

December 20, 2002

By Federal Express (cc w/o encl. by facsimile)

Mr. James A. Bundy  
Licensing Manager, Western District  
Office of the Comptroller of the Currency  
50 Fremont Street, Suite 3900  
San Francisco, CA 94105-2292

Re: HSBC Holdings plc – Additional Materials Filed in Support of the Notice of a Change in Control of Household Bank (SB), National Association Pursuant to the Change in Bank Control Act and Request for Confidential Treatment

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Dear Mr. Bundy:

In response to your letter dated December 9, 2002, and on behalf of our client, HSBC Holdings plc ("HSBC"), we are providing additional materials in support of the notice filed by HSBC on November 27, 2002, pursuant to the Change in Bank Control Act, as amended (the "Notice"), of HSBC's intention to acquire, in connection with its acquisition of Household International, Inc. ("HII"), HII's wholly owned credit card bank, Household Bank (SB), National Association (the "Bank").

We enclose a copy of employment contracts between HII and certain members of its senior management. We are submitting the contracts in further response to Item 6 of the Notice. The contracts should be attached to the Notice as Confidential Attachment B.

Mr. James A. Bundy  
December 20, 2002  
Page 2

We also enclose a copy of a pro forma balance sheet for the Bank after the acquisition as Confidential Attachment C. We are submitting the balance sheet in response to item 7 of your letter dated December 9, 2002. The balance sheet should be attached to the Notice as Confidential Attachment C.

We respectfully request confidential treatment for the materials contained in these confidential attachments. The confidential attachments contain sensitive, non-public commercial and financial information regarding the businesses of HSBC, HII, and their respective affiliates that is exempt from disclosure under the Freedom of Information Act, 5 U.S.C. § 552 (the "FOIA"), and the regulations of the OCC, 12 C.F.R. Part 4. The information contained in the confidential attachments qualifies under section 552(b)(4) of the FOIA and 12 C.F.R. § 4.12(b)(4) of the regulations of the OCC as commercial or financial information furnished in confidence and is privileged and confidential.

Release of the confidential information would be likely to result in substantial competitive injury. Specifically, the release of this confidential information would provide competitors with details regarding the operating strategies of HSBC, HII, and their respective affiliates and the financial impact of the transaction. Because the parties do not have similar information on their competitors, the release of this information would put them at a competitive disadvantage.

If you have any questions regarding this notice, please feel free to call me at the telephone number above or my colleague Naomi W. Beard (202) 835-7544.

Sincerely,

Winthrop N. Brown

Enclosures

cc by facsimile; attachments by Federal Express:

Mr. Alan Herlands (OCC)  
Paul L. Lee, Esq.

Mr. James A. Bundy  
December 20, 2002  
Page 3

bcc by facsimile; attachments by Federal Express:

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