

Date\*:

**HSBC Finance Corporation**  
**Issue of USD 2,938,669,000 6.676 per cent**  
**Fixed Rate Notes due January 2021**

**Important Risk Warning:**

- This is an investment product. The investment decision is yours but you should not invest in this product unless the intermediary who sells it to you has explained to you that the product is suitable for you having regard to your financial situation, investment experience and investment objectives.
- This Note is NOT equivalent to a time deposit.
- Issuer's risk - This Note is subject to both the actual and perceived measures of credit worthiness of HSBC Finance Corporation. There is no assurance of protection against a default by the issuer in respect of the repayment obligations. In the worst case scenario, you might not be able to recover the principal and any coupon if the issuer defaults on the note.
- Additional risks are disclosed in the section of "Risk Factor" below. Please refer to it for details.

**WARNING**

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

**IMPORTANT**

If you are in doubt as to any aspect of this offer, you should consult a licensed securities dealer, bank manager, solicitor, certified public accountant or other professional adviser.

\* If you receive this termsheet via email, the date of the termsheet is the date as stated on the email to which it is attached. If you are viewing this termsheet over the internet, the date of the termsheet is the date as stated on the webpage to which it is shown.

## Termsheet

<b>Issuer:</b>	HSBC Finance Corporation	
<b>Guarantor:</b>	None	Series No: N/A
		Tranche No: N/A
		ISIN Code: US40429CGD83
<b>Type:</b>	Fixed Rate Subordinated Note	
<b>Rating (Moody's / S&amp;P):</b> A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency	Note's rating:	Baa2/A- (as of 30 Aug 2012)
<b>Status of the Note:</b>	<p>Senior subordinated unsecured</p> <p>The Notes will be the Issuer's senior subordinated unsecured indebtedness and will rank</p> <ul style="list-style-type: none"> <li>• junior in right of payment to all of the Issuer's existing and future senior indebtedness, which, for purposes of the indenture under which the Notes will be issued, includes indebtedness for borrowed money and all other creditors;</li> <li>• equally in right of payment with any of the Issuer's existing and future senior subordinated indebtedness;</li> <li>• senior in right of payment to any of the Issuer's existing and future indebtedness that is expressly subordinated in right of payment to the Notes; and</li> <li>• structurally subordinated to all of the existing and future indebtedness and other liabilities of the Issuer's subsidiaries.</li> </ul>	
<b>Issue Date &amp; Interest Commencement Date</b>	14/10/2011 (DD/MM/YYYY)	
<b>Maturity Date:</b>	15/01/2021 (DD/MM/YYYY)	
<b>Coupon:</b>	6.676 per cent. per annum	
<b>Coupon frequency:</b>	Semi-Annual	
<b>Structure:</b>	Plain vanilla	
<b>Currency &amp; Amount of the issue:</b>	USD 2,938,669,000	
<b>Denomination:</b>	USD 1,000	
<b>Minimum Investment Amount:</b>	Per investor : USD 1,000	
<b>Redemption at maturity:</b>	At par (100%)	

<b>Interest Payment Dates(s):</b>	15th January and July in each year commencing on 15th July 2011 to the persons in whose names the Notes are registered on the preceding January 1 or July 1, respectively, except that interest payable at maturity shall be paid to the same persons to whom principal of the Notes is payable.
<b>Business Day Convention:</b>	Following Business Day Convention (for payment)
<b>Apply To:</b>	Interest Payment Date, Maturity Date
<b>Day Count Fraction:</b>	30/360
<b>Business Days:</b>	Untied States
<b>Listing</b>	Not listed
<b>Use of Proceeds:</b>	The Issuer will use the net proceeds for general corporate purposes.
<b>Trustee:</b>	The Bank of New York Mellon Trust Company, N.A.
<b>Clearing:</b>	DTC, Euroclear and Clearstream
<b>Law:</b>	State of Illinois, USA
<b>Description of Issuer (from Page 10 of Offering Memorandum dated December 2010):</b>	<p>HSBC Finance’s subsidiaries provide lending products to middle-market consumers in the United States and HSBC Finance is the principal fund raising vehicle for the operations of its subsidiaries. HSBC Finance traces its origin to 1878 and operated as a consumer finance company under the name Household Finance Corporation for most of its history. On March 28, 2003, HSBC Finance, formerly known as Household International, Inc., was acquired by a wholly owned subsidiary of HSBC Holdings plc (“HSBC Holdings”).</p> <p>HSBC Finance is a an indirect subsidiary of HSBC North America Holdings Inc. (“HSBC North America”), a bank holding company and an indirect wholly owned subsidiary of HSBC Holdings.</p> <p>Certain information with regards to the capital, shares, reorganization of capital (if any), net profit/loss, dividends (if any), and directors of the Issuer (including whether any Notes are held by them or on their behalf and if so, details thereof), which is required to be provided under the Securities and Futures Ordinance (“SFO”) Schedule 7 Part 2, Sections3 (b), (c), (d), (e), (g) and (h), is set out in the Issuer’s Annual Report to shareholders. The latest Annual Report of the Issuer is publicly accessible on the Issuer’s website at <a href="http://www.hsbcusa.com/hsbc_finance/financial_reports.html#annual">http://www.hsbcusa.com/hsbc_finance/financial_reports.html#annual</a></p> <p>For the sake of information completeness, integrity and timeliness, the information stated in the above paragraph which is required to be provided under SFO Schedule 7 is not included/replicated in this document, however a printed copy and Chinese version of such materials is available upon request.</p>

