As filed with the Securities and Exchange Commission on March 4, 2005.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934

or

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the fiscal year ended December 31, 2004

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from N/A to N/A

Commission file number: 1-14930

HSBC Holdings plc

(Exact name of Registrant as specified in its charter)

N/A
(Translation of Registrant's name into English)

United Kingdom
(Jurisdiction of incorporation or organisation)

8 Canada Square
London E14 5HQ
United Kingdom
(Address of principal executive offices)

Governance, Regulation and Supervision (continued)

The Monetary Authority may revoke authorisation in the event of an institution's non-compliance with the provisions of the Banking Ordinance. These provisions require, among other things, the furnishing of accurate reports.

The Banking Ordinance requires that banks submit to the Monetary Authority certain returns and other information and establishes certain minimum standards and ratios relating to capital adequacy (see below), liquidity, capitalisation, limitations on shareholdings, exposure to any one customer, unsecured advances to persons affiliated with the bank and holdings of interests in land, with which banks must comply.

Hong Kong fully implemented the capital adequacy standards established by the Basel Accord in 1989. The Banking Ordinance currently provides that banks incorporated in Hong Kong maintain a capital adequacy ratio (calculated as the ratio, expressed as a percentage, of its capital base to its risk-weighted exposure) of at least 8 per cent. For banks with subsidiaries, the Monetary Authority is empowered to require that the ratio be calculated on a consolidated basis, or on both consolidated and unconsolidated bases. If circumstances require, the Monetary Authority is empowered to increase the minimum capital adequacy ratio (to up to 12 per cent for fully-licensed banks and 16 per cent for deposit-taking companies and restricted-licence banks), after consultation with the bank.

The marketing of, dealing in and provision of advice and asset management services in relation to securities in Hong Kong are subject to the provisions of the Securities and Futures Ordinance of Hong Kong (Chapter 571) (the 'Securities and Futures Ordinance'). Entities engaging in activities regulated by the Securities and Futures Ordinance are required to be licensed. The Monetary Authority is the primary regulator for banks involved in the securities business, while the Securities and Futures Commission is the regulator for non-banking entities.

US regulation and supervision

HSBC is subject to extensive federal and state supervision and regulation in the US. Banking laws and regulations of the Federal Reserve Board, the Federal Deposit Insurance Corporation ('FDIC') and the Office of the Comptroller of Currency ('OCC') govern many aspects of HSBC's US business.

Company Act of 1956 (the 'BHCA') as a result of its ownership of HSBC Bank USA. HSBC Bank USA is a nationally-chartered commercial bank and a member of the Federal Reserve System. HSBC Bank USA is the surviving institution of the 1 July 2004 merger of HSBC Bank USA and HSBC Bank & Trust (Delaware) N.A. HSBC also owns Household Bank (SB), N.A. ('Household Bank'), a nationally chartered 'credit card bank' which is also a member of the Federal Reserve System. Both HSBC Bank USA and Household Bank are subject to regulation, supervision and examination by the OCC. The deposits of HSBC Bank USA and Household Bank are insured by the FDIC and both banks are subject to relevant FDIC regulation. On 1 January 2004, HSBC formed a new company to hold all of its North American operations, including these two banks. This company, called HSBC North America Holdings Inc. ('HNAH') is also a 'bank holding company' ; under the BHCA, by virtue of its ownership and control of HSBC Bank USA.

The BHCA and the International Banking Act of 1978 ('IBA') impose certain limits and requirements on the US activities and investments of HSBC, HNAH, and certain companies in which they hold direct or indirect investments. HSBC is also a 'qualifying foreign banking organisation' under Federal Reserve Board regulations, and as such, may engage within the United States in certain limited non-banking activities and hold certain investments that would otherwise not be permissible under US law. Prior to 13 March 2000, the BHCA generally prohibited HSBC from acquiring, directly or indirectly, ownership or control of more than 5 per cent of the voting shares of any company engaged in the US in activities other than banking and certain activities closely related to banking. On that date HSBC became a financial holding company ('FHC') under the Gramm-Leach-Bliley Act ('GLBA') amendments to the BHCA, enabling it to offer a more complete line of financial products and services. Upon its formation, HNSH also registered as an FHC. HSBC and HNAH's ability to engage in expanded financial activities as FHCs depend upon HSBC and HNAH continuing to meet certain criteria set forth in the BHCA, including requirements that its US depository institution subsidiaries, HSBC Bank USA and Household Bank, be 'well-capitalised' and 'well-managed', and that such institutions have achieved at least a satisfactory record in meeting community credit needs during their most recent examinations pursuant to the Community Reinvestment Act. These requirements also apply to Wells Fargo HSBC Trade Bank, N.A., in which HSBC and HNAH have a 20 per cent voting interest in equity capital and a 40 per cent

HSBC and its US operations are subject to supervision, regulation and examination by the Federal Reserve Board because HSBC is a bank holding company under the US Bank Holding

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S&P500 was up about 9 per cent from the beginning of the year. Over approximately the same period, the value of the US dollar fell, reaching US$1.36 to the euro by the end of December.

