CONFORMED COPY

PRICING SUPPLEMENT

Pricing Supplement dated 18 December 2002

Series No: 2

Tranche No: 1

Inchian.

HSBC Holdings plc

Debt Issuance Programme

Issue of

GBP650,000,000 5.75 per cent. Subordinated Notes due 2027

This document constitutes the Pricing Supplement 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 Conditions set forth in the Information Memorandum dated 21 May 2002 in relation to the above Programme and the supplementary listing particulars dated 6 December 2002. This Pricing Supplement must be read in conjunction with such Information Memorandum as supplemented by such supplementary listing particulars (together, the "Information Memorandum").

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

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1.	Issue	71.	nabe notatings pie
2.	(i)	Series number:	2
	(ii)	Tranche number:	1
3.	Arra	nger:	HSBC Bank plc
4.	Curr	ency or currencies:	•
	(i)	of denomination:	Pounds Sterling ("GBP")
	(ii)	of payment:	GBP
5.	Aggr	regate Principal Amount:	
	(i)	Series:	GBP650,000,000
	(ii)	Tranche:	GBP650,000,000
5.	(i)	Issue Price:	99.901 per cent. of the Aggregate Principal Amount
	(ii)	Commission payable:	0.625 per cent.

(iii) Selling concession: None Expenses - specify any expenses (iv) Not applicable payable by Issuer: (v) Net proceeds: GBP645,294,000 7. Denomination(s): (Condition 1(b)) GBP1,000 8. (i) Issue Date: 20 December 2002 (ii) Interest Commencement Date: Issue Date 9. Maturity Date: 20 December 2027 (Condition 6(a)) 10. Interest basis: Fixed Rate Notes (Conditions 3 to 5) 11. Redemption basis: Redemption at par (Condition 6) 12. Change of interest or redemption basis: Not applicable 13. Put/Call options: Not applicable 14. Status of the Notes: Subordinated Notes (i) (Condition 2) (ii) Subordinated Notes: Condition 2(a) is applicable 15. Listing: Application will be made to admit the Notes to listing on the Official List of the Financial Services Authority (in its capacity as competent authority for the

16. Method of distribution:

Syndicated

plc

purposes of Part VI of the Financial Services and Markets Act 2000) and to trading on the London Stock Exchange

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17. Fixed Rate Note provisions (Condition 3)

Applicable

London-2/1322775/05

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	(i) Rate of Interest:	5.75 per cent. per annum payable annually in arrear
	(ii) Fixed Interest Payment Dates(s):	20 December in each year commencing on 20 December 2003
	(iii) Day count fraction	Actual/Actual (ISMA)
18.	Floating Rate Note provisions (Condition 4)	Not applicable
19.	Variable Coupon Amount Note provisions (Condition 5)	Not applicable
20.	Zero Coupon Note provisions (Condition 5)	Not applicable
21.	Dual Currency Note provisions	Not applicable
PROV	ISIONS RELATING TO REDEMPTION	
22.	Issuer's optional redemption (Call): (Condition 6(c))	Not applicable
23.	Noteholder's optional redemption (Put): (Condition 6(d))	Not applicable
24.	Final redemption amount: (Condition 6(a))	Par
25.	Instalment Notes: (Condition 6(a))	Not applicable
26.	Early redemption amounts:	Yes
	(i) Early redemption amount upon redemption for taxation reasons (Condition 6(b)):	Par
	(ii) Early redemption amount upon enforcement (Condition 10):	Par
	(iii) Other redemption provisions:	None

(Condition 6(h))

GENERAL PROVISIONS APPLICABLE TO THE NOTES

27. Form of Notes: (Condition 1(a))

(a) Form of Notes:

Bearer

(b) Bearer Notes exchangeable for Not Applicable Registered Notes:

28. If issues in bearer form:

- (i) Initially represented by a Temporary Global Note
 Temporary Global Note or
 Permanent Global Note:
- (ii) Temporary Global Note Yes, exchangeable for Permanent Global exchangeable for Permanent Note
 Global Note and/or Definitive
 Notes and/or Registered Notes:
 (Condition 1(a))
- (iii) Permanent Global Note No exchangeable at the option of the bearer for Definitive Notes and/or Registered Notes:
- (iv) Coupons to be attached to Yes Definitive Notes:
- (v) Talons for future Coupons to be Not applicable attached to Definitive Notes:
- (vi) (a) Definitive Notes to be Yes security printed:
 - (b) If the answer to (a) is Yes yes, whether steel engraved plates will be used:
- (vii) Definitive Notes to be in ISMA or Yes successor's format:
- (viii) Issuer or Noteholder to pay costs Issuer of security printing:

of security printing:

- 29. Exchange Date for exchange of 29 January 2003 Temporary Global Note:
- 30. Payments (Condition 8)
 - Method of payment: (i)

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

31. Partly Paid Notes: (Condition 1)

No

32. Redenomination (Condition 9)

> (i) Redenomination:

Not applicable

(ii) Exchange: Not applicable

DISTRIBUTION

- 33. If syndicated, names of Relevant HSBC Bank plc (i) Dealer/Lead Manager:
 - (ii) Dealers/Managers (if any):

If syndicated, names of other Deutsche Bank AG London J.P. Morgan Securities Ltd.

Stabilising Agent (if any): (iii)

HSBC Bank plc

34. If non-syndicated, name of Relevant Not applicable

Dealer:

35.

Selling restrictions:

United States of America:

TEFRA D Rule

Not Rule 144A eligible

Other:

The Netherlands

Each Manager will be required to represent and agree that it has not, directly or indirectly, offered, sold, transferred and delivered and it will not, directly or indirectly, offer, sell, transfer

or deliver, as part of their initial distribution or at any time thereafter, any Notes (including rights representing an interest in a Global Note) in The Netherlands other than to individuals or legal entities situated in The Netherlands who or which trade or invest in securities in the conduct of a business or profession (which includes banks, securities firms, insurance companies, pension funds, investment institutions, central governments, large international and supranational organisations, other institutional investors and other parties, including treasury departments commercial enterprises, which regularly active in the financial markets in a professional manner).

Each Manager will also be required to undertake that:

- (a) it will be made clear both upon making any offer of the Notes and documents any or advertisements in which forthcoming offering of these notes is publicly announced (whether electronically otherwise) that such offer is exclusively made to the said individuals or legal entities; and
- (b) a copy of the Information Memorandum and this Pricing Supplement will be submitted to the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten) before the Issue Date.

H2242/01695

OPERATIONAL INFORMATION

36. ISIN Code: XS0159497162

37. Common Code: 015949716

38. Any clearing system(s) other than None Euroclear and Clearstream, Luxembourg and the relevant identification number(s):

39. Settlement procedures: Eurobond

40. Additional Paying Agent(s) (if any): None

41. Common Depositary: HSBC Bank plc

42. Agent Bank/Calculation Agent: HSBC Bank plc

- is Agent Bank to make Yes calculations?

- if not, identify calculation agent: Not applicable

43. Notices: None (Condition 14)

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44. City in which specified office of Not applicable Registrar to be maintained (Condition 12)

45. Other relevant Terms and Conditions: None

LISTING APPLICATION

This Pricing Supplement comprises the details required to list the issue of Notes described herein pursuant to the listing of the Debt Issuance Programme of HSBC Holdings plc.

In connection with this issue, the Stabilising Manager 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. However, there may be no obligation on the Stabilising Manager to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

CONFIRMED HSBC HOLDINGS PLC

By: DOUGLAS FLINT

Authorised Signatory

Date: 18 DECEMBER 2002