

PROSPECTUS SUPPLEMENT DATED 16 MARCH 2006 TO THE BASE
PROSPECTUS DATED 28 NOVEMBER 2005



HSBC France

€ 12,500,000,000

Euro Medium Term Note Programme

This Prospectus Supplement (the "**Supplement**") is supplemental to and must be read in conjunction with the Base Prospectus dated 28 November 2005 (the "**Base Prospectus**") granted visa N° 05-811 on 25 November 2005 by the *Autorité des marchés financiers* (the "**AMF**") prepared by HSBC France ("**HSBC France**" or the "**Issuer**") with respect to the Euro 12,500,000,000 Euro Medium Term Note Programme (the "**Programme**"). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement has been prepared pursuant to Article 16.1 of Directive 2003/71/EC (the "**Prospectus Directive**") for the purposes of incorporating a document relating to a press conference given by Charles-Henri Filippi, Chairman and Chief Executive Officer of HSBC France, dated 6 March 2006 which took place in Paris in front of the French press, in order to present the 2005 annual results of HSBC Holding plc and HSBC in France in 2005. Copy of this press conference is available on the website of the Issuer (www.hsbc.fr).

Please note that such document does not relate to the legal perimeter but rather to the managerial perimeter, called French perimeter, which involves, on the one hand, French activities of the HSBC France group, to the exclusion of the results of the entities legally owned by HSBC France but located outside France (principally the Dewaay Group in Belgium, CMSL and Framlington in the United Kingdom and the HSBC France Belgium Branch), and on the other hand, the operational results of HSBC Bank plc Paris Branch).

Copies of this Supplement, together with the Base Prospectus, will be available during usual business hours on any weekday (Saturdays and public holidays excepted), at the registered office of the Issuer and at the specified office of the Paying Agent(s) and on the website of the Issuer (www.hsbc.fr) and on the website of the AMF (www.amf-france.org).

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of Notes issued under the Programme since the publication of the Base Prospectus.

HSBC in France in 2005

Press Conference, 6 March 2006

Forward – looking statements

This presentation and subsequent discussion may contain certain forward – looking statements with respect to the financial condition, results of operations and business of HSBC in France.

This forward – looking statements represent the HSBC in France expectations or beliefs concerning future events and involved known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

Unless otherwise stated, figures indicated in this presentation are prepared according to IFRS standards, and represent the French perimeter, format used by HSBC Group for measuring the performances of HSBC in France.

Summary

- Results increasing by 26.4% compared to 2004
- 2005 : launch of a main bank, HSBC in France
- An improved and more competitive offer of services
- Some very encouraging signs of a speed up in our activity with all our customer groups
- An increased penetration of HSBC France products in the global networks of the Group
- Outlook for 2006 : brand awareness, service quality

Financial Results
Profit before Tax increased by 26.4%

Highlights (French Perimeter - M€)

| | 2 005 | vs 2004 |
|---|-------|---------|
| Operating Income before loan impairment charges | 2 489 | +10,4% |
| Operating Expenses | 1 804 | +5,7% |
| Operating Profit | 755 | +28,8% |
| Profit before Tax | 760 | +26,4% |
| Cost:income ratio | 72,5% | |
| ROE ⁽¹⁾ | 24,5% | |
| Cooke Ratio ⁽¹⁾ | 10,1% | |

- Operating Income before loan impairment charges shows good growth despite historically low long-term interest rates but includes gains on disposals of non strategic assets.

- Operating expenses under strict control without adverse impact on the Strategic Plan implementation. €120m of costs (4.8 points of the CIR) due to the cost of HUB, the change of brand and the Staff Redundancy Plan.

- Increasing Profit Before Tax by 26.4% due to low credit risk charges.

