

## **Employee share option plans**

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To help align the interests of employees with those of shareholders, share options are granted under all-employee share plans. Since 2005, discretionary options have not been granted on a widespread basis. The following are particulars of outstanding employee share options, including those held by employees working under employment contracts that are regarded as ‘continuous contracts’ for the purposes of the Hong Kong Employment Ordinance. The options were granted at nil consideration. No options have been granted to substantial shareholders, suppliers of goods or services, or in excess of the individual limit for each share plan. No options were cancelled during the year. Employee share plans are subject to the following limits on the number of HSBC Holdings ordinary shares that may be subscribed for. In any 10-year period not more than 10 per cent of the HSBC Holdings ordinary shares in issue from time to time (approximately 1,137 million HSBC Holdings ordinary shares at 6 March 2006) may in aggregate become issuable pursuant to the grant of options or be issued other than pursuant to options under all-employee share plans. In any 10-year period not more than 5 per cent of the HSBC Holdings ordinary shares in issue from time to time (approximately 568 million HSBC Holdings ordinary shares on 6 March 2006) may in aggregate be put under option under The HSBC Share Plan or be issuable pursuant to the HSBC Holdings Group Share Option Plan, the HSBC Executive Share Option Scheme, the HSBC Holdings Restricted Share Plan 2000 or The HSBC Share Plan. The number of HSBC Holdings ordinary shares that may be issued on exercise of all options granted on or after 27 May 2005 under The HSBC Share Plan and any other plans must not exceed 1,119,000,000 HSBC Holdings ordinary shares. Under the HSBC Holdings savings-related share option plans, The HSBC Share Plan, HSBC Holdings Group Share Option Plan and the HSBC Holdings Executive Share Option Scheme there were options outstanding over 341,281,540 HSBC Holdings ordinary shares at 31 December 2005. Particulars of options over HSBC Holdings shares held by Directors of HSBC Holdings are set out on pages 215 to 232 of the Directors’ Remuneration Report.

### All-employee share plans

The HSBC Holdings Savings-Related Share Option Plan and the HSBC Holdings Savings-Related Share Option Plan: International are all-employee share plans under which eligible HSBC employees (those employed within the Group on the first working day of the year of grant) are granted options to acquire HSBC Holdings ordinary shares. Employees may make contributions of up to £250 (or equivalent) overall each month over a period of three or five years which may be used on the third or fifth anniversary of the commencement of the relevant savings contract, at their election, to exercise the options; alternatively the employee may elect to have the savings (plus interest) repaid in cash. The options are exercisable within six months following the third or fifth anniversary of the commencement of the relevant savings contract. In the case of redundancy, retirement on grounds of injury or ill health, retirement at or after normal retirement age, the transfer of the employing business to another party, or a change of control of the employing company, options may be exercised before completion of the relevant savings contract. Following approval at the 2005 Annual General Meeting, the HSBC Holdings Savings-Related Share Option Plan: International will offer the choice of options over one year in addition to the existing three and five year terms. Employees will also be able to save and have option prices expressed in US dollars, Hong Kong dollars or euros. Options granted over a one-year period will be exercisable within three months following the first anniversary of the commencement of the savings contract. Under the HSBC Holdings Savings-Related Share Option Plan and the HSBC Holdings Savings-Related Share Option Plan: International the option exercise price is determined by reference to the average market value of the ordinary shares on the five business days immediately preceding the invitation date, then applying a discount of 20 per cent (except for the one-year options granted under the US sub-plan where a 15 per cent discount will be applied). The all-employee share plans will terminate on 27 May 2015 unless the Directors resolve to terminate the plans at an earlier date.

**HSBC Holdings Savings-Related Share Option Plan**  
*HSBC Holdings ordinary shares of US\$0.50*

Date of award	Exercise price (£)	Exercisable from <sup>1</sup>	Exercisable until <sup>2</sup>	Options at 1 January 2005	Options awarded during year <sup>3</sup>	Options exercised during year <sup>4</sup>	Options lapsed during year	Options at 31 December 2005
1 Apr 1999	5.3980	1 Aug 2004	31 Jan 2005	199,542	–	166,335	33,207	–
10 Apr 2000	6.0299	1 Aug 2005	31 Jan 2006	10,085,436	–	9,722,684	204,222	158,530
11 Apr 2001	6.7536	1 Aug 2004	31 Jan 2005	68,525	–	42,156	26,369	–
11 Apr 2001	6.7536	1 Aug 2006	31 Jan 2007	3,728,076	–	186,369	213,351	3,328,356
2 May 2002	6.3224	1 Aug 2005	31 Jan 2006	1,474,971	–	1,393,516	49,678	31,777
2 May 2002	6.3224	1 Aug 2007	31 Jan 2008	4,212,972	–	125,068	281,882	3,806,022
23 Apr 2003	5.3496	1 Aug 2006	31 Jan 2007	7,878,002	–	303,561	693,981	6,880,460
23 Apr 2003	5.3496	1 Aug 2008	31 Jan 2009	13,049,424	–	236,973	1,021,175	11,791,276
21 Apr 2004	6.4720	1 Aug 2007	31 Jan 2008	4,255,200	–	70,818	634,349	3,550,033
21 Apr 2004	6.4720	1 Aug 2009	31 Jan 2010	6,327,198	–	43,850	554,868	5,728,480
24 May 2005	6.6792	1 Aug 2008	31 Jan 2009	–	4,779,913	1,631	195,390	4,582,892
24 May 2005	6.6792	1 Aug 2010	31 Jan 2011	–	5,890,418	568	136,735	5,753,115

