Dear Shareholder

2019 FIRST INTERIM DIVIDEND

On 3 May 2019 your Directors declared a first interim dividend for 2019 of US$0.10 per ordinary share (the 'dividend'). The dividend is payable on 5 July 2019 to shareholders who are recorded on the Principal register, Hong Kong or Bermuda Overseas Branch registers on 17 May 2019 ('record date'). You have a choice of receiving the dividend in cash or in scrip ('scrip dividend') instead of receiving the dividend in cash. If you elect to receive new shares, you will increase your shareholding without incurring dealing costs or stamp duty. The Company will also benefit by retaining the cash which would otherwise be payable by way of the dividend cash. At the 2019 Annual General Meeting shareholders gave Directors authority to offer a scrip dividend scheme, which will apply to the dividend. This scheme included the clause that the scrip dividend should be treated as offering a right to receive new shares under the scheme, which HSBC is currently treating as offering a right to receive new shares in lieu of cash. The scrip dividend is designed to give shareholders a choice on how to receive their dividend in order to prevent them from being subject to the tax liability on a dividend received in cash.

Persons whose shares are held on their behalf by another person may have nominated a registered shareholder (for example your stockbroker, investment manager, custodian or other person who manages the investment on your behalf). Any changes or queries relating to nominated persons' personal details and holdings (including any administration thereof) must be directed to the registered shareholder and not HSBC's Registrar. The only exception is where HSBC, in exercising its powers under the UK Companies Act 2006, writes to nominated persons on its behalf and not HSBC's Registrar. The only exception is where HSBC, in exercising its powers under the UK Companies Act 2006, writes to nominated persons on its behalf.

Within this document the Hong Kong Special Administrative Region of the People's Republic of China has been referred to as 'Hong Kong'.

The Directors of HSBC Holdings plc are Mark Tucker*, John Flint, Kathleen Casey*, Laura Cha†, Henri de Castries†, Irene Lee†, José María de los Ríos†, Heida Mller†, Marc Moses, David Nish†, Edward Stevenson, Jonathan Symonds†, Jackson Tai† and Pauline van der Meer Mohr†.

* Non-executive Group Chairman
† Independent non-executive Director

This document is important and requires your immediate attention. If you are in any doubt about this document or as to the action you should take, you should consult a stockbroker, solicitor, accountant or other appropriate independent professional adviser.

If you sold or transferred all or some of your ordinary shares on or before 15 May 2019, but those shares are included in the number shown in box 1 on your form of election or entitlement advice for 5 July 2019, please consult your stockbroker, custodian or other person who manages your investment on your behalf.

Persons whose shares are held on their behalf by another person may have nominated a registered shareholder (for example your stockbroker, investment manager, custodian or other person who manages the investment on your behalf). Any changes or queries relating to nominated persons' personal details and holdings (including any administration thereof) must be directed to the registered shareholder and not HSBC’s Registrar. The only exception is where HSBC, in exercising its powers under the UK Companies Act 2006, writes to nominated persons directly for a response.

Within this document the Hong Kong Special Administrative Region of the People’s Republic of China has been referred to as ‘Hong Kong’.

The Directors of HSBC Holdings plc are Mark Tucker*, John Flint, Kathleen Casey*, Laura Cha†, Henri de Castries†, Irene Lee†, José María de los Ríos†, Heida Mller†, Marc Moses, David Nish†, Edward Stevenson, Jonathan Symonds†, Jackson Tai† and Pauline van der Meer Mohr†.

* Non-executive Group Chairman
† Independent non-executive Director

Your responsibilities

Whether or not it is to your advantage to elect to receive new shares in lieu of a cash dividend or to elect to receive payment in US dollars, sterling or Hong Kong dollars is a matter for your decision in each case. Shareholders cannot accept any responsibility for your decision.

