

## FINAL TERMS

Final Terms dated 14 March 2011

Series No: 18

Tranche No: 1

**HSBC Holdings plc**

**Debt Issuance Programme**

**Issue of**

**EUR750,000,000**

**3.875 per cent. Notes due March 2016**

### **PART A - CONTRACTUAL TERMS**

This document constitutes the Final Terms relating to the issue of the Tranche of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "Conditions") set forth in the Base Prospectus dated 7 March 2011 in relation to the above Programme (incorporating the Registration Document dated 7 March 2011) which constitutes a base prospectus (the "**Base 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. 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 is available for viewing at HSBC Holdings plc, 8 Canada Square, London E14 5HQ and copies may be obtained from such address.

- |    |                                   |                  |                                   |
|----|-----------------------------------|------------------|-----------------------------------|
| 1. | (i)                               | Issuer:          | HSBC Holdings plc                 |
|    | (ii)                              | Arranger(s):     | HSBC Bank plc                     |
| 2. | (i)                               | Series number:   | 18                                |
|    | (ii)                              | Tranche number:  | 1                                 |
| 3. | Specified Currency or currencies: |                  |                                   |
|    | (i)                               | of denomination: | EUR                               |
|    | (ii)                              | of payment:      | EUR                               |
| 4. | Aggregate Principal Amount:       |                  |                                   |
|    | (i)                               | Series:          | EUR 750,000,000                   |
|    | (ii)                              | Tranche:         | EUR 750,000,000                   |
| 5. | (i)                               | Issue Price:     | 99.911 per cent. of the Aggregate |

|     |                                                           |                                                                                                                                                                                     |
|-----|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     |                                                           | Principal Amount                                                                                                                                                                    |
|     | (ii) Commission payable:                                  | 0.275 per cent.                                                                                                                                                                     |
|     | (iii) Selling concessions:                                | None                                                                                                                                                                                |
| 6.  | (i) Specified Denomination(s)<br>(Condition 1(b)):        | EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,999. No Notes in definitive form will be issued with a denomination above EUR 199,999 |
|     | (ii) Calculation Amount                                   | EUR 1,000                                                                                                                                                                           |
| 7.  | (i) Issue Date:                                           | 16 March 2011                                                                                                                                                                       |
|     | (ii) Interest Commencement Date:                          | 16 March 2011                                                                                                                                                                       |
| 8.  | Maturity Date:<br>(Condition 6(a))                        | 16 March 2016                                                                                                                                                                       |
| 9.  | Interest basis:<br>(Conditions 3 to 5)                    | 3.875 per cent. Fixed Rate Notes                                                                                                                                                    |
| 10. | Redemption basis:<br>(Condition 6)                        | Redemption at par                                                                                                                                                                   |
| 11. | Change of interest or redemption basis:                   | Not Applicable                                                                                                                                                                      |
| 12. | Put/Call options:                                         | Not Applicable                                                                                                                                                                      |
| 13. | (i) Status of the Notes:<br>(Condition 2)                 | Not Subordinated Notes                                                                                                                                                              |
|     | (ii) Subordinated Notes:                                  | Not Applicable                                                                                                                                                                      |
|     | (iii) Date Board approval for issuance of Notes obtained: | Not Applicable                                                                                                                                                                      |
| 14. | Method of distribution:                                   | Syndicated                                                                                                                                                                          |

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

|     |                                             |                                                      |
|-----|---------------------------------------------|------------------------------------------------------|
| 15. | Fixed Rate Note provisions<br>(Condition 3) | Applicable                                           |
|     | (i) Rate of Interest:                       | 3.875 per cent. per annum payable annually in arrear |
|     | (ii) Fixed Interest Payment Dates(s):       | 16 March in each year commencing on 16               |

|                                                              |                                         |
|--------------------------------------------------------------|-----------------------------------------|
|                                                              | March 2012 and ending on 16 March 2016. |
| (iii) Day count fraction                                     | Actual/Actual (ICMA)                    |
| (iv) Determination Date:                                     | 16 March in each year.                  |
| 16. Floating Rate Note provisions<br>(Condition 4)           | Not Applicable                          |
| 17. Variable Coupon Amount Note provisions:<br>(Condition 5) | Not Applicable                          |
| 18. Zero Coupon Note provisions:<br>(Condition 5)            | Not Applicable                          |