1 *May be advanced to an earlier date in certain circumstances, e.g. retirement.*

2 *May be extended to a later date in certain circumstances, e.g. on the death of a participant the executors may exercise the option up to six months beyond the normal exercise period.*

3 *The closing price per share on 23 May 2005, the day before the options were awarded, was £8.68.*

4 *The weighted average closing price of the shares immediately before the dates on which options were exercised was £9.15.*

**HSBC Holdings Savings-Related Share Option Plan: International**  
*HSBC Holdings ordinary shares of US\$0.50*

Date of award	Exercise price (£)	Exercisable from <sup>1</sup>	Exercisable until <sup>2</sup>	Options at 1 January 2005	Options awarded during year <sup>3</sup>	Options exercised during year <sup>4</sup>	Options lapsed during year	Options at 31 December 2005
1 Apr 1999	5.3980	1 Aug 2004	31 Jan 2005	170,388	–	103,666	66,722	–
10 Apr 2000	6.0299	1 Aug 2005	31 Jan 2006	15,687,141	–	14,377,189	849,721	460,231
11 Apr 2001	6.7536	1 Aug 2004	31 Jan 2005	374,043	–	85,864	288,179	–
11 Apr 2001	6.7536	1 Aug 2006	31 Jan 2007	1,341,245	–	12,748	53,127	1,275,370
2 May 2002	6.3224	1 Aug 2005	31 Jan 2006	3,063,749	–	2,691,243	250,711	121,795
2 May 2002	6.3224	1 Aug 2007	31 Jan 2008	1,151,329	–	4,457	47,291	1,099,581
23 Apr 2003	5.3496	1 Aug 2006	31 Jan 2007	10,459	–	–	–	10,459
23 Apr 2003	5.3496	1 Aug 2008	31 Jan 2009	10,488	–	–	–	10,488
8 May 2003	5.3496	1 Aug 2006	31 Jan 2007	16,384,589	–	76,043	820,236	15,488,310
8 May 2003	5.3496	1 Aug 2008	31 Jan 2009	6,265,693	–	15,748	240,748	6,009,197
21 Apr 2004	6.4720	1 Aug 2007	31 Jan 2008	49,524	–	–	–	49,524
21 Apr 2004	6.4720	1 Aug 2009	31 Jan 2010	14,488	–	357	1,766	12,365
10 May 2004	6.4720	1 Aug 2007	31 Jan 2008	10,118,832	–	23,169	860,067	9,235,596
10 May 2004	6.4720	1 Aug 2009	31 Jan 2010	3,272,604	–	6,479	169,196	3,096,929
24 May 2005	6.6792	1 Aug 2008	31 Jan 2009	–	12,304,413	2,202	316,101	11,986,110
24 May 2005	6.6792	1 Aug 2010	31 Jan 2011	–	4,019,911	191	70,113	3,949,607

1 *May be advanced to an earlier date in certain circumstances, e.g. retirement.*

2 *May be extended to a later date in certain circumstances, e.g. on the death of a participant the executors may exercise the option up to six months beyond the normal exercise period.*

3 *The closing price per share on 23 May 2005, the day before the options were awarded, was £8.68.*

4 *The weighted average closing price of the shares immediately before the dates on which options were exercised was £9.22.*

