HSBC HOLDINGS PLC

(WEBSITE ONLY)
EMPLOYEE SHARE PLANS

31 December 2012

Employee Share Plans

In accordance with the terms of a waiver granted by the Hong Kong Stock Exchange on 24 December 2010, full details of options under Employee Share Plans required pursuant to Listing Rules 17.07 and 17.09 are disclosed below. These disclosures are also available on the Hong Kong Stock Exchange's website at www.hkex.com.hk and can be obtained upon request from the Group Company Secretary, 8 Canada Square, London E14 5HQ.

Employee share plans

Share options and discretionary awards of shares are granted under HSBC share plans to help align the interests of employees with those of shareholders.

Set out on pages 2 to 5 are particulars of outstanding share options, including those held by employees working under employment contracts that are regarded as 'continuous contracts' for the purposes of the Hong Kong Employment Ordinance. The options were granted at nil consideration. No options have been granted to substantial shareholders, suppliers of goods or services, or in excess of the individual limit for each share plan. No options were cancelled by HSBC during the year.

Employee share plans are subject to the following limits on the number of HSBC Holdings ordinary shares that may be subscribed for. In any 10-year period not more than 10% of HSBC Holdings ordinary shares in issue from time to time (approximately 1,848 million HSBC Holdings ordinary shares at 4 March 2013) may be issued or committed to be issued under the HSBC Share Plan 2011 and all other employee share plans operated by HSBC Holdings. In any 10-year period not more than 5% of HSBC Holdings ordinary shares in issue from time to time (approximately 924 million HSBC Holdings ordinary shares on 4 March 2013) may be issued or committed to be issued under the HSBC Share Plan 2011 and all other discretionary share plans adopted by HSBC Holdings. The number of HSBC Holdings ordinary shares which may be issued upon exercise of all options under the HSBC Share Plan 2011 and options granted under any other employee share plan operated by HSBC Holdings must not exceed 1,781,741,789 HSBC Holdings ordinary shares. Under the HSBC Holdings savings-related share option plans, the HSBC Share Plan and HSBC Holdings Group Share Option Plan there were options outstanding over 200,010,768 HSBC Holdings ordinary shares at 31 December 2012 (1.08% of the issued ordinary shares). The number of shares which may be issued upon exercise of options under the HSBC Share Plan 2011 and options granted under any other employee share plan operated by HSBC Holdings outstanding at any one time must not exceed 30% of the shares in issue from time to time. No further options may be granted under any such plan if this will result in the limit being exceeded. Particulars of options over HSBC Holdings shares held by Directors of HSBC Holdings are set out on page 363 of the Directors' Remuneration Report in the *Annual Report and Accounts 2012*.

The effect on earnings per share of granting share options and share awards which are satisfied by the issue of new shares is shown in diluted earnings per share on the face of the consolidated income statement, with further details disclosed in the Earnings per share Note 11 on the Financial Statements in the *Annual Report and Accounts 2012*.

All-employee share option plans

The HSBC Holdings Savings-Related Share Option Plan and the HSBC Holdings Savings-Related Share Option Plan: International are all-employee share plans under which eligible employees (those employed within the Group on the first working day of the year of grant) may be granted options to acquire HSBC Holdings ordinary shares. Employees may make contributions of up to £250 (or equivalent) each month over a period of one, three or five years which may be used on the first, third or fifth anniversary of the commencement of the relevant savings contract, at the employee's election, to exercise the options. Alternatively, the employee may elect to have the savings, plus (where applicable) any interest or bonus, repaid in cash. One-year options are only available under the HSBC Holdings Savings-Related Share Option Plan: International and will be exercisable within three months following the first anniversary of the commencement of the savings contract. Three or five-year options are exercisable within six months following the third or fifth anniversary of the commencement of the relevant savings contract. In the case of redundancy, retirement on grounds of injury or ill health, retirement, the transfer of the employing business to another party, or a change of control of the employing company, options may be exercised before completion of the relevant savings contract.