- HSBC France, legal entity, has €5.2bn of shareholders' funds after a profit after tax of €1,119m

Results by Line of Business

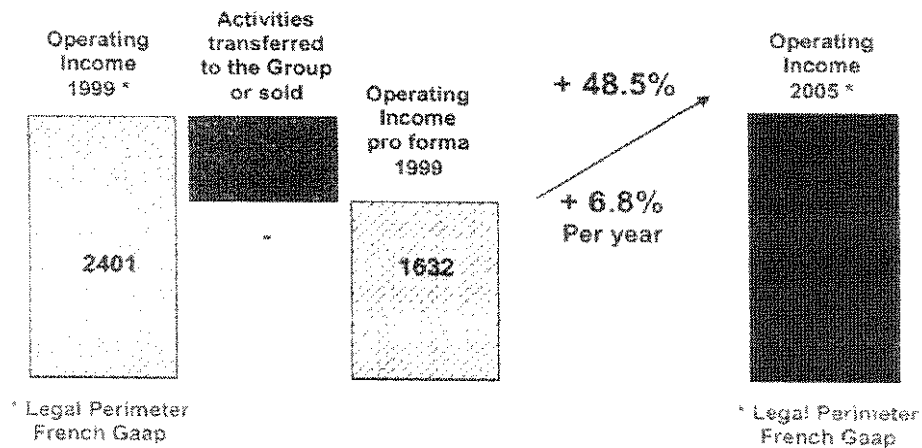
| MC - french perimeter | Operating income before loan impairment charges | % vs 2004 | PBT | % vs 2004 |
|---|--|-----------|-----|-----------|
| Personal Financial Services | 911 | +5,8% | 180 | +8,8% |
| Commercial Banking | 705 | -0,6% | 218 | +2,2% |
| Corporate, Investment Banking & Markets | 616 | +33% | 337 | +34% |
| Asset Management & Private Banking | 258 | +17,3% | 46 | ns |

- PFS : very good increase in commercial activity, in acceleration in the second half year but the fall in interest rates impacted the results.
- CMB : difficulties of UBP in 2004 and a change of the allocation of customers with CIBM penalised the growth of revenues, but the very low level of credit risk impairment charges boosted the PBT growth.
- CIBM : very good performance in particular in Markets and Structured Finance activities.
- Asset Management and Private Banking : remarkable success for Asset Management (increase in AUM by 19% to 66Bn€) and completion of the restructuring of Private Banking

Results

Estimated growth in the contribution to Group 2000/2005

- Despite disposals and transfers of activities generating 1/3 of its revenues, HSBC in France 2005 income has grown by 50% since 1999, under like for like accounting rules



More than 350m€ of revenues generated by HSBC in France for the benefit of other parts of the HSBC Group, of which:

- 230m€ of revenues from French Corporates
- CIBM mainly on derivatives products: 60m€
- Asset Management products: 50m€

2005 : launch of a main bank, HSBC in France

- The 8th of November. 5 banks got together to create the Bank HSBC, with 380 branches (70% more of agencies than the former national network)
Unification of the pricings and re-segmentation of the market
- Promising results after the rebranding of the 8th November :
- Brand awareness doubled :
 - from 16% in October 2005 to 34% in January 2006
 - from 21% to 49% for the region Ile de France
- An important appropriation of the brand by the HSBC customers :
Spontaneous brand awareness for HSBC clients from 10% (Oct 2005) to 45% (Jan 2006)
- Continuity in the development of a rational and integrated IT platform :
UBP in November 2005, after Banque de Picardie at the end of 2004
- Implementation of a job redeployment plan to bolster our productivity and marketing effectiveness :
- After signing an employment management agreement in March 2005, the consultations on the projects of redeployment were finalised so that employees could be redeployed, thereby increasing the percentage of sales staff from 51% to 58%.
- 700 external recruitments of salesmen in 2005.
- Recruitments have generated the development of the sales force and the creation of 250 new sales jobs.
- Rationalisation of some activities : employee savings plan administration, bank correspondence, equity businesses
- Disposal of non-core businesses : Netvalor, Dewaay, Framlington