**Discretionary share option plans**

The HSBC Share Plan and previously the HSBC Holdings Group Share Option Plan and the HSBC Holdings Executive Share Option Scheme, are discretionary share option plans under which HSBC employees, based on performance criteria and potential, have been granted options to acquire HSBC Holdings ordinary shares. Since 1996 the vesting of these options has been subject to the attainment of pre-determined performance criteria, except within HSBC France (which was acquired in 2000) where performance criteria are being phased in. The maximum value of options which may be granted to an employee in any one year under The HSBC Share Plan (when taken together with any Performance Share awards made under The HSBC Share Plan) is 700 per cent of the employee's annual salary at the date of grant. Whilst having flexibility to make total awards of options and Performance Shares at this level in certain exceptional circumstances, the Remuneration Committee does not intend seven times salary to be the

normal level of award. Under the HSBC Holdings Group Share Option Plan the maximum value of options which could have been granted to an employee in any one year (together with any Performance Share awards under the HSBC Holdings Restricted Share Plan 2000) was 150 per cent of the employee's annual salary at the date of grant plus any bonus paid for the previous year (or in exceptional circumstances 225 per cent). Subject to achievement of the performance condition where applicable, options are generally exercisable between the third and tenth anniversary of the date of grant. Employees of a subsidiary that is sold or transferred out of HSBC may exercise options awarded under the HSBC Holdings Group Share Option Plan within six months of the sale or transfer regardless of whether the performance condition is met.

The Remuneration Committee favours the use of Performance Shares and Restricted Shares and, following introduction of The HSBC Share Plan in 2005, does not intend to continue granting discretionary options on any widespread basis. There are locations, and there may be particular circumstances in the future, however, where option grants may be appropriate.

The exercise price of options granted under The HSBC Share Plan, and previously under the HSBC Holdings Group Share Option Plan, is the higher of the average market value of the ordinary shares on the five business days prior to the grant of the option or the market value of the ordinary shares on the date of grant of the option. The exercise price of options granted under the HSBC Holdings Executive Share Option Scheme was the market value of the ordinary shares on the business day prior to the grant of the option. The HSBC Share Plan will terminate on 27 May 2015 unless the Directors resolve to terminate the Plan at an earlier date.

#### HSBC Holdings Executive Share Option Scheme

*HSBC Holdings ordinary shares of US\$0.50*

Date of award	Exercise price (£)	Exercisable from <sup>1</sup>	Exercisable until <sup>2</sup>	Options at 1 January 2005	Options exercised during year <sup>3</sup>	Options lapsed during year	Options at 31 December 2005
7 Mar 1995	2.1727	7 Mar 1998	7 Mar 2005	100,500	100,500	–	–
1 Apr 1996	3.3334	1 Apr 1999	1 Apr 2006	350,670	142,401	–	208,269
24 Mar 1997	5.0160	24 Mar 2000	24 Mar 2007	781,911	209,092	–	572,819
12 Aug 1997	7.7984	12 Aug 2000	12 Aug 2007	14,625	–	–	14,625
16 Mar 1998	6.2767	16 Mar 2001	16 Mar 2008	1,433,143	369,532	–	1,063,611
29 Mar 1999	6.3754	3 Apr 2002	29 Mar 2009	23,318,365	6,223,911	89,668	17,004,786
10 Aug 1999	7.4210	10 Aug 2002	10 Aug 2009	142,658	24,750	–	117,908
31 Aug 1999	7.8710	31 Aug 2002	31 Aug 2009	4,000	–	–	4,000
3 Apr 2000	7.4600	3 Apr 2003	3 Apr 2010	17,845,939	4,135,697	441,252	13,268,990

1 *May be advanced to an earlier date in certain circumstances, e.g. retirement.*

2 *May be extended to a later date in certain circumstances, e.g. on the death of a participant the executors may exercise the option up to twelve months beyond the normal exercise period.*

3 *The weighted average closing price of the shares immediately before the dates on which options were exercised was £9.03.*

The HSBC Holdings Executive Share Option Scheme expired on 26 May 2000. No options have been granted under the Scheme since that date.

#### HSBC Holdings Group Share Option Plan

*HSBC Holdings ordinary shares of US\$0.50*

Date of award	Exercise price (£)	Exercisable from <sup>1</sup>	Exercisable until <sup>2</sup>	Options at 1 January 2005	Options awarded during year <sup>3</sup>	Options exercised during year <sup>4</sup>	Options lapsed during year	Options at 31 December 2005
4 Oct 2000	9.6420	4 Oct 2003	4 Oct 2010	389,352	–	–	17,467	371,885
23 Apr 2001	8.7120	23 Apr 2004	23 Apr 2011	44,805,457	–	4,274,514	1,289,115	39,241,828
30 Aug 2001	8.2280	30 Aug 2004	30 Aug 2011	317,230	–	46,200	8,075	262,955
7 May 2002	8.4050	7 May 2005	7 May 2012	52,613,475	–	7,128,292	1,217,131	44,268,052
30 Aug 2002	7.4550	30 Aug 2005	30 Aug 2012	444,625	–	28,000	6,000	410,625
2 May 2003	6.9100	2 May 2006	2 May 2013	54,801,850	–	138,475	1,832,345	52,831,030
29 Aug 2003	8.1300	29 Aug 2006	29 Aug 2013	569,070	–	–	13,990	555,080
3 Nov 2003	9.1350	3 Nov 2006	3 Nov 2013	4,069,800	–	–	–	4,069,800
30 Apr 2004	8.2830	30 Apr 2007	30 Apr 2014	62,319,187	–	148,600	1,953,979	60,216,608
27 Aug 2004	8.6500	27 Aug 2007	27 Aug 2014	339,860	–	–	2,100	337,760
20 Apr 2005	8.3620	30 Apr 2008	20 Apr 2015	–	7,470,195	–	53,300	7,416,895