Overseas shareholders

No person receiving a copy of this document or the form of election in any jurisdiction outside the United Kingdom or Hong Kong may treat the same as offering a right to elect to receive new shares unless such offer could lawfully be made to such person without the Company being required to comply with any governmental or regulatory procedures or in any similar formalities. It is the responsibility of any person outside the United Kingdom and Hong Kong who wishes to receive new shares under the scheme to comply with the laws of the relevant jurisdiction(s), including the obtaining of any governmental or other consents and compliance with all other formalities. It is also the responsibility of any person who receives new shares in lieu of a cash dividend to comply with any restrictions on the resale of the shares which may apply outside the United Kingdom and Hong Kong.

Taxation

A general outline of the tax consequences in the UK and overseas is provided on our website at www.hsbc.com/dividends. The effect on the tax position of any shareholder receiving a cash dividend or electing to receive new shares in lieu of a cash dividend will depend upon the shareholder’s own individual circumstances. Shareholders should consult their own tax advisers with regard to their liability to taxation. No tax is currently withheld from dividends paid by the Company. The tax-free dividend allowance in the UK is currently £2,000. To assist shareholders who receive a scrip dividend, we will send a Dividend Confirmation which may be needed for tax returns.

Communications

Shareholders may at any time choose to receive corporate communications in printed form or to receive notifications of their availability on HSBC’s website. To receive, by email, future notifications of the availability of a corporate communication on HSBC’s website, or revoke or amend an instruction to receive such notifications, go to hsbc.com/corporate and update your instructions. If you choose to receive electronic communications from HSBC, we will also send notifications of your dividend entitlements by email. If you receive a notification of the availability of this document on HSBC’s website and would like to receive a printed copy of it, or if you would like to receive future corporate communications in printed form, please write or send an email to the Registrar on HSBC’s website and would like to receive a printed copy of it, or if you would like to receive future corporate communications in printed form, please write or send an email to the Registrar.


Principal register

ComputerShare Investor Services PLC
The Pavilions
Bridgewater Road
Bristol
BS39 6ZQ
United Kingdom
Telephone: +44 (0) 370 702 0137
Email via website:
www.investorcentre.co.uk/contactus
Invesco
Investor Centre:
www.investorcentre.com

Hong Kong Overseas Branch register

ComputerShare Hong Kong Investor Services Limited
Rooms 1712-1716, 17th Floor
Hopewell Centre
183 Queen’s Road East
Hong Kong SAR
Telephone: +852 2862 8555
Email: hsbc.com@computershare.com.hk
Investor Centre:
www.investorcentre.com/hk

Bermuda Overseas Branch register

Investor Relations Team
HSBC Bank Bermuda Limited
37 Front Street
Hamilton HM 11
Bermuda
Telephone: +1 441 299 6373
Email: hsbmbshareholderservices@hsbc.bm

Investor Centre:
www.investorcentre.com/bm

US Shareholder helpline
Telephone: +1 866 299 4242

Persons whose shares are held on their behalf by another person may have been nominated to receive communications from HSBC pursuant to section 146 of the UK Companies Act 2006. You have a choice of receiving the dividend in cash or in scrip. If you elect to receive new shares, you will increase your shareholding without incurring dealing costs or stamp duty. The Company will also benefit by retaining the cash which would otherwise be payable by way of the dividend cash.

At the 2019 Annual General Meeting shareholders gave Directors authority to offer a scrip dividend scheme, which will apply to the dividend. This scheme included the clause that the scrip dividend should be treated as offering a right to receive new shares. HSBC is currently treating as offering a right to receive new shares in lieu of cash.

The appendix to this letter sets out further details of the scrip dividend.

The first interim dividend for 2019, you should, without delay, consult the stockbroker or other agent through whom the sale or transfer was effected for advice on the action you should take.

