Public Offer Jurisdiction[s], for the content of the Prospectus in relation to any person (an <b>Investor</b>) 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</p>

		<p>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.</p> <p><b>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 price allocations and settlement arrangements (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.]</b></p>
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<b>Section B – Issuer</b>		
<b>B.1</b>	<b>The legal and commercial name of the Issuer</b>	HSBC France (the Issuer).
<b>B.2</b>	<b>The domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation</b>	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).
<b>B.4b</b>	<b>A description of any known trends affecting the Issuer and the activities in which it operates</b>	Not applicable. There are no known trends affecting the Issuer and the industries in which it operates.
<b>B.5</b>	<b>Description of the Issuer's Group and the Issuer's position within the Group</b>	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.
<b>B.9</b>	<b>Profit forecast or estimate</b>	Not applicable. There is no profit forecast or estimate.
<b>B.10</b>	<b>Qualifications in the auditors'</b>	Not applicable, there is no qualification in the Statutory auditors' report. The Statutory auditors' report on the 2010 parent company financial statements, on page



	<b>report</b>	210 of the 2010 Registration Document, contains a remark. The Statutory auditors have stated that " <i>Without qualifying our opinion, we draw your attention to the matter set out in Note 1 c to the annual financial statements regarding the application of Comité de la Réglementation Comptable (CRC) Regulation 2009-03 concerning the recognition of fees received by credit institutions and incremental transaction costs incurred upon the granting or securing of loans.</i> "			
<b>B.12</b>	<b>Selected historical key financial information</b>	<b>HSBC France group</b> (in millions of euros)	<b>30/06/2012</b>	2011	2010
		Profit before tax	<b>234</b>	59	512
		Profit attributable to shareholders of the parent company	<b>193</b>	123	454
		Profit before tax for the HSBC Group's operations in France	<b>278</b>	191	628
		Loan impairment charges and other credit risk provisions	<b>42</b>	109	122
		Operating profit	<b>234</b>	59	512
		Cash and cash equivalents at the end of the period	<b>27,675</b>	29,033	30,091
		Shareholders' funds of the parent company	<b>5,060</b>	4,821	4,832
		Loans and advances to customers and banks	<b>84,370</b>	82,984	95,291
		Customer accounts and deposits by banks	<b>86,821</b>	75,234	86,055
		Total assets	<b>240,345</b>	221,390	210,836
		Total capital	<b>11.7%</b>	10.7%	12.0%
		Tier One capital	<b>11.7%</b>	10.7%	12.1%

	Notes	30 June 2012	30 June 2011
		<i>(in millions of euros)</i>	
Interest income		942	981
Interest expense		(452)	(547)
Net interest income		490	434
Fee income		492	533
Fee expense		(125)	(131)
Net fee income		367	402
Trading income		279	232
Net income from financial instruments designated at fair value		(65)	3
Gains less losses from financial investments		14	36
Dividend income		4	5
Other operating income		18	19
<b>Total operating income before loan impairment (charges)/releases and other credit risk provisions</b>		<b>1,107</b>	<b>1,131</b>
Loan impairment charges and other credit risk provisions	5	(42)	(42)
<b>Net operating income</b>		<b>1,065</b>	<b>1,089</b>
Employee compensation and benefits		(533)	(515)
General and administrative expenses		(271)	(279)
Depreciation of property, plant and equipment		(23)	(21)
Amortisation of intangible assets and impairment of goodwill		(4)	(4)
<b>Total operating expenses</b>		<b>(831)</b>	<b>(819)</b>
<b>Operating profit</b>		<b>234</b>	<b>270</b>
Share of profit in associates and joint ventures		-	-
<b>Profit before tax</b>		<b>234</b>	<b>270</b>
Tax expense		(40)	(42)
<b>Profit from continuing operations</b>		<b>194</b>	<b>228</b>
<b>Discontinued operations</b>			
Net profit on discontinued operations		-	-
<b>Profit for the period</b>		<b>194</b>	<b>228</b>
Profit attributable to shareholders of the parent company		193	228
Profit attributable to non-controlling interests		1	-
		<i>(in euros)</i>	

		<p>Basic earnings per ordinary share                    4                    <b>2.86</b>                    3.38</p> <p>Diluted earnings per ordinary share                    4                    <b>2.86</b>                    3.38</p> <p>Dividend per ordinary share                    4                    -                    1.75</p> <p>There has been no material adverse change in the prospects of the Issuer since 31 December 2011.</p>
<b>B.13</b>	<b>Recent material events relating to the Issuer's solvency</b>	<p>New products and services are offered to customers of the HSBC Group in France on a regular basis. Information is available on the Group's websites, in particular in the press releases posted at <a href="http://www.hsbc.fr">www.hsbc.fr</a>.</p> <ul style="list-style-type: none"> <li>- 24 October 2012: The Marseille Provence Métropole urban community successfully launches the first urban community bond issue, totalling 97 million euros over 15 years, with HSBC France as sole arranger.</li> <li>- 12 September 2012: HSBC France wins the financing contract for the new Clarins Group administration.</li> <li>- 13 July 2012: HSBC France and Crédit Agricole Cards and Payments sign a contract for processing transactions by bank card and domestic clearing and exchanges with market systems.</li> </ul>
<b>B.14</b>	<b>Extent to which the Issuer is dependent upon other entities within the Group</b>	Please refer to item B.5 above.
<b>B.15</b>	<b>Principal activities of the Issuer</b>	<p>HSBC France offers universal banking services to more than 823,000 personal customers and 116,000 business customers, through the expertise of its 10,850 staff in nearly 400 branches and offices. HSBC France's activity is focused on (i) Retail Banking and Wealth Management, Asset Management (ii) Commercial Banking, (iii) Global Banking and Markets and (iv) Private Banking.</p> <p>Retail Banking and Wealth Management, Asset Management: Retail Banking and Wealth Management offers individual services to personal and business customers with a wholistic approach to their financial needs. Capitalising on the HSBC Group synergies, HSBC in France continues to expand in its target segment, wealth management.</p> <p>With a strong presence in the largest French cities, Retail Banking and Wealth Management is supported by:</p> <ul style="list-style-type: none"> <li>- teams of experts and specialists dedicated to each customer profile (542 HSBC Premier Relationship Managers, 147 Relationship Business Managers and 43 wealth management and finance experts);</li> <li>- banking propositions tailored to customers aspirations: HSBC Premier and HSBC Advance;</li> <li>- a network of nearly 400 branches, including 32 HSBC Premier Centres, and direct branches.</li> <li>- Asset Management: Operating in 36 countries, HSBC Global Asset Management is the HSBC Group's asset management specialist and offers tailored investment solutions to its personal, corporate and institutional customers. In France, HSBC</li> </ul>

		<p>Global Asset Management is recognised as:</p> <ul style="list-style-type: none"> <li>- a major player on the emerging markets;</li> <li>- one of the world's leading distributors of mutual funds, with a range of funds from developed to emerging markets and includes equity, fixed-income, diversified, alternative, cash and multi-management investment strategies;</li> <li>- an expert in employee savings solutions for companies.</li> </ul> <p>Commercial Banking: The Commercial Banking business offers a broad range of domestic and international products and services to support a diverse corporate customer base, from VSEs to multinational corporations. It draws on:</p> <ul style="list-style-type: none"> <li>- a local presence in 65 countries and renowned expertise in supporting companies' international development, particularly in emerging markets;</li> <li>- Cash management, trade services, factoring and leasing experts;</li> <li>- a domestic network specialised by customer sizes and profiles, including 10 Corporate Banking Centres, 51 "Centres d'Affaires Entreprises" dedicated to SMEs and 15 dedicated "Pôles Entrepreneurs" to VSEs (very small enterprises);</li> <li>- direct branches for VSEs and Small and Medium Associations.</li> </ul> <p>Global Banking and Markets: HSBC's global and local scale mean that it is a reference in terms of supporting large companies and institutions in their projects and operations in France and internationally, thanks to the presence in some 30 countries. HSBC offers a comprehensive range of solutions, including:</p> <ul style="list-style-type: none"> <li>- corporate finance: commercial banking, payment and cash management, leveraged acquisition finance, property and structured finance;</li> <li>- investment banking: mergers and acquisitions, initial public offering (IPO), capital increases;</li> <li>- markets: including Fixed-Income, Currencies and Equity activities. Paris is one of the HSBC Group's four hubs (alongside London, Hong Kong and New York) and the Group's Centre of excellence for three activities: derivatives rates, euro rates and structured equity.</li> </ul> <p>Private Banking: HSBC Private Bank offers its high-net-worth customers in France and abroad a range of tailored products and services, through:</p> <ul style="list-style-type: none"> <li>- the expertise of the discretionary and advisory management teams;</li> <li>- a vast international network operating in 37 countries and territories;</li> <li>- major synergies with other HSBC France businesses, particularly with Commercial Banking and Corporate and Investment Banking.</li> </ul>
<b>B.16</b>	<b>Extent to which the Issuer is directly or indirectly owned or controlled</b>	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
<b>B.17</b>	<b>Credit ratings assigned to the</b>	[Not applicable, the Notes have not been rated.] / [The Notes to be issued have been rated [●] by [●] [and [●] by [●]].

	<b>Issuer or its debt securities</b>	<p>[[●]/[Each of [●] and [●]] is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 on credit rating agencies (the <b>CRA Regulation</b>) as amended by Regulation (EU) No. 513/2011. [[[●]]/[Each of [●] and [●]] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (www.esma.europa.eu/page/List-registered-and-certified-CRAs) 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>
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<b>Section C - Securities</b>		
C.1	<b>Type, class and security identification of the Notes</b>	<p>The Notes are [€/U.S./£/[●]] [Undated] [Senior/Subordinated] [[●] 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>
C.2	<b>Currencies</b>	The Notes are denominated in [●].
C.5	<b>A description of any restrictions on the free transferability of the Notes</b>	Not applicable. There is no restriction on the free transferability of the Notes.
C.8	<b>Description of rights attached to the Notes</b>	<p><b><u>Issue Price</u></b></p> <p>The Issue Price of the Notes is [●].</p> <p><b><u>Form of the Notes</u></b></p> <p>The Notes are issued in [dematerialised form (<b>Dematerialised Notes</b>) / in materialised form (<b>Materialised Notes</b>)].</p> <p>[Dematerialised Notes will not be exchangeable for Materialised Notes] / [Materialised Notes will not be exchangeable for Dematerialised Notes.]</p> <p><i>[If the Notes are Dematerialised Notes :</i> The Notes are [in bearer (<i>au porteur</i>) dematerialised form / in registered (<i>au nominatif</i>) dematerialised form]. The Notes have been accepted for clearance through Euroclear France as central depository. Transfers between Euroclear France account holders, shall be effected directly or via their respective depositories in accordance with applicable rules and operating procedures established for this purpose by Euroclear France.]</p> <p><i>[If the Notes are Materialised Notes :</i> The Notes are in bearer form only. A temporary global certificate in bearer form without interest coupons attached (a <b>Temporary Global Certificate</b>) will be issued initially in respect of the Notes. The Notes have been accepted for clearance through Clearstream Banking, <i>société anonyme</i> (<b>Clearstream, Luxembourg</b>) [,]/[and] Euroclear Bank S.A./N.V. (<b>Euroclear</b>) [and [●]]. Transfers between Euroclear and Clearstream, Luxembourg participants, shall be</p>

effected directly or via their respective depositaries in accordance with applicable rules and operating procedures established for this purpose by Euroclear and Clearstream, Luxembourg,]

**Status of the Notes**

[(*Insert if the Notes constitute Unsubordinated Notes*) The Notes and, where applicable, any relative Coupons, will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) *pari passu* with all other present or future unsecured and unsubordinated obligations of the Issuer.]

[(*Insert if the Notes constitute Subordinated Notes*) The Notes will constitute direct, unconditional, unsecured [(*Insert if the Notes are Undated Subordinated Notes*) undated] and subordinated obligations of the Issuer and will rank *pari passu* without any preference among themselves and *pari passu* with all other present or future unsecured and subordinated obligations of the Issuer with the exceptions of the *prêts participatifs* granted to the Issuer and *titres participatifs* issued by the Issuer.

The relevant Final Terms may state that Subordinated Notes will be eligible as [Upper Tier 2] / [Lower Tier 2] / [Tier 3 Capital].

[(*Insert in the case of Undated Subordinated Notes*) The payment of interest in respect of Notes may be deferred in accordance with the provisions of Condition 6(f).]

**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 [(*in case of Unsubordinated Notes*), (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 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] / [(*in case of Subordinated Notes*), if any judgment shall be used for the judicial liquidation (*liquidation judiciaire*) of the Issuer or if the Issuer is liquidated for any other reason.]

**Withholding tax**

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes 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.

		<p>If such a withholding or deduction is required, the Issuer will have to gross-up its payments to the fullest extent then permitted by law and subject to certain exceptions.</p> <p><b><u>Governing law</u></b></p> <p>The Notes[, Coupons and Talons] are governed by, and shall be construed in accordance with, French law.</p>
<p><b>C.9</b></p>	<p><b>Interest, maturity and redemption provisions, yield and representation of the Noteholders</b></p>	<p>Please also refer to the information provided in item C.8 above.</p> <p><b><u>Fixed Rate Notes</u></b></p> <p>Fixed interest of [●] will be payable in arrear on [[●] / [●] in each year ]</p> <p><b><u>Floating Rate Notes</u></b></p> <p>The Floating Rate Notes will bear interest at a rate of [●] +/- [●] per cent. payable [●] in each year (subject to the business day convention specified in the Final Terms).]</p> <p><b><u>Zero Coupon Notes</u></b></p> <p>Zero Coupon Notes are issued [at their nominal amount / at [●]] and will not bear interest.]</p> <p><b><u>Interest periods and rates of interest</u></b></p> <p>The length of the interest periods for the Notes is [●] and the applicable interest rate is specified above.</p> <p><i>If applicable:</i> The minimum interest rate is [●]. /The maximum interest rate is [●]. The interest accrual period is [●]. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period.]</p> <p><b><u>Maturities</u></b></p> <p>[The maturity date of the Notes is [●]. / Not applicable, the Notes have no final maturity.]</p> <p><b><u>Redemption</u></b></p> <p>Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the maturity date specified above at [●] of their nominal amount.]</p> <p><b><u>Optional Redemption</u></b></p> <p>The Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) [[and/or] the holders of the Notes (the <b>Noteholders</b>)] <i>[Please specify the terms applicable to such redemption]]</i></p> <p><b><u>Early Redemption</u></b></p> <p>[Except as provided in "Optional Redemption" above], the Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons.</p> <p><b><u>Yield</u></b></p> <p>The yield of the Notes is [●].</p> <p><b><u>Representation of the Noteholders</u></b></p> <p><i>[(a) If the Final Terms specifies “No Masse”, insert:</i> The Noteholders will not, in respect of any Series, be grouped for the defence of their common interests in a masse (the <b>Masse</b>).] / <i>[(b) If the relevant Final Terms specifies “Full Masse”, insert:</i> The Noteholders will, in respect of any Series, be grouped automatically for the defence of their common interests in a masse (the <b>Masse</b>) and the provisions of the French <i>Code de commerce</i> relating to the Masse shall apply] / <i>[(c) If the relevant Final Terms</i></p>