1 *May be advanced to an earlier date in certain circumstances, e.g. retirement.*

2 *May be extended to a later date in certain circumstances, e.g. on the death of a participant the executors may exercise the option up to twelve months beyond the normal exercise period.*

3 The closing price per share on 19 April 2005, the day before the options were awarded, was £8.29.

4 The weighted average closing price of the shares immediately before the dates on which options were exercised was £9.19.

The HSBC Holdings Group Share Option Scheme expired on 26 May 2005. No options have been granted under the Scheme since that date.

#### The HSBC Share Plan

##### HSBC Holdings ordinary shares of US\$0.50

Date of award	Exercise price (£)	Exercisable from <sup>1</sup>	Exercisable until <sup>2</sup>	Options at 1 January 2005	Options awarded during period	Options exercised during period	Options lapsed during period	Options at 31 December 2005
21 Jun 2005	8.794	21 Jun 2008	21 Jun 2009	–	552,526 <sup>3</sup>	–	–	552,526
30 Sep 2005	9.170	30 Sep 2008	30 Sep 2015	–	74,985 <sup>4</sup>	–	–	74,985

1 May be advanced to an earlier date in certain circumstances, e.g. on the death of a participant.

2 Exercise date may be extended to a later date in certain circumstances, e.g. on the death of a participant the executors may exercise the option up to 12 months beyond the normal exercise period.

3 The closing price per share on 20 June 2005, the day before the options were awarded, was £8.78.

4 The closing price per share on 29 September 2005, the day before the options were awarded, was £9.21.

#### HSBC France and subsidiary company plans

When it was acquired in 2000, HSBC France and certain of its subsidiary companies operated employee share option plans under which options could be granted over their respective shares. No further options will be granted under any of these subsidiary company plans. The following are details of options to acquire shares in HSBC France and its subsidiaries.

#### HSBC France

##### shares of €5

Date of award	Exercise price (€)	Exercisable from	Exercisable until	Options at 1 January 2005	Options exercised during year <sup>1</sup>	Options lapsed during year	Options at 31 December 2005 <sup>1</sup>
22 Jun 1995	34.00	22 Jun 1997	22 Jun 2005	52,000	52,000	–	–
9 May 1996	35.52	9 May 1998	9 May 2006	64,500	20,000	–	44,500
7 May 1997	37.05	7 Jun 2000	7 May 2007	215,560	53,560	–	162,000
29 Apr 1998	73.50	7 Jun 2000	29 Apr 2008	388,298	103,054	–	285,244
7 Apr 1999	81.71	7 Jun 2000	7 Apr 2009	588,422	112,920	–	475,502
12 Apr 2000	142.50	1 Jan 2002	12 Apr 2010	860,000	94,250	–	765,750

1 Following exercise of the options, the HSBC France shares will be exchanged for HSBC Holdings ordinary shares in the same ratio as for the acquisition of HSBC France (13 HSBC Holdings ordinary shares for each HSBC France share). At 31 December 2005, The HSBC Holdings Employee Benefit Trust 2001 (No. 1) held 21,102,823 HSBC Holdings ordinary shares which may be exchanged for HSBC France shares arising from the exercise of these options.

#### Banque Chaix

##### shares of €16

Date of award	Exercise price (€)	Exercisable from	Exercisable until	Options at 1 January 2005	Options exercised during year	Options lapsed during year	Options at 31 December 2005
7 Jun 2000	105.94	7 Jun 2005	7 Dec 2005	10,000	10,000	–	–

#### HSBC de Baecque Beau

##### shares of no par value

Date of award	Exercise price (€)	Exercisable from	Exercisable until	Options at 1 January 2005	Options exercised during year	Options lapsed during year	Options at 31 December 2005
22 Dec 2000	61.66	22 Dec 2003	22 Dec 2005	11,500	11,500	–	–

#### Banque de Savoie

##### shares of €16

Date of award	Exercise price (€)	Exercisable from	Exercisable until	Options at 1 January 2005	Options exercised during year	Options lapsed during year	Options at 31 December 2005
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award	price (€)	from	until	2005	during year	during year	2005
9 Sep 1999	64.79	9 Sep 2004	9 Mar 2005	5,000	5,000	–	–
14 Jun 2000	69.52	14 Jun 2005	14 Dec 2005	5,100	5,100	–	–