In **Canada**, annualised GDP growth slowed to 2.7 per cent in the first quarter of 2004 from 3.3 per cent in the final quarter of 2003, largely because of a fall in stockbuilding. Consumer spending and investment growth began the year strongly. However, the Bank of Canada ('BoC') cut interest rates three times in the first half of 2004 in response to low inflation and currency appreciation. With the global economy recovering and Canadian GDP growth having rebounded to 3.9 per cent in the second quarter, the BoC started to reverse its policy, raising rates by 25 basis points in both September and October. Growth remained robust in the second half of the year with consumer spending accelerating. Import growth was significant, partly reflecting a very large build-up of inventory in the third quarter, much of it related to the auto sector. Although inflation picked up a little, the BoC kept rates on hold in November and December, because of concerns about the impact of a stronger Canadian dollar. This left the overnight rate at 2.5 per cent, still below the rate at which it started the year.

Mexico's macro-economic fundamentals remained strong in 2004, with year-on-year GDP growth of 4.4 per cent in line with that of the US. At year-end, the fiscal accounts were showing relatively low deficits helped by the windfall of high oil prices. Driven by oil receipts and an unprecedented level of workers' remittances, the current account deficit shrank to a figure below the level of reinvested earnings from existing foreign direct investment. Inflation increased from 4.0 per cent at the end of 2003 to 5.2 per cent in 2004, as a result of increases in external energy and food prices, but remained manageable. HSBC anticipates that inflation will be reduced in 2005 due to a restrictive monetary policy, and that moderate to strong GDP growth will continue with a mildly appreciating currency.

On 1 July 2004, HSBC Bank USA, Inc. consolidated its banking operations under a single national charter, following approval from the Office of Comptroller of Currency. This enabled the newly formed HSBC Bank USA to serve its customers more efficiently and effectively across the US and provide an expanded range of products. It also put HSBC Bank USA on the same footing as other major US banks.

HSBC's operations in North America reported a pre-tax profit of US$5,419 million, compared with US$3,613 million in 2003. Excluding goodwill amortisation, pre-tax profit was US$6,180 million, compared with US$4,257 million in 2003, and represented 32 per cent of HSBC's total pre-tax profit on this basis.

Within these figures HSBC Finance reported a pre-tax profit, before goodwill amortisation, of US$3,576 million in 2004, an increase of US$1,524 million, of which US$1,084 million was an additional quarter's contribution. Profit was 21 per cent higher than for the comparable period in the prior year.

Bank of Bermuda, acquired in February 2004, contributed US$73 million to pre-tax profit, before goodwill amortisation, in the North American segment.

At constant exchange rates, and on an underlying basis, HSBC's pre-tax profit, before goodwill amortisation, was 17 per cent higher than in 2003.

The detailed customer group commentary that follows is based on constant exchange rates.

