

HSBC HOLDINGS PLC
Form 424B2
May 19, 2008
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Filed Pursuant to Rule 424(b)(2)

Registration No. 333-135007

The information in this prospectus is incomplete and may be changed. We may not sell these securities until the prospectus is delivered in final form. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION DATED MAY 19, 2008

PRELIMINARY PROSPECTUS SUPPLEMENT

(To prospectus dated June 14, 2006)

\$ 00,000,000

HSBC HOLDINGS PLC

% Subordinated Notes Due 2038

We are offering \$ 00,000,000 principal amount of % subordinated notes due 2038. HSBC Holdings plc will pay interest on the notes on June and December of each year, beginning on December , 2008. The notes will bear interest at the rate of % per year. The notes will mature on June , 2038.

Application will be made to list the notes on the New York Stock Exchange in accordance with its rules.

The notes are unsecured subordinated debt securities.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the related prospectus. Any representation to the contrary is a criminal offense.

	Per Note	Total
Public Offering Price ⁽¹⁾	%	\$
Underwriting Discount	%	\$
Proceeds to us (before expenses)	%	\$

-
- (1) Interest on the notes will accrue from May , 2008.

We may use this prospectus supplement and the attached prospectus in the initial sale of these notes. In addition, HSBC Securities (USA) Inc. or another of our affiliates may use this prospectus supplement and the attached prospectus in a market-making transaction in any of these notes after their initial sale. *Unless we or our agent informs you otherwise in the confirmation of sale, this prospectus supplement and the attached prospectus is being used in a market-making transaction.*

HSBC Securities (USA) Inc. may effect sales of notes in Canada and is an indirect subsidiary of HSBC Holdings plc. HSBC Holdings plc is a related issuer and may be a connected issuer , as such terms are defined in National Instrument 33-105 *Underwriting Conflicts*, of HSBC Securities (USA) Inc. Canadian investors should refer to the sub-heading **Certain Relationships and Related Transactions contained in **Plan of Distribution Notice to Canadian Investors** for additional information.**

The underwriters expect to deliver the notes to purchasers in book-entry form only through the facilities of The Depository Trust Company on or about May , 2008.

HSBC

The date of this prospectus supplement is May , 2008

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You should only rely on the information contained or incorporated by reference in this prospectus supplement and the attached prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement and the attached prospectus, as well as information we have previously filed with the Securities and Exchange Commission and incorporated by reference, is accurate as of the date on the front cover of this prospectus

supplement only. Our business, financial condition, results of operations and prospects may have changed since that date.

The distribution of this prospectus supplement and the attached prospectus and the offering of the notes in certain jurisdictions may be restricted by law. This prospectus supplement and the attached prospectus do not constitute an offer, or an invitation on our behalf or on behalf of the underwriters or any of them, to subscribe to or purchase any of the notes, and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

FOR NEW HAMPSHIRE RESIDENTS ONLY: NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE

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SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

There are certain restrictions on the distribution of this prospectus supplement and the accompanying prospectus, as set out in Plan of Distribution .

In connection with the issue of the notes, HSBC Securities (USA) Inc. or any person acting for it may over-allot or effect transactions with a view to supporting the market price of the notes at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there may be no obligation on HSBC Securities (USA) Inc. or any agent of it to do this. Such stabilizing, if commenced, may be discontinued at any time and must be brought to an end after a limited period.

This document is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the Financial Promotion Order), (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations etc) of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the FSMA)) in connection with the issue or sale of any notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as relevant persons). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

This prospectus supplement and the accompanying prospectus has been prepared on the basis that all offers of notes will be made pursuant to an exemption under the Prospectus Directive, as implemented in member states of the European Economic Area (EEA), from the requirement to produce a prospectus for offers of notes. Accordingly any person making or intending to make any offer within the EEA of notes which are the subject of the placement contemplated in this prospectus supplement and the accompanying prospectus should only do so in circumstances in which no obligation arises for us or any of the underwriters to produce a prospectus for such offer. Neither we nor any of the underwriters have authorized, nor do they authorize, the making of any offer of notes through any financial intermediary, other than offers made by the underwriters which constitute the final placement of notes contemplated in this prospectus supplement and the accompanying prospectus.