Under the HSBC Holdings Savings-Related Share Option Plan and the HSBC Holdings Savings-Related Share Option Plan: International the option exercise price is determined by reference to the average market value of HSBC Holdings ordinary shares on the five business days immediately preceding the invitation date, then applying a discount of 20% (for details on each plan see tables on pages 2 to 3 for further information) (except for the one-year

Employee Share Plans (continued)

options granted under the US sub-plan where a 15% discount is applied). Where applicable, the US dollar, Hong Kong dollar and euro exercise prices are converted from the sterling exercise price at the applicable exchange rate on the working day preceding the relevant invitation date. The exercise of the options may be advanced to an earlier date in certain circumstances, for example on retirement, and may be extended in certain circumstances, for example on the death of a participant, the executors of the participant's estate may exercise the option up to six months beyond the normal exercise period. The closing price per HSBC Holdings ordinary share on 23 April 2012, the day before options were granted in 2012 was £5.46. A review of the plans will be undertaken in 2013 and there will be no grant of options while that review is ongoing.

The all-employee share option plans will terminate on 27 May 2015 unless the Directors resolve to terminate the plans at an earlier date.

HSBC Holdings Savings-Related Share Option Plan

				HSBC Holdings ordinary shares				
Date of award	Exercise price (£)	Exercisable from	Exercisable until	At 1 Jan 2012	Granted during year	Exercised during year[1]	Lapsed during year	At 31 Dec 2012
26 Apr 2006	6.6870	1 Aug 2011	31 Jan 2012	872,757	–	–	872,757	–
25 Apr 2007	6.1760	1 Aug 2012	31 Jan 2013	1,052,843	–	34,305	71,637	946,901
30 Apr 2008	5.9397	1 Aug 2011	31 Jan 2012	1,031,571	–	315	1,031,256	–
30 Apr 2008	5.9397	1 Aug 2013	31 Jan 2014	1,422,427	–	13,965	241,849	1,166,613
29 Apr 2009	3.3116	1 Aug 2012	31 Jan 2013	26,081,469	–	24,507,618	567,921	1,005,930
29 Apr 2009	3.3116	1 Aug 2014	31 Jan 2015	26,313,260	–	736,989	1,404,791	24,171,480
21 Apr 2010	5.4573	1 Aug 2013	31 Jan 2014	2,878,202	–	34,324	688,608	2,155,270
21 Apr 2010	5.4573	1 Aug 2015	31 Jan 2016	1,822,874	–	13,290	426,703	1,382,881
20 Apr 2011	5.0971	1 Aug 2014	31 Jan 2015	4,762,092	–	30,638	1,484,308	3,247,146
20 Apr 2011	5.0971	1 Aug 2016	31 Jan 2017	2,261,614	–	7,557	656,716	1,597,341
24 Apr 2012	4.4621	1 Aug 2015	31 Jan 2016	–	16,615,156	10,033	1,198,512	15,406,611
24 Apr 2012	4.4621	1 Aug 2017	31 Jan 2018	–	4,111,142	997	214,253	3,895,892
				68,499,109	20,726,298	25,390,031	8,859,311	54,976,065

1 *The weighted average closing price of the shares immediately before the dates on which options were exercised was £5.46.*