**Banque Dupuy de Parseval**  
shares of €20

Date of award	Exercise price (€)	Exercisable from	Exercisable until	Options at 1 January 2005	Options exercised during year	Options lapsed during year	Options at 31 December 2005
3 Apr 2000	36.36	3 Apr 2005	3 Jul 2005	5,000	5,000	–	–
8 Jun 2000	39.48	8 Jun 2005	8 Sep 2005	5,000	5,000	–	–

**Crédit Commercial du Sud Ouest**  
shares of €15.25

Date of award	Exercise price (€)	Exercisable from	Exercisable until	Options at 1 January 2005	Options exercised during year	Options lapsed during year	Options at 31 December 2005
9 Sep 1999	95.89	9 Sep 2004	9 Mar 2005	7,500	7,500	–	–
7 Jun 2000	102.29	7 Jun 2005	7 Dec 2005	7,500	7,500	–	–

**HSBC Private Bank France**  
shares of €2

Date of award	Exercise price (€)	Exercisable from	Exercisable until	Options at 1 January 2005	Options exercised during year <sup>1</sup>	Options lapsed during year	Options at 31 December 2005 <sup>1</sup>
21 Dec 1999	10.84	21 Dec 2000	21 Dec 2009	170,500	79,350	–	91,150
9 Mar 2000	12.44	27 Jun 2004	31 Dec 2010	149,460	67,300	–	82,160
15 May 2001	20.80	15 May 2002	15 May 2011	254,025	24,750	–	229,275
7 Sep 2001	15.475	7 Sep 2005	7 Oct 2007	331,500	302,000	29,500	–
1 Oct 2002	22.22	2 Oct 2005	1 Oct 2012	225,450	–	30,375	195,075

<sup>1</sup> Following exercise of the options, the HSBC Private Bank France shares will be exchanged for HSBC Holdings ordinary shares in the ratio of 1.83 HSBC Holdings ordinary shares for each HSBC Private Bank France share. At 31 December 2005, The CCF Employee Benefit Trust 2001 held 1,452,775 HSBC Holdings ordinary shares which may be exchanged for HSBC Private Bank France shares arising from the exercise of these options.

**Netvalor**  
shares of €415

Date of award	Exercise price (€)	Exercisable from	Exercisable until	Options at 1 January 2005	Options exercised during year	Options lapsed during year <sup>1</sup>	Options at 31 December 2005
22 Dec 1999	415	22 Dec 2004	22 Dec 2006	2,410	–	2,410	–
19 Dec 2000	415	19 Dec 2005	19 Dec 2007	3,270	–	3,270	–

<sup>1</sup> Netvalor was sold by HSBC France on 2 August 2005 and all outstanding options lapsed at that date.

**Sinopia Asset Management**  
shares of €0.50

Date of award	Exercise price (€)	Exercisable from	Exercisable until	Options at 1 January 2005	Options exercised during year <sup>1</sup>	Options Lapsed during year	Options at 31 December 2005
15 Oct 1999	18.80	15 Oct 2004	15 Apr 2005	30,000	30,000	–	–
18 Feb 2000	18.66	18 Feb 2005	18 Aug 2005	95,500	95,500	–	–

<sup>1</sup> Following exercise of the options, the Sinopia shares were exchanged for HSBC Holdings ordinary shares in the ratio of 2.143 HSBC Holdings ordinary shares for each Sinopia share, such shares being delivered from The CCF Employee Benefit Trust 2001.

**HSBC UBP**  
shares of €16

Date of award	Exercise price (€)	Exercisable from	Exercisable until	Options at 1 January	Options exercised	Options lapsed	Options at 31 December
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award	price (€)	from	until	2005	during year	during year	2005
12 Jul 2000	47.81	12 Jul 2005	12 Jan 2006	22,400	22,400	–	–

#### HSBC Finance and subsidiary company plans

Following the acquisition of HSBC Finance in 2003, all outstanding options and equity-based awards over HSBC Finance common shares were converted into rights to receive HSBC Holdings ordinary shares in the same ratio as the share exchange offer for the acquisition of HSBC Finance (2.675 HSBC Holdings ordinary shares for each HSBC Finance common share) and the exercise prices per share were adjusted accordingly. No further options will be granted under any of these plans.

All outstanding options and other equity-based awards over HSBC Finance common shares granted before 14 November 2002, being the date the transaction was announced, vested on completion of the acquisition. Options and equity-based awards granted on or after 14 November 2002 will be exercisable on their original terms, save that they have been adjusted to reflect the exchange ratio.