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CERTAIN DEFINITIONS AND PRESENTATION OF FINANCIAL AND OTHER DATA

Definitions

As used in this prospectus supplement and the attached prospectus, the terms HSBC, we, us and our refer to HSBC Holdings plc. HSBC Group and Group mean HSBC together with its subsidiary undertakings.

Presentation of Financial Information

Our consolidated Group financial statements and the separate financial statements of HSBC have been prepared in accordance with International Financial Reporting Standards (IFRSs), as endorsed by the European Union (EU). EU-endorsed IFRSs may differ from IFRSs as issued by the International Accounting Standards Board (IASB), if, at any point in time, new or amended IFRSs have not been endorsed by the EU. At December 31, 2007, there were no unendorsed standards effective for the year ended December 31, 2007 affecting these consolidated and separate financial statements, and there was no difference between IFRSs endorsed by the EU and IFRSs issued by the IASB in terms of their application to HSBC. Accordingly, HSBC's financial statements for the year ended December 31, 2007 are prepared in accordance with IFRSs as issued by the IASB.

Information for 2003 has been prepared under previous HSBC policies in accordance with UK Generally Accepted Accounting Principles (UK GAAP), which are not comparable with IFRSs.

Unless otherwise stated, the information presented in this document has been prepared in accordance with IFRSs. See *Where You Can Obtain More Information About Us*. HSBC uses the US dollar as its presentation currency because the US dollar and currencies linked to it form the major currency bloc in which HSBC transacts its business.

Currency

In this prospectus supplement and the attached prospectus, all references to (i) US dollars, US\$, dollars or \$ are to the lawful currency of the United States of America, (ii) euro or are to the lawful currency of the participating Member States in the Third Stage of the European Economic and Monetary Union of the Treaty Establishing the European Community, as amended by the Treaty on European Union, (iii) sterling, pounds sterling or £ are to the lawful currency of the United Kingdom and (iv) Hong Kong dollars are to the lawful currency of the Hong Kong Special Administrative Region of the People's Republic of China (Hong Kong).

**LIMITATIONS ON ENFORCEMENT OF US LAWS AGAINST US,
OUR MANAGEMENT AND OTHERS**

We are an English public limited company. Most of our directors and executive officers (and certain experts named in this prospectus supplement and the accompanying prospectus or in documents incorporated herein by reference) are resident outside the United States, and a substantial portion of our assets and the assets of such persons are located outside the United States. As a result, it may not be possible for you to effect service of process within the United States upon these persons or to enforce against them or us in US courts judgments obtained in US courts predicated upon the civil liability provisions of the federal securities laws of the United States. We have been advised by our English solicitors, Cleary Gottlieb Steen & Hamilton LLP, that there is doubt as to enforceability in the English courts, in original actions or in actions for enforcement of judgments of US courts, of liabilities predicated solely upon the federal securities laws of the United States. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in the United Kingdom. The enforceability of any judgment in the United Kingdom will depend of the particular facts of the case in effect at the time.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein contain both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements may be identified by the use of terms such as believes, expects, estimate, may, intends, plan, will, should or anticipates or the negative thereof or similar expressions, or by discussions of strategy. We have based the forward-looking statements on current expectations and projections about future events. These forward-looking statements are subject to risks, uncertainties and assumptions about us. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed herein might not occur. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of their dates.