		<p><i>specifies “Contractual Masse”, insert:</i> The Noteholders will, in respect of any Series, be grouped automatically for the defence of their common interests in a masse (the <b>Masse</b>). The Masse will be governed by certain provisions of the French <i>Code de commerce</i>.]</p> <p>[The names and addresses of the initial Representative and its alternate are [●].]</p>
<b>C.10</b>	<b>Derivative component in interest payments</b>	<p>Not applicable, the Notes issued under the Programme do not contain any derivative components.</p> <p>Please also refer to item C.9 above.</p>
<b>C.11</b>	<b>Admission to trading</b>	<p>[Application has been made for the Notes to be admitted to trading on [the regulated market of the Luxembourg Stock Exchange]/[●].] / Not applicable, the Notes are not admitted to trading on any stock exchange or market.]</p>

<b>Section D –Risks Factors</b>		
<b>D.2</b>	<b>Key information on the key risks that are specific to the Issuer</b>	<p>The control and risk management is organised around the distinction between financial risks and operational risks, with the following sub-distinctions:</p> <p><b><u>Financial risks:</u></b></p> <ul style="list-style-type: none"> <li>• <b>Credit risk:</b> is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract. It arises principally in the lending, trade finance, treasury and leasing businesses.</li> <li>• <b>Market risk:</b> is the day-to-day potential for an investor to experience losses from fluctuations in securities prices. Particular attention was paid to monitoring positions on eurozone governments bonds, which continued to be the main drivers of movements in capital markets earning in 2011.</li> <li>• <b>The structural Interest rate risk:</b> affects banking operations and structural components of the balance sheet and does not affect market operations. The main objective of HSBC France structural rate risk management is to suppress the sensitivity of net income to interest rates by managing the fixed interest rate gap (imbalance between expected fixed interest inflows and outflows by maturity ranges).</li> <li>• <b>Forex "Foreign Exchange Risk":</b> arising from banking operations are systematically transferred to the Trading Room which manages exchange rates risk according to the limits set by Market Risk Committee.</li> <li>• <b>Liquidity risk:</b> is defined as the risk that HSBC France doesn't 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 term when required.</li> </ul>



		<p><b><u>Operational risks:</u></b></p> <ul style="list-style-type: none"> <li>• <b>Legal risk:</b> The HSBC France Legal Department helps the various HSBC France group businesses to prevent and control legal risk and is in charge of litigation follow-up, to ensure that the risks framework remains adequate in the face of changes in laws, regulations and organisations.</li> <li>• <b>Tax risk:</b> The HSBC France Tax Department assists HSBC France's various business lines, along with its subsidiaries, to prevent and control tax risks.</li> <li>• <b>Information technologies risk:</b> failure to comply with legal obligations, human and programming errors, loss of expertise relating to projects and/or technologies, unavailability of the information system when new developments or new third-party solutions are implemented, system and code vulnerabilities, outsourcing of sensitive functions and processes, loss of or damage to audit trails, failure of key suppliers in the regulatory sense, internal and external fraud.</li> <li>• <b><u>Business continuity (which is enlarged since January 2012 to security and fraud):</u></b> The purpose of the Business Recovery Plan (BRP) is to ensure that business can carry on or continue to run at the minimum level considered necessary to safeguard the interests of the business, its employees and its customers, in the event of a major disaster or disruption likely to have a significant impact on the business of HSBC France and/or of its subsidiaries, or to produce a significant deterioration in the image of the business.</li> <li>• <b>Human Resources:</b> HSBC France's Human Resources Department is responsible for the permanent control of the Human Resources (HR) risk of the HSBC France group.</li> <li>• <b>Compliance risk:</b> is defined by the situations of failure of compliance and infringements of internal rules of procedure.</li> <li>• <b>Accounting risk:</b> 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 under the responsibility of each legal entity's accounting department. This more particularly concerns accounting and reconciliation procedures designed to verify the existence and validity of balance sheets, off-balance sheet statements and income statements. The Finance Department maintains accounting control manuals featuring procedures and instructions, which comply with French accounting standards.</li> </ul>
D.3	Key information on the key risks that are specific to the Notes	<p>There are certain 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"> <li>• General risks (e.g. independent review and advice, potential conflicts of interest, legality of purchase, taxation, liquidity risks, exchange rate risks) such as: <ul style="list-style-type: none"> <li>- 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;</li> <li>- there can be no assurance of a secondary market for the Notes or the</li> </ul> </li> </ul>

		<p>continuity of such market if one develops and there can thus be a lack of liquidity on such market;</p> <p>- the market value of the Notes will be affected by the creditworthiness of the Issuer, and/or that of the Group and a number of additional factors;</p> <p>- potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions.</p> <ul style="list-style-type: none"> <li>• Specific Risks such as:</li> </ul> <p><i>[(Insert if the Notes include an optional redemption feature) - 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 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>
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Section E - Offer		
<b>E.2b</b>	<b>Reason for the offer and use of proceeds</b>	[The net proceeds of the issue of the Notes will be used by the Issuer for its general corporate purposes / <i>Other (specify)</i> .]
<b>E.3</b>	<b>Terms and conditions of the offer</b>	<p>[The Notes are offered to the public in [●]. / Not applicable, the Notes are not offered to the public.]</p> <p>[Offer Period: The period from [●] until [●]</p> <p>Offer Price: [Issue Price]/[Not Applicable]/[●]</p> <p>Conditions to which the Offer is subject: [Not Applicable]/[●]</p> <p>Description of the application process: [Not Applicable]/[●]</p> <p>Details of the minimum and/or maximum amount of application: [Not Applicable]/[●]</p> <p>Manner in and date on which results of the Offer are to be made public: [Not Applicable]/[●]</p>

		[There are restrictions on the offer and sale of the Notes and the distribution of offering materials in various jurisdictions.]
<b>E.4</b>	<b>Interests of natural and legal persons involved in the issue of the Notes</b>	[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.] [●].
<b>E.7</b>	<b>Estimated expenses charged to investor by the Issuer or the offeror</b>	[The estimated expenses charged to the investor amount to [●]./ Not applicable, there are no expenses charged to the investor.]

## **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.

<b>Section A - Introduction et avertissements</b>	
<b>A.1</b> <b>Avertissement général relatif au résumé</b>	<p>Ce résumé doit être lu comme une introduction au présent Prospectus de Base. 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 et tout supplément qui pourrait être publié à l'avenir. Lorsqu'une action concernant l'information contenue dans le présent Prospectus de Base 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 s'il ne fournit pas, lu en combinaison avec les autres parties du Prospectus de Base, les informations clés permettant d'aider les investisseurs lorsqu'ils envisagent d'investir dans les Titres.</p>
<b>A.2</b> <b>Information relative au consentement de l'Émetteur concernant l'utilisation du Prospectus</b>	<p>[Non Applicable, les Titres ont une valeur nominale supérieure à 100.000 euros (ou son équivalent dans une autre devise)]</p> <p>[Dans le cadre de l'offre des Titres réalisée en [●] (le[s] <b>Pays de l'Offre Publique</b>), 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, (<b>l'Offre Publique</b>), 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 <b>Période d'Offre</b>) dans le[s] Pays de l'Offre Publique par [●]/[tout intermédiaire financier] (le[s] <b>Établissement[s] Autorisé[s]</b>). [Le[s] <b>Établissement[s] Autorisé[s]</b> devra(ont) remplir les conditions suivantes : [●].]</p> <p>Afin d'éviter toute ambiguïté, ni les Agents Placeurs ni l'Émetteur n'auront d'obligation de s'assurer qu'un Etablissement Autorisé agira en conformité avec toutes les lois et réglementations et, en conséquence, ni les Agents Placeurs ni l'Émetteur ne pourra voir sa responsabilité engagée à ce titre.</p> <p>L'Émetteur accepte la responsabilité, dans le[s] Pays de l'Offre Publique, du contenu du Prospectus vis-à-vis de toute personne (un <b>Investisseur</b>) se trouvant dans le[s] Pays de l'Offre Publique à qui l'offre des Titres est faite par tout Établissement Autorisé et lorsque l'offre est faite pendant la période pour laquelle le consentement est donné. Toutefois, ni l'Émetteur ni aucun Agent Placeur n'est responsable des actes commis par tout Établissement Autorisé, y compris concernant le respect des règles de conduite des affaires applicables à l'Établissement</p>

	<p>Autorisé ou à d'autres obligations réglementaires locales ou à d'autres obligations légales relatives aux valeurs mobilières en lien avec une telle offre applicables à l'Établissement Autorisé.</p> <p><b>Un Investisseur qui a l'intention d'acquérir ou qui acquiert des Titres auprès d'un Établissement Autorisé le fera, et les offres et cessions des Titres par un Établissement Autorisé à un Investisseur se feront, dans le respect de toutes conditions et autres accords mis en place entre l'Établissement Autorisé et l'Investisseur concernés y compris en ce qui concerne l'allocation du prix et les accords de règlement-livraison (les Modalités de l'Offre Publique). L'Émetteur ne sera pas partie à de tels accords avec des Investisseurs (autres que les Agents Placeurs) dans le contexte de l'offre ou la cession des Titres et, en conséquence, le Prospectus de Base et les Conditions Définitives ne comprendront pas ces informations. 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.]</b></p>
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<b>Section B – Émetteur</b>		
<b>B.1</b>	<b>La raison sociale et le nom commercial de l'Émetteur</b>	HSBC France (l'Émetteur).
<b>B.2</b>	<b>Le siège social et la forme juridique de l'Émetteur/la législation qui régit l'activité et le pays d'origine de l'Émetteur</b>	HSBC France est une société anonyme de droit français immatriculée en France dont le siège social d'HSBC France est 103, avenue des Champs-Élysées (75008 Paris).
<b>B.4b</b>	<b>Une description de toutes les tendances connues touchant l'Émetteur ainsi que les marchés sur lesquels il intervient</b>	Sans objet. Il n'y a pas de tendances affectant l'Émetteur et les industries dans lesquelles il exerce ses activités.
<b>B.5</b>	<b>Description du Groupe de l'Émetteur et de la position de l'Émetteur</b>	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.

	<b>au sein du Groupe</b>																																																																																													
<b>B.9</b>	<b>Prévision ou estimation du bénéfice</b>	Sans objet. Il n'y a pas de prévision ou d'estimation du bénéfice.																																																																																												
<b>B.10</b>	<b>Réserves contenues dans le rapport des Commissaires aux comptes</b>	Sans objet, il n'y a pas de réserve dans le rapport des contrôleurs légaux. Le rapport des contrôleurs légaux sur les comptes annuels 2010, figurant en page 210 du Document de référence 2010, contient une observation. Les contrôleurs légaux ont déclaré que: « <i>Sans remettre en cause l'opinion exprimée ci-dessus, nous attirons votre attention sur la Note 1 c de l'annexe qui expose un changement de méthode comptable résultant de l'application du Règlement CRC n°2009-03 (Comité de la Réglementation Comptable) relatif à la comptabilisation des commissions reçues par un établissement de crédit et des coûts marginaux de transaction à l'occasion de l'octroi ou de l'acquisition d'un concours.</i> »																																																																																												
<b>B.12</b>	<b>Informations financières sélectionnées historiques clés</b>	<table border="0"> <tr> <td><b>Groupe HSBC France</b> (en millions d'euros)</td> <td><b>30/06/2012</b></td> <td>2011</td> <td>2010</td> </tr> <tr> <td>Résultat avant impôt</td> <td><b>234</b></td> <td>59</td> <td>512</td> </tr> <tr> <td>Résultat net part du groupe</td> <td><b>193</b></td> <td>123</td> <td>454</td> </tr> <tr> <td>Résultat courant avant impôt des activités du Groupe HSBC en France</td> <td><b>278</b></td> <td>191</td> <td>628</td> </tr> <tr> <td>Dépréciations pour risque de crédit</td> <td><b>42</b></td> <td>109</td> <td>122</td> </tr> <tr> <td>Résultat d'Exploitation</td> <td><b>234</b></td> <td>59</td> <td>512</td> </tr> <tr> <td>Trésorerie en fin de période</td> <td><b>27.675</b></td> <td>29.033</td> <td>30.091</td> </tr> <tr> <td>Capitaux propres part du groupe</td> <td><b>5.060</b></td> <td>4.821</td> <td>4.832</td> </tr> <tr> <td>Prêts et créances sur les établissements de crédit et sur la clientèle</td> <td><b>84.370</b></td> <td>82.984</td> <td>95.291</td> </tr> <tr> <td>Dettes envers les établissements de crédit et comptes créditeurs de la clientèle</td> <td><b>86.821</b></td> <td>75.234</td> <td>86.055</td> </tr> <tr> <td>Total du bilan</td> <td><b>240.345</b> 210.836</td> <td>221.390</td> <td></td> </tr> <tr> <td>Total des fonds propres</td> <td><b>11,7%</b></td> <td>10,7%</td> <td>12,0%</td> </tr> <tr> <td>Fonds propres de base</td> <td><b>11,7%</b></td> <td>10,7%</td> <td>12,1%</td> </tr> <tr> <td></td> <td><i>(en millions d'euros)</i></td> <td><i>Notes</i></td> <td><b>30 Juin 2012</b>   <b>30 Juin 2011</b></td> </tr> <tr> <td></td> <td>Intérêts et produits assimilés</td> <td></td> <td><b>942</b>   981</td> </tr> <tr> <td></td> <td>Intérêts et charges assimilées</td> <td></td> <td><b>(452)</b>   (547)</td> </tr> <tr> <td></td> <td>Marge nette d'intérêt</td> <td></td> <td><b>490</b>   434</td> </tr> <tr> <td></td> <td>Commissions (produits)</td> <td></td> <td><b>492</b>   533</td> </tr> <tr> <td></td> <td>Commissions (charges)</td> <td></td> <td><b>(125)</b>   (131)</td> </tr> <tr> <td></td> <td>Commissions nettes</td> <td></td> <td><b>367</b>   402</td> </tr> <tr> <td></td> <td>Gains ou pertes sur opérations des portefeuilles de transaction</td> <td></td> <td><b>279</b>   232</td> </tr> <tr> <td></td> <td>Résultat net des instruments financiers sous option juste valeur</td> <td></td> <td><b>(65)</b>   3</td> </tr> <tr> <td></td> <td>Résultat net de cession des</td> <td></td> <td></td> </tr> </table>	<b>Groupe HSBC France</b> (en millions d'euros)	<b>30/06/2012</b>	2011	2010	Résultat avant impôt	<b>234</b>	59	512	Résultat net part du groupe	<b>193</b>	123	454	Résultat courant avant impôt des activités du Groupe HSBC en France	<b>278</b>	191	628	Dépréciations pour risque de crédit	<b>42</b>	109	122	Résultat d'Exploitation	<b>234</b>	59	512	Trésorerie en fin de période	<b>27.675</b>	29.033	30.091	Capitaux propres part du groupe	<b>5.060</b>	4.821	4.832	Prêts et créances sur les établissements de crédit et sur la clientèle	<b>84.370</b>	82.984	95.291	Dettes envers les établissements de crédit et comptes créditeurs de la clientèle	<b>86.821</b>	75.234	86.055	Total du bilan	<b>240.345</b> 210.836	221.390		Total des fonds propres	<b>11,7%</b>	10,7%	12,0%	Fonds propres de base	<b>11,7%</b>	10,7%	12,1%		<i>(en millions d'euros)</i>	<i>Notes</i>	<b>30 Juin 2012</b> <b>30 Juin 2011</b>		Intérêts et produits assimilés		<b>942</b> 981		Intérêts et charges assimilées		<b>(452)</b> (547)		Marge nette d'intérêt		<b>490</b> 434		Commissions (produits)		<b>492</b> 533		Commissions (charges)		<b>(125)</b> (131)		Commissions nettes		<b>367</b> 402		Gains ou pertes sur opérations des portefeuilles de transaction		<b>279</b> 232		Résultat net des instruments financiers sous option juste valeur		<b>(65)</b> 3		Résultat net de cession des		
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		investissements financiers	14	36
		Dividendes reçus	4	5
		Autres produits d'exploitation	18	19
		<b>Produit net bancaire avant dépréciations pour risques de crédit</b>	<b>1 107</b>	<b>1</b>
		Dépréciations pour risques de crédit	5 (42)	(42)
		<b>Produit net bancaire</b>	<b>1 065</b>	<b>1</b>
		Frais de personnel	(533)	(515)
		Frais généraux et administratifs	(271)	(279)
		Dotations aux amortissements des immobilisations corporelles	(23)	(21)
		Dotations aux amortissements des immobilisations incorporelles et pertes de valeur sur écarts d'acquisition	(4)	(4)
		<b>Total des charges d'exploitation</b>	<b>(831)</b>	<b>(819)</b>
		<b>Résultat d'exploitation</b>	<b>234</b>	<b>270</b>
		Quote-part dans le résultat d'entreprises mises en équivalence	-	-
		<b>Résultat avant impôt</b>	<b>234</b>	<b>270</b>
		Impôt sur les bénéfices	(40)	(42)
		<b>Résultat net hors résultat des activités cédées</b>	<b>194</b>	<b>228</b>
		<b>Activités cédées</b>		
		Résultat net d'impôts des activités cédées	-	-
		<b>Résultat net</b>	<b>194</b>	<b>228</b>
		Résultat net part du Groupe	193	228
		Part des intérêts non contrôlant <i>(in euros)</i>	1	-
		Résultat non dilué par action ordinaire	4 2.86	3.38
		Résultat dilué par action ordinaire	4 2.86	3.38
		Dividende par action ordinaire	4 -	1.75
		Il n'y a eu aucune modification importante affectant les perspectives de l'émetteur depuis le 31 Décembre 2011.		
<b>B.13</b>	<b>Evénement récent relatif</b>	-	De nouveaux produits et services sont régulièrement proposés aux clients du Groupe HSBC en France. Des informations sont disponibles sur les sites	