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HSBC Holdings plc
Registered Office and Group Head Office:
2 Canada Square, London E14 5HQ, United Kingdom
Web: www.hsbc.com
Incorporated in England with limited liability. Registered in England: number 0179387

Richard Gray
Group Company Secretary
market value of the new shares and the maximum dividend available in respect of your remaining dividend entitlement may arise, representing the difference between the total market value of the new shares and the maximum dividend available in respect of your shareholding. This residual dividend entitlement will be carried forward in US dollars (without interest) to the next dividend. Therefore, we will pay you any residual dividend entitlement if you dispose of your entire holding; or receive the dividend in cash; or revoke your standing instruction to receive new shares; or ask us to send it to you. If you have less than 84 ordinary shares you will not receive any new shares for this dividend. The new shares will be issued subject to the Articles of Association of the Company and will rank equally with the existing ordinary shares in all respects.

What is the currency conversion rate for cash dividends?

The dividend is declared in US dollars. It will then be converted into Hong Kong dollars and sterling using the forward exchange rate quoted by HSBC Bank plc in London at or about 11.00 am on the exchange rate date. The exchange rate to be applied for the dividend will be announced to the London, Hong Kong, Paris, and Bermuda exchange for the five business days beginning with the ex-dividend date.

If you do not choose the currency in which to receive your cash dividend, you will be paid as follows:

1. Principal register in the United Kingdom - sterling (except for those who are resident in the United States in which case it will be US dollars)
2. Hong Kong Overseas Branch register - Hong Kong dollars
3. Bermuda Overseas Branch register - US dollars

What action is required?

Your form of election or entitlement advice (the ‘form’) is included with this letter. If you have a standing instruction to receive scrip dividend shares on your full holding the form will automatically be revoked if you complete the form.

If you have less than 84 ordinary shares you will not receive any new shares for this dividend. The new shares will be issued subject to the Articles of Association of the Company and will rank equally with the existing ordinary shares in all respects.

Final date for receipt by Registrar of forms of election or entitlement advice

Applications will be made to the UK Listing Authority and to the London Stock Exchange for the new shares to be admitted to the Official List and to trading respectively, to the Stock Exchange of Hong Kong for listing of, and permission to deal in, the new shares, and to the New York, Paris and Bermuda stock exchanges for listing of the new shares.

Other information

Dividends are expected to be paid on or about 21 May 2019. Accordingly, the total cost of the dividend if no new shares were issued would be approximately US$2,024 million. The applicable tax credit is the sterling equivalent of approximately US$225 million.

Transfers

If you recently acquired ordinary shares registered on the Principal register in the United Kingdom or the Overseas Branch registers in Hong Kong, Bermuda, or the US, your share transfer must have been lodged with the appropriate Registrar before 4.00 pm on the record date in order to receive the dividend.

Overseas shareholders on the UK Principal register may now be able to elect to have their dividend payments in other currencies through our Global Dividend Service, further details on this service can be found by logging on to www.investorcentre.co.uk and selecting ‘update my details’ followed by the option ‘global payments’. If you are not a member of Investor Centre you will need to register before updating your details. No acknowledgement of receipt of a form of election will be issued.

Other information

If all eligible shareholders elected to receive new shares for the dividend, approximately 235,749,511 new shares would be issued representing an increase of 1.20 per cent in the issued ordinary share capital (excluding treasury shares) of the Company, as at the latest practicable date being 21 May 2019. Accordingly, the total cost of the dividend if no new shares were issued would be approximately US$2.024 billion. The applicable tax credit is the sterling equivalent of approximately US$225 million.

How is the scrip dividend calculated?

The scrip dividend is calculated using the average middle market closing price of HSBC Holdings plc ordinary shares quoted on the London Stock Exchange for the five business days beginning with the ex-dividend date. The market price is converted to US dollars (the ‘market value’) using the exchange rates quoted by HSBC Bank plc in London at or about 11.00 am on scrip calculation date. For this dividend the market value is US$8.3022 (£6.5516).

The formula used for calculating your entitlement to new shares is as follows:

\[
\text{maximum dividend available} = \text{market value} \times \text{maximum number of new shares}
\]

An online calculator to assist you in calculating your dividend entitlement is available at www.hsbc.com/dividends.

You may elect to receive new shares in respect of all or part of your holding of ordinary shares. No fraction of a share will be issued.