WHERE YOU CAN OBTAIN MORE INFORMATION ABOUT US

We have filed with the SEC a registration statement (the Registration Statement) on Form F-3 (No. 333-135007) under the Securities Act of 1933, as amended (the Securities Act) with respect to the notes offered by this prospectus supplement. As permitted by the rules and regulations of the SEC, this prospectus supplement and the accompanying prospectus omit certain information, exhibits and undertakings contained in the Registration Statement. For further information with respect to us or the notes, please refer to the Registration Statement, including its exhibits and the financial statements, notes and schedules filed as a part thereof. Statements contained in this prospectus supplement and the accompanying prospectus as to the contents of any contract or other document are not necessarily complete, and in each instance reference is made to the copy of such contract or document filed as an exhibit to the Registration Statement, each such statement being qualified in all respects by such reference. In addition, we file with the SEC annual reports and special reports, proxy statements and other information. You may read and copy any document we file at the SEC's public reference room at 100 F Street, N.E., Washington, DC 20549. Please call the SEC at (800) SEC-0330 for further information on the public reference room. Documents filed with the SEC are also available to the public on the SEC's internet site at <http://www.sec.gov>.

We are incorporating by reference in this prospectus supplement and the attached prospectus the information in the documents that we file with the SEC, which means we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus supplement and the attached prospectus. We incorporate by reference in this prospectus supplement and the attached prospectus our Annual Report on Form 20-F for the year ended December 31, 2007.

In addition, all documents filed by us with the SEC pursuant to Sections 13(a), 13(c) or 15(d) of the US Securities Exchange Act of 1934, as amended (the Exchange Act) and, to the extent expressly stated therein, certain Reports on Form 6-K furnished by us after the date of this prospectus supplement shall also be deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus from the date of filing of such documents. Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this prospectus supplement and the accompanying prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement and the accompanying prospectus and to be a part hereof from the date of filing of such document.

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You may request a copy of these documents at no cost to you by writing or telephoning us at either of the following addresses:

Group Company Secretary

HSBC Holdings plc

8 Canada Square

London E14 5HQ

England

Tel: +44-20-7991-8888

HSBC Holdings plc

c/o HSBC Bank USA, National Association

452 Fifth Avenue

New York, New York, 10018

Attn: Investor Affairs

Tel: +1-212-525-5000

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DESCRIPTION OF NOTES

This section outlines the specific financial and legal terms of the notes that are more generally described under Description of Subordinated Debt Securities beginning on page 9 of the prospectus that is attached to this prospectus supplement. If anything described in this section is inconsistent with the terms described under Description of Subordinated Debt Securities in the attached prospectus, the terms described below shall prevail.

Title: % Subordinated Notes due 2038.

Total principal amount being issued: \$ 00,000,000.

Minimum Denominations: The Notes will be issued only in registered form in minimum denominations of \$100,000 and in integral multiples of \$1,000 in excess thereof.

Issuance date: May , 2008.

Due date for principal: June , 2038.

Interest rate: % per annum.

Date interest starts accruing: May , 2008.

Interest due dates: Every June and December .

If we do not make a payment with respect to any notes on any relevant payment date, our obligations to make such payment will be deferred until (and the payment will not be due and payable until):

in the case of a payment of interest, the date on which a dividend is paid on any class of our share capital; and

in the case of a payment of principal, the first business day after the date that falls six months after the original payment date. Failure by us to make any such payment prior to such deferred date will not constitute a default by us or allow any holder to sue us for such payment or take any other action. Each payment so deferred will accrue interest at the rate of % . Any payment so deferred will not be treated as due for any purpose (including, without limitation, for the purpose of ascertaining whether or not an event of default has occurred) until the relevant deferred date.

First interest due date: December , 2008.

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Ranking: The rights of holders of the notes will, in the event of our winding up, be subordinated in right of payment to claims of our depositors and all our other creditors other than claims which are by their terms, or are expressed to be, subordinated to the notes. The subordination provisions of the dated indenture, and to which the notes are subject, are governed by English law. Holders of the notes and the trustee, by their acceptance of the notes, will be deemed to have waived any right of set-off or counterclaim that they might otherwise have.

Convertible: No.