	<b>à l'Émetteur présentant un intérêt significatif pour l'évaluation de sa solvabilité</b>	<p>internet du groupe, notamment à travers les communiqués de presse accessibles via le site internet <a href="http://www.hsbc.fr">www.hsbc.fr</a></p> <ul style="list-style-type: none"> <li>- .24 Octobre 2012: la communauté Marseille Provence Métropole lance avec succès la première émission obligataire d'une communauté urbaine, un total de € 97 millions sur 15 ans, avec HSBC France en tant qu' Arrangeur.</li> <li>- 12 Septembre 2012: HSBC France remporte le contrat de financement du nouveau Clarins Group administration centre.</li> <li>- 13 Juillet 2012: HSBC France et Crédit Agricole Cartes et Paiements signent un contrat pour la procédure de transactions par carte bancaire et pour la procédure de compensation et d' échanges avec les systèmes de marché.</li> </ul>
<b>B.14</b>	<b>Degré de la dépendance de l'Émetteur à l'égard d'autres entités du Groupe</b>	Merci de vous référer à l'élément B.5 ci-dessus.
<b>B.15</b>	<b>Principales activités de l'Émetteur</b>	<p>HSBC France développe des activités de banque universelle au service de plus de 823.000 clients Particuliers et de 116.000 clients Entreprises, grâce à l'expertise de ses 10.850 collaborateurs dans près de 400 points de vente. L'activité de HSBC France est orientée vers (i) la Banque de particuliers et gestion de patrimoine, la Gestion d'actifs (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 gestion de patrimoine et Gestion d'actifs : la Banque de particuliers et gestion de patrimoine offre à ses clients particuliers et professionnels un accompagnement personnalisé, ainsi qu'une approche patrimoniale et globale. HSBC en France poursuit sa politique de conquête sur son segment cible, à savoir la clientèle patrimoniale, en s'appuyant sur les atouts du Groupe HSBC. Forte d'une présence dans les principales agglomérations françaises, la Banque de particuliers et gestion de patrimoine s'appuie sur :</p> <ul style="list-style-type: none"> <li>- des équipes d'experts spécialisés par profils de clients (542 conseillers HSBC Premier, 147 conseillers Professionnels, 43 experts patrimoniaux et financiers) ;</li> <li>- des propositions dans le secteur bancaire adaptées aux aspirations de ses clients : HSBC Premier et HSBC Advance ;</li> <li>- près de 400 points de vente dont 32 Centres HSBC Premier et des agences directes.</li> <li>- gestion d'actifs : Présent dans 36 pays, HSBC Global Asset Management, spécialiste de la gestion d'actifs du Groupe HSBC, propose des solutions d'investissement ciblées pour une clientèle de particuliers, d'entreprises et d'institutionnels. En France, HSBC Global Asset Management est reconnu comme : <ul style="list-style-type: none"> <li>- un acteur majeur sur les marchés émergents ;</li> <li>- l'un des distributeurs d'OPCVM les plus actifs au monde donnant accès à l'ensemble des marchés développés et émergents et composée de stratégies de gestion actions, obligations, diversifiées, alternatives, de trésorerie et de multigestion ;</li> <li>- un expert en solutions d'épargne salariale pour les entreprises.</li> </ul> </li> </ul>



		<p>La Banque d'entreprises : la Banque d'entreprises propose une gamme étendue de produits et services domestiques et internationaux afin d'accompagner au quotidien une clientèle variée d'entreprises, de la TPE à la multinationale. Elle s'appuie sur :</p> <ul style="list-style-type: none"> <li>- une présence locale dans 65 pays et une expertise reconnue dans l'accompagnement des entreprises dans leur développement international, notamment en direction des marchés émergents ;</li> <li>- des experts en matière de cash management, trade services et d'affacturage ;</li> <li>- un réseau spécialisé par profil et taille de clients comprenant 10 Corporate Banking Centres, 51 Centres d'Affaires Entreprises dédiés aux PME et 15 Pôles Entrepreneurs au service des TPE ;</li> <li>- des agences directes destinées aux TPE et Petites et Moyennes Associations.</li> </ul> <p>La Banque de financement, d'investissement et de marchés : la dimension à la fois locale et globale de HSBC en fait un partenaire de référence pour accompagner les grandes entreprises et les institutionnels dans leurs projets et leurs opérations en France et dans le monde, grâce à une présence dans environ 30 pays. Elle propose une gamme complète de solutions :</p> <ul style="list-style-type: none"> <li>- de banque de financement : banque d'entreprise, payment and cash management, financements d'acquisitions avec effet de levier, immobilier et financements structurés ;</li> <li>- banque d'investissement : fusion et acquisition, introduction en bourse, augmentation de capital ;</li> <li>- banque de marchés : regroupe les activités de marchés de taux, change et actions. A Paris, elle est l'une des quatre plateformes de marchés du Groupe, (avec Londres, Hong Kong et New York) et le Centre d'expertise du Groupe sur trois activités : les structurés de taux (derivatives rates), les produits liquides en euros (euro rates) et les dérivés actions (structured equity).</li> </ul> <p>La Banque privée : HSBC Private Bank propose une offre de produits et de services personnalisés à une clientèle fortunée résidente et internationale en s'appuyant sur :</p> <ul style="list-style-type: none"> <li>- Les expertises des équipes de gestion discrétionnaire et conseillée ;</li> <li>- un vaste réseau international avec une présence dans 37 pays et territoires ;</li> <li>- de fortes synergies avec les autres métiers de HSBC France, notamment la Banque d'entreprises et la Banque de financement et d'investissement.</li> </ul>
<b>B.16</b>	<b>Entité(s) ou personne(s) détenant ou contrôlant directement ou indirectement l'Émetteur</b>	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.
<b>B.17</b>	<b>Notation assignée à l'Émetteur ou à ses titres d'emprunt</b>	<p>[Non applicable, les Titres n'ont pas fait l'objet d'une notation. / Les Titres ont été notés [●] par [●] et [[●] par [●]].</p> <p>[[●]/[[●] et [●]] [est]/[sont] établie(s) dans l'Union Européenne et sont enregistrées au</p>

	<p>titre du Règlement (CE) N° 1060/2009 relatif aux agences de notation de crédit, tel que modifié (le <b>Règlement CRA</b>). [●]/[[●] et [●]] [apparaît]/[apparaissent chacun] dans la liste des agences de notation de crédit enregistrées publiée par l'ESMA (<i>European Securities and Markets Authority</i>) sur son site Internet (<a href="http://www.esma.europa.eu/page/List-registered-and-certified-CRAs">www.esma.europa.eu/page/List-registered-and-certified-CRAs</a>) conformément au Règlement CRA. Une notation ne constitue pas une recommandation d'achat, de vente ou de détention des titres et peut à tout moment être suspendue, modifiée ou faire l'objet d'un retrait par l'agence de notation de crédit concernée.]</p>
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<b>Section C – Valeurs mobilières</b>		
<b>C.1</b>	<b>Nature; catégorie et identification des Titres</b>	<p>Emission de Titres [Subordonnés] [à durée indéterminée] libellés en [€/\$/£/[●]] [portant intérêt au taux de [●]%/[à zéro coupon] [venant à échéance en [●]].</p> <p>Le code ISIN des Titres est : [●].</p> <p>Le code commun des Titres est : [●].</p>
<b>C.2</b>	<b>Devises</b>	Les Titres seront émis en [●].
<b>C.5</b>	<b>Description de toute restriction imposée à la libre négociabilité des Titres</b>	Sans objet. Il n'existe pas de restriction imposée à la libre négociabilité des Titres.
<b>C.8</b>	<b>Description des droits attachés aux Titres</b>	<p><b><u>Prix d'émission</u></b></p> <p>Le prix d'émission des Titres est de [●].</p> <p><b><u>Forme des Titres</u></b></p> <p>Les Titres sont émis sous forme de [titres dématérialisés (<b>Titres Dématérialisés</b>) / titres matérialisés (<b>Titres Matérialisés</b>)].</p> <p>[Les Titres Dématérialisés ne pourront pas être échangés contre des Titres Matérialisés.] / [Les Titres Matérialisés ne pourront pas être échangés contre des Titres Dématérialisés.]</p> <p>[<i>Si les Titres sont des Titres Dématérialisés</i> : Les Titres sont émis [au porteur / au nominatif]. Les Titres seront inscrits dans les livres d'Euroclear France en tant que dépositaire central. Les transferts entre les teneurs de compte auprès d'Euroclear France seront effectués directement ou via leurs dépositaires respectifs conformément aux règles applicables et aux procédures mises en place dans ce but par Euroclear France.]</p> <p>[<i>Si les Titres sont des Titres Matérialisés</i> : Les Titres sont émis au porteur uniquement. Un certificat global temporaire émis au porteur sans coupon d'intérêts attaché (un <b>Certificat Global Temporaire</b>) relatif aux Titres sera initialement émis. Les Titres seront déposés auprès de Clearstream Banking, société anonyme (<b>Clearstream, Luxembourg</b>)[,]/[et] Euroclear Bank S.A./N.V. (<b>Euroclear</b>) [et [●]]. Les transferts entre les participants auprès d'Euroclear et Clearstream Luxembourg seront effectués directement ou via leurs dépositaires respectifs conformément aux règles applicables et aux procédures.]</p> <p><b><u>Rang de créance des Titres</u></b></p>

