



Press release



For further information contact:
Neal Jenkins (44) (0) 207 469 1410
(44) (0) 7770 815559 (mobile)
neal.jenkins@mlhsbc.com

Merrill Lynch HSBC Limited
Peninsular House
30 Monument Street
London EC3R 8NB

Merrill Lynch HSBC Launches Integrated Online Investment and Banking Service at www.mlhsbc.co.uk

Commission Free* UK & US Online Trading Offer Until 31 October 2001

6.60% TESSA ISA; “Global Growth Protected Investment Product”

London, 8 May – Merrill Lynch HSBC today announced the launch of its full transactional service for UK private investors and the start of a commission free* UK and US online trading offer, until 31 October 2001.

The service gives UK investors access for the first time to the award-winning investment research from both Merrill Lynch and HSBC and a totally integrated multi-currency investment and banking account – the Merrill Lynch HSBC Investment and Banking Portfolio™ (IBP™).

Separately, the global online investment and banking services company also announced the launch of two attractive savings products: a 6.60% TESSA ISA Cash Deposit, and an innovative five-year “Global Growth Protected Investment Product”, with a guaranteed minimum 15% return and a potential 55% maximum return**.

....more

Clients will have access to their account online, by telephone and through a physical network of investment centres, of which the first two have opened today: a “flagship” centre in London at Regent Street; and in Birmingham, a co-location in one of HSBC’s largest UK branches.

“Today’s launch of our full transactional service for affluent UK investors sets a new standard for ‘intelligent investing’ and marks another important milestone for the company,” said **Margaret Barrett, Merrill Lynch HSBC chief executive officer**. “We believe the commission free six-month UK and US online-trading offer, as well as our market-leading savings products, make this a very attractive offer for investors who wish to try our integrated investment and banking service.”

A minimum of £10,000, in cash and/or shares, will be required to open an account.

Providing multi-channel investment and banking services to affluent self-directed investors, this industry-leading global initiative combines the worldwide investment capabilities and research of Merrill Lynch with the global strength and retail banking expertise of HSBC, two of the world’s most trusted brands in financial services.

“Backed by the extensive resources of Merrill Lynch and HSBC, our service combines the strengths of both firms to create what we believe to be the most comprehensive, intelligent, and easy to use website available today,” said Merrill Lynch HSBC **chief operating officer Nathan Moss**. “We are confident that clients using our service will see the value and convenience of having one integrated online investment and banking account, and access to world-class research from our parent companies.”

Additional services will include:

- A totally integrated multi-currency account (£/\$/€), including a cash account, higher interest savings account and investment account.
- Online (or telephone) trading in UK and US shares.
- Dedicated client service and support by telephone or through a physical network of investment centres in strategic locations (initially in Birmingham and London).
- Detailed research reports and “morning meeting notes” from Merrill Lynch and HSBC on specific companies, sectors and subjects, featuring analyst opinions and earnings estimates.

....more

- A Trading ReserveTM allowing clients to borrow up to 50% of the value of their existing shares.
- Global economic and strategy research from some of the world's leading economists and strategists.
- Market data and news – showing share prices, charts, and most actively traded shares, complete with company and market news briefs (including a portfolio tracker).
- 30 simple-to-use, online tutorials designed to help clients read research reports and make informed investment decisions.
- Global Growth Protected Investment Product (Global Growth PIP).
- 6.60% TESSA ISA.
- No fees for transferring out shares.

In addition, a free trial for potential clients, giving access to Merrill Lynch and HSBC research is available, for a period of 60 days, by registering at the website.

Marketing under the Merrill Lynch HSBC name, the company is a 50:50 joint venture between Merrill Lynch and HSBC, formed in April 2000. It provides online financial services to affluent investors outside the U.S. who want to make informed decisions for themselves.

Last year the company launched services in Australia and Canada, and in the UK, a free equity research service for potential clients, ahead of the launch of its integrated investment and banking service today. Over the next four to five years the company plans to roll out its service globally to meet the growing demand for online investment and banking services.

**This offer is limited to 20 online trades per month and to the commission payable on the first £20,000/\$30,000/EUR30,000 consideration for each trade. Commission will be charged on the balance of any consideration over £20,000/\$30,000/EUR30,000 per trade at our normal rates (as listed on www.mlhsbc.co.uk). The offer applies to trades executed up to and including the 31 October 2001. However, Merrill Lynch HSBC reserves the right to withdraw the offer at any time and/or charge commission at our normal rates for any trades in excess of 20 online trades per month.*

....more

**** Global Growth Protected Investment Product (Global Growth PIP)**

The Global Growth PIP tracks a basket of indices: the FTSE100; the S&P500; the Dow Jones Eurostoxx 50; and the Nikkei 225. Over the five year period (if held until maturity), it will pay a guaranteed minimum 15% (equivalent to 3% p.a.) return with a maximum potential return of 55% (equivalent to 11% p.a.). A minimum investment of £5,000 is required. The offer opens on [8] May and closes on 5 July 2001. Using historical data the average rolling five-year return since 1992 would have been 54% and the minimum return 42% (see attached press release for further details).

Ends

For further information please contact:

Neal Jenkins
Merrill Lynch HSBC

Tel: 44(0) 20 7469 1410
neal.jenkins@mlhsbc.com

Ash Coleman-Smith
Edelman

Tel: 44 (0) 20 7344 1211
acoleman@edeluk.com

Photographers and TV crews

A photocall featuring Merrill Lynch HSBC chief executive officer Margaret Barrett will be held at 10am at Merrill Lynch HSBC's newly opened "Flagship" investment centre at 18 Lower Regent Street, London SW1.

Note to Editors

CHARGES

Trading

Online: Commission free US and UK trading (until October 31st 2001)

Telephone: UK shares up to £20,000: £40; US shares up to \$30,000: \$60;
European shares up to €30,000: €60.

...more

Savings Rates

TESSA ISA (Annual Equivalent Rate):

6.60% TESSA ISA Cash Deposit

GBP Cash Account (Annual Equivalent Rate)

Up to £10,000:	3.00%
£10,000 plus:	3.75%
£50,000 plus:	4.00%
£100,000 plus:	4.50%

Higher Interest Savings Account (Annual Equivalent Rate)

Up to £10,000:	4.50%
£10,000 plus:	4.75%
£25,000 plus:	5.00%
£100,000 plus:	5.25%

Other

Portfolio Fee: £18 per quarter

Account Closure Transfers: No charge

Parent Company Information:

Headquartered in London, HSBC is one of the largest financial services organisations in the world, with assets of US\$674 billion at 31 December 2000. Serving 25 million customers, HSBC's international network comprises some 6,000 offices in 81 countries and territories in the Asia-Pacific region, Europe, the Americas, the Middle East and Africa. Further information on HSBC is available at www.hsbc.com.

Merrill Lynch is one of the world's leading financial management and advisory companies with offices in 44 countries and total client assets of about \$1.6 trillion. As an investment bank, it is the top global underwriter and market maker of debt and equity securities and a leading strategic advisor to corporations, governments, institutions, and individuals worldwide. Through Merrill Lynch Investment Managers, the company is one of the world's largest managers of financial assets. For more information on Merrill Lynch, go to www.ml.com.

The foregoing statements may include forward-looking information subject to risks, uncertainties and other factors that could materially affect actual results. These are described in Merrill Lynch's 2000 Annual Report on Form 10-K, and in the 2000 Annual Report on Form 20-F of HSBC Holdings plc, which are available at the SEC's website, www.sec.gov.