An improved, more competitive range of services

- For the personal financial services
- New range of service packages that can be adapted to the customer profile
- Launch of the Premier range : an exclusive offer of the Group HSBC in France and in the world
- Launch of HSBC *Invest*, HSBC France's online brokerage site
- Range of financial products enhanced with the launch of :
 - HSBC Evolution Patrimoine Vie (HEPV), a life insurance product that can be adjusted to customers' wealth profile,
 - HSBC Plus, an alternative fund eligible for all of our life insurance policies,
 - HSBC BRIC Freestyle, an international equity fund that invests in Brazil, Russia, India and China.
- For the personal financial services
- A more competitive pricing
In the ranking of the newspaper *Le Monde* published in December 2005, HSBC France is now very well positioned on its strategic customer group (PFS) :
- 3rd/36 for active equity investors, with an annual cost of services of 524 euros for this user profile
vs an average of 808 euros for all of the banks under review
- 2nd/36 for wealthy clients, with an annual cost of services of 1,000 euros for this user profile
vs an average of 1,515 euros for all of the banks under review
- 12th/36 for upper middle income clients, with an annual cost of services of - 7.7 euros
vs an average of 25 euros for all of the banks under review
(under this user profile, the return on savings deposits was higher than the total cost of services)

Main characteristics of Le Monde's user profiles:

Upper middle income clients : Monthly revenues of 3,700 euros. Premium international credit card. Subscription to the bank's internet service. Loss and theft insurance for bank cards and checks. Average balance of 1,500 euros. Average savings account balance: 10,000 euros.

Active equity investors : Monthly revenues of 4,300 euros. Same services as above. Subscription to online brokerage services. Equity account balance: 46,000 euros. 30,000 euros in mutual funds. 10 purchases and sales of French equities totalling 46,000 euros. 2 purchases of mutual funds not managed by the bank for 7,500 euros. Average account balance: 2,300 euros. Average savings account balance: 15,000 euros.

Wealthy clients : Monthly revenues of 6,000 euros. Same services as equity investor. Equity account balance: 160,000 euros . 60,000 euros invested in 6 mutual funds, including 2 not managed by the bank. 10 purchases and 10 sales of French equities for a total of 8,000 euros and 2 purchases of mutual funds not managed by the bank for a total of 10,000 euros. Subject to wealth tax, assisted by bank in preparing tax declaration.

- For the Private Bank clients

HSBC Private Bank France was awarded this year again for the quality of its management offer :

- 3rd in the ranking of Corbeilles Mieux Vivre Votre Argent for the results of the whole range over 5 years
 - Awards for the 2006 mutual funds given by La Tribune - Standard & Poor's :
 - for 4 years in a row, Intégral Valor was ranked best fund over 5 years in the category « Mixtes International Equilibrés »
 - Louvre Multi Select European Equity Fund, best fund over 3 years in the category European Shares
 - HSBC Private bank France was ranked for the whole range:
 - 3rd (52) over 3 years
 - 4th (46) over 5 years.
- (Large range category: at least 15 funds in 15 different categories)

- CMB

- Follow-up of the clients, internationally speaking :
- Development of Elys-Export, a packaged product combining export credit and export credit insurance
- Set up of two French Desks in the UK and in China (account opening and financing).
- Development of offers using the technological knowledge of the Group :
 - fxtrading@hsbc for foreign exchange
 - HSBC.net, a transactional tool for international operations on the web (cash management, documentary credit ...).