		<p>[(<i>Insérer si les Titres constituent des Titres Non Subordonnées</i>) Les Titres et, le cas échéant, les Coupons et Reçus y afférents, constitueront des engagements directs, inconditionnels et non subordonnés et non assortis de sûretés de l'Emetteur, et viendront au même rang entre eux sans préférence, et (sous réserve des exceptions impératives du droit français) au même rang que tous les autres engagements chirographaires et non subordonnés, présents ou futurs, de l'Emetteur.</p> <p>[(<i>Insérer si les Titres constituent des Titres Subordonnées</i>) Les Titres constitueront des engagements directs, inconditionnels, subordonnés [(<i>Insérer si les Titres constituent des Titres Subordonnées à Durée Indéterminée</i>) à durée indéterminée] et non assortis de sûretés de l'Emetteur, et viendront au même rang entre eux sans préférence, et au même rang que tous les autres engagements subordonnés et non assortis de sûretés, présents ou futurs, de l'Emetteur à l'exception des prêts participatifs consentis à l'Emetteur et des titres participatifs émis par l'Emetteur.</p> <p>Les Titres Subordonnés constitueront des Fonds Propres [<i>Upper Tier 2 / Lower Tier 2 / Tier 3</i>].]</p> <p>[(<i>Insérer si les Titres constituent des Titres Subordonnées à Durée Indéterminée</i>) Les paiements des intérêts relatifs aux Titres pourront être différés conformément aux dispositions de la Condition 6(f).]</p> <p><b><u>Maintien de l'emprunt à son rang</u></b></p> <p>Il n'existe pas de clause de maintien de l'emprunt à son rang.</p> <p><b><u>Cas de Défaut</u></b></p> <p>Les Titres seront exigibles et payables à leur montant principal avec tout intérêt couru y afférent si l'Emetteur [<i>dans le cas de Titres Non Subordonnés</i> (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 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] / [<i>dans le cas des Titres Subordonnés</i>, fait l'objet d'une liquidation judiciaire de l'Emetteur ou si l'Emetteur fait l'objet d'une liquidation est liquidé pour toute autre raison.]</p> <p><b><u>Fiscalité</u></b></p> <p>Tous les paiements de principal et d'intérêts par ou pour le compte de l'Emetteur au titre des Titres seront effectués sans aucune retenue à la source ou prélèvement au titre de tout impôt ou taxe de toute nature, imposés, levés ou recouverts 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 de soit exigé par la loi. Si une telle retenue ou déduction doit être effectuée, l'Emetteur sera tenu de majorer ses paiements dans la mesure autorisée par la loi et sous réserve de certaines exceptions.</p> <p><b><u>Droit applicable</u></b></p> <p>Les Titres[, Coupons et Talons] seront régis et interprétés conformément au droit français.</p>
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<p><b>C.9</b></p>	<p><b>Intérêts, échéance et modalités de remboursement, rendement et représentation des Porteurs des Titres</b></p>	<p>Merci de vous reporter également à l'information fournie à la section C.8 ci-dessus.</p> <p><b><u>[Titres à Taux Fixe</u></b></p> <p>Les coupons fixes de [●] seront payables à terme échu le [[●] / [●] de chaque année]]</p> <p><b><u>[Titres à Taux Variable</u></b></p> <p>Les Titres à Taux Variable porteront intérêt à un taux de [●] +/- [●] pour cent payable le [●] de chaque année, selon la convention de jour ouvré prévue dans les Conditions Définitives]</p> <p><b><u>[Titres à Coupon Zéro</u></b></p> <p>Les Titres à Coupon Zéro sont émis [à leur valeur nominale / à [●]] et ne porteront pas intérêt]</p> <p><b><u>[Périodes d'Intérêt et Taux d'Intérêts</u></b></p> <p>La durée des périodes d'intérêts est [●] et le taux d'intérêt applicable est précisé ci-dessus.</p> <p>[<i>Si applicable</i> : Le taux d'intérêt minimum est [●] / Le taux d'intérêt maximum est [●]. La période d'intérêts courus est [●]. L'utilisation des périodes d'intérêts courus permet de prévoir des taux d'intérêts différents des Titres pour la même période d'intérêts.]</p> <p><b><u>Echéances</u></b></p> <p>[La date de maturité des Titres est [●]. / Sans objet, les Titres n'ont pas de date de maturité.]</p> <p><b><u>[Remboursement</u></b></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'échéance précisée ci-dessus à [●] de leur montant nominal.]</p> <p><b><u>[Remboursement Optionnel</u></b></p> <p>Les Titres peuvent être remboursés avant la date d'échéance prévue au gré de l'Émetteur (en totalité ou en partie) [[et/ou] des porteurs de Titres (les <b>Porteurs de Titres</b>)] [<i>Indiquer les modalités applicables à ce remboursement</i>]]</p> <p><b><u>Remboursement Anticipé</u></b></p> <p>[Sous réserve de ce qui est prévu dans le paragraphe « Option de Remboursement » ci-dessus,] les Titres seront remboursables à l'option de l'Émetteur avant la date d'échéance prévue pour raisons fiscales uniquement.</p> <p><b><u>Rendement</u></b></p> <p>Le rendement des Titres est de [●].</p> <p><b><u>Représentation des Porteurs de Titres</u></b></p> <p>[<i>(a) Si les Conditions Définitives concernées spécifient « Pas de Masse », insérer</i> : Les Porteurs de Titres ne seront pas groupés, au titre d'une même Souche, pour la défense de leurs intérêts communs en une masse (la <b>Masse</b>). / [<i>(b) Si les Conditions Définitives concernées spécifient « Masse Complète » insérer</i>: Les Porteurs de Titres seront groupés automatiquement, au titre d'une même Souche, pour la défense de leurs intérêts communs en une masse (la <b>Masse</b>) et les dispositions du Code de commerce relatives à la Masse s'appliqueront.] / [<i>(c) Si les Conditions Définitives</i></p>
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		<p>concernées spécifient « Masse Contractuelle » insérer : Les Porteurs de Titres seront groupés automatiquement, au titre d'une même Souche, pour la défense de leurs intérêts communs en une masse (la <b>Masse</b>). La Masse sera régie par certaines dispositions du Code de commerce.]</p> <p>[Si les stipulations des paragraphes (b) ou (c) sont applicable, insérer: La Masse agira par l'intermédiaire d'un représentant (le <b>Représentant</b>) et en partie par l'intermédiaire d'une assemblée générale des Porteurs de Titres. Les noms et adresses du premier Représentant et de son remplaçant sont [●].]</p>
<b>C.10</b>	<b>Païement des intérêts liés à un (des) instrument(s) dérivé(s)</b>	<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>
<b>C.11</b>	<b>Admission à la négociation</b>	<p>[Une demande d'admission aux négociations des Titres sur [le marché réglementé de la Bourse de Luxembourg] / [●] a été déposée. / Sans objet, les Titres ne sont pas admis aux négociations sur une bourse ou un quelconque marché.]</p>

<b>Section D –Facteurs de Risque</b>		
<b>D.2</b>	<b>Informations clés sur les principaux risques propres à l'Émetteur</b>	<p>Le dispositif de contrôle et de gestion des risques est organisé autour de la distinction entre risques financiers et risques opérationnels, avec les sous-distinctions suivantes:</p> <p><b><u>Les risques financiers :</u></b></p> <ul style="list-style-type: none"> <li>• <b>Le risque de crédit</b> : 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 prêts aux entreprises, les transactions financières, la trésorerie et le crédit-bail.</li> <li>• <b>Le risque de marché</b> : est le risque pour un investisseur de subir des pertes des fluctuations du cours des titres. Une attention particulière a été accordée à la surveillance des positions sur les obligations des gouvernements la zone euro, qui ont continué d'être les principaux moteurs de l'évolution des revenus des marchés de capitaux en 2011.</li> <li>• <b>Le risque structurel de taux de change</b> : affecte les opérations bancaires et les composants structurels du bilan et n'affecte pas le fonctionnement du marché. Le principal objectif de HSBC France structural rate risk management est de supprimer la sensibilité du bénéfice net aux taux d'intérêt en gérant l'écart de taux fixe (déséquilibre entre les apports attendus d'intérêt fixes et sortants par tranches de maturité).</li> </ul>
		<ul style="list-style-type: none"> <li>• <b>"Risque de Change"</b> : provenant d'opérations bancaires, ils sont systématiquement transférés à la Salle des Marchés, laquelle gère les risques de change conformément aux limites fixées par le Comité de Risque de Marché.</li> </ul>

		<ul style="list-style-type: none"> <li>• <b>Le risque de liquidité</b> : se définit comme le risque pour HSBC France de ne pas avoir ressources financières suffisantes pour s'acquitter de ses obligations à leur échéance, ou aura accès à ces ressources uniquement à un coût excessif. Le risque provient de décalages dans le calendrier des flux de trésorerie. Le risque de financement (une forme de risque de liquidité) survient lorsque les liquidités nécessaires pour financer des postes d'actifs non liquides ne peuvent pas être obtenus sur la durée prévue en cas de besoin.</li> </ul> <p><b><u>Les risques opérationnels :</u></b></p> <ul style="list-style-type: none"> <li>• <b>Le risque juridique</b> : 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 au risques concernant un changement de loi, de règlement et d'organisations.</li> <li>• <b>Le risque fiscal</b> : Le HSBC France Tax Department aide les divers secteurs d'activité de HSBC France, avec leurs filiales, à anticiper et maîtriser les risques fiscaux</li> <li>• <b>Le risque informatique</b> : 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 œuvre, 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.</li> <li>• <b>Le risque lié à la continuité d'activité (qui depuis janvier 2012 a été élargi à l'ensemble des sujets sécurité, fraude et continuité d'activité)</b> : L'objectif du Plan de Reprise d'Activité (PRA) est d'assurer aux entreprises la possibilité d'exercer ou de continuer à fonctionner à un niveau minimum jugé nécessaire pour sauvegarder les intérêts de l'entreprise, de ses employés et de ses clients, dans le cas d'un sinistre majeur ou perturbations susceptibles d'avoir un impact significatif sur l'activité de HSBC France et / ou de ses filiales, ou de produire une détérioration significative de l'image de l'entreprise.</li> <li>• <b>Le risque lié aux ressources humaines</b> : La Direction des Ressources Humaines d'HSBC France est responsable du contrôle permanent du risque lié aux ressources humaines (RH) du groupe HSBC France.</li> <li>• <b>Le risque de conformité</b> : est défini par les situations d'échec de conformité et d'infractions aux règles de procédure interne.</li> <li>• <b>Le risque lié à la comptabilité</b> : Le ministère des Finances est responsable de la bonne application des principes comptables du groupe HSBC France et les procédures de contrôle comptable. Il définit les procédures et les contrôles à appliquer sous la responsabilité du service de la comptabilité de chaque entité juridique. Cela concerne plus particulièrement les procédures comptables et de réconciliation visant à vérifier l'existence et la validité des bilans, comptes de hors-bilan et comptes de résultats. Le ministère des Finances maintient les manuels de contrôle comptable mettant en vedette des procédures et instructions conformes aux normes comptables françaises.</li> </ul>
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<p><b>D.3</b></p>	<p><b>Informations clés sur les principaux risques propres aux Titres</b></p>	<p>Certains facteurs sont significatifs pour évaluer les risques liés aux notamment:</p> <ul style="list-style-type: none"> <li>• Risques généraux (ex : revue indépendante et conseil, conflits d'intérêt potentiels, légalité de la souscription, fiscalité, risques de liquidité et risques de change): <ul style="list-style-type: none"> <li>- 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 ;</li> <li>- 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 ;</li> <li>- la valeur des Titres sera affectée par la solvabilité de l'Emetteur, et/ou du Groupe et par un certain nombre de facteurs supplémentaires ;</li> <li>- les acquéreurs et vendeurs potentiels des Titres doivent être informés qu'ils peuvent être amenés à payer des taxes ou d'autres droits de timbre conformément aux lois et pratiques des pays dans lesquels les Titres sont transférés ou dans d'autres pays.</li> </ul> </li> <li>• Risques spécifiques : <ul style="list-style-type: none"> <li><i>[(Insérer si les Titres prévoient une option de remboursement) 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.]</i></li> <li><i>[(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.]</i></li> <li><i>[(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 soustrait] une marge. Le taux de référence sera ajusté de manière périodique (tous les [trois]/[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.]</i></li> </ul> </li> </ul>
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<b>Section E - Offre</b>		
<b>E.2b</b>	<b>Raisons de l'offre et utilisation du produit de l'Offre</b>	[Le produit net de l'émission de des Titres sera utilisé par l'Émetteur pour les besoins généraux de l'entreprise / Autre (préciser).]
<b>E.3</b>	<b>Modalités de l'Offre</b>	<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> <p>[Il existe des restrictions concernant l'offre et la vente des Titres ainsi que la diffusion des documents d'offre dans différents pays.]</p>
<b>E.4</b>	<b>Intérêts des personnes morales ou physiques impliquées dans l'émission</b>	[Sans objet, à la connaissance de l'Émetteur, 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'Émetteur, aucune autre personne participant à l'émission n'y a d'intérêt significatif.]. [●].
<b>E.7</b>	<b>Estimation des Dépenses mises à la charge de l'investisseur par l'Émetteur ou l'offreur</b>	[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.]



## RISK FACTORS

### RISK FACTORS RELATING TO THE ISSUER

Risk factors in connection with the Issuer are set out in details on pages 57 to 80 and 147 to 164 of the English translation of the Issuer's 2011 *Document de Référence* and on pages 21 to 34 of the English translation of the Issuer's *Actualisation du Document de Référence* 2011 which are incorporated by reference in this Base Prospectus.

### 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; and
- (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.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A prospective investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the prospective investor's overall investment portfolio.

## 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 of Notes is likely to limit their market value. 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 also may be true prior to any redemption period.

The redeemed face 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.

### *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.

### *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.

### *Variable Rate Notes*

Notes with variable interest rates can be volatile investments. If they are structured to include caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

### *Inverse Floating Rate Notes*

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

### *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 Issuer's obligations under Subordinated Notes are subordinated*

The Issuer's obligations under Subordinated Notes will be unsecured and subordinated and will rank junior in priority to the claims of unsubordinated creditors. Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Subordinated Notes will lose all or some of his investment in the event of voluntary liquidation or judicial liquidation (*liquidation judiciaire*) of the Issuer.

### *Future capital adequacy requirements for Subordinated Notes may disqualify under certain circumstances the eligibility of some Subordinated Notes in the capital of the Issuer.*

Subordinated Notes may be issued for capital adequacy regulatory purposes in accordance with the EU capital requirements Directives comprising Directive 2006/48/EC relating to the taking up and pursuit of the business of credit institutions, Directive 2006/49/EC on the capital adequacy of investment firms and credit institutions (together, **CRD I**) and Directive 2009/111/EC (**CRD II**) which have been implemented in France by Règlement no. 90-02 dated 23 February 1990, as amended, of the *Comité de Réglementation Bancaire et Financière*.

The European Commission intends in a near future to implement further possible changes to CRD I and CRD II (**CRD IV**) as regards, *inter alia*, certain own funds items. The possible changes of CRD IV are closely aligned with the expected amendments to Basel II and focus, *inter alia*, on the requirements, for instruments to be recognised as Tier 1 Capital, to absorb losses on a going concern basis (through mandatory principal write-down or conversion feature) and on restricting the use of call option embedding incentives to redeem through features like step-up clauses. Proposals for a directive and regulation on prudential requirements for credit institutions and investment firms have been published by the European Commission on 20 July 2011.

In addition, the Group of Governors and Heads of Supervision, oversight body of the international Basel Committee on Banking Supervision published on 12 September 2010 a press release announcing a package of reforms designed to reinforce the agreements it reached on 26 July 2010 (together, **Basel III**). The new agreements combine a much stronger definition of capital, higher minimum requirements and the introduction of new capital buffers. On 16 December 2010 and on 13 January 2011, the Basel Committee issued its final guidance on Basel III and on 25 June 2011, it published a press release announcing measures for global systemically important banks including additional loss absorbency required to be met depending on a bank's systemic importance. The Basel III reforms require "Tier 1" and "Tier 2" capital instruments to be more loss-absorbing.

For the implementation of such guidelines that may require banks, such as the Issuer, to raise significant amount of additional capital, the Basel Committee agreed on transitional arrangements. Under the new standards, capital instruments that no longer qualify as non-common equity Tier 1 will be phased out beginning 1 January 2013. Their recognition will be capped at 90 per cent. of their outstanding principal amount from that date, with the cap being reduced by 10 percentage points in each subsequent year. However, only those instruments issued before the date of the press release should qualify for the transitional arrangements. Member countries must implement those rules into national legislation no later than 1 January 2013. When implemented, those transitional arrangements are likely to have an impact on Subordinated Notes issued under the Programme.

Although Subordinated Notes may be issued for capital adequacy regulatory purposes, there can be no representation that their eligibility as such will remain during the life of such Subordinated Notes or that such Notes will be grandfathered under the implementation of the future CRD regulations or Basel III guidelines.

#### *Subordinated Notes issued under the Programme may be Undated*

Undated Subordinated Notes have no fixed redemption or maturity date. Nevertheless, the Notes may, in certain circumstances, be redeemed in whole or in part for certain tax reasons or in other circumstances as specified in the Final Terms. However, the Issuer is under no obligation to redeem or repurchase the Notes at any time, and the Noteholders have no right to require redemption of the Notes. Therefore, prospective investors should be aware that they may be required to bear the financial risks of an investment in the Notes for an indefinite period.

#### *Deferral of interest payment*

On any Optional Interest Payment Date, interest in respect of the Notes accrued to that date may be paid by the Issuer (if the Issuer so elects), but the Issuer shall not have any obligation to make such payment. Any such failure to pay on an Optional Interest Payment Date shall not constitute a default by the Issuer for any purpose. Any interest in respect of the Notes not paid on an Optional Interest Payment Date will, so long as the same remains outstanding, be deferred and shall constitute Arrears of Interest and, if due for at least a year, bear interest, and shall be payable as outlined in the Terms and Conditions of the Notes. Any deferral of interest payments is likely to have an adverse effect on the market price of 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 under and in connection with the Notes. If the Issuer's financial condition were to deteriorate, the Noteholders could suffer direct and materially adverse consequences, including loss of interest and, if the Issuer were liquidated (whether voluntarily or not), the 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 securities in respect of the Notes.