If you elect to receive the maximum number of new shares in lieu of your dividend, a residual dividend entitlement may arise, representing the difference between the total market value of the new shares and the maximum dividend available in respect of your shareholding. This residual dividend entitlement will be carried forward in US dollars (without interest) to the next dividend. Therefore, we will pay you any residual dividend entitlement if you dispose of your entire holding; or receive the dividend in cash; or revoke your standing instruction to receive new shares; or ask us to send it to you. If you have less than 84 ordinary shares you will not receive any new shares for this dividend. The new shares will be issued subject to the Articles of Association of the Company and will rank equally with the existing ordinary shares in all respects.

What is the currency conversion rate for cash dividends?

The dividend is declared in US dollars. It will then be converted into Hong Kong dollars and sterling using the forward exchange rate quoted by HSBC Bank plc in London at or about 11.00 am on the exchange rate date. The exchange rate to be applied for the dividend will be announced to the London, Hong Kong, Paris, and Bermuda stock exchanges on or around the exchange rate date.

If you do not choose the currency in which to receive your cash dividend, you will be paid as follows:

1. Principal register in the United Kingdom - sterling (except for those who are resident in the United States in which case it will be US dollars)
2. Hong Kong Overseas Branch register - Hong Kong dollars
3. Bermuda Overseas Branch register - US dollars

What action is required?

Your form of election or entitlement advice (the ‘form’) is included with this letter. If you have a standing instruction to receive scrip dividend shares on your full holding the form will automatically be revoked if you complete the form.

If you wish to change the way you receive your dividend, you must either do so using the online system ‘investor centre’,* returning the form, or by writing to our Registrar, Computershare at the relevant address given at the end of this letter. You may elect to receive new shares in respect of all or part of your holding of ordinary shares. No fraction of a share will be issued.

If you elect to receive the maximum number of new shares in lieu of your dividend, a residual dividend entitlement may arise, representing the difference between the total market value of the new shares and the maximum dividend available in respect of your shareholding. This residual dividend entitlement will be carried forward in US dollars (without interest) to the next dividend. Therefore, we will pay you any residual dividend entitlement if you dispose of your entire holding; or receive the dividend in cash; or revoke your standing instruction to receive new shares; or ask us to send it to you. If you have less than 84 ordinary shares you will not receive any new shares for this dividend. The new shares will be issued subject to the Articles of Association of the Company and will rank equally with the existing ordinary shares in all respects.

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The dividend is declared in US dollars. It will then be converted into Hong Kong dollars and sterling using the forward exchange rate quoted by HSBC Bank plc in London at or about 11.00 am on the exchange rate date. The exchange rate to be applied for the dividend will be announced to the London, Hong Kong, Paris, and Bermuda stock exchanges on or around the exchange rate date.

If you do not choose the currency in which to receive your cash dividend, you will be paid as follows:

1. Principal register in the United Kingdom - sterling (except for those who are resident in the United States in which case it will be US dollars)
2. Hong Kong Overseas Branch register - Hong Kong dollars
3. Bermuda Overseas Branch register - US dollars

What action is required?

Your form of election or entitlement advice (the ‘form’) is included with this letter. If you have registered your email address, you should have been sent an electronic version. If you do not wish to change the way you receive your dividend, you should not take any action, your dividend will be paid as indicated in the form. If you have a standing instruction to receive scrip dividend shares on your full holding this will automatically be revoked if you complete the form.

If you wish to change the way you receive your dividend, you must either do so by the election deadline date using the online system ‘investor centre’**, returning the form, or by writing to our Registrar, Computershare at the relevant address given at the end of this letter. We can pay your dividend direct to your bank account in the United Kingdom, United States or Hong Kong if your bank account is denominated in the local currency. Please provide your bank account details to the Registrar by completing the dividend payment instruction section of the form.

*If you have not yet signed up to use Investor Centre you may do so at any time at www.investorcentre.co.uk or www.investorcentre.com/uk or www.investorcentre.com/bm. You can view your shareholding at any time on Investor Centre.