At 31 December 2005, the HSBC (Household) Employee Benefit Trust 2003 held 3,006,623 HSBC Holdings ordinary shares and 2,198,829 American Depositary Shares ('ADSs'), each of which represents five HSBC Holdings ordinary shares, which may be used to satisfy the exercise of employee share options.

#### HSBC Finance

##### 1984 Long-Term Executive Incentive Compensation Plan

*HSBC Holdings ordinary shares of US\$0.50*

Date of award	Exercise price (US\$)	Exercisable from	Exercisable until	Options at 1 January 2005	Options exercised during year <sup>1</sup>	Options lapsed during year	Options at 31 December 2005
7 Feb 1995	5.09	7 Feb 1996	7 Feb 2005	148,142	148,142	–	–
13 Nov 1995	7.43	13 Nov 1996	13 Nov 2005	283,131	283,131	–	–

<sup>1</sup> The weighted average closing price of the shares immediately before the dates on which options were exercised was £8.91.

#### HSBC Finance

##### 1996 Long-Term Executive Incentive Compensation Plan

*HSBC Holdings ordinary shares of US\$0.50*

Date of award	Exercise price (US\$)	Exercisable from	Exercisable until	Options at 1 January 2005	Options exercised during year <sup>1</sup>	Options lapsed during year	Options at 31 December 2005
11 Nov 1996	11.43	11 Nov 1997	11 Nov 2006	1,006,469	399,244	–	607,225
14 May 1997	11.29	14 May 1998	14 May 2007	200,630	20,063	–	180,567
10 Nov 1997	14.60	10 Nov 1998	10 Nov 2007	4,016,020	627,350	–	3,388,670
15 Jun 1998	17.08	15 Jun 1999	15 Jun 2008	802,500	–	–	802,500
1 Jul 1998	19.21	1 Jul 1999	1 Jul 2008	80,250	–	–	80,250
9 Nov 1998	13.71	9 Nov 1999	9 Nov 2008	4,695,629	152,475	–	4,543,154
17 May 1999	16.99	17 May 2000	17 May 2009	334,375	–	–	334,375
3 Jun 1999	16.32	3 Jun 2000	3 Jun 2009	200,625	–	–	200,625
31 Aug 1999	13.96	31 Aug 2000	31 Aug 2009	345,077	–	–	345,077
8 Nov 1999	16.96	8 Nov 2000	8 Nov 2009	4,869,841	–	–	4,869,841
30 Jun 2000	15.70	30 Jun 2001	30 Jun 2010	26,846	–	–	26,846
8 Feb 2000	13.26	8 Feb 2001	8 Feb 2010	66,875	–	–	66,875
13 Nov 2000	18.40	13 Nov 2001	13 Nov 2010	6,379,208	–	–	6,379,208
12 Nov 2001	21.37	12 Nov 2002	12 Nov 2011	7,571,322	–	–	7,571,322
20 Nov 2002	10.66	20 Nov 2003 <sup>2</sup>	20 Nov 2012	7,111,494	753,689	–	6,357,805

<sup>1</sup> The weighted average closing price of the shares immediately before the dates on which options were exercised was £8.81.

<sup>2</sup> 25 per cent of the original award is exercisable on each of the first, second, third and fourth anniversaries of the date of award. May be advanced to an earlier date in certain circumstances, e.g. retirement.

#### HSBC Finance

##### 1996 Long-Term Executive Incentive Compensation Plan<sup>1</sup>

*HSBC Holdings ordinary shares of US\$0.50*

Date of award	Vesting from <sup>2</sup>	Vesting until <sup>2</sup>	Rights at 1 January 2005	Rights vested during year <sup>3</sup>	Rights lapsed during year	Rights at 31 December 2005
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15 Nov 2002	15 Nov 2005	15 Nov 2007	7,222	2,405	–	4,817
20 Nov 2002	20 Nov 2005	20 Nov 2007	1,789,084	598,947	57,531	1,132,606
2 Dec 2002	2 Dec 2005	2 Dec 2007	10,701	3,564	–	7,137
16 Dec 2002	16 Dec 2005	16 Dec 2007	35,846	11,944	–	23,902
20 Dec 2002	20 Dec 2005	20 Dec 2007	164,514	59,286	13,375	91,853
2 Jan 2003	2 Jan 2006	2 Jan 2008	1,338	–	–	1,338
15 Jan 2003	15 Jan 2006	15 Jan 2008	31,432	–	–	31,432
3 Feb 2003	3 Feb 2006	3 Feb 2008	9,635	134	–	9,501
14 Feb 2003	14 Feb 2006	14 Feb 2008	187,518	40,125	–	147,393
3 Mar 2003	3 Mar 2006	3 Mar 2008	1,338	–	–	1,338

- 1 Awards of Restricted Stock Rights which represent a right to receive shares for nil consideration if the employee remains in the employment of HSBC Finance at the date of vesting.
- 2 Restricted Stock Rights vest one-third on each of the third, fourth and fifth anniversaries of the date of award. May be advanced to an earlier date in certain circumstances, e.g. retirement.
- 3 The weighted average closing price of the shares immediately before the dates on which rights vested was £9.41.

