

Final Terms dated 26 September 2006

HSBC France

Issue of EUR 80,000,000 "EUR CMS Linked Notes" due 26 September 2026
under the € 20,000,000,000
Euro Medium Term Note Programme

HSBC

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 15 September 2006 which constitutes a prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such 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. The Base Prospectus is available for viewing at, and copies may be obtained from, the registered office of the Issuer and at the specified office of the Paying Agent(s) or on the websites of (a) the Luxembourg Stock Exchange (www.bourse.lu) and (b) the Issuer (www.hsbc.fr).

1.	Issuer:	HSBC France
2.	(i) Series Number:	1138
	(ii) Tranche Number:	1
3.	Specified Currency or Currencies:	Euro ("EUR")
4.	Aggregate Nominal Amount of Notes admitted to trading:	EUR 80,000,000
	(i) Series:	EUR 80,000,000
	(ii) Tranche:	EUR 80,000,000
5.	Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
6.	Specified Denominations:	EUR 50,000
7.	Issue Date and Interest Commencement Date:	26 September 2006
8.	Maturity Date:	The Specified Interest Payment Date falling

in September 2026, subject to early redemption as set out in 21 below

9. **Interest Basis:**
- 4.50 per cent. Fixed Rate from, and including the Interest Commencement Date, to, but excluding, 26 September 2016; and thereafter
 - Floating Rate
- (further particulars specified below)
10. **Redemption/Payment Basis:** Redemption at par
(*Condition 7*) (further particulars specified below)
11. **Change of Interest or Redemption/Payment Basis:** See item 9 above
12. **Put/Call Options:** Condition 7(c) will apply as specified below
13. (i) **Status of the Notes:** Senior
- (ii) **Date of Board approval for issuance of Notes obtained:** Decision of the *Conseil d'Administration* of the Issuer dated 25 July 2006
14. **Method of distribution:** Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions:** Applicable for the period from and including the Interest Commencement Date to but excluding 26 September 2016
- (i) **Rate of Interest:** 4.50 per cent. per annum payable annually in arrear
 - (ii) **Interest Payment Dates:** 26 September in each year, adjusted in accordance with the Modified Following Business Day Convention (there shall not be any resulting adjustment to the accrual)
 - (iii) **Fixed Coupon Amount:** EUR 2,250 per EUR 50,000 in Nominal Amount
 - (iv) **Broken Amount(s):** Not Applicable
 - (v) **Day Count Fraction:** 30/360 (unadjusted)
 - (vi) **Determination Dates:** Not Applicable
 - (vii) **Other terms relating to the method of calculating interest for Fixed Rate Notes:** Not Applicable

- 16. Floating Rate Note Provisions:** Applicable for the period from and including 26 September 2016 to but excluding the Maturity Date
- (i) **Interest Period(s):** From, and including, 26 September 2016 to, but excluding, the first Specified Interest Payment Date (as defined below) and each successive period beginning on, and including, a Specified Interest Payment Date and ending on, but excluding, the next succeeding Specified Interest Payment Date
- (ii) **Specified Interest Payment Dates:** 26 September in each year, commencing 26 September 2017, to and including 26 September 2026, all subject to adjustment in accordance with the Business Day Convention (there shall not be any resulting adjustment to the accrual)
- (iii) **Business Day Convention:** Modified Following Business Day Convention
- (iv) **Business Centre(s) (Condition 4(a)):** Not Applicable
- (v) **Manner in which the Rate(s) of Interest is/are to be determined:** Screen Rate Determination
- For the period from and including 26 September 2016 to but excluding the Maturity Date, the Rate of Interest will be, as determined by the Calculation Agent, equal to the higher of 0.00 per cent. and the product of:
- (A) 5; and
- (B) (i) CMS10 Rate_(i)
- minus
- (ii) CMS2 Rate_(i)
- (vi) **Interest Period Dates:** As specified under 16(ii) above, without adjustment in accordance with the Business Day Convention
- (vii) **Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):** Not Applicable

(viii) Screen Rate Determination:

Applicable

The Rate of Interest will be, as determined by the Calculation Agent, equal the higher of 0.00 per cent. and the product of:

(A) 5; and

(B) (i) CMS10 Rate_(i)

minus

(ii) CMS2 Rate_(i)

Where:

“**CMS10 Rate_(i)**” means, in respect of each Interest Determination Date (as defined below), (a) the rate for euro swap transactions expressed as a percentage with a Designated Maturity of 10 years, which appears on the Reuters Screen ISDAFIX2 Page as of 11:00 a.m., Frankfurt time on such day or if no such rate appears on Reuters Screen ISDAFIX2 Page (b) the rate determined in accordance with “EUR-Annual Swap Rate-Reference Banks” (as defined in the ISDA Definitions) without any reference to Reset Date

“**CMS2 Rate_(i)**” means, in respect of each Interest Determination Date (as defined below), (a) the rate for euro swap transactions expressed as a percentage with a Designated Maturity of 2 years, which appears on the Reuters Screen ISDAFIX2 Page as of 11:00 a.m., Frankfurt time on such day or if no such rate appears on Reuters Screen ISDAFIX2 Page (b) the rate determined in accordance with “EUR-Annual Swap Rate-Reference Banks” (as defined in the ISDA Definitions) without any reference to Reset Date

Subject to the Minimum Rate of Interest and the Maximum Rate of Interest, as set out in 16 (xii) and (xiii) below

– **Reference Rate:**

“EUR 10 year CMS” and “EUR 2 year CMS”

– **Interest Determination Date(s):**

The second TARGET Business Day prior to the first day in each Interest Accrual Period