	<p>Certain information with regards to liabilities (which is outstanding not more than 28 days before the offer date and includes debentures, mortgage debts, loans and/or charges due, if any, and the rate of interest payable in respect thereof) of the Issuer which is required to be provided under the SFO Schedule 7 Part 2, Section 3(f) are not included in this document because such information is not available publicly.</p> <p>There is no restriction in the constitution of the Issuer on the right to transfer the Notes that has the effect of requiring the holder of the Notes, before transferring them, to offer them for purchase to any member of the Issuer or to any other person.</p> <p>The information with regards to whether securities are fully or partly paid up (as required to be provided under the SFO Schedule 7 Part 2, Section 3(i)) is not included herein as it is not applicable to the Notes in question.</p>
<b>Contact Information of Issuer:</b>	Place and Year of Incorporation: United States, 2003
	Registered or Principal Office Address in Hong Kong: The Issuer has no registered or principal office in Hong Kong.
	Registered or Principal Office Address in Place of Incorporation: 26525 North Riverwoods Boulevard, Mettawa, Illinois 60045, USA
	Telephone number: +1(224)-544-2000
<b>Fees &amp; Charges</b>	<p><u>Safe Custody</u> Waived</p> <p><u>Interest Collection</u> Waived</p> <p><u>Redemption at Maturity</u> Waived</p>
<b>Stamp Duty</b>	No Hong Kong stamp duty is payable on the purchase of the Notes

## Risk Factors

There are investment risks involved in buying the Note. Before applying for any of the Note, you should consider whether the Note is suitable for you in light of your own financial circumstances and investment objectives. If you are in any doubt, get independent professional advice.

- The Note is mainly for medium to long term investment, not for short term speculation. You should be prepared to invest your funds in the Note for the full investment tenor; you could lose part or all of your investment if you choose to sell the Note prior to maturity.
- It is the issuer to pay interest and repay principal of the Note. If the issuer defaults, the holder of the Note may not be able to receive back the interest and principal. The holder of

the Note bears the credit risk of the issuer and has no recourse to HSBC unless HSBC is the issuer itself.

- The Notes are subordinated obligations of the Issuer. This means that, upon the occurrence of any involuntary or voluntary event of insolvency, bankruptcy, receivership, conservatorship, reorganization, readjustment of debt, marshaling of assets and liabilities or similar proceedings or any liquidation, dissolution or winding-up of or relating to the Issuer as a whole, the claims of the Noteholders will be subordinated in right of payment and will rank behind the claims of, amongst others, the holders of the Issuer's unsubordinated debentures (if any) and other unsubordinated indebtedness. Therefore, Noteholders will bear higher risks than holders of the Issuer's unsubordinated debentures (if any) and other unsubordinated indebtedness due to a lower priority of claim in the event of the Issuer's insolvency.
- Indicative price of the Note are available and the Note's price do fluctuate when market changes. Factors affecting market price of the Note include, and are not limited to, fluctuations in Interest Rates, Credit Spreads, and Liquidity Premiums. The fluctuation in yield generally has a greater effect on prices of longer tenor bonds. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling the Note.
- If you wish to sell the Note, HSBC may repurchase it based on the prevailing market price under normal market circumstances, but the buying price may differ from the original selling price due to changes in market conditions.
- There may be exchange rate risks if you choose to convert payments made on the Note to your home currency.
- The secondary market for the Note may not provide significant liquidity or may trade at prices based on the prevailing market conditions and may not be in line with the expectations of the Note holders.
- If the Note is early redeemed, you may not be able to enjoy the same rates of return when you re-invest the funds in other investments

### **Investor's Commitment and Acknowledgements**

When you place your order for the Note, you are deemed to make a series of confirmations and acknowledgements, including that you:

- (i) have read and understood this Term Sheet, including the risks of investing in the Note as explained in the section "**Risk Factors**";
- (ii) understand that you should refer to the Offering Circular and pricing supplement, which are available upon request, for further details on the terms of the Note and risks involved;
- (iii) confirm that you are prepared to invest your funds in the Note for the full investment tenor; you could also lose part or all of your investment if you choose to sell your Note prior to maturity.