**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*

Except as otherwise provided by the relevant Final Terms, the 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, and a General Meeting can be held. The Terms and Conditions permit in certain cases defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant General Meeting and Noteholders who voted in a manner contrary to the majority. The General Meeting may deliberate 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 other documentary charges or duties in accordance with the laws and practices of the country 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 acquisition, holding, sale and redemption of the Notes. Only such adviser is in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus.

*EU Savings Directive*

On 3 June 2003, the Council of the European Union adopted the Directive 2003/48/EC regarding the taxation of savings income in the form of interest payments (the **Savings Directive**). The Savings Directive requires Member States, as from 1 July 2005, to provide to the tax authorities of other Member States details of payments of interest and other similar income within the meaning of the Savings Directive made by a paying agent within their jurisdiction to (or under certain circumstances to the benefit of) an individual resident in another Member State or certain limited types of entities established in another Member State, except that Luxembourg and Austria are instead required to operate a withholding system for a transitional period unless the beneficiary of interest payment elects for the exchange of information.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any paying agent nor any other person would be obliged to pay additional amounts with respect to

any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a paying agent, the Issuer will be required to maintain a paying agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

The European Commission has proposed certain amendments to the Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above.

Investors who are in any doubt as to their position should consult their professional advisers.

*U.S. Foreign Account Tax Compliance Withholding may affect payments on the Notes*

Sections 1471 through 1474 of the U.S. Internal Revenue Code (**FATCA**) impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to any non-U.S. financial institution (a "foreign financial institution", or "**FFI**" (as defined by FATCA)) that (i) does not become a "**Participating FFI**" by entering into an agreement with the U.S. Internal Revenue Service (**IRS**) to provide the IRS certain information in respect of its account holders or (ii) is not otherwise exempt from or in deemed-compliance with FATCA. The new withholding regime will be phased in beginning in 2014 for payments received from sources within the United States and will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 2017. This withholding would apply to (i) any Notes characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are not yet outstanding as of the date (the "**grandfathering date**") that is six months after the date on which final U.S. Treasury regulations define the term "foreign passthru payments" or are materially modified after the grandfathering date and (ii) any Notes characterized as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued before the grandfathering date, and additional Notes of the same series are issued on or after that date, the additional Notes may not be treated as exempt from FATCA Withholding, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of potential partner countries have announced their intention to enter into intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**), and after consultation with these countries, the United States released a model IGA. Pursuant to FATCA and the model IGA, an FFI in an IGA signatory country could also be treated as a "**Reporting FI**" not subject to FATCA withholding on any payments it receives. Such an FFI would also not be required to withhold under FATCA or an IGA (or any law implementing or complying with, or introduced in order to conform to an IGA) (**FATCA Withholding**) from payments it makes, but the model IGA leaves open the possibility that such an FFI might in the future be required to withhold on foreign passthru payments that it makes. A Reporting FFI would be required to report certain information in respect of its account holders to its home government.

If the Issuer becomes a Participating FFI under FATCA or a Reporting FI pursuant to an IGA, the Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if (a) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed-compliance with FATCA or (b) an investor (other than an exempt investor) does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account".

If an amount in respect of FATCA Withholding were to be deducted or withheld from interest, principal or other payments on the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may receive less interest or principal than expected. If any FATCA Withholding is imposed, a beneficial owner of Notes that is not a foreign financial institution generally will be entitled to a refund of any amounts withheld by filing a U.S.

federal income tax return, which may entail significant administrative burden. A beneficial owner of Notes that is a foreign financial institution will be able to obtain a refund only to the extent an applicable income tax treaty with the United States entitles it to an exemption from, or reduced rate of, tax on the payment that was subject to FATCA Withholding.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on proposed regulations, official guidance and the model IGA, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their own tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

#### *EU Crisis Management Directive*

The European Commission has published proposals for a crisis management directive which is intended 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. The full scope of the directive and its impact on the Issuer is currently unclear but the implementation of the directive or the taking of any action under it could materially affect the value of any Notes.

On 6 June 2012, the European Commission published a draft legislative proposal for a directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the **Crisis Management Directive** or **CMD**). The stated aim of the draft CMD is to provide resolution authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' contributions to bank bail-outs and/or exposure to losses. The powers provided to authorities in the draft CMD 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) if insolvency of a firm presents a concern as regards the general public interest, a clear means to reorganise or wind down the firm in an orderly fashion while preserving its critical functions and limiting to the maximum extent any exposure of taxpayers to losses.

The draft CMD 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 of all or part of the business of the firm to a "bridge bank" (a public controlled entity);
- (iii) *asset separation* - enables resolution authorities to transfer impaired or problem assets to an asset management vehicle to allow them 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 debt claims to equity (subject to certain parameters as to which liabilities would be eligible for the bail-in tool).

The draft CMD currently contemplates that it will be implemented in Member States with effect from 1 January 2015, except for the bail in tool, which is contemplated to be implemented by 1 January 2018.

The powers currently set out in the draft CMD would impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. However, the proposed directive is not in final form and changes may be made to it in the course of the legislative process. In

addition, certain proposals contained in the draft CMD are already included in the French *Code Monétaire et Financier* and it is currently unclear to what extent, the provisions of the French *Code Monétaire et Financier* will be amended once the draft CMD is implemented. Accordingly, it is not yet possible to assess the full impact of the draft CMD on the Issuer and there can be no assurance that, once it is implemented, the fact of its implementation or the taking of any actions currently contemplated in it would not adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

#### *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.

#### *French Insolvency Law*

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 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 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.

#### **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. 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 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.

##### *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.

*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.

## **PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE BASE PROSPECTUS**

*HSBC France (the **Responsible Person**) accepts responsibility for the information contained or incorporated by reference in this document. To the best of its knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.*

*The Responsible Person furthermore declares that, any translation contained in this Base Prospectus is, to the best of its knowledge, a fair and true translation of the original version.*

### **HSBC France**

103, avenue des Champs Elysées

75008 Paris

France

## 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 CSSF and which are incorporated by reference in, and shall be deemed to form part of, this Base Prospectus:

- the English translation of the *Actualisation du Document de référence* 2011 filed with the *Autorité des marchés financiers* on 30 August 2012 under No. D. 12-0413-A01 (the **Update to the 2011 Registration Document**);
- the English translation of the Issuer's 2011 *Document de référence* filed with the *Autorité des marchés financiers* on 25 April 2012 under No. D. 12-0413 (the **2011 Registration Document**); and
- the English translation of the Issuer's 2010 *Document de référence* filed with the *Autorité des marchés financiers* on 26 April 2011 under No D. 11-0365 (the **2010 Registration Document**).
- 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) and (vii) Base Prospectus dated 5 October 2011 (pages 45 to 106).

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 Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

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	REFERENCE
<b>Annex XI of the European Regulation 809/2004/EC</b>	
<b>2. STATUTORY AUDITORS</b>	Update to the 2011 Registration Document page 43. 2011 Registration Document page 245. 2010 Registration Document page 244.

<b>INFORMATION INCORPORATED BY REFERENCE</b> Annex XI of the European Regulation 809/2004/EC	<b>REFERENCE</b>
<b>3. RISK FACTORS</b>	Update to the 2011 Registration Document pages 21 to 34. 2011 Registration Document pages 57 to 80, 147 to 164.
<b>4. INFORMATION ABOUT THE ISSUER</b>	
<b><u>4.1. History and development of the Issuer</u></b>	2011 Registration Document page 227.
<b><u>4.1.2. Place of registration of the Issuer and its registration number</u></b>	2011 Registration Document page 225.
<b><u>4.1.3 Date of incorporation and the length of life of the issuer, except where indefinite</u></b>	2011 Registration Document page 225
<b><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></b>	2011 Registration Document page 225
<b><u>4.1.5. Recent Developments</u></b>	Update to the 2011 Registration Document, page 41. 2011 Registration Document page 244.
<b>5. BUSINESS OVERVIEW</b>	
<b><u>5.1. Principal activities:</u></b>	Update to the 2011 Registration Document pages 3 to 7. 2011 Registration Document pages 2 to 7.
<b><u>5.1.2. New product and/or activities:</u></b>	Update to the 2011 Registration Document page 41.
<b><u>5.1.3. Principal markets:</u></b>	Update to the 2011 Registration Document pages 3 to 7. 2011 Registration Document pages 2 to 7.
<b><u>5.1.4 Basis for any statement in the registration document made by the issuer regarding its competitive position.</u></b>	Update to the 2011 Registration Document pages 3 to 7. 2011 Registration Document pages 2 to 7.
<b>6. ORGANISATIONAL STRUCTURE</b>	2011 Registration Document pages 2 to 7.
<b><u>6.1 Brief description of the group and of the issuer's position within it</u></b>	2011 Registration Document page 3
<b><u>6.2 If the issuer is dependent upon entities within the group, this must be clearly stated together with an explanation of this dependence</u></b>	2011 Registration Document page 230

<b>INFORMATION INCORPORATED BY REFERENCE</b>	<b>REFERENCE</b>
<b>Annex XI of the European Regulation 809/2004/EC</b>	
<b>9. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES</b>	2011 Registration Document pages 8 to 20.
<b>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</b>	2011 Registration Document pages 8 to 20.
<b>Conflict of Interest</b>	2011 Registration Document page 32
<b>10. MAJOR SHAREHOLDERS</b>	2010 Registration Document pages 20, 228.
<b><u>10.1 To the extent know to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused</u></b>	2011 Registration Document page 230.
<b>11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b>	
<b><u>Interim and other financial information for the period ended 30 June 2012</u></b>	
<b>- Balance sheet</b>	Update to the 2011 Registration Document page 10.
<b>- Income statement</b>	Update to the 2011 Registration Document page 8.
<b>- Cash flow statement</b>	Update to the 2011 Registration Document page 13.
<b>- Notes</b>	Update to the 2011 Registration Document pages 14 to 39.
<b>- Auditors' review report relating to the above</b>	Update to the 2011 Registration Document page 41.
<b>- Consolidated statement of comprehensive income</b>	Update to the 2011 Registration Document page 9.
<b>- Consolidated statement of changes in equity</b>	Update to the 2011 Registration Document page 11.
<b><u>Issuer's audited consolidated annual financial statements for the year ended 31 December 2011</u></b>	
<b>- Balance sheet</b>	2011 Registration Document page 85.
<b>- Income statement</b>	2011 Registration Document pages 83 to 84.
<b>- Cash flow statement</b>	2011 Registration Document page 87.
<b>- Notes</b>	2011 Registration Document pages 88 to 169.

<b>INFORMATION INCORPORATED BY REFERENCE</b>	<b>REFERENCE</b>
<b>Annex XI of the European Regulation 809/2004/EC</b>	
- <b>Auditors' report relating to the above</b>	2011 Registration Document pages 170 to 171.
- <b>Consolidated statement of comprehensive income</b>	2011 Registration Document pages 84.
- <b>Consolidated statement of changes in equity</b>	2011 Registration Document pages 86.
<b><u>Issuer's audited consolidated annual financial statements for the year ended 31 December 2010</u></b>	
- <b>Balance sheet</b>	2010 Registration Document page 86.
- <b>Income statement</b>	2010 Registration Document pages 84 to 85.
- <b>Cash flow statement</b>	2010 Registration Document page 88.
- <b>Notes</b>	2010 Registration Document pages 89 to 166.
- <b>Auditors' report relating to the above</b>	2010 Registration Document pages 167 to 168.
- <b>Consolidated statement of comprehensive income</b>	2010 Registration Document pages 85.
- <b>Consolidated statement of changes in equity</b>	2010 Registration Document pages 87.
<b>12. MATERIAL CONTRACTS</b>	2011 Registration Document page 227.

## **SUPPLEMENT TO THE BASE PROSPECTUS**

If at any time the Issuer shall be required to prepare a supplement to this Base Prospectus pursuant to the provisions of Article 13 of the Prospectus Act 2005 implementing Article 16 of the Prospectus Directive, 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 the Regulated Market of the Luxembourg Stock Exchange and listed on the Official List of the Luxembourg Stock Exchange or on a Regulated Market of a Member State of the EEA or to be offered to the public in Luxembourg or in any Member State of the EEA, shall constitute a supplement to the Base Prospectus for the purpose of the relevant provisions of the Prospectus Act 2005.

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 on such terms as shall be agreed between the Issuer and the relevant Dealer(s) and, unless specified to the contrary in the relevant Final Terms, will be subject to the "Terms and Conditions of the Notes" set out on pages 55 to 84.*

*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, Principal  
Paying Agent and Calculation  
Agent:** HSBC Bank plc.

**Paris Paying Agent:** HSBC France.

**Luxembourg Paying Agent:** BNP Paribas Securities Services, Luxembourg Branch.

**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 except (i) in the case of Subordinated Notes whose proceeds constitute *fonds propres complémentaires* within the meaning of Article 4(c) of *Règlement* no. 90-02 dated 23 February 1990, as amended, of the *Comité de la réglementation bancaire et financière* (the **CRBF Regulation**) (**Upper Tier 2 Capital**) which will have no maturity, (ii) in the case of Subordinated Notes whose proceeds constitute *fonds propres complémentaires* within the meaning of Article 4(d) of the CRBF Regulation (**Lower Tier 2 Capital**) which minimum maturity will be of five years and one day, (iii) in the case of Subordinated Notes whose proceeds constitute *fonds propres surcomplémentaires* within the meaning of Article 5 *ter* III of the CRBF Regulation (**Tier 3 Capital**) which minimum maturity will be of two years and one day, or (iv) in any case such other minimum maturity as may be required by the applicable legal and/or regulatory requirements.
- 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 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, save that all Notes which are to be listed and admitted to trading on a Regulated Market or offered to the public in a Member State of the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive shall have a minimum denomination of €1,000 (or its equivalent in any other currency) or such higher amount as may be allowed or required from time to time in relation to the relevant Specified Currency. 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.
- Dematerialised Notes shall be issued in one denomination only.
- Status of the Unsubordinated Notes:** Unsubordinated Notes and, where applicable, any relative Coupons, will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) *pari passu* with all other present or future unsecured and unsubordinated obligations of the Issuer.
- Status of the Subordinated Notes:** Subordinated Notes (which term shall include both Subordinated Notes with a specified maturity date (**Dated Subordinated Notes**) and Subordinated Notes without a specified maturity date (**Undated Subordinated Notes**)) will constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and will rank *pari passu* without any preference among themselves and *pari passu* with all other present or future unsecured and

subordinated obligations of the Issuer with the exceptions of the *prêts participatifs* granted to the Issuer and *titres participatifs* issued by the Issuer.

The relevant Final Terms may state that Subordinated Notes will be eligible as Upper Tier 2, Lower Tier 2 or Tier 3 Capital.

If so specified in the relevant Final Terms, the payment of interest in respect of Undated Subordinated Notes may be deferred in accordance with the provisions of Condition 6(f).

