

**Final Terms dated 18 January 2010**



**HSBC COVERED BONDS (France)**

Issue of €1,500,000,000 3.375 per cent. Covered Bonds due 20 January 2017  
under the € 8,000,000,000 Covered Bond Programme

Issue Price: 99.431 per cent.

Commerzbank

Danske Bank

HSBC

Natixis

Société Générale Corporate & Investment Banking

UniCredit Bank

## 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 8 December 2009 and the supplement to the Base Prospectus dated 6 January 2010 which together constitute a base prospectus for the purposes of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (the "**Prospectus Directive**").

This document constitutes the Final Terms of the Covered Bonds 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 Covered Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus as so supplemented. The Base Prospectus and the supplement to the Base Prospectus are available for viewing on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) at least during a period of twelve (12) months from the date of the Base Prospectus, and during normal business hours at the registered office of the Issuer and at the specified office of the Paying Agent(s) where copies may be obtained.

<b>1.</b>	<b>Issuer:</b>	HSBC Covered Bonds (France)
<b>2.</b>	<b>(i) Series Number:</b>	1
	<b>(ii) Tranche Number:</b>	1
<b>3.</b>	<b>Specified Currency or Currencies:</b>	Euro (EUR)
<b>4.</b>	<b>Aggregate Nominal Amount of Covered Bonds:</b>	
	(i) Series:	EUR 1,500,000,000
	(ii) Tranche:	EUR 1,500,000,000
<b>5.</b>	<b>Issue Price:</b>	99.431 per cent. of the Aggregate Nominal Amount
<b>6.</b>	<b>Specified Denominations:</b>	EUR 50,000
<b>7.</b>	<b>(i) Issue Date:</b>	20 January 2010
	<b>(ii) Interest Commencement Date:</b>	Issue Date
<b>8.</b>	<b>Final Maturity Date:</b>	20 January 2017
	<b>Extended Final Maturity Date:</b>	Not Applicable
<b>9.</b>	<b>Interest Basis:</b>	3.375 per cent. Fixed Rate
<b>10.</b>	<b>Redemption/Payment Basis:</b>	Redemption at par
<b>11.</b>	<b>Change of Interest or Redemption/Payment Basis:</b>	Not Applicable
<b>12.</b>	<b>Put/Call Options:</b>	Not Applicable
<b>13.</b>	<b>(i) Status of the Covered Bonds:</b>	Senior
	<b>(ii) Date of Board approval for issuance of Covered Bonds obtained:</b>	8 January 2010
<b>14.</b>	<b>Method of distribution:</b>	Syndicated

### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

<b>15.</b>	<b>Fixed Rate Covered Bond Provisions:</b>	Applicable
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(i)	Rate of Interest:	3.375 per cent. per annum payable annually in arrear
(ii)	Interest Payment Dates:	20 January in each year commencing on 20 January 2011 adjusted pursuant to the Following Business Day Convention
(iii)	Fixed Coupon Amount:	EUR 1,687.5 per EUR 50,000 in Specified Denomination
(iv)	Broken Amount(s):	Not Applicable
(v)	Day Count Fraction:	Actual/Actual (ICMA) - unadjusted
(vi)	Determination Date:	20 January in each year
(vii)	Other terms relating to the method of calculating interest for Fixed Rate Covered Bonds:	Not Applicable
<b>16.</b>	<b>Floating Rate Covered Bond Provisions:</b>	Not Applicable
<b>17.</b>	<b>Zero Coupon Covered Bond Provisions</b>	Not Applicable
<b>18.</b>	<b>Index-Linked Interest Covered Bond/other variable-linked interest Covered Bond Provisions:</b>	Not Applicable
<b>19.</b>	<b>Dual Currency Covered Bond Provisions:</b>	Not Applicable

#### PROVISIONS RELATING TO REDEMPTION

<b>20.</b>	<b>Call Option:</b>	Not Applicable
<b>21.</b>	<b>Put Option:</b>	Not Applicable
<b>22.</b>	<b>Final Redemption Amount of each Covered Bond:</b>	EUR 50,000 per Covered Bond of EUR 50,000 specified denomination
<b>23.</b>	<b>Early Redemption Amount:</b> Early Redemption Amount(s) of each Covered Bond payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same and/or any other terms (if required or if different from that set out in Condition 7):	As set out in Condition 7

#### GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

<b>24.</b>	<b>Form of Covered Bonds:</b>	Dematerialised Covered Bonds
(i)	Form of Dematerialised Covered Bonds:	Bearer form ( <i>au porteur</i> )
(ii)	Registration Agent:	Not Applicable
(iii)	Temporary Global Certificate:	Not Applicable

<b>25.</b>	<b>Financial Centre(s) or other special provisions relating to payment dates for the purposes of Condition 8(g):</b>	TARGET
<b>26.</b>	<b>Talons for future Coupons or Receipts to be attached to Definitive Materialised Covered Bonds (and dates on which such Talons mature):</b>	Not Applicable
<b>27.</b>	<b>Details relating to Partly Paid Covered Bonds: 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 Covered Bonds and interest due on late payment:</b>	Not Applicable
<b>28.</b>	<b>Details relating to Instalment Covered Bonds: amount of each instalment, date on which each payment is to be made:</b>	Not Applicable
<b>29.</b>	<b>Redenomination, renominalisation and reconventioning provisions:</b>	Not Applicable
<b>30.</b>	<b>Consolidation provisions:</b>	Not Applicable
<b>31.</b>	<b>Other final terms:</b>	Not Applicable
<b>DISTRIBUTION</b>		
<b>32.</b>	<b>(i) If syndicated, names of Managers:</b>	Commerzbank Aktiengesellschaft Danske Bank A/S HSBC France Natixis Société Générale UniCredit Bank AG
	<b>(ii) Date of subscription agreement:</b>	18 January 2010
	<b>(iii) Stabilising Manager(s) (if any):</b>	HSBC France
<b>33.</b>	<b>If non-syndicated, name of Dealer:</b>	Not Applicable
<b>34.</b>	<b>Additional selling restrictions:</b>	Not Applicable
<b>35.</b>	<b>U.S. selling restrictions:</b>	The Issuer is Category 1 for the purposes of Regulation S under the United States Securities Act of 1933, as amended.  TEFRA Not Applicable

**GENERAL**

The aggregate principal amount of Covered Bonds issued has been translated into Euro at the rate of [ ● ] per cent. producing a sum of: Not Applicable

**PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue and admission to trading on the regulated market of the Luxembourg Stock Exchange of the Covered Bonds described herein pursuant to the Euro 8,000,000,000 Covered Bond Programme of HSBC Covered Bonds (France).

**RESPONSIBILITY**

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

Signed on behalf of HSBC Covered Bonds (France):

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 1. RISK FACTORS

As described in the Base Prospectus

### 2. LISTING AND ADMISSION TO TRADING

- |       |  |   |
|-------|--|---|
| (i)   | Listing:   | Official List of the Luxembourg Stock Exchange  |
| (ii)  | (a) Admission to trading:  | Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from 20 January 2010. |
|       | (b) Regulated Markets or equivalent markets on which, to the knowledge of the Issuer, securities of the same class of the Covered Bonds to be admitted to trading are already admitted to trading: | Not Applicable  |
| (iii) | Estimate of total expenses related to admission to trading:  | EUR 4,590   |
| (iv)  | Additional publication of Base Prospectus and Final Terms:   | Not Applicable  |

### 3. RATINGS

Ratings:	The Covered Bonds to be issued have been rated: S & P: AAA Moody's: Aaa
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### 4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

HSBC France, Joint Lead Manager in relation to the issue, also acts, as more fully described in the Base Prospectus, as Administrator, Borrower, Cash Collateral Provider, Arranger, Issuer Calculation Agent and Issuer Accounts Bank.

### 5. REASONS FOR THE OFFER

Reasons for the offer:	The net proceeds of the issue of Covered Bonds will be used to fund Borrower Advances under the Borrower Credit Facility to be made available by the Issuer to the Borrower.
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**6. YIELD**

Indication of yield: 3.468 per cent. per annum.

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

**7. OPERATIONAL INFORMATION**

ISIN Code: FR0010849174

Common Code: 047995523

WKN: A1ASFV

Depositories:

(i) Euroclear France to act as Central Depository Yes

(ii) Common Depository for Euroclear Bank 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 initial Paying Agent(s): **BNP Paribas Securities Services**  
3, rue d'Antin  
75002 Paris  
France

Names and addresses of additional Paying Agent(s) (if any): Not Applicable