

**SUPPLEMENT DATED 28 OCTOBER 2008  
TO THE BASE PROSPECTUS DATED 21 OCTOBER 2008**



**HSBC France**

€ 20,000,000,000

**Euro Medium Term Note Programme**

This supplement (the "**Supplement**") is supplemental to and should be read in conjunction with the Base Prospectus dated 21 October 2008 (the "**Base Prospectus**") prepared in relation to the €20,000,000,000 Euro medium term note programme of HSBC France (the "**Issuer**") and approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") for the purposes of Article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**") and Article 8.4 of the Luxembourg Law on Prospectuses for Securities dated 10 July 2005 (the "**Luxembourg Law**").

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this Supplement.

This Supplement constitutes a Supplement to the Base Prospectus for the purposes of Article 13 of chapter 1 of Part II of the Luxembourg Law for the purposes of updating certain information contained in the Base Prospectus as described below.

In accordance with Article 13 paragraph 2 of the Luxembourg Law, investors who have already agreed to purchase or subscribe for the securities before this Supplement is published have the right, exercisable within a time limit of two working days after the publication of this supplement, to withdraw their acceptances.

Copies of this Supplement will be available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

The purpose of this Supplement is to disclose that HSBC France, as a member of the French banking community, together with the other major French banks and the French government, is to invest in a new financing company (the "**Company**") established at the direction of the French government to support the French economy.

The Company will have issued share capital of €50m with each of BNPP, Crédit Agricole, Société Générale, CNCE, Banques Populaires, Crédit Mutuel and HSBC France investing €4.8m for a 9.43 per cent shareholding, and the French government taking the remaining shareholding of 34.0 per cent.

HSBC France has no plans to participate in the French government's bank recapitalisation scheme.

The purpose of this Supplement is also to amend certain parts of the Base Prospectus as more fully described below.

Amendments to the Base Prospectus

The Table entitled '*Loan impairment charges and other credit risk provisions*' on page 26 of the Base Prospectus will be replaced by the following table:

**Loan impairment charges and other credit risk provisions**

Half year ended	Year ended
30 June 2008	31 December 2007
(in millions of euros)	

Individually assessed impairment allowances		
New allowances	143	208
Release of allowances no longer required	(111)	(152)
Recoveries of amounts previously written off	(2)	(10)
	Total	Total
	30	46
Collectively assessed impairment allowances		
New allowances	9	17
(Release) of allowances no longer required	(8)	(11)
Recoveries of amounts previously written off	–	–
	(1)	(6)
Total charge for impairment losses		
	31	52
– banks	–	–
– customers	31	52
Other credit risk provisions	–	–
Cost of risk	–	–
Customer charge for impairment losses as a percentage of closing gross loans and advances	0.09%	0.09%
Total balances outstanding		
Non-performing loans	920	1,268
Impairment allowances	518	737
Gross loans and advances	84,914	89,017
Total allowances cover as a percentage of non-performing loans and advances	56.30%	58.12%

The table entitled '*Capital requirements with respect to market risks break down as follows (millions of euros)*' on pages 32 and 33 of the Base Prospectus will be replaced by the following table:

	30 June 2008		31 December 2007	
	BRI	CAD	BRI	CAD
<b>Internal Model:</b>	<b>159.6</b>	<b>159.6</b>	<b>92.0</b>	<b>92.0</b>
Foreign exchange risk	3.4	3.4	5.4	5.4
General interest-rate risk	204.6	204.6	91.6	91.6
General equities risk	65.6	65.6	39.2	39.2
Netting effect	(113.9)	(113.9)	(44.2)	(44.2)
<b>Standard methods:</b>	<b>102.1</b>	<b>102.1</b>	<b>87.1</b>	<b>87.1</b>
Foreign exchange risk	0.05	0.05	0.15	0.15
General interest-rate risk	0.04	0.03	0.11	0.08
Specific interest-rate risk	88.10	88.10	75.68	75.68
General equities risk	0.00	0.00	0.00	0.00
Specific equities risk	13.99	13.99	11.19	11.19
<b>Total</b>	<b>261.7</b>	<b>261.7</b>	<b>179.1</b>	<b>179.1</b>

The Issuer accepts responsibility for the information contained in this Supplement. The Issuer confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.