Very encouraging signs of a speed up in our activity with all our customer groups

- Retail Banking : 2005 reflects the growing success of the « HSBC effect »

| <u>Les clients</u> |
|---|
| +20% of new clients (PFS) in 2005 (74 000) |
| + 19 000 « strategic » clients (PFS) net for HSBC France |
| + 2 600 « strategic » clients (PFS) net monthly during the last quarter of 2005 |
| +50% increase of new clients (2d semester / 1st semester 2005) |

| <u>Les produits</u> |
|---|
| +54% of new mortgage sales (+94% : 2nd semester 2005 / 1st semester 2005) |
| +18% in new life-insurance via Erisa (+14% for the market) |
| +7% of sight deposits (PFS, CMB) |
| +10% of new MLT Loans for CMB (+20.4% Dec 2005 / Dec 2004) |
| 51% of CMB equipment ratio in Direct Bank |

- CIBM : the increases in the league tables reflect the growth of operations with CIBM

League tables since 2000

| | Bond issues | Syndicated loans | M&A | Equity capital market | IPO |
|---------|---|------------------|-----------------------------------|-----------------------|-------------------------|
| 2000 | 8 | 11 | 16 | 12 | 16 |
| 2004 | 5 | 7 | 7 | 12 | 8 |
| 2005 | 3 | 5 | 8 | 7 | 7 |
| Sources | Bloomberg Bonds all French issuers, all currencies | Loanware | Thomson Announced transactions | Bondware | Bondware Bookrunners |

- Asset Management

- **Strong growth in assets under management :**

- +19% to EUR60bn at year-end 2005, including net deposits of EUR5.2bn
- Spectacular success of Sinopia alternative investment funds (ranked 5th – European "Hedge Fund")
- Very strong inflow into HSBC Group equity funds (BRIC Freestyle, Chinese Equity, Indian Equity)
- Assets, distributed by HSBC Investments France under Indian Equity : €2.3bn
- Assets, distributed by HSBC Investments France under Chinese Equity : €950m
- Assets, distributed by HSBC Investments France under BRIC Freestyle : €360m

- **Strong performances in most asset classes :**

- HSBC Investments, 1st of the biggest banking networks in 2005 (Victoires La Tribune - Standard & Poor's)
- Sinopia and HSBC Investments ranked 3rd and 8th, respectively, out of 213 French Asset Management companies on the Alpha League Table (Europerformance - Edhec), which rewards the Alpha of equity fund management
- Sinopia Actiprimes Obligations, best fund over 10 years (« Bond Global – Euro Hedged » classification, Reuters Lipper Fund Awards France 2006)
- **Through restructuring, HSBC combines the power and security of a major banking group with the performance of local "boutiques" : Sinopia, HSBC Halbis Partners, HSBC Epargne Entreprise**

An increased penetration of HSBC France products in the global networks of the Group

- Consequences in terms of activity :

- On the derivatives markets
Increase by 80% of the revenues in 2005
- In Asset Management
Increase by 49% of Sinopia AUM (38% without market effects), mainly due to the distribution of products in the global network of the HSBC Group

- Evolution of the number of employees in France in the two sectors :

- +4% of employees in Asset Management
- +10% of employees on derivatives markets

Outlook for 2006

Outlook for 2006 :

Keep on strengthening our brand awareness and differentiating ourselves

- Capitalise on the brand
- Take fully advantage of the unique capacity of the Groupe HSBC at the international level
- Keep improving our reception of the clients and our services
- Develop our Corporate Social Responsibility

Outlook for 2006 : Capitalise on the brand

- Target a global notoriety of 50% for 2006 and 70% for 2007 (versus 16% in October 2005 and 34% in January 2006)
- The strengthening of our « Employer Brand »
 - Become a researched employer in our 20 targeted schools
 - Increase the number of recruitments of young graduates
 - Strengthen our training policy
 - Make HSBC France a company well-known for its opportunities of carrier and professional development

Outlook 2006: Take fully advantage of the unique capacity of the Group HSBC at the international level

The Group HSBC has been awarded in 2005 :

- « World's Best Bank »
(*The Banker*, September 2005)
- « Overall deal of the year », for the issue of 6 billions of euros maturing in 2055 for the French Republic, for which HSBC acted as joined bookrunner
(*Euroweek*, February 2006)
- « No 2 cash management »
(*Euromoney*, October 2005)
- «The World's Best Sub-Custodia »
(*Global Finance Magazine*, August 2005)
- Ranked 4th world company, for its environmental policy and its great governance