#### HSBC Finance

##### Non-Qualified Deferred Compensation Plan for Restricted Stock Rights

HSBC Holdings ordinary shares of US\$0.50

Date of award	Vesting from	Vesting until	Rights at 1 January 2005	Rights vested during year <sup>1</sup>	Rights lapsed during year	Rights at 31 December 2005
10 May 2000	10 May 2002	10 May 2005	181,125	181,125	–	–

- 1 The weighted average closing price of the shares immediately before the dates on which rights vested was £8.61.

#### HSBC Finance Corporation

##### Non-Qualified Deferred Compensation Plan for Stock Option Exercises

HSBC Holdings ordinary shares of US\$0.50

Date of award	Exercise price (US\$)	Exercisable from	Exercisable until	Options at 1 January 2005	Options exercised during year <sup>1</sup>	Options lapsed during year	Options at 31 December 2005
2 Feb 1991	2.48	2 Feb 1992	15 Jul 2005	20,819	20,819	–	–

- 1 The weighted average closing price of the shares immediately before the dates on which options were exercised was £9.00.

#### Beneficial Corporation

##### 1990 Non-Qualified Stock Option Plan

HSBC Holdings ordinary shares of US\$0.50

Date of award	Exercise price (US\$)	Exercisable from	Exercisable until	Options at 1 January 2005	Options exercised during year <sup>1</sup>	Options lapsed during year	Options at 31 December 2005
15 Nov 1995	6.00	15 Nov 1996	15 Nov 2005	177,600	177,600	–	–
20 Nov 1996	7.86	20 Nov 1997	20 Nov 2006	289,704	45,529	–	244,175
13 Dec 1996	7.54	13 Dec 1997	13 Dec 2006	65,624	–	65,624	–
14 Nov 1997	9.20	14 Nov 1998	14 Nov 2007	131,248	–	–	131,248
19 Nov 1997	9.39	19 Nov 1998	19 Nov 2007	405,274	21,328	–	383,946
1 Dec 1997	9.68	1 Dec 1998	1 Dec 2007	65,624	–	16,406	49,218

- 1 The weighted average closing price of the shares immediately before the dates on which options were exercised was £9.00.

#### Beneficial Corporation

##### BenShares Equity Participation Plan

HSBC Holdings ordinary shares of US\$0.50

Date of award	Exercise price (US\$)	Exercisable from	Exercisable until	Options at 1 January 2005	Options exercised during year <sup>1</sup>	Options lapsed during year	Options at 31 December 2005
31 Jan 1997	9.87	31 Jan 1998	31 Jan 2007	41,317	4,926	–	36,391
15 Nov 1997	11.04	15 Nov 1998	15 Nov 2007	55,696	6,977	–	48,719

- 1 The weighted average closing price of the shares immediately before the dates on which options were exercised was £8.98.

Renaissance Holdings, Inc.

**Amended and Restated 1997 Incentive Plan**

*HSBC Holdings ordinary shares of US\$0.50*

Date of award	Exercise price (US\$)	Exercisable from	Exercisable until	Options at 1 January 2005	Options exercised during year <sup>1</sup>	Options lapsed during year	Options at 31 December 2005
31 Oct 1997	1.25	31 Oct 1998	31 Oct 2007	4,739	3,414	–	1,325
1 Jan 1998	1.25	1 Jan 1999	1 Jan 2008	1,424	–	–	1,424
1 Oct 1998	1.74	1 Oct 1999	1 Oct 2008	1,606	803	–	803
1 Jan 1999	2.24	1 Jan 2000	1 Jan 2009	5,024	–	–	5,024

<sup>1</sup> The weighted average closing price of the shares immediately before the dates on which options were exercised was £8.98.

**Bank of Bermuda plans**

Following the acquisition of Bank of Bermuda in February 2004, all outstanding options over Bank of Bermuda shares were converted into rights to receive HSBC Holdings ordinary shares based on the consideration of US\$40 for each Bank of Bermuda share and the average closing price of HSBC Holdings ordinary shares, derived from the London Stock Exchange Daily Official List, for the five business days preceding the closing date of the acquisition. No further options will be granted under any of these plans.

All outstanding options over Bank of Bermuda shares vested on completion of the acquisition. At 31 December 2005, the HSBC (Bank of Bermuda) Employee Benefit Trust 2004 held 2,796,182 HSBC Holdings ordinary shares which may be used to satisfy the exercise of these options.

