

<b>B #:</b>	2055-14
<b>Date:</b>	10/31/14
<b>To:</b>	All Clients
<b>Category:</b>	Dividends
<b>From:</b>	Supervisor, Stock Dividend Department
<b>Attention:</b>	Dividend Managers, Cashiers, and Reorganization Managers
<b>Subject:</b>	<b>REVISION: Scrip rate and price updated</b> <b>Optional Dividend:</b> HSBC Holdings PLC <b>CUSIP:</b> 404280406 <b>Record Date:</b> 10/24/14 <b>Payable Date:</b> 12/10/14 <b>Rate:</b> \$0.50 per ADS <b>DTC EDS Cut-Off:</b> 11/21/14 at 8:00 P.M. New York time

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

**REVISION: Scrip rate and price update**

HSBC Holdings PLC (“HSBC”) declared a Third 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 a rate of 1 new ADS for every **102** ADSs held. The dividend will be paid on 12/10/14 to HSBC ADS holders of record at close of business on 10/24/14.

**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 the DTC Client 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 **USD \$50.59** 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 **10/29/14**.

**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.**

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

**Clients not responding to the above option by 11/21/14 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.

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