<b>Events of Default:</b>	The terms of the Notes will contain events of default in respect of Unsubordinated Notes as set out in Condition 10(a) and limited events of default only in respect of Subordinated Notes as set out in Condition 10(b).
<b>Redemption Amount:</b>	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 (except in case of Undated Subordinated Notes).
<b>Optional Redemption:</b>	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.
<b>Early Redemption:</b>	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 and, in respect of Subordinated Notes, subject to the approval of the <i>Secrétariat Général de l'Autorité de Contrôle Prudentiel (SG ACP)</i> and the prior notification of the FSA.
<b>Taxation:</b>	All payments of principal and interest and other revenues by or on behalf of the Issuer in respect of the Notes 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 exemptions. For a description of the French withholding tax rules, see Condition 9 "Terms and Conditions of the Notes - Taxation" and "Taxation" section.
<b>Interest Periods and Interest Rates:</b>	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.
<b>Fixed Rate Notes:</b>	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
<b>Floating Rate Notes:</b>	Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by the 2007 FBF Master Agreement, as published by the *Fédération Bancaire Française*, 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 depository in relation to Dematerialised Notes and, in relation to Materialised Notes, Clearstream, Luxembourg and Euroclear or any other clearing system that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer(s).

**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 depository.

<b>Initial Delivery of Materialised Notes:</b>	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 depository for Euroclear and Clearstream, Luxembourg 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).
<b>Issue Price:</b>	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
<b>Listing and admission to trading:</b>	Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange. 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.
<b>Offer to the public:</b>	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.
<b>Rating:</b>	<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 <b>CRA Regulation</b>) 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 (<a href="http://www.esma.europa.eu/page/List-registered-and-certified-CRAs">www.esma.europa.eu/page/List-registered-and-certified-CRAs</a>) 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>
<b>Selling Restrictions:</b>	<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 Securities Act of 1933.</p> <p>Materialised Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the <b>D Rules</b>) 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) (the <b>C Rules</b>) or (ii) such Materialised Notes are issued other than in compliance with the D Rules or the C Rules but in</p>

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 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 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 ([www.hsbc.fr/1/2/hsbc-france/entreprises-institutionnels/placements/nos-solutions-de-placement-individuelles/emissions-obligataires](http://www.hsbc.fr/1/2/hsbc-france/entreprises-institutionnels/placements/nos-solutions-de-placement-individuelles/emissions-obligataires)) and on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

## TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion in accordance with 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.

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 supplemented, where necessary, with supplemental terms and conditions 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 December 2012 (the **Agency Agreement**) between the Issuer, HSBC Bank plc as fiscal agent and principal paying agent and the other agents named therein. 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 S.A./N.V. (**Euroclear**) and the depositary bank for Clearstream Banking, société anonyme (**Clearstream, Luxembourg**).

- (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.

- (iii) The Notes may be **Fixed Rate Notes**, **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)**), save that all Notes which are to be listed and admitted to trading on a Regulated Market within the EEA and/or offered to the public in any Member State of the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive shall have a minimum denomination of €1,000 (or its equivalent in any other currency) or such higher amount as may be allowed or required from time to time by the relevant monetary authority or any laws or regulations applicable to the relevant Specified Currency.

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, Arrears of Interest, as the case may be, 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.

Capitalised terms have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

(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 obligations of the Issuer under the Notes may be either unsubordinated (**Unsubordinated Notes**) or subordinated (**Subordinated Notes**), as specified in the relevant Final Terms.

(a) *Status of Unsubordinated Notes*

The Unsubordinated Notes, and, where applicable, any relative Coupons are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) *pari passu* with all other present or future unsecured and unsubordinated obligations of the Issuer.

(b) *Status of Subordinated Notes*

Payments of principal and interest in respect of Subordinated Notes (which term shall include both Subordinated Notes with a specified maturity date (**Dated Subordinated Notes**) and Subordinated Notes without a specified maturity date (**Undated Subordinated Notes**)) are direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and *pari passu* with all other present or future unsecured, unconditional, and subordinated obligations of the Issuer with the exceptions of the *prêts participatifs* granted to the Issuer and *titres participatifs* issued by the Issuer. Subject to applicable law, in the event of judicial liquidation (*liquidation judiciaire*) of the Issuer or the liquidation of the Issuer for any other reason, the rights of payment of the holders of Subordinated Notes shall be subordinated to the payment in full of the unsubordinated creditors of the Issuer but, subject to such payment in full, the holders of Subordinated Notes shall be paid in priority to any lenders in relation to *prêts participatifs* granted to the Issuer and to any holders of *titres participatifs* issued by the Issuer. In the event of an incomplete payment of unsubordinated creditors, the obligations of the Issuer in connection with the Subordinated Notes will be terminated. Subject to applicable law, no holder of any Subordinated Note or Coupon may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer arising under or in connection with such Note or Coupon (as the case may be), and any such holder shall be deemed to have waived all such rights of set-off, compensation or retention. The holders of Subordinated Notes shall take all steps necessary for the enforcement of their rights in any collective proceedings or voluntary liquidation.

The relevant Final Terms will specify, in the case of issuance of Subordinated Notes, whether the proceeds of the issue of such Subordinated Notes will count as (i) *fonds propres complémentaires* within the meaning of Article 4(c) of the *Comité de la Réglementation Bancaire et Financière (CRBF)* Regulation no. 90-02 of 23 February 1990 as amended (the **CRBF Regulation (Upper Tier 2 Capital)**); (ii) *fonds propres complémentaires* within the meaning of Article 4(d) of the CRBF Regulation (**Lower Tier 2 Capital**); or (iii) *fonds propres surcomplémentaires* within the meaning of Article 5 *ter* III of the CRBF Regulation (**Tier 3 Capital**), if such Regulation is applicable.

The proceeds of the issue of Undated Subordinated Notes may be used, as it will be set out in the relevant Final Terms, for off-setting losses of the Issuer and, thereafter, to allow it to continue its activities in accordance with French banking regulations. The proceeds of such issues will be classed amongst the funds of the Issuer in accordance with article 4(c) of the CRBF Regulation. This provision does not in any way affect any French law applicable to accounting principles relating to allocation of losses nor the duties of the shareholders and does not in any way affect the rights of the Noteholders to receive payment of principal and interest under the Notes in accordance with the terms and conditions of the relevant Notes.

The relevant Final Terms may also provide for additions or variations to the Conditions applicable to the Subordinated Notes in order to comply with chapter 2 of the General Prudential Sourcebook published by the FSA (as amended and supplemented from time to time), to the extent applicable.

For the purposes of these Conditions, **FSA** means the UK Financial Services Authority or any successor authority responsible for the supervision of institutions authorised under the Financial Services and Markets Act 2000 as amended from time to time.

#### 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:

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

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 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<sup>E</sup>/360-FBF, subject to the following exception:

where the last day of the Calculation Period is the 31<sup>st</sup> and the first day is neither the 30<sup>th</sup> nor the 31<sup>st</sup>, 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<sup>E</sup>/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:

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

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 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<sup>E</sup>/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<sup>E</sup>/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 2007 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.

**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.

**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.

**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.

(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.

(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 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 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).

- (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 the CMS, the Rate of Interest for each Interest Period will, subject as provided below, be the offered quotation (expressed as a percentage rate per annum) for CMS relating to the relevant maturity (the relevant maturity year mid swap rate in the relevant currency, which appears on the Relevant Screen Page, as at the Relevant Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent.

Notwithstanding anything to the contrary in this Condition 6, in the event that the Reference Rate does not appear on the Relevant Screen Page, the Calculation Agent shall determine on the relevant Interest Determination Date the applicable rate based on quotations of five Reference Banks (to be selected by the Calculation Agent and the Issuer) for CMS relating to the relevant maturity (in each case the relevant mid-market annual swap rate commencing two TARGET2 Business Days following the relevant Interest Determination Date). The highest and lowest (or, in the event of equality, one of the highest and/or lowest) quotations so determined shall be disregarded by the Calculation Agent for the purpose of determining the Reference Rate which will be the arithmetic mean (rounded if necessary to five significant figures with halves being rounded up) of such provided quotations.

If, for any reason, the Reference Rate is no longer published or if fewer than three quotations are provided to the Calculation Agent in accordance with the above paragraph, the Reference Rate will be determined by the Calculation Agent in its sole discretion, acting in good faith and in a commercial and reasonable manner.

- (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) *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.

(f) *Deferral of interest*

Payment of interest on Undated Subordinated Notes may be postponed, if so specified in the relevant Final Terms, in accordance with applicable French banking laws and regulations and, in particular, Article 4 of Regulation no. 90-02 dated 23 February 1990 of the CRBF, as amended from time to time.

Interest shall be payable on each Compulsory Interest Payment Date (as defined below) in respect of the interest accrued in the Interest Period ending on the day immediately preceding such date. On any Optional Interest Payment Date (as defined below) there may be paid (if the Issuer so elects) the interest accrued in the Interest Period ending on the day immediately preceding such date but the Issuer shall not have any obligation to make such payment. Notice of any Optional Interest Payment Date shall be given to the Noteholders in accordance with Condition 15 and to the relevant Regulated Market(s) of the EEA or to any unregulated stock exchange(s) on which the Notes are listed and admitted to trading, as the case may be. Such notice shall be given at least 7 days prior to the relevant Optional Interest Payment Date(s). Any interest not paid on an Optional Interest Payment Date shall, so long as the same remains unpaid, constitute **Arrears of Interest** which term shall include interest on such unpaid interest as referred to below. Arrears of Interest may, at the option of the Issuer, be paid in whole or in part at any time upon the expiration of not less than 7 days' notice to such effect given to the Noteholders in accordance with Condition 15 but all Arrears of Interest on all Undated Subordinated Notes outstanding shall become due in full on whichever is the earliest of:

- (i) the Interest Payment Date immediately following the first *Assemblée Générale Ordinaire* of the shareholders of the Issuer at which a resolution was passed to pay a dividend on any class of share capital of the Issuer; or
- (ii) (a) a judgment rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer or (b) the liquidation of the Issuer for any other reason.

If notice is given by the Issuer of its intention to pay the whole or part of Arrears of Interest, the Issuer shall be obliged to do so upon the expiration of such notice. When Arrears of Interest are paid in part only, each such payment shall be applied in or towards satisfaction of the full amount of the Arrears of Interest accrued in respect of the earliest Interest Period in respect of which Arrears of Interest have accrued and have not been paid in full. Arrears of Interest shall (to the extent permitted by law) bear interest accruing (but only, in accordance with Article 1154 of the French *Code civil*, after such interest has accrued for a period of one year) and compounding on the basis of the exact number of days which have elapsed at the prevailing rate of interest on the Undated Subordinated Notes in respect of each relevant Interest Period. For these purposes the following expressions have the following meanings:

**Compulsory Interest Payment Date** means any Interest Payment Date, unless at the *Assemblée Générale Ordinaire* of the shareholders of the Issuer immediately preceding such date which was required to approve the annual accounts of the Issuer for the fiscal year then ended, no resolution was

passed to pay a dividend on any class of share capital of the Issuer in respect of such previous fiscal year; and

**Optional Interest Payment Date** means any Interest Payment Date other than a Compulsory Interest Payment Date, including in particular, without limitation, any Interest Payment Date if at the *Assemblée Générale Ordinaire* of the shareholders of the Issuer immediately preceding such date which was required to approve the annual accounts of the Issuer for the fiscal year then ended, no resolution was passed to pay a dividend on any class of share capital of the Issuer in respect of such previous fiscal year.

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

If any Margin 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, 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 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 or its maturity is extended pursuant to any Issuer's option in accordance with Condition 7(b) or any Noteholder's option in accordance with Condition 7(c), 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 Subordinated Notes the proceeds of which constitute Upper Tier 2 Capital shall be Undated Subordinated Notes. The Maturity Date, in relation to Dated Subordinated Notes the proceeds of which constitute Lower Tier 2 Capital and for the purposes of the General Prudential Source Book of the FSA (**FSA Policy**), will not be less than five years and one day from the Issue Date and where the proceeds constitute Tier 3 Capital, will not be less than two years from the Issue Date.

(b) *Redemption at the Option of the Issuer, Exercise of Issuer's Options and Partial Redemption*

If a Call Option is specified in the relevant Final Terms, the Issuer may, subject to the prior approval of the *Secrétariat Général de l'Autorité de Contrôle Prudentiel (SG ACP)* and the prior notification of the

FSA in the case of Subordinated Notes the proceeds of which constitute Upper Tier 2 Capital, Lower Tier 2 Capital or Tier 3 Capital and subject to compliance by the Issuer of all the relevant laws, regulations and directives and on giving not less than 15 nor more than 30 days' irrevocable notice in accordance with Condition 15 to the Noteholders redeem all or, if so provided, some, of the Notes on any Optional Redemption Date, which shall not be less than five years and one day from the Issue Date in relation to Undated Subordinated Notes the proceeds of which constitute Upper Tier 2 Capital and Dated Subordinated Notes the proceeds of which constitute Lower Tier 2 Capital and not less than two years from the Issue Date in relation to Dated Subordinated Notes the proceeds of which constitute Tier 3 Capital. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption (including, where applicable, any Arrears of Interest), 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 may be effected, at the option of the Issuer, either (i) by reducing the nominal amount of all such Dematerialised Notes in a Series in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full, or applying the option to, some only of such Dematerialised Notes and, in such latter case, the choice between those Dematerialised Notes that will be fully redeemed or in respect of which such Option has been exercised and those Dematerialised Notes of any Series that will not be redeemed or in respect of which such Option has not been exercised shall be made in accordance with Article R.213-16 of the French *Code monétaire et financier* and the provisions of the relevant Final Terms, subject to compliance with any other applicable laws and Regulated Market or unregulated stock exchange requirements.

So long as the Notes are admitted to trading on the Luxembourg Stock Exchange's Regulated Market 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 (i) as long as such Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's Regulated Market and the rules of such stock exchange so permit, on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or (ii) in a leading newspaper with general circulation in the city where the Regulated Market on which such Notes are admitted to trading is located, which in the case of the Luxembourg Stock Exchange is expected to be the *Luxemburger Wort*, 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 and Exercise of Noteholders' Options*

If a Put Option is specified in the relevant Final Terms and provided that the relevant Note is not a Subordinated Note the proceeds of which constitute Upper Tier 2 Capital, Lower Tier 2 Capital and Tier 3 Capital, 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 redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption including, where applicable, any Arrears of Interest.

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 Early Redemption Amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to Condition 7(e) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Nominal Amount (calculated as provided below) of such Note.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Nominal Amount of any such Note shall be 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**).
- (C) If the Amortised Nominal Amount payable in respect of any such Note upon its redemption pursuant to Condition 7(e) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Nominal Amount 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 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 the Final Redemption Amount together with interest accrued to the date fixed for redemption (including, where applicable, any Arrears of Interest) unless otherwise specified 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, 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, and, in the case of Subordinated Notes the proceeds of which constitute Upper Tier 2 Capital, Lower Tier 2 Capital or Tier 3 Capital, subject to the prior approval of the SG ACP and the prior notification of the FSA, 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 (including, where applicable, any Arrears of Interest) 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 and interest without withholding for French taxes.

If the Issuer would, on the next payment of principal or interest in respect of the Notes, 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, and, in the case of Subordinated Notes the proceeds of which constitute Upper Tier 2 Capital, Lower Tier 2 Capital or Tier 3 Capital, subject to the prior approval of the SG ACP and the prior notification of the FSA, 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 (including, where applicable, any Arrears of Interest) 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, 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 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. In the case of a Series of Subordinated Notes the proceeds of which constitute Upper Tier 2 Capital, Lower Tier 2 Capital or Tier 3 Capital, any such purchase will be subject to the prior notification of the FSA and the prior approval of the SG ACP (i) if made in the open market, if it relates (individually or when aggregated with any previous purchase) to more than ten per cent. of the principal amount of the Notes or (ii) if made by way of a public tender offer or public exchange offer or on the over-the-counter market.