#### PROVISIONS RELATING TO REDEMPTION

|                                                                                         |                                  |
|-----------------------------------------------------------------------------------------|----------------------------------|
| 19. Issuer's optional redemption (Call):                                                | No                               |
| 20. Noteholder's optional redemption (Put):<br>(Condition 6(e))                         | No                               |
| 21. Redemption for Capital Disqualification Event<br>(Condition 6(c)):                  | No                               |
| 22. Final redemption amount:<br>(Condition 6(a))                                        | EUR 1,000 per Calculation Amount |
| 23. Instalment Notes:<br>(Condition 6(a))                                               | Not Applicable                   |
| 24. Early redemption amount:                                                            |                                  |
| (i) Early redemption amount (upon redemption for taxation reasons)<br>(Condition 6(b)): | Redemption at par                |
| (ii) Early redemption amount upon redemption at par enforcement:<br>(Condition 10)      |                                  |
| (iii) Other redemption provisions:<br>(Condition 6(i))                                  | None                             |

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

|                                        |        |
|----------------------------------------|--------|
| 25. Form of Notes:<br>(Condition 1(a)) |        |
| (a) Form of Notes:                     | Bearer |

- (b) Bearer Notes exchangeable for No  
Registered Notes:
26. (A) If issued in bearer form:
- (i) Initially represented by a Temporary Global Note or Permanent Global Note: Temporary Global Note
  - (ii) Temporary Global Note exchangeable for Permanent Global Note and/or Definitive Notes and/or Registered Notes: Yes, exchangeable for Permanent Global Note  
*(Condition 1(a))*
  - (iii) Permanent Global Note exchangeable for Definitive Notes and/or Registered Notes: Yes. The Issuer waives its right to elect to exchange a Permanent Global Note for Definitive Notes in the circumstances described in paragraph (d) of the Permanent Global Note
  - (iv) Coupons to be attached to Definitive Notes: Yes
  - (v) Talons for future Coupons to be attached to Definitive Notes: Not applicable
  - (vi) (a) Definitive Notes to be security printed: Yes
  - (b) If the answer to (a) is yes, whether steel engraved plates will be used: Yes
  - (vii) Definitive Notes to be in ICMA or successor's format: Yes
  - (viii) Issuer or Noteholder to pay costs of security printing: Issuer
- (B) If issued in registered form:
- (i) Rule 144A Global Registered Note exchangeable for U.S. Definitive Registered Notes: Not Applicable
  - (ii) Restricted Global Registered Note exchangeable for U.S. Definitive Registered Notes: Not Applicable
27. Exchange Date for exchange of Temporary Not earlier than 40 days following the

|                                     |                                                                                                                            |
|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Global Note:                        | Issue Date                                                                                                                 |
| 28. Payments                        |                                                                                                                            |
| (Condition 8)                       |                                                                                                                            |
| (i) Method of payment:              | Condition 8 shall apply, subject as provided in the Temporary Global Note or as the case may be, the Permanent Global Note |
| (ii) Relevant Financial Centre Day: | As provided in Condition 8                                                                                                 |
| 29. Partly Paid Notes:              | No                                                                                                                         |
| (Condition 1)                       |                                                                                                                            |
| 30. Redenomination:                 |                                                                                                                            |
| (Condition 9)                       |                                                                                                                            |
| (i) Redenomination:                 | Not Applicable                                                                                                             |
| (ii) Exchange:                      | Not Applicable                                                                                                             |

#### **DISTRIBUTION**

|                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 31. (i) If syndicated, names of Lead Manager:               | HSBC Bank plc                                                                                                                                                                                                                                                                                                                                                                                                               |
| (ii) If syndicated, names of other Managers (if any):       | ABN AMRO Bank N.V.<br>Banca IMI S.p.A.<br>Banco Santander, S.A.<br>Banco Bilbao Vizcaya Argentaria, S.A.<br>BNP Paribas<br>Commerzbank Aktiengesellschaft<br>Crédit Agricole Corporate and Investment Bank<br>Danske Bank A/S<br>ING Belgium SA/NV<br>Lloyds TSB Bank plc<br>NATIXIS<br>Nordea Bank Danmark A/S<br>Raiffeisen Bank International AG<br>Société Générale<br>UniCredit Bank AG<br>Westpac Banking Corporation |
| (iii) Date of Subscription Agreement:                       | 14 March 2011                                                                                                                                                                                                                                                                                                                                                                                                               |
| (iv) Stabilising Manager (if any):                          | HSBC Bank plc                                                                                                                                                                                                                                                                                                                                                                                                               |
| 32. If non-syndicated, name and address of Relevant Dealer: | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                              |

