

**FINAL TERMS**

Final Terms dated 9 June 2008

Series No: 11

Tranche No: 2

**HSBC Holdings plc**

**Debt Issuance Programme**

**Issue of**

**EUR 600,000,000**

**6.25 per cent. Subordinated Notes due March 2018**

**(to be consolidated and form a single series with EUR 1,000,000,000 6.25 per cent.  
Subordinated Notes due March 2018 (the "Original Notes"))**

**PART A - CONTRACTUAL TERMS**

The Notes (as defined herein) will, when and to the extent that the Temporary Global Note (as defined herein) is exchanged for the Permanent Global Note (as defined herein), be consolidated and become fungible and form a single series with the EUR 1,000,000,000 6.25 per cent. Subordinated Notes due March 2018 (Series 11 (Tranche 1)) issued on 19 March 2008.

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 10 March 2008 in relation to the above Programme (incorporating the Registration Document dated 10 March 2008) and as supplemented by base prospectus supplements dated 20 March 2008, 14 April 2008 and 30 May 2008 (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:  | 11                |
|    | (ii) | Tranche number: | 2                 |

From 21 July 2008 when and to the extent Notes represented by the Temporary Global Note are exchanged for Notes represented by the Permanent Global Note they will become fungible with the

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Original Notes (Series 11 Tranche 1).

3. Specified Currency or currencies:
- (i) of denomination: EUR
- (ii) of payment: EUR
4. Aggregate Principal Amount of notes admitted to trading:
- (i) Series: EUR 1,600,000,000
- (ii) Tranche: EUR 600,000,000
5. (i) Issue Price: 101.755 per cent. of the Aggregate Principal Amount plus accrued interest from and including the Interest Commencement Date to but excluding the Issue Date.
- (ii) Commission payable: 0.45 per cent.
- (iii) Selling concessions: None
- (iv) Net proceeds: EUR 607,830,000 (excluding accrued interest)
6. (i) Specified Denomination(s) (Condition 1(b)): EUR 50,000
- (ii) Calculation Amount: EUR 50,000
7. (i) Issue Date: 11 June 2008
- (ii) Interest Commencement Date: 19 March 2008
8. Maturity Date: 19 March 2018  
(Condition 6(a))
9. Interest basis: 6.25 per cent. Fixed Rate Notes  
(Conditions 3 to 5)
10. Redemption basis: Redemption at par  
(Condition 6)
11. Change of interest or redemption basis: Not Applicable
12. Put/Call options: Not Applicable
13. (i) Status of the Notes: Subordinated Notes  
(Condition 2)
- (ii) Subordinated Notes: Deferral of Payments, Condition 2(d) is

- 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 (Condition 3) Applicable
- (i) Rate of Interest: 6.25 per cent. per annum payable annually in arrear
- (ii) Fixed Interest Payment Dates(s): 19 March in each year commencing on 19 March 2009 and ending on 19 March 2018
- (iii) Day count fraction Actual/Actual (ICMA)
- (iv) Determination Date: 19 March in each year
16. Floating Rate Note provisions (Condition 4) Not Applicable
17. Variable Coupon Amount Note provisions: (Condition 5) Not Applicable
18. Zero Coupon Note provisions: (Condition 5) Not Applicable

**PROVISIONS RELATING TO REDEMPTION**

19. Issuer's optional redemption (Call): (Condition 6(c)) No
20. Noteholder's optional redemption (Put): (Condition 6(d)) No
21. Final redemption amount: (Condition 6(a)) EUR 50,000 per Calculation Amount
22. Instalment Notes: (Condition 6(a)) Not Applicable
- (a) Instalment Amounts: Not Applicable
- (b) Dates for payment of Instalments: Not Applicable

23. Early redemption amount: Yes
- (i) Early redemption amount (*upon redemption for taxation reasons*) Par  
(*Condition 6(b)*):
- (ii) Early redemption amount upon Par enforcement:  
(*Condition 10*):
- (iii) Other redemption provisions: None  
(*Condition 6(h)*):

