

**SECOND SUPPLEMENT DATED 24 DECEMBER 2008
TO THE BASE PROSPECTUS DATED 21 OCTOBER 2008**



HSBC France

€ 20,000,000,000

Euro Medium Term Note Programme

This second supplement (the "**Supplement**") is supplemental to and should be read in conjunction with the Base Prospectus dated 21 October 2008 and the first supplement to the Base Prospectus dated 28 October 2008 (together 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).

The purpose of this Supplement is to disclose that on 20 November 2008 the HSBC France Board of Directors decided that the share capital of HSBC France was reduced by €43,750,000 through the buy-back and the cancellation of 8,750,000 shares. This share capital reduction was authorised in an Extraordinary General Meeting of HSBC France held on 16 September 2008, for up to a maximum amount of €43,750,000 through the buy-back of shares belonging to shareholders at a price of €160 per share with a view to their cancellation. As at the date of this Supplement the share capital of HSBC France amounts to €336,083,330 divided into 67,216,666 fully paid up shares, each with a nominal value of €5. As at 30 June 2008 HSBC France had a strong capital base with a Tier 1 and Total capital ratio of 8.6% and 9.2%. Its ratios were subsequently strengthened with the sale of the French regional banks and continue to be above regulatory minimum after the impact of the capital reduction.

The Issuer accepts responsibility for the information contained or incorporated by reference in this Supplement. The Issuer confirms that, having taken all reasonable care to ensure that such is the case, the information contained or incorporated by reference 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.