- (iv) understand that this document is not intended to provide and should not be relied upon for tax, legal or accounting advice, investment recommendations or credit worthiness or other evaluation of the Issuer; prospective investors should consult their tax, legal, accounting and/or other advisors.

### **How to find out the current market value of your investment after purchase?**

The current market value of your investment will be available upon request. Please contact our staff at any HSBC branch in Hong Kong.

Note: If you have any feedback or complaint about any aspect of the service you have received, please contact our Hong Kong branches, call us on (852) 2233 3000, or write to the Quality Service Management Department at P.O. Box 71169, Kowloon Central Post Office, or send an email to [feedback@hsbc.com.hk](mailto:feedback@hsbc.com.hk). We will respond to a complaint within a reasonable period of time normally not exceeding 30 days in general circumstances. If you are not satisfied with the outcome of your complaint, you have the right to refer the matter to the Banking Services Complaints Unit of Hong Kong Monetary Authority at 55th Floor Two International Finance Centre, 8 Finance Street, Central, and Hong Kong.

### **References to websites**

References to the websites stated in this document where further information may be obtained are intended as guides for you to access further public information on the listed securities. Information appearing on such websites is not part of the offering documents. HSBC accept no responsibility whatsoever that such other information, if available, is accurate and/or up-to-date, and no responsibility is accepted in relation to any such information by us and our respective affiliates.

### **Disclaimer**

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*The Hongkong and Shanghai Banking Corporation Limited is the distributor which is a wholly owned subsidiary of HSBC Holdings plc, the holding company of the HSBC Group.*

*The Hongkong and Shanghai Banking Corporation Limited  
Authorised and Regulated by Hong Kong Monetary Authority  
A registered institution under the Securities and Futures Ordinance, with Central  
Entity Identity Number AAA523  
Registered Office: 1 Queen’s Road Central, Hong Kong  
Tel: +852 2996 6730, Member HSBC Group*

日期\*：

美國滙豐融資有限公司  
發行2,938,669,000美元 6.676定息票據  
2021年1月到期

重要風險通知：

- 此乃投資產品。投資決定是由閣下自行作出的，但閣下不應投資在該產品，除非中介人於銷售該產品時已向閣下解釋經考慮閣下的財務情況、投資經驗及目標後，該產品是適合閣下的。
- 本票據並不相等於定期存款。
- 發行人風險 – 本票據表現受美國滙豐融資有限公司的實際和預計借貸能力所影響。就償債責任而言，本票據不保證發行人不會拖欠債務。在最壞情況下，如果發行者不履行契約本票據持有人可能無法取回本票據的利息和本金。
- 以下「風險因素」部份將列出其他風險因素，詳情請參閱有關部份。

警告

本文件的內容未經在香港的規管當局審核。你應就有關要約謹慎行事。如你對本文件的任何內容有任何疑問，你應尋求獨立專業意見。

重要提示

如你對此要約的任何方面有疑問，應諮詢持牌證券交易商、銀行經理、律師、會計師或其他專業顧問。

\* 若閣下透過電郵收到此條款表，條款表的日期將以附上此條款表的電郵所示的日期為準。若閣下透過互聯網瀏覽此條款表，條款表的日期將以載有此條款表的網頁上所顯示的日期為準。

## 條款表

發行人：	美國滙豐融資有限公司	
擔保人：	無	序列號：不適用
		票據號：不適用
		ISIN 編碼: US40429CGD83
類別：	定息後償票據	
評級 (穆迪 / 標準普爾)： 評級並不建議購買、出售或持有證券,且可由授予評級之機構隨時終止、更改或撤銷。	票據評級:	Baa2/A- (於2012年8月30)
票據的地位：	<p>高級後償及無抵押</p> <p>本票據將是發行人之高級後償無抵押債務，並將</p> <ul style="list-style-type: none"> <li>• 在付款方面位列發行人現有及未來高級債務之後，就本票據將據此發行之契約而言，其中包括已借貸款項及所有其他債權人之債務；</li> <li>• 與發行人之現有及未來高級後償債務享有同等付款權利；</li> <li>• 較明確表明在付款方面位列本票據之後之發行人任何現有及未來債務享有優先付款權利；及</li> <li>• 結構上位列發行人附屬公司之全部現有及未來債務及其他負債之後。</li> </ul>	
發行日期及計息開始日期：	14/10/2011 (日/月/年)	
到期日期：	15/01/2021 (日/月/年)	
票息：	每年 6.676%	
票息頻率：	每半年	
結構：	普通債券	
貨幣及發行金額：	2,938,669,000 美元	
面額：	1,000美元	
最小投資額：	每位投資者：1,000美元	
到期贖回：	按面值 (100%)	
利息支付日期：	於2011年7月15日起每年的1月及7月15日，分別向於1月1日及7月1日前本票據所登記名稱之人士支付利息，惟於到期日須連同本票據本金一起支付予同一人士之應付利息除外。	