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 for the purpose of enhancing the liquidity of the Notes, or cancelled in accordance with Condition 6 (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 partial 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 to any applicable fiscal or other laws, regulations and directives in the place of payment but without prejudice to the provisions of Condition 9. 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 case such, 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) Paying Agents having specified offices in at least two major European cities

(including Luxembourg so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's Regulated Market and, so long as the Notes are listed and admitted to trading on any other Regulated Market, such other city where the Notes are to be listed and admitted to trading) (iv) in the case of Materialised Notes, a Paying Agent having its specified office in a Member State of the EU that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other EU Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to, such Directive (which may be any of the Paying Agents referred to in (iii) above), (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 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 or interest in respect of any Note or Coupon be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders or, if applicable, 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 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 or duties 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; or

(iii) Payment to individuals

where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(iv) Payment by another Paying Agent

in the case of Definitive Materialised Notes presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union.

References in these Conditions to (i) **principal** shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, 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.

(c) *Supply of Information*

Each Noteholder shall be responsible for supplying to the Paying Agent, in a reasonable and timely manner, any information as may be required in order to comply with the identification and reporting obligations imposed on it by the European Council Directive 2003/48/EC or any other European Directive implementing the conclusions of the ECOFIN Council Meeting dated 26 and 27 November

2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive.

#### 10. **Events of Default**

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

- (a) *In the case of Unsubordinated Notes*
  - (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 purpose, 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 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.
- (b) *In the case of Subordinated Notes and in accordance with Condition 3(b),*
  - (i) if any judgment shall be issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer; or
  - (ii) if the Issuer is liquidated for any other reason.

#### 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

In respect of the representation of the Noteholders, the following shall apply:

- (a) If the relevant Final Terms specifies "No Masse", the Noteholders will not, in respect of all Tranches in any Series, be grouped for the defence of their common interests in a *masse* (the **Masse**) and the provisions of the French *Code de commerce* relating to the Masse shall not apply; or
- (b) If the relevant Final Terms specifies "Full Masse", the Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a Masse and the provisions of the French *Code de commerce* relating to the Masse shall apply in accordance with the below provisions of this Condition 12(b).

The names and addresses of the initial Representative of the Masse 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.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the general meeting of the Noteholders (the **General Meeting**).

In accordance with Article R.228-71 of the French *Code de commerce*, the right of each Noteholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the third business day in Paris preceding the date set for the meeting of the relevant General Meeting.

The place where of a General Meeting shall be held will be set out in the notice convening such General Meeting; or

- (c) If the relevant Final Terms specifies "Contractual Masse", the Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a Masse which will be subject to the below provisions of this Condition 12(c).

The Masse will be governed by the provisions of the French *Code de commerce* (the **Code**) with the exception of Articles L.228-48, L.228-59, L.228-65 I (1°), (3°) and (4°), L.228-71, R.228-63, R-228-67 and R.228-69 subject to the following provisions:

- (i) Legal Personality

The Masse will be a separate legal entity and will act in part through a representative (the **Representative**) and in part through the General Meeting.

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.

(ii) Representative

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representatives:

- the Issuer, the members of its *Conseil d'Administration*, its general managers (*directeurs généraux*), its statutory auditors, its employees and their ascendants, descendants and spouses; or
- companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their board of directors, executive board or supervisory board, their statutory auditors, employees and their ascendants, descendants and spouses; or
- companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or
- persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The names and addresses of the initial Representative and its alternate will be set out in the 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.

The Representative will be entitled to such remuneration in connection with its function or duties, if any, as set out in the relevant Final Terms.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by the alternate Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the initial Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

(iii) Powers of Representative

The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

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

The Representative may not be involved in the management of the affairs of the Issuer.



(iv) General Meeting

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

Notice of the date, hour, place and agenda of any General Meeting will be published as provided under Condition 15.

Each Noteholder has the right to participate in a General Meeting in person or by proxy, correspondence or, if the *statuts* of the Issuer so specify, videoconference or any other means of telecommunications allowing the identification of the participating Noteholders<sup>1</sup>. Each Note carries the right to one vote or, in the case of Notes issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

In accordance with Article R.228-71 of the French *Code de Commerce*, the rights of each Noteholder to participate in the General Meetings must be evidenced by entries in the books of the relevant Account Holder in the name of such Noteholder at midnight Paris time on the third Paris business day preceding the date set for the relevant General Meeting.

(v) Powers of the General Meetings

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate 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, it being specified, however, that the General Meeting may not increase amounts payable by Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert Notes into shares or amend the status of Subordinated Notes the proceeds of which constitute (i) Upper Tier 2 Capital, (ii) Lower Tier 2 Capital, and (iii) Tier 3 Capital.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least a fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by Noteholders attending such General Meetings or represented thereat.

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<sup>1</sup> At the date of this Base Prospectus, the *statuts* of the Issuer do not contemplate the right for a Noteholder to participate in a General Meeting by videoconference or any other means of telecommunication allowing the identification of the participating Noteholders.

In accordance with Article R.228-71 of the French *Code de commerce*, the right of each Noteholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the third business day in Paris preceding the date set for the meeting of the relevant General Meeting.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 15.

(vi) Information to Noteholders

Each Noteholder or Representative thereof will have the right, during the 15-day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports 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, at the specified offices of any of the Paying Agents and at any other place specified in the notice of the General Meeting.

(vii) Expenses

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

(viii) Single Masse

The Noteholders of the same Tranche or Series, and the Noteholders of any other Tranche or Series which have been assimilated (*assimilables* for the purpose of French Law) with the Notes of such first mentioned Tranche or Series in accordance with Condition 15, shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the first Tranche or Series of Notes will be the Representative of the single Masse of all Tranches in such Series.

For the avoidance of doubt, in this Condition 12, the term “outstanding” shall not include those Notes purchased by the Issuer in accordance with Article L.213-1 A of the French *Code monétaire et financier* 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 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) published in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*), or (iii) delivered to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared or (iv) published via Business Wire or any successor appointed by the Issuer for the purposes hereof; provided that, (x) 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, which in the case of the Luxembourg Stock Exchange's Regulated Market, is expected to be the *Luxemburger Wort* and (y) 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](http://www.bourse.lu)).

(b) Notices to the holders of Materialised Notes and Dematerialised Notes in bearer form (*au porteur*) shall be valid if either (i) published in a daily leading newspaper of general circulation in Europe (which is expected to be the *Financial Times*), or (ii) delivered to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared or (iii) published via Business Wire or any successor appointed by the Issuer for the purposes hereof; provided that, (x) 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, which in the case of the Luxembourg Stock Exchange's Regulated Market, is expected to be the *Luxemburger Wort* and (y) 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](http://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.

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

## RECENT DEVELOPMENTS

On 11 December 2012, HSBC Holdings plc (HSBC Holdings), the parent company of the Issuer, announced that:

*"HSBC has reached agreement with United States authorities in relation to investigations regarding inadequate compliance with anti-money laundering and sanctions laws. This includes a Deferred Prosecution Agreement (DPA) with the US Department of Justice. HSBC has also reached agreement to achieve a global resolution with all other US government agencies that have investigated HSBC's past conduct related to these issues and anticipates finalising an undertaking with the United Kingdom Financial Services Authority shortly.*

*Under these agreements, HSBC will make payments totaling US\$1.921bn, continue to cooperate fully with regulatory and law enforcement authorities, and take further action to strengthen its compliance policies and procedures."*



## **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 depository (the **Common Depository**) for Euroclear Bank S.A./N.V. (**Euroclear**) and for Clearstream Banking, société anonyme (**Clearstream, Luxembourg**). Upon the delivery of such Temporary Global Certificate with a Common Depository, Euroclear, Clearstream, Luxembourg 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 Depository 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, Luxembourg 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, Luxembourg, 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) (**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) (**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 Temporary Global Certificate 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 and Luxembourg relating to the Notes that may be issued under the Programme and specifically contains information on taxes on the income from the securities withheld at source. This overview is based on the laws in force in France and Luxembourg as of the date of this Base Prospectus and is subject to any changes in law. It does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of 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. EU SAVINGS DIRECTIVE

On 3 June 2003, the European Union adopted the Directive 2003/48/EC regarding the taxation of savings income in the form of interest payments (the **Savings Directive**). The Directive requires Member States as from 1 July 2005 to provide to the tax authorities of other Member States details of payments of interest and other similar income within the meaning of the Savings Directive made by a paying agent located within its jurisdiction to or to the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State, except that Luxembourg and Austria will instead impose a withholding system for a transitional period unless the beneficiary of interest payment elects for the exchange of information. The current rate of such withholding tax equals 35 per cent. from 1 July 2011 and until the end of the transitional period.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent, the Issuer will be required to maintain a paying agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

The European Commission has proposed certain amendments to the Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above.

### 2. FRENCH TAXATION

#### 2.1 French Withholding Tax

- (a) Pursuant to the French *loi de finances rectificative pour 2009* No. 3 (n° 2009-1674 dated 30 December 2009) (the **Law**), payments of interest and other revenues made by the Issuer with respect to Notes (other than Notes (described below) which are assimilated (*assimilables* for the purpose of French law) and form a single series with Notes issued prior to 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 in a Non-Cooperative State, a 50 % withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*. The draft Finance Act for 2013 considers increasing this withholding tax rate up to 75%.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other 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 a financial institution located in such a Non-Cooperative State (the **Deductibility Exclusion**). Under certain conditions, any such non-deductible interest and other 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 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 30% or 55% (the draft Finance Act for 2013 considers increasing this withholding tax rate up to 75%), subject to the more favourable provisions of any applicable double tax treaty.

Notwithstanding the foregoing, the Law provides that neither the 50% withholding tax provided by Article 125 A III of the French *Code général des impôts*, nor the Deductibility Exclusion will apply in respect of a particular 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 revenues to be made in a Non-Cooperative State (the **Exception**). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-ANX-000364-20120912 and BOI-ANX-000366-20120912, 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 clearing and delivery and payments 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) 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 (or deemed issued) before 1 March 2010 outside France, as provided under Article 131 *quater* of the French *Code général des impôts*, will continue to 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-30-10-30-30-20120912 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 (or deemed issued) outside France before 1 March 2010 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.

## 2.2 EU Savings Directive

The Savings Directive has been implemented into French law by Article 242 *ter* of the French *Code général des impôts* and Articles 49 I *ter* to 49 I *sexies* of the Schedule III to French *Code général des impôts*. Article 242 *ter* of the French *Code général des impôts*, imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

## 3. LUXEMBOURG TAXATION

The Savings Directive has been implemented in Luxembourg law by Act of 21 June 2005 (the **Laws**).

### Individuals

#### *Luxembourg residents*

A 10% withholding tax has been introduced, as from 1 January 2006, on interest payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to Luxembourg individual residents. Only interest accrued after 1 July 2005 falls within the scope of this withholding tax. Income (other than interest) from investment funds, interest from current accounts provided that the interest rate is not higher than 0.75% and interest allocated to a home savings bank deposit (*dépôt d'épargne auprès d'une caisse d'épargne-logement*) are exempt from the withholding tax. Furthermore, interest which is accrued once a year on savings accounts (short and long term) and which does not exceed €250 per person and per paying agent is exempt from the withholding tax.

This withholding tax represents the final tax liability for the Luxembourg individual resident taxpayers, provided that he/she is an individual acting in the course of the management of his/her private wealth.

#### *Luxembourg non-residents*

Subject to the application of the Savings Directive and the Laws, there is no withholding tax on payments of principal, premium or interest (including accrued but unpaid interest) made to Luxembourg non-resident Noteholders.

Under the Savings Directive and the Laws, a Luxembourg based paying agent (within the meaning of the Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State unless the beneficiary of the interest payments elects for the exchange of information. The same regime applies to payments to individuals or residual entities resident in certain dependent territories (as defined by the Laws and the Savings Directive).

The withholding tax rate is currently 35%. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain other countries.

## **Corporations**

There is no withholding tax for Luxembourg resident and non-resident corporations Noteholders on payments of principal, premium or interest (including accrued but unpaid interest).

## FORM OF FINAL TERMS

Final Terms dated [●]

[LOGO, if document is printed]

HSBC France

**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 December 2012 [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 (and amendments thereto, including the Directive 2010/73/EU, to the extent implemented in the Relevant Member State), 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 [as so supplemented]. [A summary of the issue of the Notes is annexed to these Final Terms.]<sup>2</sup> These Final Terms, the Base Prospectus [and the supplement[s] to the Base Prospectus] are available for viewing on the websites of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and the Issuer [www.hsbc.fr/1/2/hsbc-france/entreprises-institutionnels/placements/nos-solutions-de-placement-indivuelles/emissions-obligataires](http://www.hsbc.fr/1/2/hsbc-france/entreprises-institutionnels/placements/nos-solutions-de-placement-indivuelles/emissions-obligataires)) 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.<sup>3</sup> [In addition<sup>4</sup>, 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 Base Prospectus dated [original date] [and the supplement[s] to the Base Prospectus dated [●]] which are incorporated by reference in the Base Prospectus dated [current date]. 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 December

<sup>2</sup> Only required for Notes with a denomination of less than €100,000.

<sup>3</sup> 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.

<sup>4</sup> If the Notes are listed on a Regulated Market other than the Luxembourg Stock Exchange's Regulated Market.

2012 [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.]<sup>5</sup> [These Final Terms, (including the Conditions) and the Base Prospectus are available for viewing on the websites of (a) (the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu))) at least during a period of twelve months from the date of the Base Prospectus and (b) the Issuer ([www.hsbc.fr/1/2/hsbc-france/entreprises-institutionnels/placements/nos-solutions-de-placement-individuelles/emissions-obligataires](http://www.hsbc.fr/1/2/hsbc-france/entreprises-institutionnels/placements/nos-solutions-de-placement-individuelles/emissions-obligataires))] [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).<sup>6</sup> [In addition, the Final Terms (including the Conditions) and the Base Prospectus dated 14 December 2012 [and the supplement[s] to the Base Prospectus] are available for viewing [on/at] [●].]<sup>7</sup>

*[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.]*

- |    |       |  |  |
|----|-------|--|--|
| 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 ( <i>assimilables</i> ) and form a single Series [ <i>identify earlier Tranches</i> ] 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].] / [ <i>Not Applicable</i> ] |
| 2. |       | Specified Currency or Currencies:                                      | [●]  |
| 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] ( <i>if applicable</i> )]  |
| 5. |       | Specified Denomination(s):   | [●] <sup>8</sup> ( <i>one denomination only for Dematerialised Notes</i> ) ( <i>Not less than €1,000 or its equivalent in other currency at the Issue Date for Notes admitted to trading or offered to the public in the EEA in circumstances where a prospectus is required to be published under the Prospectus Directive</i> ).                             |

<sup>5</sup> Only required for Notes with a denomination of less than €100,000.

<sup>6</sup> 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.

<sup>7</sup> If the Notes are listed on a Regulated Market other than the Luxembourg Stock Exchange's Regulated Market.