	– Relevant Time:	11 a.m. (Frankfurt time)
	– Reference Banks (if primary source is "Reference Banks"):	Not Applicable
	– Primary Source :	Reuters Page
	– Representative Amount:	Not Applicable
	– Relevant Financial Centre:	Not Applicable
	– Effective Date:	Not Applicable
	– Specified Duration:	10 years and 2 years
	– Relevant Screen Page:	ISDAFIX2
	(ix) ISDA Determination	Not Applicable
	(x) FBF Determination:	Not Applicable
	(xi) Margin(s):	Not Applicable
	(xii) Minimum Rate of Interest:	4.50 per cent. per annum
	(xiii) Maximum Rate of Interest:	7.55 per cent. per annum
	(xiv) Day Count Fraction:	30/360 (unadjusted)
	(xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	Not Applicable
17.	Zero Coupon Note Provisions	Not Applicable
18.	Index-Linked Interest Note/other variable-linked interest Note Provisions:	Not Applicable
19.	Dual Currency Note Provisions:	Not Applicable
20.	Provisions relating to Physical Delivery Notes:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

21.	Issuer's optional redemption (Call): <i>(Condition 7(c))</i>	Applicable
	(i) Redemption amount (Call):	

		At par
	(ii) Series redeemable in part:	Not Applicable
	(iii) Call option date(s)/Call option period:	26 September in each year, the first such date being 26 September 2016, all subject to adjustment in accordance with the Modified Following Business Day Convention/ Five prior TARGET Business Days
22.	Noteholder's optional redemption (Put): (Condition 7(d))	Not Applicable
23.	Final Redemption Amount of each Note:	EUR 50,000 per Note of EUR 50,000 Specified Denomination
24.	Early Redemption Amount: Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in Condition 7(e)):	EUR 50,000 per Note of EUR 50,000 Specified Denomination
GENERAL PROVISIONS APPLICABLE TO THE NOTES		
25.	Form of Notes:	Dematerialised Notes
	(i) Form of Dematerialised Notes:	Applicable - bearer form (<i>au porteur</i>)
	(ii) Registration Agent:	Not Applicable
	(iii) Temporary Global Certificate:	Not Applicable
	(iv) Applicable TEFRA exemption:	Not Applicable
26.	Financial Centre(s) or other special provisions relating to Payment Dates for the purposes of Condition 8(g):	Condition 8(g) applies
27.	Talons for future Coupons or Receipts to be attached to Definitive Materialised Notes (and dates on	

- which such Talons mature): Not Applicable
28. **Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:** Not Applicable
29. **Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:** Not Applicable
30. **Redenomination, renominalisation and reconventioning provisions:** Not Applicable
31. **Consolidation provisions:** Not Applicable
32. **Masse (Condition 13):** Applicable
- If there is more than one Noteholder, the initial Representative will be:
- Marie-Hélène BAUDENET D'ANNOUX
286, boulevard Saint-Germain
75007 Paris
France
- The Alternative Representative will be:
- Catherine BAK-HANSEN
59, rue Eugène Carrière
75018 Paris
France
- The Representative will not receive any remuneration
33. **Other final terms:** Not Applicable

PROVISIONS APPLICABLE TO INDEX LINKED NOTES, CASH EQUITY NOTES, AMERICAN DEPOSITARY RECEIPT LINKED NOTES AND EQUITY LINKED NOTES

34. **Security Delivery (Equity Linked Notes only):** Not Applicable
35. **Provisions for Cash Equity Notes and Equity Linked Notes (excluding American Depositary Receipt Linked**

	Notes):	Not Applicable
36.	Additional provisions for Equity Linked Notes:	Not Applicable
37.	Provisions for American Depository Receipt Linked Notes:	Not Applicable
38.	Provisions for Index Linked Notes:	Not Applicable
39.	Valuation Date(s):	Not Applicable
40.	Valuation Time:	Not Applicable
41.	Averaging Dates:	Not Applicable
42.	Other terms or special conditions relating to Index Linked Notes, Cash Equity Notes or Equity Linked Notes:	Not Applicable
	DISTRIBUTION	
43.	If syndicated, names and addresses of Managers:	Not Applicable
44.	If non-syndicated, name and address of Dealer:	HSBC Bank plc Level 3 8 Canada Square London E14 5HQ United Kingdom
45.	Total commission and concession:	Not Applicable
46.	Additional selling restrictions:	Not Applicable
47.	GENERAL	
	The aggregate principal amount of Notes issued has been translated into Euro at the rate of [●] per cent. producing a sum of:	[●]

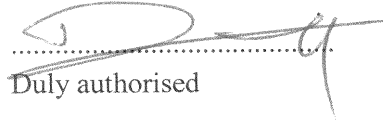
LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Euro 20,000,000,000 Euro Medium Term Note Programme of HSBC France.


RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By: 
Duly authorised

D Descamps


J-M Meyer

PART B – OTHER INFORMATION

1. RISK FACTORS

Not Applicable

2. LISTING AND ADMISSION TO TRADING

(i) Listing(s): Luxembourg Stock Exchange Regulated Market (*Bourse de Luxembourg*)

(ii) Admission to trading: Application has been made for the Notes to be admitted to trading on Luxembourg Stock Exchange Regulated Market (Bourse de Luxembourg) with effect from 26 September 2006

(iii) Estimate of total expenses related to admission to trading: EUR 10,425

(iv) Additional publication of Base Prospectus and Final Terms: Not Applicable

3. RATINGS

Ratings: The Notes have not been rated

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

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the issue

5. OPERATIONAL INFORMATION

ISIN Code: FR0010369512

Common Code: 026834805

Depositories:

(i) Euroclear France to act as Central Depository

(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

Delivery:

Delivery against payment

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

Not Applicable