

FINAL TERMS

Final Terms dated 14 June 2006

Series No.: 1087

Tranche No.: 1

HSBC France

Issue of EUR 3,500,000 "VariCap" Notes due 14 June 2016
under the € 12,500,000,000
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 28 November 2005 which received the visa n°05-811 from the *Autorité des marchés financiers* ("AMF") on 25 November 2005 and the supplement to the Base Prospectus dated 16 March 2006 which received the visa n°06-077 from the AMF on 16 March 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 AMF (www.amf-france.org), (b) the Issuer (www.hsbc.fr) and the Luxembourg Stock Exchange (www.bourse.lu).

1.	Issuer:	HSBC France
2.	(i) Series Number:	1087
	(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.	Issue Date and Interest Commencement Date:	14 June 2006
8.	Maturity Date:	The Specified Interest Payment Date falling in June 2016, subject to 16(ii) below
9.	Interest Basis:	CMS10 + 0.50 per cent. Floating Rate, subject to 16 below
10.	Redemption/Payment Basis:	Redemption at par (further particulars specified below)
11.	Change of Interest or Redemption/Payment Basis:	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 26 July 2005
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:	Applicable
	(i) Interest Period(s):	As per Conditions
	(ii) Specified Interest Payment Dates:	14 March, 14 June, 14 September and 14 December in each year, from and including 14 September 2006, to and including 14 June 2016, 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 Not Applicable
	(iv) Business Centre(s) (Condition 4(a)):	
	(v) Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination The Rate of Interest will be determined, in respect of each Interest Period _(i) , by the Calculation Agent to be equal to:

(i) CMS10 Rate_(i) (as defined hereafter);
plus

(ii) the Margin (see 16(xi) below)

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

Where:

“**CMS10 Rate_(i)**” means, in respect of each Interest Determination Date (as defined in 16(viii)), (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

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| (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 |
| – Reference Rate: | “EUR 10 year CMS” |
| – Interest Determination Date(s): | Two TARGET Business Days 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
– Relevant Screen Page:	ISDAFIX 2
(ix) ISDA Determination	Not Applicable
(x) FBF Determination:	Not Applicable
(xi) Margin(s):	+ 0.50 per cent. per annum
(xii) Minimum Rate of Interest:	1.50 per cent. per annum
(xiii) Maximum Rate of Interest:	$15 \times [\text{CMS10 Rate}_{(i)} \text{ minus CMS2 Rate}_{(i)}]$

Where:

“**CMS10 Rate_(i)**” means, in respect of each Interest Determination Date (as defined in 16(viii)), (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 in 16(viii)), (a) the annual swaps 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) whitout any reference to Reset Date

(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

PROVISIONS RELATING TO REDEMPTION

20. **Call Option:** Not Applicable
21. **Put Option:** Not Applicable
22. **Final Redemption Amount of each Note:** EUR 50,000 per Note of EUR 50,000 specified denomination
23. **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 5(e)): EUR 50,000 per Note of EUR 50,000 specified denomination

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. **Form of Notes:** Dematerialised Notes
- (i) Form of Dematerialised Notes: Applicable – bearer form (*au porteur*)
- (ii) Registration Agent: Not Applicable
- (iii) Temporary Global Certificate: Not Applicable
- (iv) Applicable TEFRA exemption: Not Applicable
25. **Financial Centre(s) or other special provisions relating to Payment Dates for the purposes of Condition 6(g):** Condition 6(g) applies
26. **Talons for future Coupons or Receipts to be attached to Definitive Materialised Notes (and dates on which such Talons mature):** Not Applicable
27. **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** Not Applicable

to forfeit the Notes and interest due on late payment:

28. **Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:** Not Applicable
29. **Redenomination, renominalisation and reconventioning provisions:** Not Applicable
30. **Consolidation provisions:** Not Applicable
31. **Masse (Condition 10):** Applicable
- If there is more than one Noteholder, the initial Representative will be:
- Marie-Helene BAUDENET D'ANNOUX
286, boulevard Saint-Germain
75007 Paris
France
- The alternative Representative will be:
- Guillaume DE ROBILLARD
35, rue Scheffer
75116 Paris
France
- The Representative will not receive any remuneration
32. **Other final terms:** Not Applicable
- DISTRIBUTION**
33. (i) **If syndicated, names and addresses of Managers:** Not Applicable
34. **If non-syndicated, name and address of Dealer:** **HSBC Bank plc**
Level 3
8 Canada Square
London E14 5HQ
United Kingdom
35. **Total commission and concession:** Not Applicable
36. **Additional selling restrictions:** Not Applicable

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

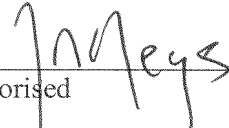
RESPONSIBILITY

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

Signed on behalf of the Issuer:

By: 
Duly authorised
D. Descamps

Signed on behalf of the Issuer:

By: 
Duly authorised
JH. Meyer

PART B – OTHER INFORMATION

1. RISK FACTORS

Not Applicable

2. LISTING

- (i) Listing(s): Luxembourg Stock Exchange
- (ii) Admission to trading: Application has been made for the Notes to be admitted to trading on the Luxembourg Stock Exchange with effect from 14 June 2006
- (iii) Estimate of total expenses related to admission to trading: Euro 4,375
- (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. 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 offer

5. NOTIFICATION

The Autorité des marchés financiers, which is the French competent authority for the purpose of the Prospectus Directive, has provided the Luxembourg *Commission de Surveillance du Secteur Financier* with a certificate of approval attesting that the Base Prospectus and the supplement to this Base Prospectus has been drawn up in accordance with the Prospectus Directive

6. OPERATIONAL INFORMATION

ISIN Code: FR0010333260

Common Code: 025528166

Depositories:

(i) Euroclear France to act as Central Depository Yes

(ii) Common Depository for Euroclear Bank and Clearstream, 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