

Final Terms dated 23 April 2007

HSBC France

Issue of EUR 3,500,000 "Best of Spread" Notes due April 2012
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 and the supplement to the Base Prospectus dated 2 November 2006 which together constitute 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 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. The Base Prospectus and the supplement to the Base Prospectus are 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:	1188
	(ii) Tranche Number:	1
3.	Specified Currency or Currencies:	Euro ("EUR")
4.	Aggregate Nominal Amount of Notes admitted to trading:	
	(i) Series:	EUR 3,500,000
	(ii) Tranche:	EUR 3,500,000
5.	Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
6.	Specified Denominations:	EUR 50,000
7.	(i) Issue Date:	23 April 2007
	(ii) Interest Commencement Date:	Not Applicable
8.	Maturity Date:	23 April 2012
9.	Interest Basis:	Not Applicable

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|-----|--|---------------|---|
| 10. | Redemption/Payment
(Condition 7) | Basis: | See particulars in paragraph 23 below |
| 11. | Change of Interest
Redemption/Payment Basis: | or | Not Applicable |
| 12. | Put/Call Options: | | Not Applicable |
| 13. | (i) Status of the Notes: | | Senior |
| | (ii) Date of Board approval for
issuance of Notes obtained: | | Decision of the <i>Conseil d'Administration</i> 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: | Not Applicable |
| 16. | Floating Rate Note Provisions: | 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):
(Condition 7(c)) | Not Applicable |
| 22. | Noteholder's optional redemption
(Put):
(Condition 7(d)) | Not Applicable |
| 23. | Final Redemption Amount of each
Note: | <p>Unless previously redeemed, or purchased and cancelled in accordance with the Conditions, the Final Redemption Amount that is payable, in respect of each Note, on the Maturity Date shall be, as determined by the Calculation Agent, equal to the sum of:</p> <p>(I) 100 per cent. of the Specified Denomination; and</p> |

(II) the product of:

(A) The Specified Denomination; and

(B) The maximum between:

(i) 10 per cent.; and

(ii) the product of:

(a) 26.25; and

(b) the Maximum Spread

Where

“Maximum Spread” means, in respect of the twenty (20) Observation Dates_(i), the highest level of Spread determined by the Calculation Agent

“Spread” means, the following rate determined by the Calculation Agent :

10 year EUR-CMS_(i) minus 2 year EUR-CMS_(i)

“10 year EUR-CMS_(i)” means, in respect of each Observation Date_(i), (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

“2 year EUR-CMS_(i)” means, in respect of each Observation Date_(i), (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

“Observation Date_(i)” means the second TARGET Business Day prior to 23 April 2007, 23 July 2007, 23 October 2007, 23 January 2008, 23 April 2008, 23 July 2008, 23 October 2008, 23 January 2009, 23 April 2009, 23 July 2009, 23 October 2009, 25 January 2010, 23 April 2010, 23 July 2010, 25 October 2010, 24 January 2011, 26 April 2011, 25 July 2011, 24 October 2011 and 23 January 2012. “i” will equal 1 for the first Observation Date, 2 for the second Observation Date... and 20 for the final Observation Date

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)):

Condition 7(e) applies

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, renominatisation 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:
- Adrien MARTIGNE
20, avenue Mac Mahon
75017 Paris - France
- The alternative Representative will be:
- Cathy FALL
27, Avenue Galliéni
92 160 Antony - France
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 Depositary 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 EUR 1 = USD * producing a sum of:** Not Applicable

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



M. DE ROUX



M. DESCHAMPS

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 23 April 2007
- (iii) **Estimate of total expenses related to admission to trading:** Euro 1,975
- (iv) **Additional publication of Base Prospectus and Final Terms:** The Base Prospectus, the supplement to the Base Prospectus and these Final Terms will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu)

3. RATINGS

Ratings: The Notes have not been rated

4. OPERATIONAL INFORMATION

ISIN Code: FR0010457473

Common Code: 029497079

Depositories:

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

(ii) **Common Depository for Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme:** 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