<sup>8</sup> 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).

6. (i) Issue Date: [●]
- (ii) Interest Commencement Date (if [●] [*Specify/Issue Date/Not Applicable*]  
*different from the Issue Date*):
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]
- (further particulars specified below)
9. Redemption/Payment Basis<sup>9</sup>: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100 per cent.] / [● per cent.] of their nominal amount.  
*(Condition 8)*
- (further particulars specified below)
10. Change of Interest Basis: [*Specify when any fixed to floating rate change occurs or cross refer paragraphs 14 and 15 below if details are included there*] [Not Applicable]
11. Put/Call Options: [Investor Put]
- [Issuer Call]
12. (i) Status of the Notes: [Senior/[Dated/Undated]/ Subordinated]
- (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]

<sup>9</sup> If the Final Redemption Amount is different than 100% of the nominal value the Notes will be derivatives securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation apply. This form of Final Terms has been annotated to indicate where the key additional requirements of Annex XII are dealt with.



- (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 sub-paragraphs 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)*
- 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*)
- (x) ISDA Determination [Applicable/Not Applicable]
- Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]
- (xi) FBF Determination: [Applicable/Not Applicable]
- Floating Rate (*Taux Variable*): [●] (*specify Benchmark [EURIBOR, LIBOR, CMS] and months [e.g. EURIBOR 3 months]*)
  - Floating Rate Determination Date (*Date de Détermination du Taux Variable*): [●]
- (xii) Margin(s): [+/-] [●] per cent. per annum
- (xiii) Minimum Rate of Interest: [Not Applicable/[●] per cent. per annum]
- (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<sup>E</sup>/360 / 30<sup>E</sup>/360-FBF / 30<sup>E</sup>/360-ISDA] [*include any other option from Condition 4*]
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<sup>E</sup>360 / 30<sup>E</sup>/360-FBF / 30<sup>E</sup>/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]<sup>10</sup>]
19. Early Redemption Amount:
- (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default: [●]
- (ii) Early Redemption for taxation reasons on days other than Interest [●] [Yes] / [No]

<sup>10</sup> Delete bracketed text in case of Dematerialised Notes.

Payment Dates:

**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 Article L. 213-1 A and D. 213-1 A of the French *Code monétaire et financier* [Applicable/Not Applicable]
25. Consolidation provisions: [Not Applicable/The provisions [in Condition 14(b)] apply]
26. Masse (Condition 12):  
[[No Masse]/[Full Masse]/[Contractual Masse] shall apply] (*Note that: (i) in respect of any Tranche of Notes issued outside France, Condition 12 (a) (No Masse) or (c) (Contractual Masse) may be elected by the Issuer, and (ii) in respect of any Tranche of Notes issued inside France, Condition 12(b) (Full Masse) shall apply.*)  
  
[*If Condition 12 (b) (Full Masse) or (c) (Contractual*

*Masse) applies, insert below details of Representative and alternate Representative and remuneration, if any:*

[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 [●]].

**[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): [[Official List of [the Luxembourg Stock Exchange]/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 [Luxembourg Stock Exchange Regulated Market (*Bourse de Luxembourg*)/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 [Luxembourg Stock Exchange Regulated Market (*Bourse de Luxembourg*)/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: [●]<sup>11</sup>]

### 2. RATINGS

Ratings: The Notes to be issued have been rated:

[S & P: [●]]  
[Moody's: [●]]  
[Fitch: [●]]  
[[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) N° 1060/2009 (as amended) (the **CRA Regulation**). Each of S&P, Moody's and Fitch are included in the list of

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<sup>11</sup> Required only for Notes with a denomination per unit of at least €100,000.

credit rating agencies published by the European Security and Markets Authority on its website ([www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)) 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 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]<sup>12</sup>

- (i) [Reasons for the offer: [●]  
*(For Unsubordinated Notes, see "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from general corporate purposes will need to include those reasons here.)*<sup>13</sup>
- (ii) [Estimated net proceeds: [●]]  
*(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.)*<sup>14</sup>
- (iii) [Estimated total expenses: [●]. [Include breakdown of expenses.]<sup>15</sup>  
*(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.)*

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

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

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

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



**5. Fixed Rate Notes only – YIELD**

[Not Applicable]<sup>16</sup>

Indication of yield: .<sup>17</sup>

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

**6. Floating Rate Notes only - HISTORIC INTEREST RATES**

[Not Applicable]<sup>18</sup>

Details of historic [EURIBOR/LIBOR/CMS] rates can be obtained from [Reuters/other].<sup>19</sup>

**7. OPERATIONAL INFORMATION**

ISIN Code:

Common Code:

Depositories:

(i) Euroclear France to act as Central Depository:  [Yes/No]

(ii) Common Depository for Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme:  [Yes/No]

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

Delivery:  Delivery [against/free of] payment

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  [Not Applicable/*give names*], addresses and

<sup>16</sup> Include where the Notes are not Fixed Rate Notes.

<sup>17</sup> Include where the Notes are Fixed Rate Notes

<sup>18</sup> Include where the Notes are not Floating Rate Notes.

<sup>19</sup> Include where the Notes are Floating Rate Notes

addresses\*\*\*] of Managers [and *underwriting commitments\*\*\**]  
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 United States 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**). See further Paragraph 9 of Part B below.]

## 9. TERMS AND CONDITIONS OF THE OFFER<sup>20</sup>

[Not Applicable]<sup>21</sup>

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

Conditions to which the offer is subject:

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

<sup>20</sup> Not required for Notes with a denomination of at least €100,000.

<sup>21</sup> Include only for Notes with a denomination per unit of at least €100,000.

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: [●]

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 ALLOTMENT<sup>22</sup>

[Not Applicable]<sup>23</sup>

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

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

## 11. PRICING<sup>24</sup>

[Not Applicable]<sup>25</sup>

Indication of the expected price at which the securities will be offered. Indicate the [●]

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<sup>22</sup> Not required for Notes with a denomination of at least €100,000

<sup>23</sup> Include only for Notes with a denomination per unit of at least €100,000.

<sup>24</sup> Not required for Notes with a denomination of at least €100,000.

<sup>25</sup> Include only for Notes with a denomination per unit of at least €100,000.

amount of any expenses and taxes specifically charged to the subscriber or purchaser:

## 12. PLACING AND UNDERWRITING<sup>26</sup>

[Not Applicable]<sup>27</sup>

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”. Where Authorised Offeror(s) have been designated herein, specify any condition

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]/[●]

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<sup>26</sup> Not required for Notes with a denomination of at least €100,000.

<sup>27</sup> Include only for Notes with a denomination per unit of at least €100,000.

**[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 December 2012 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

In relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) 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 that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (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 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive (as defined below), 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 Relevant Member State 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 by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC (and the amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

#### **United States**

The Notes have not been and will not be registered under the Securities Act 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 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.

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.

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 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 of U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

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 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 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 in the period beginning (i) when a prospectus in relation to those Notes has been approved by the *Autorité des marchés financiers* (the **AMF**), on the date of its publication or, (ii) when a prospectus has been approved by the competent authority of another Member State of the EEA which has implemented the EU Prospectus Directive 2003/71/EC, on the date of notification of such approval to the AMF, 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, and ending at the latest on the date which is 12 months after the date of approval of the Base Prospectus; or

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

[in connection with their initial distribution]<sup>28</sup> 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**

Each Dealer has represented and agreed that (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to **professional investors** as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and (ii) 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 Securities and Futures Ordinance and any rules made under that Ordinance.

### **The Netherlands**

- (a) Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it 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 The Netherlands in reliance on Article 3(2) of the Prospectus Directive unless:
- (i) such offer is made exclusively to legal entities which are qualified investors (as defined in the Prospectus Directive and which includes authorised discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in The Netherlands; or
  - (ii) standard exemption logo and wording are disclosed as required by article 5:20(5) of the of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, the **FMSA**); or
  - (iii) such offer is otherwise made in circumstances in which article 5:20(5) of the FMSA is not applicable,

provided that no such offer of Notes 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.

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<sup>28</sup> Only insert where an admission to trading on Euronext Paris is contemplated.

For the purposes of this provision, the expressions (i) an "offer of Notes to the public" in relation to any Notes in The Netherlands; and (ii) "Prospectus Directive", have the meaning given to them above in the paragraph headed with "European Economic Area".

- (b) In addition and without prejudice to the relevant restrictions set out under (a) above, Zero Coupon Notes (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member firm of Euronext Amsterdam N.V., admitted in a function on one or more markets or systems held or operated by Euronext Amsterdam N.V., in accordance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations.

No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Global Note; (b) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals who do not act in the conduct of a business or profession; (c) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof; or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series or Tranche are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter.

In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Notes have to be complied with.

As used herein "Zero Coupon Notes" are Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

## **Switzerland**

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will comply with any laws, regulations or guidelines in Switzerland from time to time, including, but not limited to, any regulations made by the Swiss National Bank, in relation to the offer, sale, delivery or transfer of the Notes or the distribution of any offering material in respect of such Notes.

## **Kingdom of Spain**

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it has only made and will only make an offer of the Notes to the public (*oferta pública*) in Spain in the period beginning on the date of notification of the approval of this Base Prospectus in relation to the Notes by the CSSF in Luxembourg to the Comisión Nacional del Mercado de Valores (CNMV) in Spain, in accordance with the Spanish Securities Market Act (Ley 24/1988 de 28 de julio, del Mercado de Valores), as amended (the **LMV**), Royal Decree 1310/2005, of 4 November, developing partially the Spanish Securities Market Law as regards admission to listing on official secondary markets, public offers and the prospectus required thereto and the regulations made thereunder, and ending at the latest on the date which is 12 months after the date of the approval of this Base Prospectus.

The Notes may not be offered or sold in Spain other than by institutions authorised under the LMV and Royal Decree 217/2008, of 15 February, on the legal regime applicable to investment services companies, to provide investment services in Spain, and in compliance with the provisions of the LMV and any other applicable legislation.

## Italy

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that:

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

it will only make an offer of the Notes to the public in the Republic of Italy after a prospectus has been approved by the competent authority of another Member State of the EEA, which has implemented the EU Prospectus Directive 2003/71/EC, as amended (the **Prospectus Directive**) and notice of such approval has been given to the *Commissione Nazionale per le Società e la Borsa (CONSOB)* in accordance with the passporting procedure set forth in the Prospectus Directive as implemented by Article 98 of the Legislative Decree no. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Articles 11 and 12 of CONSOB Regulation no. 11971 of 14 May 1999, as amended (the **Issuers Regulation**).

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

Prior to the passporting of the Base Prospectus to CONSOB, pursuant to the Italian securities legislation, the Notes may not, and will not, be offered, sold, transferred or delivered, directly or indirectly, in an offer to the public in the Republic of Italy and copies of this Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes may not, and will not, be distributed in the Republic of Italy, unless an exemption applies. Accordingly, each of the Dealers and the Issuer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) not to effect any offering, marketing, solicitation or selling activity of the Notes in the Republic of Italy except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of the Financial Services Act and Article 34-ter, paragraph 1(b) of the Issuers Regulation; or
- (b) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under Article 100 of the Financial Services Act and its implementing regulations, including article 34-ter of the Issuers Regulation.

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, and will, be effected in accordance with all relevant Italian securities, tax and exchange control and other applicable laws and regulations and in particular will be made:

- (i) 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. 16190 of 29 October 2007, all as amended;
- (ii) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the offering or issue of securities in the Republic of Italy; and
- (iii) in compliance with any other applicable requirement or limitation which may be imposed from time to time by CONSOB, the Bank of Italy or any other Italian authority.

Any investor purchasing the Notes in the offering is solely responsible for ensuring that any offer and resale of the Notes it purchased in the offering occurs in compliance with applicable Italian laws and regulations. Article 100-bis of the Financial Services Act affects the transferability of the Notes in the Republic of Italy to the extent that the Notes are placed solely with qualified investors and such Notes are then systematically resold to non-qualified investors on the secondary market at any time in the twelve (12) months following such placing. Should this occur without the publication of a prospectus in the Republic of Italy or outside of the application of one of the exemptions referred to above, purchasers of Notes who are acting outside of the course of their business or profession are entitled to have such purchase declared void and to claim damages from any authorised intermediary at whose premises the Notes were purchased.

This Base Prospectus, the Final Terms or any other document relating to the Notes, and the information contained herein are intended only for the use of its recipients and are not to be distributed to any third-party resident or located in the Republic of Italy for any reason.

### **Andorra**

The Notes shall only be offered or sold to Andorran banks or financial entities duly authorised by the Andorran Government to operate within the financial sector in Andorra or otherwise as lawfully permitted in Andorra.

### **Liechtenstein**

The Notes are offered by way of a private placement to a limited number of investors in Liechtenstein and as such do not form part of any public offering in Liechtenstein. This Base Prospectus, any supplements to the Base Prospectus and Final Terms shall be treated as confidential and may only be relied upon by the addressee and not a third party. In case of any potential on-selling by an investor, the investor must respect the public offering restriction under Liechtenstein law.

### **Monaco**

The Notes shall only be offered or sold to duly authorised banks and licensed portfolio management companies in Monaco or otherwise as lawfully permitted in Monaco.

### **Belgium**

This Base Prospectus has not been submitted for approval to the Financial Services and Markets Authority. Accordingly, Notes that have a maturity of less than 12 months and qualify as money market instruments (and that therefore fall outside the scope of the Prospectus Directive) may not be distributed in Belgium by way of a public offering, as defined for the purposes of the law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets.

## GENERAL INFORMATION

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

Application has been made for the delivery by the CSSF 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 France 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 establishment 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 25 July 2012 to its Chief Executive Officer (*Directeur Général*), Jean Beunardeau, and pursuant to proposal of the latter, to its Executive Director and Deputy Chief Executive Officer (*Administrateur et Directeur Général Délégué*) Gilles Denoyel, and to Xavier Boisseau, Franck Carminati, Nathalie Gay Guggenheim, Philippe Moiroud and Nathalie Safar, all powers to issue *obligations* and to determine their final terms and conditions, up to a maximum aggregate amount of € 10,000,000,000 for 1 year from 25 July 2012. Any drawdown 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 44 to 47, there has been no significant change in the financial position of the Issuer or the Group since 30 June 2012.
- (4) There has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2011.
- (5) 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.
- (6) Application may be made for Notes to be accepted for clearance through Clearstream Luxembourg (42 avenue JF Kennedy, 1855 Luxembourg, Luxembourg), Euroclear (boulevard du Roi Albert II, 1210 Bruxelles, Belgique) and Euroclear France (115 rue Réaumur, 75081 Paris cedex 02, 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.
- (7) This Base Prospectus will be published on the websites of (a) the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) during at least a period of twelve months from the date of the Base Prospectus and (b) the Issuer ([www.hsbc.fr](http://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) Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and (b) Issuer ([www.hsbc.fr/1/2/hsbc-](http://www.hsbc.fr/1/2/hsbc-)

[france/entreprises-institutionnels/placements/nos-solutions-de-placement-individuelles/emissions-obligataires](#)).

- (8) 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 2010 and 2011;
  - (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 the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange 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.
- (9) For certain information as to the taxation of saving income, see "*Taxation*" in page 90 above.
- (10) 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.
- (11) 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.

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