Payment of additional amounts: We will pay additional amounts in respect of the notes described under Description of Subordinated Debt Securities Additional Amounts on page 15 of the attached prospectus.

Form of notes: The notes will be issued in the form of one or more global securities registered in the name of the nominee for and deposited with The Depository Trust Company.

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Trading through DTC, Clearstream, Luxembourg and Euroclear: Initial settlement for the notes will be made in immediately available funds. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC's rules and will be settled in immediately available funds using DTC's Same-Day Funds Settlement System. Secondary market trading between Clearstream Banking, *société anonyme*, in Luxembourg (Clearstream, Luxembourg), customers and/or Euroclear Bank S.A./N.V. (Euroclear) participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream, Luxembourg and Euroclear and will be settled using the procedures applicable to conventional eurobonds in immediately available funds.

Listing: Application will be made to list the notes on the New York Stock Exchange in accordance with its rules.

Redemption: The notes are not redeemable, except as described under Description of Subordinated Debt Securities Redemption on page 16 of the attached prospectus. The provisions for optional tax redemption described therein will apply to changes in tax treatment occurring after the issuance date. At maturity, the notes will be repaid at par.

Sinking fund: There is no sinking fund.

Trustee: We will issue the notes under an indenture with The Bank of New York, as trustee, entered into on December 10, 2002, which is referred to on pages 9 and 10 of the attached prospectus.

Net proceeds: The net proceeds will be \$, after the deduction of underwriting discounts and commissions and expenses payable by HSBC estimated to be \$.

Governing law and jurisdiction: Except as described above in Ranking , the indenture and the notes are governed by New York law. Any legal proceedings arising out of or based upon the indenture or the notes may be instituted in any state or federal court in the Borough of Manhattan in New York City, New York.

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HSBC HOLDINGS PLC

HSBC is one of the largest banking and financial services organizations in the world, with a market capitalization of US\$198 billion at December 31, 2007. As at December 31, 2007, we had total assets of US\$2,354 billion and total shareholders' equity of US\$128 billion. For the year ended December 31, 2007, our operating profit was US\$23 billion on total operating income of US\$88 billion. We are a strongly capitalized banking group with a total capital ratio of 13.6% and a tier 1 capital ratio of 9.3% as at December 31, 2007.

Through its subsidiaries and associates, HSBC provides a comprehensive range of banking and related financial services. Headquartered in London, HSBC operates through long-established businesses and has an international network of some 10,000 properties in 83 countries and territories in five geographical regions: Europe; Hong Kong; Rest of Asia-Pacific, including the Middle East and Africa; North America and Latin America. Within these regions, a comprehensive range of financial services is offered to personal, commercial, corporate, institutional, investment and private banking clients. Services are delivered primarily by domestic banks, typically with large retail deposit bases, and consumer finance operations. Taken together, the five largest customers of HSBC do not account for more than one per cent of HSBC's income.

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We will use the net proceeds from the sale of the notes to support our development and to strengthen further our capital base.

**RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND
PREFERENCE SHARE DIVIDENDS**

The ratios for us for the periods indicated, using financial information calculated in accordance with IFRSs and UK GAAP, are:

Ratio of Earnings to Combined Fixed Charges

	Year ended 31 December,				
	2007	2006	2005	2004	2003
Ratios in accordance with IFRSs					
Excluding interest on deposits	7.52	7.93	9.60	8.64	N/A
Including interest on deposits	1.34	1.41	1.59	1.86	N/A
Ratios in accordance with UK GAAP					
Excluding interest on deposits	N/A	N/A	N/A	8.07	7.41
Including interest on deposits	N/A	N/A	N/A	1.81	1.80

Ratio of Earnings to Combined Fixed Charges and Preference Share Dividends

	Year ended 31 December,				
	2007	2006	2005	2004	2003
Ratios in accordance with IFRSs					
Excluding interest on deposits	6.96	7.22	9.16	8.64	N/A
Including interest on deposits	1.34	1.40	1.59	1.86	N/A
Ratios in accordance with UK GAAP					
Excluding interest on deposits	N/A	N/A	N/A	8.07	7.41
Including interest on deposits	N/A	N/A	N/A	1.81	1.80