HSBC Holdings Savings-Related Share Option Plan: International

				HSBC Holdings ordinary shares				
Date of award	Exercise price (£)	Exercisable from	Exercisable until	At 1 Jan 2012	Granted during year	Exercised during year[1]	Lapsed during year	At 31 Dec 2012
26 Apr 2006	6.6870	1 Aug 2011	31 Jan 2012	83,717	–	–	83,717	–
25 Apr 2007	6.1760	1 Aug 2012	31 Jan 2013	195,195	–	6,468	40,666	148,061
30 Apr 2008	5.9397	1 Aug 2011	31 Jan 2012	574,069	–	–	574,069	–
30 Apr 2008	5.9397	1 Aug 2013	31 Jan 2014	210,791	–	6,165	49,146	155,480
29 Apr 2009	3.3116	1 Aug 2012	31 Jan 2013	10,212,611	–	8,839,306	461,487	911,818
29 Apr 2009	3.3116	1 Aug 2014	31 Jan 2015	6,820,865	–	258,675	603,866	5,958,324
21 Apr 2010	5.4573	1 Aug 2013	31 Jan 2014	1,541,436	–	5,360	496,641	1,039,435
21 Apr 2010	5.4573	1 Aug 2015	31 Jan 2016	449,777	–	6,516	192,439	250,822
20 Apr 2011	5.0971	1 Aug 2012	31 Oct 2012	4,878,521	–	2,902,626	1,974,987	908
20 Apr 2011	5.0971	1 Aug 2014	31 Jan 2015	1,226,836	–	4,701	427,878	794,257
20 Apr 2011	5.0971	1 Aug 2016	31 Jan 2017	421,435	–	643	174,151	246,641
24 Apr 2012	4.4621	1 Aug 2013	31 Oct 2013	–	4,813,389	1,380	401,634	4,410,375
24 Apr 2012	4.4621	1 Aug 2015	31 Jan 2016	–	3,071,127	726	138,729	2,931,672
24 Apr 2012	4.4621	1 Aug 2017	31 Jan 2018	–	665,054	100	44,010	620,944
				26,615,253	8,549,570	12,032,666	5,663,420	17,468,737

Employee Share Plans (continued)

HSBC Holdings Savings-Related Share Option Plan: International (continued)