營業日慣例：	緊隨營業日慣例（就付款而言）
適用於：	利息支付日期，到期日期
計息日期慣例：	30/360
營業日：	美國
上市：	無
所得款項用途：	發行人擬將所得款項淨額作一般公司用途。
信託人：	紐約梅隆銀行信託有限公司
結算：	DTC, Euroclear 及 Clearstream
法律：	美國伊利諾州
發行人簡介 （摘自 2010 年 12 月招股備忘錄第 10 頁）：	<p>美國滙豐融資有限公司之附屬公司向美國中型市值客戶提供借貸產品，且美國滙豐融資有限公司為其附屬公司經營業務之主要融資機構。美國滙豐融資有限公司之前身歷史可追溯至 1878 年，在其經營歷史中的大部分時間內以 Household Finance Corporation 之名稱從事消費者融資業務。於 2003 年 3 月 28 日，美國滙豐融資有限公司（前稱為 Household International, Inc.）被 HSBC Holdings plc（「HSBC Holdings」）之全資附屬公司收購。</p> <p>美國滙豐融資有限公司為 HSBC North America Holdings Inc.（「HSBC North America」）之間接附屬公司，HSBC North America 為 HSBC Holdings 之間接全資附屬公司。</p> <p>證券及期貨條例附表 7 第 2 部第 3(b)、(c)、(d)、(e)、(g)及(h)節要求提供的有關發行人資本、股份、資本重組（若有）、淨利潤／虧損、股息（若有）及董事（包括董事是否持有或由他人代為持有任何票據；若有，還應說明詳情）的若干資料載於發行人向股東刊發的年報。發行人的最新年報載於其網站 <a href="http://www.hsbcusa.com/hsbc_finance/financial_reports.html#annual">http://www.hsbcusa.com/hsbc_finance/financial_reports.html#annual</a>，供公眾查閱。</p> <p>為確保所載資料的完整、完全及時效性，上段所述的證券及期貨條例附表 7 要求提供的資料並未載於／複製至本文件，惟可申請獲取該等材料的印刷本及中文版本。</p> <p>證券及期貨條例附表 7 第 2 部第 3(f)節要求提供的有關發行人債務（逾期未償時間不超過發售日期前 28 日，包括到期債券、按揭債務、貸款及／或抵押（若有）以及應付利率）的若干資料並不公開，故未載於本文件。</p> <p>就轉讓票據的權利而言，發行人章程並無限定票據持有人在轉讓票據之前，應向發行人任何成員公司或任何其他人士發售，以供彼等購買。</p>

	有關證券是否全部或部分繳足（根據證券及期貨條例附表 7 第 2 部第 3(i)節的規定）的資料並不適用於所述票據，故未載於本文件。
發行人聯絡資料：	註冊成立地點 美國, 2003 及日期：
	香港註冊或主 發行人在香港並無註冊或主要辦事處。 要辦事處地 址：
	成立地點的註 26525 North Riverwoods Boulevard, 冊或主要辦事 Mettawa, Illinois 60045, USA 處地址：
	聯絡電話： +1(224)-544-2000
服務收費	<u>託管服務</u> 豁免 <u>代收利息</u> 豁免 <u>到期贖回</u> 豁免
印花稅	購買本票據無須支付香港印花稅