**Bank of Bermuda**

**Executive Share Option Plan 1997**

*HSBC Holdings ordinary shares of US\$0.50*

Date of award	Exercise price (US\$)	Exercisable from	Exercisable until	Options at 1 January 2005	Options exercised during period <sup>1</sup>	Options lapsed during period	Options at 31 December 2005
1 Jul 1998	9.61	1 Jul 1999	1 Jul 2008	67,813	–	–	67,813
23 Feb 1999	7.40	23 Feb 2000	23 Feb 2009	18,464	–	6,780	11,684
3 Aug 1999	7.10	3 Aug 2000	3 Aug 2009	9,331	–	–	9,331
4 Feb 2000	7.21	4 Feb 2001	4 Feb 2010	67,925	1,540 <sup>9</sup>	9,249	57,136
7 Apr 2000	7.37	7 Apr 2001	7 Apr 2010	385	385	–	–
29 May 2000	7.21	29 May 2001	29 May 2010	15,411	–	15,411	–
1 Jun 2000	7.04	1 Jun 2001	1 Jun 2010	61,649	–	–	61,649
31 Jul 2000	10.11	31 Jul 2001	31 Jul 2010	166,454	120,215	–	46,239
19 Sep 2000	11.31	19 Sep 2001	19 Sep 2010	40,458	–	40,458	–
11 Jan 2001	14.27	11 Jan 2002	11 Jan 2011	161,829	–	–	161,829

<sup>1</sup> The weighted average closing price of the shares immediately before the dates on which options were exercised was £9.14.

**Bank of Bermuda**

**Share Option Plan 2000**

*HSBC Holdings ordinary shares of US\$0.50*

Date of award	Exercise price (US\$)	Exercisable from	Exercisable until	Options at 1 January 2005	Options exercised during period <sup>1</sup>	Options lapsed during period	Options at 31 December 2005
11 Jan 2001	14.27	11 Jan 2002	11 Jan 2011	161,829	26,972	–	134,857
6 Feb 2001	16.41	6 Feb 2002	6 Feb 2011	1,067,606	22,972	245,300	799,334
29 Mar 2001	15.39	29 Mar 2002	29 Mar 2011	540	–	270	270
16 Apr 2001	15.57	16 Apr 2002	16 Apr 2011	539	–	–	539
6 Jun 2001	18.35	6 Jun 2002	6 Jun 2011	8,091	–	–	8,091
16 Jul 2001	16.87	16 Jul 2002	16 Jul 2011	224,631	–	66,146	158,485
28 Aug 2001	15.39	28 Aug 2002	28 Aug 2011	13,486	–	–	13,486
26 Sep 2001	12.79	26 Sep 2002	26 Sep 2011	459,651	10,706	–	448,945
16 Jan 2002	16.11	16 Jan 2003	16 Jan 2012	3,678	–	3,678	–
30 Jan 2002	15.60	30 Jan 2003	30 Jan 2012	1,226	–	–	1,226
5 Feb 2002	16.09	5 Feb 2003	5 Feb 2012	1,421,151	45,976	323,361	1,051,814
5 Feb 2002	16.41	5 Feb 2003	5 Feb 2012	1,383	–	–	1,383

10 Jul 2002	15.84	10 Jul 2003	10 Jul 2012	12,260	–	–	12,260
9 Sep 2002	12.34	9 Sep 2003	9 Sep 2012	61,299	61,299	–	–
16 Dec 2002	11.27	16 Dec 2003	16 Dec 2012	6,130	6,130	–	–
4 Feb 2003	10.69	4 Feb 2004	4 Feb 2013	359,867	134,355	26,167	199,345
1 Apr 2003	11.97	1 Apr 2004	1 Apr 2013	28,541	28,541	–	–
21 Apr 2003	11.85	21 Apr 2004	21 Apr 2013	48,853	–	–	48,853

1 The weighted average closing price of the shares immediately before the dates on which options were exercised was £9.04.

Bank of Bermuda

**Directors' Share Option Plan**

*HSBC Holdings ordinary shares of US\$0.50*

Date of award	Exercise price (US\$)	Exercisable from	Exercisable until	Options at 1 January 2005	Options exercised during period	Options lapsed during period	Options at 31 December 2005
22 Sep 1999	8.02	22 Sep 2000	22 Sep 2009	7,706	–	–	7,706
20 Sep 2000	11.31	20 Sep 2001	20 Sep 2010	9,440	–	–	9,440
28 Mar 2001	15.76	28 Mar 2002	28 Mar 2011	18,205	–	2,697	15,508
3 Apr 2002	16.01	3 Apr 2003	3 Apr 2012	34,328	–	4,904	29,424
30 Apr 2003	12.23	30 Apr 2004	30 Apr 2013	9,808	–	–	9,808