Date of award	Exercise price	Exercisable from	Exercisable until	HSBC Holdings ordinary shares At 1 Jan 2012	Granted during year	Exercised during year[1]	Lapsed during year	At 31 Dec 2012
	(US$)							
26 Apr 2006	11.6154	1 Aug 2011	31 Jan 2012	89,091	–	–	89,091	–
25 Apr 2007	12.0958	1 Aug 2012	31 Jan 2013	173,753	–	–	46,442	127,311
30 Apr 2008	11.8824	1 Aug 2011	31 Jan 2012	406,720	–	–	406,720	–
30 Apr 2008	11.8824	1 Aug 2013	31 Jan 2014	148,096	–	–	44,180	103,916
29 Apr 2009	4.8876	1 Aug 2012	31 Jan 2013	3,819,677	–	2,799,494	388,841	631,342
29 Apr 2009	4.8876	1 Aug 2014	31 Jan 2015	2,087,733	–	129,937	297,261	1,660,535
21 Apr 2010	8.1232	1 Aug 2013	31 Jan 2014	920,167	–	23,032	257,789	639,346
21 Apr 2010	8.1232	1 Aug 2015	31 Jan 2016	239,340	–	4,507	72,841	161,992
20 Apr 2011	8.7225[2]	1 Aug 2012	31 Oct 2012	472,328	–	332,014	140,314	–
20 Apr 2011	8.2094	1 Aug 2012	31 Oct 2012	340,614	–	144,094	196,520	–
20 Apr 2011	8.2094	1 Aug 2014	31 Jan 2015	818,395	–	5,963	265,717	546,715
20 Apr 2011	8.2094	1 Aug 2016	31 Jan 2017	236,152	–	682	83,621	151,849
24 Apr 2012	7.5922[2]	1 Aug 2013	31 Oct 2013	–	471,280	–	47,714	423,566
24 Apr 2012	7.1456	1 Aug 2013	31 Oct 2013	–	314,110	–	22,860	291,250
24 Apr 2012	7.1456	1 Aug 2015	31 Jan 2016	–	1,491,085	472	75,473	1,415,140
24 Apr 2012	7.1456	1 Aug 2017	31 Jan 2018	–	389,899	327	53,640	335,932
				9,752,066	2,666,374	3,440,522	2,489,024	6,488,894
	(€)							
26 Apr 2006	9.5912	1 Aug 2011	31 Jan 2012	8,039	–	–	8,039	–
25 Apr 2007	9.0818	1 Aug 2012	31 Jan 2013	24,629	–	–	3,949	20,680
30 Apr 2008	7.5571	1 Aug 2011	31 Jan 2012	91,266	–	–	91,266	–
30 Apr 2008	7.5571	1 Aug 2013	31 Jan 2014	25,821	–	–	6,470	19,351
29 Apr 2009	3.6361	1 Aug 2012	31 Jan 2013	1,285,256	–	1,190,304	34,123	60,829
29 Apr 2009	3.6361	1 Aug 2014	31 Jan 2015	950,101	–	18,539	57,858	873,704
21 Apr 2010	6.0657	1 Aug 2013	31 Jan 2014	199,969	–	3,502	42,166	154,301
21 Apr 2010	6.0657	1 Aug 2015	31 Jan 2016	57,554	–	380	10,323	46,851
20 Apr 2011	5.7974	1 Aug 2012	31 Oct 2012	234,384	–	194,665	39,719	–
20 Apr 2011	5.7974	1 Aug 2014	31 Jan 2015	218,897	–	–	46,657	172,240
20 Apr 2011	5.7974	1 Aug 2016	31 Jan 2017	80,349	–	–	25,198	55,151
24 Apr 2012	5.3532	1 Aug 2013	31 Oct 2013	–	278,371	–	15,094	263,277
24 Apr 2012	5.3532	1 Aug 2015	31 Jan 2016	–	443,691	–	28,019	415,672
24 Apr 2012	5.3532	31 Aug 2017	31 Jan 2018	–	105,770	–	7,563	98,207
				3,176,265	827,832	1,407,390	416,444	2,180,263
	(HK$)							
26 Apr 2006	90.1414	1 Aug 2011	31 Jan 2012	19,837	–	–	19,837	–
25 Apr 2007	94.5057	1 Aug 2012	31 Jan 2013	41,606	–	–	9,366	32,240
30 Apr 2008	92.5881	1 Aug 2011	31 Jan 2012	32,131	–	–	32,131	–
30 Apr 2008	92.5881	1 Aug 2013	31 Jan 2014	35,091	–	–	7,264	27,827
29 Apr 2009	37.8797	1 Aug 2012	31 Jan 2013	20,460,735	–	19,487,105	320,462	653,168
29 Apr 2009	37.8797	1 Aug 2014	31 Jan 2015	19,355,332	–	511,084	979,110	17,865,138
21 Apr 2010	62.9770	1 Aug 2013	31 Jan 2014	1,144,610	–	26,922	352,062	765,626
21 Apr 2010	62.9770	1 Aug 2015	31 Jan 2016	417,056	–	8,932	167,742	240,382
20 Apr 2011	63.9864	1 Aug 2012	31 Oct 2012	2,543,213	–	1,613,355	929,858	–
20 Apr 2011	63.9864	1 Aug 2014	31 Jan 2015	1,035,482	–	9,370	592,924	433,188
20 Apr 2011	63.9864	1 Aug 2016	31 Jan 2017	337,418	–	1,488	154,747	181,183
24 Apr 2012	55.4701	1 Aug 2013	31 Oct 2013	–	5,319,347	15,825	404,669	4,898,853
24 Apr 2012	55.4701	1 Aug 2015	31 Jan 2016	–	5,971,576	6,735	183,178	5,781,663
24 Apr 2012	55.4701	1 Aug 2017	31 Jan 2018	–	807,389	3,718	45,099	758,572
				45,422,511	12,098,312	21,684,534	4,198,449	31,637,840

1 *The weighted average closing price of the shares immediately before the dates on which options were exercised was £5.45.*
2 *These are the one year options exercisable at a 15% discount to the average market value of the ordinary shares on the five business days immediately preceding the invitation date.*

Employee Share Plans (continued)

Discretionary Share Plans

Note 7 on the Financial Statements in the *Annual Report and Accounts 2012* gives detail on share-based payments, including discretionary awards granted under HSBC's share plans.