## 風險因素

本票據涉及投資風險。在投資於本票據之前，投資者應就本身的財政狀況及投資目標，考慮是否適合投資於本票據。如有任何疑問，應諮詢獨立專業顧問的意見。

- 本票據主要提供中長期的投資，並不是短線投機的工具。你應準備於整段投資期內將資金投資於本票據上；若你選擇在到期日之前提早出售本票據，可能會損失部份或全部的投資本金額。
- 本票據的利息和本金是由發行者去償還，票據持有人須承擔發行者的信貸風險。如果發行者不履行契約，票據持有人可能無法取回本票據的利息和本金。在此情況下，票據持有人不能向滙豐追討任何賠償，除非滙豐本身為該票據之發行者。
- 本票據為發行人的次級債務。這意味著倘若發行人出現或發生與其整體相關的自願或不自願的無力償債、破產、接管、監管、重組、債務重整、資產及負債的清償序列或類似程序或任何清盤、解散或破產事件，票據持有人的索償權為後償權，且處於（其中包括）發行人的非次級債務（如有）及其他非從屬債務持有人的索償權之後。由於票據持有人在發行人無力償還的情況下享有的索償權靠後，故票據持有人要承擔較發行人的非次級債務（如有）及其他非從屬債務持有人更大的風險。
- 滙豐提供本票據的參考價格，其價格可能會及確會波動。影響本票據價格的因素包括，但不限於，利率，債券息差及流通性溢價的波動。而孳息率的上落對越長年期的

債券價格影響一般較大。買賣債券帶有風險，投資者未必能夠賺取利潤，可能會招致損失。

- 如你打算出售經滙豐代您購入的票據，滙豐可在正常市場下，按市價進行有關交易。但基於市場變動，買入價與原定的賣出價可能不同。
- 倘若你選擇將票據所支付的付款兌換為本國貨幣，可能須承受匯率波動的風險。
- 發行人提供的二手市場或不能提供龐大的流通量或按對持有人有利之價格買賣。
- 如本票據被提早贖回，您轉而投資於其他投資項目，未必能取得相同回報。

## 投資者責任及聲明

投資者向分銷商購買本票據時，投資者將被視為作出一系列承諾及聲明，包括：

- (v) 已閱讀及理解本條款概要內，包括「**風險因素**」部分所說明的有關投資本票據的風險；
- (vi) 明白應參閱可向滙豐索取的發售通函及發行日後訂定的定價補充文件，以便獲得本票據的進一步資料。
- (vii) 確認準備於整段投資期內將資金投資於本票據上；若投資者選擇在到期日之前提早出售本票據，可能會損失部分或全部的投資本金。
- (viii) 明白本文不擬提供稅務、法律或會計意見、投資建議或對發行人的誠信或其他方面進行評估，投資者亦不應依賴本文作上述用途。準投資者應諮詢其稅務、法律、會計及/或其他顧問。

## 在投資票據後，怎樣查詢票據的市值？

您可聯絡滙豐在香港的各分行查詢票據的市值。

注意：如您對我們的服務有任何意見或投訴，請聯絡我們在香港的任何分行、致電 (852) 2233 3000、致函我們的優質服務管理部(九龍中央郵政局 71169 號)或電郵至 [feedback@hsbc.com.hk](mailto:feedback@hsbc.com.hk)。我們在一般情況下會於合理的時間(通常30日)內回覆客戶的投訴。若您對投訴結果仍有不滿，可向香港金融管理局的銀行服務投訴組提出書面投訴,地址為香港中環金融街8號國際金融中心2期55樓。

## 關於網站的提述

本文件有提述若干網站，其中或可提供進一步資料，以指引閣下取得有關上市證券的更多公眾資料。該等網站所載的資料並非發售文件的一部份。滙豐對該等其他資

料（如有）是否準確及／或最新概不承擔任何責任，且本集團及本集團相關聯屬公司對任何該等資料概不承擔責任。

### 免責聲明

香港上海滙豐銀行有限公司（「滙豐」）刊發本文件。本文件內發表之意見乃真誠地發表，惟可未經通知而改變。滙豐概不就使用本文件所導致之任何直接或相應而生之損失接納任何責任。謹請注意，上述利率及價格乃僅供參考，並可能根據市況而變動。若干司法管轄區之法律可能限制派發本文件，而本文件中所載之資料乃僅供收件人閱覽，不得複製或以其他形式傳佈。滙豐及其聯屬公司及／或高級職員、董事及僱員可能就本文件所述之任何金融工具或貨幣持倉，並可不時增加或出售有關金融工具或貨幣。使用資料之人士務請就其中所載之任何事宜作出獨立判斷。

由香港上海滙豐銀行有限公司（「滙豐」，註冊地址為香港皇后大道中 1 號）刊發

香港上海滙豐銀行有限公司是分銷商，為滙豐集團旗下控股公司—滙豐控股有限公司的全資附屬公司。

香港上海滙豐銀行有限公司

經由香港金融管理局授權及監管

根據<<證券及期貨條例>>註冊為註冊機構，於證券及期貨事務監察委員之中央

註冊編號為AAA523

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