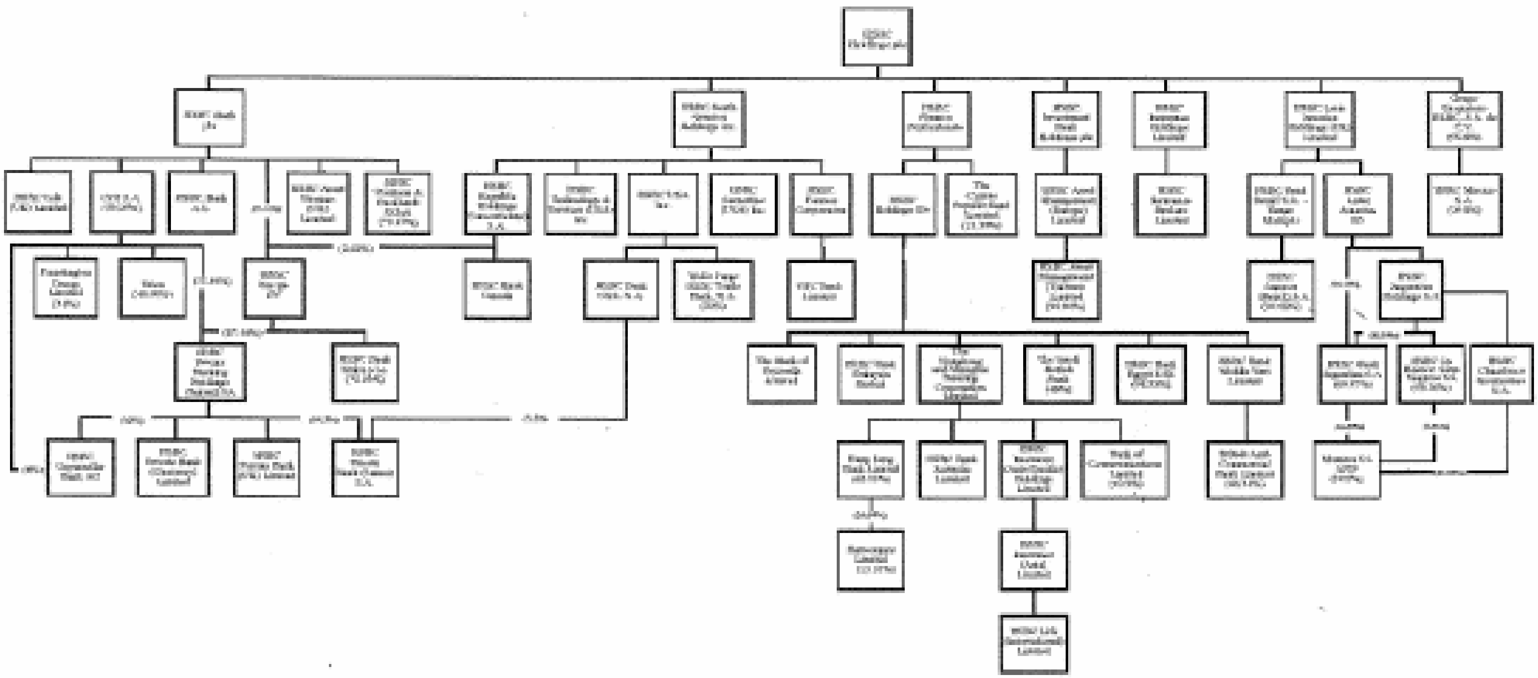
Excluding Consumer Finance, **Personal Financial Services** generated a pre-tax profit, before goodwill amortisation, of US$1,164 million, 35 per cent higher than in 2003. Approximately 22 per cent of this growth arose from the acquisition of Bank of Bermuda and certain insurance interests in Mexico.

Growth in net interest income was 19 per cent. This was driven mainly by a 34 per cent increase in Mexico, where growth in low cost deposits and consumer loans, and higher interest income from the insurance business, contributed to the rise. Acquisitions in Mexico accounted for 17 per cent of the overall improvement. HSBC attracted 359,000 net new deposit customers in Mexico during the year, and this contributed to the US$1.6 billion rise in average deposit balances. Despite an increasingly competitive marketplace, market share in deposits rose to 14.4 per cent, driven by the bank's extensive branch and ATM network. Consumer loan growth was robust in the second half of the year, particularly in pre-approved payroll loans offered through the ATM network, and residential mortgages.

Net interest income in the US grew by 10 per cent, reflecting a US$10.9 billion, or 58 per cent, increase in average residential mortgage balances and the widening of spreads on savings and deposits, as interest rates rose. Sales of residential mortgages remained strong following an expansion of the sales force and the development of the correspondent network, competitive pricing and increased marketing. In 2004, customers generally favoured variable rate products over fixed. Several new

Organisational Structure

The HSBC Group
Structure of Principal Operating Companies
at January 2005



NOTES

(1) This chart is a simplified ownership diagram only; not all intermediate holding companies are shown

(2) A percentage figure in brackets inside a company name box indicates the ultimate percentage owned of that company within the HSBC Group

(3) Where no figure appears the company is wholly owned.

(4) Places of incorporation are shown in Notes 20, 21 and 25 of the 'Notes on the Financial Statements'.

UK GAAP	IFRS
General provisions are made in respect of impaired advances which are known through experience to exist but which have not yet been specifically identified. The level of the general provision takes account of past experience and current economic conditions and other relevant factors affecting the various categories of advances in the portfolio.	IAS 39 allows collective assessment of impairment for individually insignificant items or items where no impairment has been identified on an individual basis. Formula-based approaches or statistical methods may be used to determine losses in groups of financial assets provided they incorporate the effect of the time value of money, consider the cash flows for the expected remaining life of the asset, consider the age of the loans within the portfolio and do not give rise to an impairment loss on initial recognition of an asset.
Interest on non-performing loans is not normally credited to the profit and loss account and either interest accruals will cease ('non-accrual loans') or interest will be credited to an interest in suspense account in the balance sheet, which is netted against the relevant loan ('suspended interest').	The concepts of suspended interest and non-accrual are not relevant under IAS 39. Following impairment of an asset, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss (the original effective interest rate of the asset).

IMPACT

Low – this change in methodology is not expected to produce a significant adjustment on transition.

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SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

HSBC HOLDINGS PLC

By: /s/ DOUGLAS J FLINT
Name: Douglas J Flint
Title: Group Finance Director

Date: March 4, 2005