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

24. Form of Notes:  
(*Condition 1(a)*)
- (a) Form of Notes: Bearer
- (b) Bearer Notes exchangeable for Registered Notes: No
25. (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: No
- (iv) Coupons to be attached to Definitive Notes: Yes
- (v) Talons for future Coupons to be attached to Definitive Notes: No
- (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
26. Exchange Date for exchange of Temporary Global Note: 21 July 2008
27. 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
28. Partly Paid Notes: No
- (Condition 1)*
- If yes, specify number, amounts and dates for, and method of, payment of instalments of subscription monies and any further additional provisions (including forfeiture dates in respect of late payments of partly paid instalments)
29. Redenomination: *(Condition 9)*
- (i) Redenomination: Not Applicable
- (ii) Exchange: Not Applicable

**DISTRIBUTION**

30. (i) If syndicated, names of Relevant Dealer/Lead Manager: HSBC Bank plc
- (ii) If syndicated, names of other Dealers/Managers (if any): Banca IMI S.p.A.  
Banco Santander, S.A.  
Banco Bilbao Vizcaya Argentaria, S.A.  
Bayerische Hypo-und Vereinsbank AG  
Bayerische Landesbank  
Commerzbank Aktiengesellschaft  
Danske Bank A/S  
ING Belgium SA/NV  
Landesbank Baden-Württemberg  
NATIXIS

- Svenska Handelsbanken AB (publ)  
Raiffeisen Zentralbank Österreich  
Aktiengesellschaft
- (iii) Date of Subscription Agreement: 9 June 2008
- (iv) Stabilising Manager (if any): HSBC Bank plc
31. If non-syndicated, name of Relevant Dealer: Not applicable
32. Selling restrictions:
- U.S. Selling Restrictions                   TEFRA D
- Not Rule 144A eligible
- Other:   Not Applicable
33. 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: 9 JUNE 2008

**PART B - OTHER INFORMATION****34. LISTING**

- |      |                      |   |
|------|----------------------|---|
| (i)  | Listing              | Application has been made for the Notes to be admitted to listing on the Official List of the UK Listing Authority with effect from 11 June 2008          |
| (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 with effect from 11 June 2008. |

**35. RATINGS**

- |          |                            |
|----------|----------------------------|
| Ratings: | The Notes have been rated: |
|          | S&P: A +                   |
|          | Moody's: Aa3               |
|          | Fitch: AA-                 |

**36. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE 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.

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

- |       |                           |  |
|-------|---------------------------|--|
| (i)   | Reasons for the offer     | See "Use of Proceeds" in Base Prospectus |
| (ii)  | Estimated net proceeds;   | EUR 607,830,000                          |
| (iii) | Estimated total expenses: | EUR 15,000                               |

**38. YIELD**

- |     |                      |   |
|-----|----------------------|---|
| (i) | Indication of yield: | Calculated as 6.003 per cent. per annum on the Issue Date assuming redemption of Notes on 19 March 2018                               |
|     |                      | As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. |

**39. HISTORIC INTEREST RATES**

Not Applicable



40. **PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

Not Applicable

The Issuer does not intend to provide post-issuance information

41. **PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

Not Applicable

**OPERATIONAL INFORMATION**

42. ISIN Code: The temporary ISIN code is XS0369449789. After the Exchange Date, the ISIN code will be XS0353643744
43. Common Code: The temporary Common Code is 036944978. After the Exchange Date, the Common Code will be 035364374
44. New Global Note or Classic Global Note: New Global Note
45. New Global Note intended to be held in a manner which would allow Eurosystem eligibility: Yes  
 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.
46. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): None
47. Settlement procedures: Eurobond
48. Name and Address of Initial Paying Agent(s) HSBC Bank plc  
 8 Canada Square  
 London  
 E14 5HQ

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|---|----------------------|
| 49. Additional Paying Agent(s) (if any):  | None                 |
| 50. Common Depositary:  | HSBC Bank plc        |
| 51. Agent Bank:   | Not Applicable       |
| — is Agent Bank to make calculations?   | Not Applicable       |
| if not, identify calculation agent:   | Not Applicable       |
| 52. Notices:<br>( <i>Condition 14</i> )   | Condition 14 applies |
| 53. City in which specified office of Registrar to<br>be maintained:<br>( <i>Condition 12</i> ) | Not Applicable       |
| 54. Tradeable Amount:   | EUR 50,000           |
| 55. Other relevant Terms and Conditions:  | None                 |
| 56. Other Final Terms:  | None                 |