Restricted share awards may be granted on a discretionary basis to senior executives and are the delivery mechanism for the Group's bonus deferral policy. An award of a Restricted share defines the number of shares to which the employee will become entitled, generally between one and three years from the date of the award, and normally subject to the individual remaining in employment.

The maximum value of awards or options that may be granted to an employee in any one year under the HSBC Share Plan 2011 is 600% of the employee's annual salary. For the purpose of the limit, any Restricted share awards made on or shortly after the commencement of employment or in substitution for all or any part of any bonus to which the employee would otherwise have been entitled, are excluded.

Since September 2005, no discretionary share options have been granted. There are no performance conditions that remain to be satisfied for the exercise of outstanding discretionary share options. Options are generally exercisable between the third and the tenth anniversary of the date of grant.

The exercise price of options granted under the HSBC Share Plan, and the HSBC Holdings Group Share Option Plan, is the higher of the average market value of the ordinary shares on the five business days prior to the grant of the option or the market value of the ordinary shares on the date of grant of the option, or the nominal value of a share.

The Group Performance Share Plan ('GPSP') is incorporated in the HSBC Share Plan 2011. See page 347 of the *Annual Report and Accounts 2012* for further details.

Discretionary Share Plans

There have been no grants of discretionary share options under employee share plans since 30 September 2005.

		Exercisable		HSBC Holdings ordinary shares			
Date of award	Exercise price (£)	from	until	At 1 Jan 2012	Exercised during year	Lapsed during year	At 31 Dec 2012
HSBC Holdings Group Share Option Plan[1, 2]							
7 May 2002	7.3244	7 May 2005	7 May 2012	**29,893,649**	**–**	**29,893,649**	**–**
30 Aug 2002	6.4966	30 Aug 2005	30 Aug 2012	**385,401**	**–**	**385,401**	**–**
2 May 2003	6.0216	2 May 2006	2 May 2013	**25,471,382**	**1,606,032**	**375,223**	**23,490,127**
29 Aug 2003	7.0848	29 Aug 2006	29 Aug 2013	**356,853**	**–**	**10,534**	**346,319**
3 Nov 2003	7.9606	3 Nov 2006	3 Nov 2013	**4,612,854**	**–**	**–**	**4,612,854**
30 Apr 2004	7.2181	30 Apr 2007	30 Apr 2014	**53,146,366**	**–**	**1,279,768**	**51,866,598**
27 Aug 2004	7.5379	27 Aug 2007	27 Aug 2014	**284,107**	**–**	**2,456**	**281,651**
20 Apr 2005	7.2869	20 Apr 2008	20 Apr 2015	**6,646,807**	**–**	**71,433**	**6,575,374**
				120,797,419	**1,606,032**	**32,018,464**	**87,172,923**
HSBC Share Plan							
30 Sep 2005	7.9911	30 Sep 2008	30 Sep 2015	**86,046**			**86,046**

1 *The HSBC Holdings Group Share Option Plan expired on 26 May 2005. No options have been granted under the Plan since that date.*
2 *The weighted average closing price of the shares immediately before the dates on which options were exercised was £6.43.*

Subsidiary company share plans

HSBC France

When it was acquired in 2000, HSBC France and certain of its subsidiary companies, operated employee share option plans under which options could be granted over their respective shares.

Under the terms of the employee share plans, holders of options to acquire shares of HSBC France were obliged to exchange the HSBC France shares they received on exercise of these options for HSBC Holdings ordinary shares. Details of options to acquire shares in HSBC France are set out in the following table. No further options will be granted under this share plan.

