



B #:	0975-14
Date:	5/27/14
To:	All Clients
Category:	Dividends
From:	Supervisor, Stock Dividend Department
Attention:	Dividend Managers, Cashiers, and Reorganization Managers
Subject:	Optional Dividend: HSBC Holdings PLC CUSIP: 404280406 Record Date: 05/23/14 Payable Date: 07/10/14 Rate: \$0.50 per ADS DTC EDS Cut-Off: 06/20/14 at 8:00 P.M. New York time

***** WARNING TIME CRITICAL *****

HSBC Holdings PLC (“HSBC”) declared a First interim dividend for 2014, which amounts to USD \$0.50 per American Depositary Share (“ADS”). As an alternative to receiving the dividend in cash, holders may elect to receive a scrip dividend of new ADSs at rate 1 new ADS for every TBA ADS’s held. The dividend will be paid on 07/10/14 to HSBC ADS holders of record at close of business on 05/23/14.

Option #1 Cash: You may elect to receive the cash dividend of USD \$0.50 per ADS (**default**).

Option #2 ADS: You may elect to receive the scrip dividend in new ADS’s. Fractional ADS entitlements will be paid in cash in lieu at DTC Clients level.

The number of ADSs to which holders will be entitled to will be calculated by dividing the total cash dividend due on your holdings of ADSs at the record date by the established USD ADS price of TBA per new ADS. The scrip price represents the dollar equivalent of the average closing prices of HSBC Ordinary Shares on the London Exchange for the 5 trading days ending TBA.

THE DIVIDEND POSITION AND ALLOCATION HISTORY (DPAL) OPTION, ACCESSED VIA THE PTS DIVIDEND ANNOUNCEMENTS INQUIRY FUNCTION (DIVA), SHOULD BE USED TO CONFIRM YOUR RECORD DATE POSITION HISTORY.

CLIENTS SHOULD SUBMIT ELECTION INSTRUCTIONS OVER THE PARTICIPANT TERMINAL SYSTEM (PTS) THROUGH THE ELECTIVE DIVIDEND SYSTEM (EDS) FUNCTION.

DTCC offers enhanced access to all important notices via a Web-based subscription service. The notification system leverages RSS Newsfeeds, providing significant benefits including real-time updates and customizable delivery. To learn more and to set up your own DTCC RSS alerts, visit http://www.dtcc.com/subscription_form.php.

Non-Confidential

B#: 0975-14

Clients not responding to the above option by 06/20/14 at 8:00 P.M. New York time will receive the mandatory distribution in accordance with Option #1 (Cash).

If there are any questions regarding this Important Notice, or the processing of related instructions via EDS, clients should contact DTC's Customer Help Line at (888) 382-2721.

Important Legal Information: *The Depository Trust Company ("DTC") does not represent or warrant the accuracy, adequacy, timeliness, completeness or fitness for any particular purpose of the information contained in this communication, which is based in part on information obtained from third parties and not independently verified by DTC and which is provided as is. The information contained in this communication is not intended to be a substitute for obtaining tax advice from an appropriate professional advisor. In providing this communication, DTC shall not be liable for (1) any loss resulting directly or indirectly from mistakes, errors, omissions, interruptions, delays or defects in such communication, unless caused directly by gross negligence or willful misconduct on the part of DTC, and (2) any special, consequential, exemplary, incidental or punitive damages. To ensure compliance with Internal Revenue Service Circular 230, you are hereby notified that: (a) any discussion of federal tax issues contained or referred to herein is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code; and (b) as a matter of policy, DTC does not provide tax, legal or accounting advice and accordingly, you should consult your own tax, legal and accounting advisor before engaging in any transaction.*