For the purpose of calculating the ratios of earnings to combined fixed charges, earnings consist of income from continuing operations before taxation and minority interests, plus fixed charges and after deduction of the unremitted pre-tax income of associated undertakings. Fixed charges consist of total interest expense, including or excluding interest on deposits, as appropriate, preference share dividends, as applicable, and the proportion of rental expense deemed representative of the interest factor. This includes interest expense arising on trading liabilities and liabilities designated at fair value under IFRSs.

See *Presentation of Financial Information* for more information on the presentation of our financial statements.

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The following table shows the consolidated unaudited capitalisation indebtedness and share capital position of HSBC Holdings plc and our subsidiary undertakings as at December 31, 2007:

	Issued and fully paid US\$m
Called up Share Capital	
Ordinary shares (of nominal value US\$0.50 each)	5,915
Preference shares (of nominal value US\$0.01 each) 6.20% Non-Cumulative Dollar Preference Shares, Series A aggregate redemption price	1,450
	Carrying amount US\$m
Subordinated Liabilities	
Undated Subordinated Loan Capital of Subsidiary Undertakings	
US\$ 1,200m Primary capital subordinated undated floating rate notes	1,207
US\$ 750m Undated floating rate primary capital notes	750
US\$ 500m Undated floating rate primary capital notes	500
US\$ 300m Undated floating rate primary capital notes, Series 3	301
Other undated subordinated liabilities less than US\$200m	164
	2,922
Subordinated Loan Capital of HSBC Holdings plc	
2,000m Callable subordinated floating rate notes 2014	2,905
US\$ 2,500m 6.5% subordinated notes 2037	2,495
US\$ 2,000m 6.5% subordinated notes 2036	2,058
£ 900m 6.375% callable subordinated notes 2022	1,858
1,000m 5.375% subordinated notes 2012	1,488
US\$ 1,400m 5.25% subordinated notes 2012	1,413
£ 650m 5.75% subordinated notes 2027	1,262
US\$ 1,000m 7.5% subordinated notes 2009	1,077
700m 3.625% callable subordinated notes 2020	922
US\$ 750m Callable subordinated floating rate notes 2016	750
US\$ 750m Callable subordinated floating rate notes 2015	750
£ 250m 9.875% subordinated bonds 2018	619
US\$ 488m 7.625% subordinated notes 2032	609
300m 5.5% subordinated notes 2009	457
US\$ 222m 7.35% subordinated notes 2032	268
	18,931
Subordinated Loan Capital of Subsidiary Undertakings	
1,400m 5.3687% non-cumulative step-up perpetual preferred securities*	2,018
£ 700m 5.844% non-cumulative step-up perpetual preferred securities	1,404
US\$ 1,350m 9.547% non-cumulative step-up perpetual preferred securities, Series 1*	1,335
£ 600m 4.75% subordinated notes 2046	1,186
800m Callable subordinated floating rate notes 2016	1,176

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US\$ 1,250m	4.61%	non-cumulative step-up perpetual preferred securities*	1,130
750m	5.13%	non-cumulative step-up perpetual preferred securities*	1,039
US\$ 1,000m	4.625%	subordinated notes 2014	1,001
£ 500m	8.208%	non-cumulative step-up perpetual preferred securities*	996