33. Selling restrictions:

(i) U.S. Selling Restrictions

Reg. S Category 2, TEFRA D Rules

Not Rule 144A eligible

(ii) Other:

Not Applicable

34. Stabilisation:

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.**

## **LISTING AND ADMISSION TO TRADING APPLICATION**

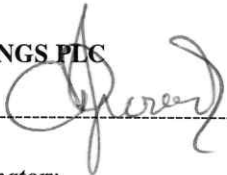
These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Debt Issuance Programme of HSBC Holdings plc.

## **RESPONSIBILITY**

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

## **CONFIRMED**

**HSBC HOLDINGS PLC**

By:  \_\_\_\_\_

*Authorised Signatory*

Date: 14 MARCH 2011

## **PART B - OTHER INFORMATION**

### **1. LISTING**

- |      |                      |                                                                                                                                                                                                                        |
|------|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i)  | Listing              | Application will be made for the Notes to be admitted to listing on the Official List of the UK Listing Authority. No assurance can be given as to whether or not, or when, such application will be granted.          |
| (ii) | Admission to trading | Application has been made for the Notes to be admitted to trading on the Regulated Market of the London Stock Exchange plc. No assurance can be given as to whether or not, or when, such application will be granted. |

### **2. RATINGS**

Ratings: The long term senior debt of HSBC Holdings plc has been rated:

S&P: AA-

Moody's: Aa2

Fitch: AA

Each of S&P, Moody's and Fitch, is established in the European Union and has applied for registration under Regulation (EU) No. 1060/2009, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority

### **3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

### **4. REASONS FOR THE OFFER ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

- |       |                           |                                              |
|-------|---------------------------|----------------------------------------------|
| (i)   | Reasons for the offer     | See "Use of Proceeds" in the Base Prospectus |
| (ii)  | Estimated net proceeds;   | EUR 747,270,000                              |
| (iii) | Estimated total expenses: | GBP 3,650                                    |

### **5. YIELD**



- |     |                      |                                                                                                                     |
|-----|----------------------|---------------------------------------------------------------------------------------------------------------------|
| (i) | Indication of yield: | 3.895 per cent. per annum                                                                                           |
|     |                      | Calculated as on the Issue Date assuming redemption of Notes on 16 March 2016                                       |
|     |                      | The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. |
6. **HISTORIC INTEREST RATES**
- Not Applicable
7. **PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**
- Not Applicable
8. **PERFORMANCE OF RATES OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**
- Not Applicable
- OPERATIONAL INFORMATION**
- |     |                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9.  | ISIN Code:                                                                                                         | XS0605521185                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 10. | Common Code:                                                                                                       | 060552118                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 11. | New Global Note or Classic Global Note:                                                                            | New Global Note                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 12. | New Global Note intended to be held in a manner which would allow Eurosystem eligibility:                          | <p>Yes</p> <p>Note that the designation "Yes" simply means that the Notes are intended upon issue to be delivered to the common safe-keeper acting as agent for Euroclear or Clearstream, Luxembourg and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.</p> |
| 13. | Registered Global Notes intended to be held in a manner which would allow Eurosystem eligibility:                  | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 14. | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

- |     |                                                                                          |                                                    |
|-----|------------------------------------------------------------------------------------------|----------------------------------------------------|
| 15. | Settlement procedures:                                                                   | Eurobond                                           |
| 16. | Name and Address of Initial Paying Agent(s)                                              | HSBC Bank plc<br>8 Canada Square<br>London E14 5HQ |
| 17. | Additional Paying Agent(s) (if any):                                                     | None                                               |
| 18. | Agent Bank:                                                                              | Not Applicable                                     |
| 19. | Notices:<br>( <i>Condition 14</i> )                                                      | Condition 14 applies                               |
| 20. | City in which specified office of Registrar to be maintained:<br>( <i>Condition 12</i> ) | Not Applicable                                     |
| 21. | Tradeable Amount:                                                                        | Not Applicable                                     |
| 22. | Other relevant Terms and Conditions:                                                     | None                                               |
| 23. | Other Final Terms:                                                                       | None                                               |