

DIVIDEND ANNOUNCEMENT

HSBC HOLDINGS PLC

FIRST INTERIM DIVIDEND FOR 2008 ON ORDINARY SHARES

In accordance with their intention to pay quarterly dividends on the ordinary shares in a pattern of three equal dividends with a variable fourth interim dividend, and as envisaged in the announcement of the 2007 Annual Results on 3 March 2008, the Directors of HSBC Holdings plc have declared a first interim dividend of US\$0.18 per ordinary share in respect of the year ending 31 December 2008. The dividend will be payable on 9 July 2008 to holders of ordinary shares on the Register on 23 May 2008. The ordinary shares will be quoted ex-dividend in London, Hong Kong and Bermuda on 21 May 2008 and in Paris on 26 May 2008. The American Depositary Shares will be quoted ex-dividend in New York on 21 May 2008.

Payment on Ordinary Shares

The first interim dividend will be payable on 9 July 2008 in cash in US dollars, or in sterling or Hong Kong dollars, or a combination of these currencies, at the forward exchange rates quoted by HSBC Bank plc in London at or about 11.00 am on 30 June 2008, and with a scrip dividend alternative. Particulars of these arrangements will be mailed to holders of ordinary shares on or about 3 June 2008, and elections will be required to be made by 25 June 2008.

Any person who has acquired ordinary shares registered on the Principal Register in the United Kingdom but who has not lodged the share transfer with the Principal Registrar should do so before 4.00 pm on Friday 23 May 2008 in order to receive the dividend.

The Hong Kong Overseas Branch Register of shareholders will be closed for one day, on Friday 23 May 2008. Any person who has acquired shares registered on that Branch Register but who has not lodged the share transfer with the Hong Kong Branch Registrar should do so before 4.00 pm on Thursday 22 May 2008 in order to receive the dividend. Transfers may not be made to or from the Hong Kong Overseas Branch Register while that Branch Register is closed.

Any person who has acquired ordinary shares registered on the Bermuda Overseas Branch Register of shareholders but who has not lodged the share transfer with the Bermuda Branch Registrar should do so before 4.00 pm on Friday 23 May 2008 in order to receive the dividend.

Payment on Ordinary Shares held through Euroclear France

The dividend will be payable on ordinary shares held through Euroclear France, the settlement and central depository system for Euronext Paris, on 9 July 2008 to the holders of record on 23 May 2008. The dividend will be payable in cash, in euros at the forward exchange rate quoted by HSBC France at or about 12 noon on 30 June 2008, or as a scrip dividend. Particulars of these arrangements will be announced through Euronext Paris on 22 and 29 May 2008.

Payment on American Depositary Shares

The dividend will be payable on American Depositary Shares, each of which represents five ordinary shares, on 9 July 2008 to holders of record on 23 May 2008. The dividend of US\$0.90 per American Depositary Share will be payable in cash in US dollars or as a scrip dividend of new American Depositary Shares. Particulars of these arrangements will be mailed to holders on or about 2 June 2008, and elections will be required to be made by 19 June 2008. Alternatively, the cash dividend may be invested in additional American Depositary Shares for participants in the dividend reinvestment plan operated by the depositary.

Any person who has acquired American Depositary Shares but who has not lodged the transfer documentation with the depositary should do so before 12 noon on Friday 23 May 2008 in order to receive the dividend.

DIVIDEND ON 6.20% NON-CUMULATIVE US DOLLAR PREFERENCE SHARES, SERIES A ("SERIES A DOLLAR PREFERENCE SHARES")

In 2005 1,450,000 Series A Dollar Preference Shares were issued and Series A American Depositary Shares, each of which represents one-fortieth of a Series A Dollar Preference Share, were listed on the New York Stock Exchange.

A non-cumulative fixed-rate dividend of 6.20 per cent per annum is payable quarterly on the Series A Dollar Preference Shares on 15 December, 15 March, 15 June and 15 September at the sole and absolute discretion of the Board of HSBC Holdings plc. Accordingly, the Board of HSBC Holdings plc has declared a dividend for the quarter ending 15 June 2008. Since 15 June is not a normal business day, the dividend of US\$0.3875 per Series A American Depositary Share will be payable on 16 June 2008 to holders of record on 30 May 2008.

Any person who has acquired Series A American Depositary Shares but who has not lodged the transfer documentation with the depositary should do so before 12 noon on Friday 30 May 2008 in order to receive the dividend.

INTERIM RESULTS

As indicated in the announcement of the 2007 Annual Results, the interim results for the six months to 30 June 2008 will be announced on Monday 4 August 2008.

The Directors of HSBC Holdings plc are S K Green, Baroness Dunn*, Sir Brian Moffat*, M F Geoghegan, Lord Butler*, S A Catz†, V H C Cheng, J D Coombe†, J L Durán†, R A Fairhead†, D J Flint, A A Flockhart, W K L Fung*, S T Gulliver, J W J Hughes-Hallett†, W S H Laidlaw†, Sir Mark Moody-Stuart†, G Morgan†, N R N Murthy†, S W Newton†, S M Robertson† and Sir Brian Williamson†.

* *Non-executive Director*

† *Independent non-executive Director*