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			Carrying amount US\$m
US\$	1,000m	5.911% trust preferred securities 2035	992
US\$	1,000m	5.875% subordinated notes 2034	990
£	500m	5.375% subordinated notes 2033	931
£	500m	4.75% callable subordinated notes 2020	931
US\$	900m	10.176% non-cumulative step-up perpetual preferred securities, Series 2*	900
	600m	4.25% callable subordinated notes 2016	881
	600m	8.03% non-cumulative step-up perpetual preferred securities*	878
£	350m	Callable subordinated variable coupon notes 2017	712
	500m	Callable subordinated floating rate notes 2020	676
£	350m	5% callable subordinated notes 2023	672
US\$	750m	5.625% subordinated notes 2035	653
£	350m	5.375% callable subordinated step-up notes 2030	652
£	300m	6.5% subordinated notes 2023	598
£	300m	5.862% non-cumulative step-up perpetual preferred securities	558
US\$	500m	6.00% subordinated notes 2017	498
US\$	450m	Callable subordinated floating rate notes 2016	448
£	225m	6.25% subordinated notes 2041	447
CAD	400m	4.80% subordinated notes 2022	389
US\$	300m	7.65% subordinated notes 2025	359
BRL	608m	Subordinated debentures 2008	341
US\$	300m	6.95% subordinated notes 2011	325
US\$	300m	Callable subordinated floating rate notes 2017	299
BRL	500m	Subordinated certificate of deposit 2016	281
US\$	250m	5.875% subordinated notes 2008	248
US\$	250m	7.20% subordinated notes 2097	218
CAD	200m	4.94% subordinated debentures 2021	207
US\$	200m	7.75% subordinated notes 2009	202
US\$	200m	7.808% capital securities 2026	200
US\$	200m	8.38% capital securities 2027	200
US\$	200m	6.625% subordinated notes 2009	199
		Other subordinated liabilities less than US\$200m	3,371
			30,541
Minority Interests			
US\$	575m	6.36% non-cumulative preferred stock, Series B	559
US\$	518m	Floating rate non-cumulative preferred stock, Series F	518
US\$	374m	Floating rate non-cumulative preferred stock, Series G	374
US\$	374m	6.5% non-cumulative preferred stock, Series H	374
		Other preference shares issued by subsidiary undertakings less than US\$200m	656
			2,481

Notes:

- (1) The authorized ordinary share capital of HSBC Holdings plc as at 31 December 2007 was US\$7,500 million divided into 15,000 million ordinary shares of US\$0.50 each, and £301,500 divided into 301,500 non-voting deferred shares of £1 each. At 31 December 2007, the authorized preference share capital of HSBC Holdings plc was 10 million non-cumulative preference shares of US\$0.01 each, 10 million non-cumulative preference shares of £0.01 each and 10 million non-cumulative preference shares of 0.01 each.

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- (2) The £700 million 5.844% non-cumulative step-up perpetual preferred securities and the £300m 5.862% non-cumulative step-up perpetual preferred securities each have the benefit of a subordinated guarantee of HSBC Bank plc. The other non-cumulative step-up perpetual preferred securities (* above) each have the benefit of a subordinated guarantee of HSBC Holdings plc. None of the other above consolidated loan capital is secured or guaranteed. No account has been taken of liabilities or guarantees between undertakings within the Group, comprising HSBC Holdings plc and its subsidiary undertakings.

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- (3) HSBC Holdings plc has no convertible or exchangeable bonds in issue.

- (4) The HSBC Group has prepared its consolidated financial statements in accordance with IFRSs. The HSBC Group has adopted the Amendment to IAS39: The Fair Value Option . As a result, US\$27,575 million of the subordinated loan capital above is designated at fair value.

- (5) On 16 January 2008, HSBC Holdings plc paid its third interim dividend for 2007. Ordinary shares with a value of US\$614 million were issued to those existing shareholders who had elected to receive new shares at market value in lieu of cash.

- (6) On 14 March 2008, HSBC Bank Australia Limited issued AUD42m Subordinated Floating Rate MTNs due March 2018.

- (7) On 19 March 2008, HSBC Holdings plc issued EUR1,000m 6.25% Subordinated Notes due 2018.

- (8) On 7 April 2008, HSBC Holdings plc issued GBP350m 7% Subordinated Notes due 2038.