Employee Share Plans (continued)

HSBC France

Date of award	Exercise price (€)	Exercisable from	Exercisable until	HSBC France shares of €5 At 1 Jan 2012	Exercised during year	Lapsed during year	At 31 Dec 2012[1]
1 Oct 2002	142.84	2 Oct 2005	1 Oct 2012	**22,645**	**–**	**22,645**	**–**

1 *If options over HSBC France shares had been exercised, those options would have been exchanged for HSBC Holdings ordinary shares in the ratio of 13.499897 HSBC Holdings ordinary shares for each HSBC France share. At 31 December 2012, the CCF Employee Benefit Trust 2001 (Private Banking France) held 989,502 HSBC Holdings ordinary shares.*

HSBC Finance

Upon the acquisition of HSBC Finance in 2003, all outstanding options over, and rights to receive HSBC Finance common shares were converted into options over and rights to receive HSBC Holdings ordinary shares in the same ratio as the share exchange offer for the acquisition of HSBC Finance (2.675 HSBC Holdings ordinary shares for each HSBC Finance common share). The exercise price payable for each option was adjusted using the same ratio.

Details of options to acquire shares in HSBC Holdings under the share plan of HSBC Finance are set out in the following table. No further options will be granted under this share plan.

HSBC Finance: 1996 Long-Term Executive Incentive Compensation Plan

Date of award	Exercise price (US$)	Exercisable from	Exercisable until	HSBC Holdings ordinary shares At 1 Jan 2012	Exercised during year[1]	Lapsed during year	At 31 Dec 2012[2]
20 Nov 2002	9.29	20 Nov 2003	20 Nov 2012	**2,429,538**	**2,053,838**	**375,700**	**–**

1 *The weighted average closing price of the shares immediately before the dates on which options were exercised was £6.06.*
2 *At 31 December 2012, the HSBC (Household) Employee Benefit Trust 2003 held 281,477 HSBC Holdings ordinary shares and 1,455 American Depositary Shares, each of which represents five HSBC Holdings ordinary shares.*

HSBC Bank Bermuda

Upon the acquisition of HSBC Bank Bermuda Limited ('HSBC Bank Bermuda') in 2004, all outstanding options over HSBC Bank Bermuda shares were converted into options to acquire HSBC Holdings ordinary shares using an exchange ratio calculated by dividing US$40 (being the consideration paid for each HSBC Bank Bermuda share) by the average price of HSBC Holdings ordinary shares over the five-day period to the completion of the acquisition. The exercise price payable for each option was adjusted using the same exchange ratio.

Details of options to acquire shares in HSBC Holdings under the share plans of HSBC Bank Bermuda are set out in the following table. No further options will be granted under the share plans of HSBC Bank Bermuda.

HSBC Bank Bermuda

Date of award	Exercise price (US$)	Exercisable from	Exercisable until	HSBC Holdings ordinary shares At 1 Jan 2012	Exercised during year	Lapsed during year	At 31 Dec 2012[1]
Share Option Plan 2000							
30 Jan 2002	13.59	30 Jan 2003	30 Jan 2012	**1,407**	**–**	**1,407**	**–**
5 Feb 2002	14.02	5 Feb 2003	5 Feb 2012	**848,626**	**–**	**848,626**	**–**
10 Jul 2002	13.80	10 Jul 2003	10 Jul 2012	**14,069**	**–**	**14,069**	**–**
4 Feb 2003	9.32	4 Feb 2004	4 Feb 2013	**142,082**	**–**	**–**	**142,082**
21 Apr 2003	10.33	21 Apr 2004	21 Apr 2013	**7,842**	**–**	**–**	**7,842**
				1,014,026	**–**	**864,102**	**149,924**
Directors' Share Option Plan							
3 Apr 2002	13.95	3 Apr 2003	3 Apr 2012	**16,881**	**–**	**16,881**	**–**

1 *At 31 December 2012, the HSBC (Bank of Bermuda) Employee Benefit Trust 2004 held 2,108,830 HSBC Holdings ordinary shares which may be used to satisfy the exercise of employee share options.*