

FINAL TERMS

Final Terms dated 16 October 2007

Series No: 10

Tranche No: 1

HSBC Holdings plc**Debt Issuance Programme****Issue of****GBP 900,000,000 Callable Subordinated Fixed to Floating Rate Notes due October 2022****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 December 2006 in relation to the above Programme (incorporating the Registration Document dated 7 December 2006) and the supplements thereto dated 15 December 2006, 11 January 2007, 13 February 2007, 5 March 2007, 30 July 2007, 10 September 2007 and 20 September 2007 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 as so supplemented. 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 and the supplements thereto are available for viewing at 8 Canada Square, London E14 5HQ and copies may be obtained from 8 Canada Square, London E14 5HQ.

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|----|--|---------------------------|
| 1. | (i) Issuer: | HSBC Holdings plc |
| | (ii) Arranger(s): | HSBC Bank plc |
| 2. | (i) Series number: | 10 |
| | (ii) Tranche number: | 1 |
| 3. | Currency or currencies: | |
| | (i) of denomination: | Sterling (" GBP ") |
| | (ii) of payment: | GBP |
| 4. | Aggregate Principal Amount of notes admitted to trading: | |

- (i) Series: GBP 900,000,000
- (ii) Tranche: GBP 900,000,000
5. (i) Issue Price: 99.996 per cent. of the Aggregate Principal Amount
- (ii) Commission payable: A combined selling, management and underwriting commission of 0.45 per cent of the Aggregate Principal Amount.
- (iii) Selling concessions: As per item 5 (ii) above.
- (iv) Expenses — specify any expenses payable by Issuer: Approximately £30,000
- (v) Net proceeds: GBP 895,914,000
6. Denomination(s)
(*Condition 1(b)*): GBP 50,000
7. (i) Issue Date: 18 October 2007
- (ii) Interest Commencement Date: Issue Date
8. Maturity Date:
(*Condition 6(a)*): The Interest Payment Date falling in October 2022
9. Interest basis:
(*Conditions 3 to 5*)
- In respect of the period from and including the Issue Date to but excluding 18 October 2017: Fixed Rate Notes
- In respect of the period from and including 18 October 2017 to but excluding the Maturity Date: Floating Rate Notes
10. Redemption basis:
(*Condition 6*): Redemption at par
11. Change of interest or redemption basis: If the Notes are not redeemed on or prior to 18 October 2017, as from that date the interest basis shall be Floating Rate Notes (as per item 16 below).
12. Put/Call options: Condition 6(c) will apply (as specified in item 19 below)
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: The issue of Notes was approved pursuant to a board resolution passed on 24 November 2006.

14. Method of distribution: Syndicated

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

15. Fixed Rate Note provisions
(Condition 3) In respect of the period from and including the Issue Date to but excluding 18 October 2017: Applicable.

(i) Rate of Interest: 6.375 per cent. per annum payable annually in arrear

(ii) Fixed Interest Payment Dates(s): 18 October in each year commencing on 18 October 2008 and ending on 18 October 2017.

(iii) Day count fraction Actual/Actual (ICMA)

(iv) Determination Date: 18 October

16. Floating Rate Note provisions
(Condition 4) In respect of the period from and including 18 October 2017 to but excluding the Maturity Date: Applicable

(i) Interest Payment Dates: 18 January, 18 April, 18 July and 18 October in each year commencing on 18 January 2018 and ending on 18 October 2022, in each case subject to adjustment in accordance with Condition 4(b).

(ii) Benchmark: 3-month GBP LIBOR - BBA

(iii) Relevant Rate of Benchmark: Offered rate

(iv) Relevant screen page: Reuters Screen LIBOR 01 Page

(v) Interest Determination Date: As specified in Condition 4(c)

| | |
|-----------------------------|-------------------------------------|
| (vi) Margin: | + 1.30 per cent. per annum |
| (vii) Fallback rate: | As specified in Condition 4(c)(iii) |
| (viii) Day count fraction: | Actual/365 (fixed) |
| (ix) Relevant time: | 11 a.m. London time |
| (x) Minimum Interest Rate: | Not Applicable |
| (xi) Maximum Interest Rate: | Not Applicable |
| (xii) Business Day: | London |

(Condition 4(b))

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): Yes

(Condition 6(c))

(i) Redemption amount (Call): Par

(ii) Series redeemable in part: No

(iii) Call option dates: 18 October 2017, and every Interest Payment Date thereafter up to and including the Interest Payment Date falling in July 2022.

