

FINAL TERMS

Final Terms dated 3 April 2008

Series No: 12

Tranche No: 1

HSBC Holdings plc

Debt Issuance Programme

Issue of

GBP 350,000,000

7 per cent. Subordinated Notes due April 2038

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 10 March 2008 in relation to the above Programme (incorporating the Registration Document dated 10 March 2008) and the supplement thereto dated 20 March 2008 which together constitute 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.

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| 1. | (i) | Issuer: | HSBC Holdings plc |
| | (ii) | Arranger(s): | HSBC Bank plc |
| 2. | (i) | Series number: | 12 |
| | (ii) | Tranche number: | 1 |
| 3. | | Specified Currency or currencies: | |
| | (i) | of denomination: | GBP |
| | (ii) | of payment: | GBP |
| 4. | | Aggregate Principal Amount of notes admitted to trading: | |
| | (i) | Series: | GBP 350,000,000 |
| | (ii) | Tranche: | GBP 350,000,000 |
| 5. | (i) | Issue Price: | 99.649 per cent. of the Aggregate Principal Amount |
| | (ii) | Commission payable: | 0.625 per cent. |

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| (iii) Selling concessions: | None |
| (iv) Net proceeds: | GBP 346,584,000 |
| 6. (i) Specified Denomination(s) (Condition 1(b)): | GBP 50,000 |
| (ii) Calculation Amount | GBP 50,000 |
| 7. (i) Issue Date: | 7 April 2008 |
| (ii) Interest Commencement Date: | 7 April 2008 |
| 8. Maturity Date: (Condition 6(a)) | 7 April 2038 |
| 9. Interest basis: (Conditions 3 to 5) | 7 per cent. Fixed Rate Notes |
| 10. Redemption basis: (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: (Condition 2) | Subordinated Notes |
| (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

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| 15. Fixed Rate Note provisions (Condition 3) | Applicable |
| (i) Rate of Interest: | 7 per cent. per annum payable annually in arrear |
| (ii) Fixed Interest Payment Dates(s): | 7 April in each year commencing on 7 April 2009 and ending on 7 April 2038 |
| (iii) Day count fraction | Actual/Actual (ICMA) |
| 16. Floating Rate Note provisions (Condition 4) | Not Applicable |

17. Variable Coupon Amount Note provisions: Not Applicable
(Condition 5)

18. Zero Coupon Note provisions: Not Applicable
(Condition 5)

PROVISIONS RELATING TO REDEMPTION

19. Issuer's optional redemption (Call): No
(Condition 6(c))

20. Noteholder's optional redemption (Put): No
(Condition 6(d))

21. Final redemption amount: GBP 50,000 per Calculation Amount
(Condition 6(a))

22. Instalment Notes: Not Applicable
(Condition 6(a))

(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: Yes, exchangeable for Permanent Global Note

and/or Registered Notes:

(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: Yes

(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: 19 May 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 Akros S.p.A. - Gruppo Bipiemme -
Banca Popolare di Milano
Banco Santander, S.A.
Caixa - Banco de Investimento, S.A.
ING Belgium SA/NV
Lloyds TSB Bank plc
Natixis
Nordea Bank Danmark A/S
Svenska Handelsbanken AB (publ)

(iii) Date of Subscription Agreement: 3 April 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 Regulation S Category 2

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: 3 APRIL 2008 -----

PART B - OTHER INFORMATION

34. LISTING

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| (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 7 April 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 7 April 2008. |

35. RATINGS

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| 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

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|-------|---------------------------|--|
| (i) | Reasons for the offer: | See "Use of Proceeds" in Base Prospectus |
| (ii) | Estimated net proceeds: | GBP 346,584,000 |
| (iii) | Estimated total expenses: | GBP 15,000 |

38. YIELD

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| (i) | Indication of yield: | Calculated as 6.909 per cent. semi-annually on the Issue Date assuming redemption of Notes on 7 April 2038 |
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- 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

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| 42. ISIN Code: | XS0356452929 |
| 43. Common Code: | 035645292 |
| 44. New Global Note or Classic Global Note: | Classic Global Note |
| 45. New Global Note intended to be held in a manner which would allow Eurosystem eligibility: | Not Applicable |
| 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 |
| 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: (Condition 14) | Condition 14 applies |
| 53. City in which specified office of Registrar to be maintained: (Condition 12) | Not Applicable |

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| 54. Tradeable Amount: | Not Applicable |
| 55. Other relevant Terms and Conditions: | None |
| 56. Other Final Terms: | None |