(*Accountability Institute / Fortune*, September 2005)

- « 29th world brand out of 100, Interbrand classification »
(*Business Week*, 2005)

Outlook 2006: Keep improving our reception of the clients and our services

- Launch of 20 Premier Centers in 2006
- Strengthening of the reception training
- Development of a quality policy, toll-free number, quality survey
- Technological quality / Development of web services

Outlook 2006: Develop our corporate social responsibility

- Managers' training in Corporate Social Responsibility
- Group commitment to carbon neutrality
- Responsible financing
- Socially responsible investment
- Diversity
- Foundation HSBC for the Education

RESPONSIBILITY FOR PROSPECTUS SUPPLEMENT

Individuals assuming responsibility for the Prospectus Supplement

In the name of the Issuer

Having taken all reasonable measures for this purpose, we declare that the information contained in this Prospectus Supplement is true to our knowledge. All the information necessary for investors to be able to base their judgments on the business, activity, financial situation, income and outlook of the Issuer and on the rights attached to financial instruments is included in the Prospectus Supplement when read together with the Base Prospectus and there has been no omission of material facts.

HSBC France
103, avenue des Champs-Élysées,
75008 Paris.

Duly represented by:

Didier Descamps
Chief Operating Officer, Market

Thierry Roland
Head of Treasury

On 16 March 2006

In accordance with articles L.411-1 and L.621-8 of the French Code monétaire et financier and with the General regulations (*Règlement général*) of the *Autorité des marchés financiers* (AMF), in particular articles 212-31 to 212-33, the AMF has granted to this Prospectus Supplement the visa n°06-077 on 16 March 2006. This document and the Base Prospectus may only be used for the purposes of a financial transaction if completed by Final Terms. It was prepared by the Issuer and its signatories assume responsibility for it. In accordance with article L.621-8-1-I of the French Code monétaire et financier, the visa was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it. This visa has been granted subject to the publication of Final Terms in accordance with article 212-32 of the AMF's General Regulations, setting out the terms of the securities being issued.

RESPONSABILITE DU SUPPLEMENT AU PROSPECTUS

Personnes qui assument la responsabilité du présent Supplément au Prospectus

Au nom de l'émetteur

Après avoir pris toutes mesures raisonnables à cet effet, nous déclarons que les informations contenues dans le présent Supplément au Prospectus sont, à notre connaissance, conformes à la réalité. Elles comprennent, lues conjointement avec le Prospectus de Base, toutes les informations nécessaires aux investisseurs pour fonder leur jugement sur le patrimoine, l'activité, la situation financière, les résultats et les perspectives de l'Émetteur ainsi que sur les droits attachés aux instruments financiers et elles ne comportent pas d'omission de nature à en altérer la portée

HSBC France
103, avenue des Champs-Élysées,
75008 Paris.

Représenté par :

Didier Descamps
Chief Operating Officer des Métiers de marché et de dette

Thierry Roland
Responsable Trésorerie, Change

le 16 mars 2006

En application des articles L.412-1 et L.621-8 du Code monétaire et financier et de son règlement général, notamment des articles 212-31 à 212-33, l'Autorité des marchés financiers a visé le présent supplément au prospectus le 16 mars 2006 sous le numéro n°06-077. Ce document et le Prospectus de Base ne peuvent être utilisés à l'appui d'une opération financière que s'ils sont complétés par des conditions définitives. Il a été établi par l'émetteur et engage la responsabilité de ses signataires. Le visa, conformément aux dispositions de l'article L.621-8-1-I du code monétaire et financier, a été attribué après que l'AMF a vérifié « si le document est complet et compréhensible, et si les informations qu'il contient sont cohérentes ». Il n'implique pas l'authentification par l'AMF des éléments comptables et financiers présentés. Ce visa est attribué sous la condition suspensive de la publication de conditions définitives établies, conformément à l'article 212-32 du règlement général de l'AMF, précisant les caractéristiques des titres émis.