(iv) Call option period: As per the Conditions

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

(Condition 6(d))

21. Final redemption amount: Par

(Condition 6(a))

22. Instalment Notes: Not Applicable

(Condition 6(a))

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 No Registered Notes:

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: 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: Not before 27 November 2007
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: London
28. Partly Paid Notes: No
(Condition 1)
29. Redenomination:
(Condition 9)
- (i) Redenomination: Not applicable
- (ii) Exchange: Not applicable

DISTRIBUTION

- (i) HSBC Bank plc
- (ii) Monte dei Paschi di Siena Capital Services Banca per le Imprese S.p.A.
- Banco Santander, S.A.
- Bayerische Landesbank
- CALYON
- Canadian Imperial Bank of Commerce, London Branch
- Lloyds TSB Bank plc
- IXIS Corporate & Investment Bank
- Nordea Bank Danmark A/S

Westpac Banking Corporation

- (iii) Date of Subscription Agreement: 16 October 2007
- (iv) Stabilising Manager (if any): HSBC Bank plc
30. If non-syndicated, name of Relevant Dealer: Not applicable
31. Selling restrictions:
- United States of America: TEFRA D Rule
Not Rule 144A eligible
- Other: Not Applicable
32. Stabilisation: **In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes (provided that, in the case of any Tranche of Notes to be admitted to trading on the London Stock Exchange or any other regulated market, the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the relevant Tranche) 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

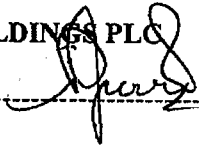
These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Debt Issuance Programme of HSBC Holdings plc.

RESPONSIBILITY

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

CONFIRMED

HSBC HOLDINGS PLC

By:  _____

Authorised Signatory

Date: 16th Oct 2007

PART B - OTHER INFORMATION

33. 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 18 October 2007. |
| (ii) | Admission to trading | Application has been made for the Notes to be admitted to trading on the gilt-edged and fixed interest market of the London Stock Exchange plc with effect from 18 October 2007. |

34. RATINGS

- | | |
|----------|--|
| Ratings: | The long term subordinated debt of HSBC Holdings plc has been rated: |
| | S&P: A+ |
| | Moody's: Aa3 |
| | Fitch: AA- |

35. NOTIFICATION

Not Applicable

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

Save as disclosed 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 | Not Applicable |
| (ii) | Estimated net proceeds; | Not Applicable |
| (iii) | Estimated total expenses: | Approximately £ 30,000 |

38. *Fixed rate Notes only* - YIELD

- | | | |
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| (i) | Indication of yield: | Not Applicable |
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39. *Floating Rate Notes only - HISTORIC INTEREST RATES*

Details of historic GBP-LIBOR rates can be obtained from www.bba.org.uk

OPERATIONAL INFORMATION

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|-----|--|----------------------|
| 40. | ISIN Code: | XS0326347373 |
| 41. | Common Code: | 032634737 |
| 42. | New Global Note or Classic Global Note: | Classic Global Note |
| 43. | New Global Note intended to be held in a manner which would allow Eurosystem eligibility: | Not Applicable |
| 44. | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | None |
| 45. | Settlement procedures: | Eurobond |
| 46. | Additional Paying Agent(s) (if any): | None |
| 47. | Common Depository: | HSBC Bank plc |
| 48. | Agent Bank: | HSBC Bank plc |
| | — is Agent Bank to make calculations? | Yes |
| | if not, identify calculation agent: | Not Applicable |
| 49. | Notices: (<i>Condition 14</i>) | Condition 14 applies |
| 50. | City in which specified office of Registrar to be maintained: (<i>Condition 12</i>) | Not Applicable |
| 51. | Tradeable Amount: | Not Applicable |
| 52. | Other relevant Terms and Conditions: | Not Applicable |
| 53. | Other Final Terms: | Not Applicable |