**Overseas shareholders on the UK Principal register may now be able to elect to have their dividend payments in other currencies through our Global Dividend Service, further details on this service can be found by logging on to www.investorcentre.co.uk and selecting ‘update my details’ followed by the option ‘global payments’. If you are not a member of Investor Centre you will need to register before updating your details. No acknowledgement of receipt of a form of election will be issued.

Other information

If all eligible shareholders elected to receive new shares for the dividend, approximately 235,749,511 new shares would be issued representing an increase of 1.20 per cent in the issued ordinary share capital (excluding treasury shares) of the Company, as at the latest practicable date being 21 May 2019. Accordingly, the total cost of the dividend if no new shares were issued would be approximately US$2.024 billion. The applicable tax credit is the sterling equivalent of approximately US$225 million.

Transfers

If you recently acquired ordinary shares registered on the Principal register in the United Kingdom or the Overseas Branch registers in Hong Kong, Bermuda, your share transfer must have been lodged with the appropriate Registrar before 4.00 pm on the record date in order to receive the dividend.

List of forms of election or entitlement advice

Applications will be made to the UK Listing Authority and to the London Stock Exchange for the new shares to be admitted to the Official List and to trading respectively, to the Stock Exchange of Hong Kong for listing of, and permission to deal in, the new shares, and to the New York, Paris and Bermuda stock exchanges for listing of the new shares.

Existing ordinary shares on the Principal register may be held either in certificated form, or in uncertificated form through CREST. If you hold ordinary shares in both certificated and uncertificated form, each holding will be treated separately for the purpose of calculating entitlements to new shares.

Definitive share certificates for the new shares issued in respect of holdings in certificated form are expected to be mailed to shareholders entitled thereto at their risk on or about the payment date, at the same time in warrants in respect of the cash dividend are mailed. New shares issued in respect of holdings of ordinary shares which are in uncertificated form will also be issued in uncertificated form. The Company will arrange for the relevant shareholders’ stock accounts in CREST to be credited with the appropriate numbers of new shares on the payment date.

Dealing in the new shares in London, Hong Kong, Paris and Bermuda, and in the American Depositary Shares in New York are expected to begin on the payment date.

The new shares will rank pari passu with the existing ordinary shares of the Company.
### Appendix

**Timetable of events**

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary shares quoted ex-dividend in Hong Kong, London, Paris, and Bermuda and American Depository Shares quoted ex-dividend in New York (‘ex-dividend date’)</td>
<td>16 May 2019</td>
</tr>
<tr>
<td>Record date for the first interim dividend for 2019 for holders on the Principal register in Hong Kong or Bermuda Overseas Branch registers (‘record date’)</td>
<td>17 May 2019</td>
</tr>
<tr>
<td>Scrip dividend calculation date</td>
<td>22 May 2019</td>
</tr>
<tr>
<td><strong>FINAL DATE FOR RECEIPT BY REGISTER OF FORMS OF ELECTION, REVOCATIONS OF STANDING INSTRUCTIONS FOR SCRIP DIVIDENDS AND ELECTRONIC INSTRUCTIONS FOR ELECTION DEADLINE DATES</strong></td>
<td>20 June 2019</td>
</tr>
<tr>
<td>Exchange rate determined for payment of dividends in sterling and Hong Kong dollars (‘exchange rate date’)</td>
<td>24 June 2019</td>
</tr>
<tr>
<td>Payment date - dividend warrants mailed, new share certificates or Bermuda Overseas Branch register Transaction Advice and Dividend Confirmations mailed, and shares credited to stock accounts in CREST (‘payment date’)</td>
<td>5 July 2019</td>
</tr>
<tr>
<td>Expected first day of dealings in new shares in London, Hong Kong, Paris, Bermuda, and in American Depository Shares in New York</td>
<td>5 July 2019</td>
</tr>
</tbody>
</table>

### How is the scrip dividend calculated?

The scrip dividend is calculated using the average middle market closing price of HSBC Holdings plc ordinary shares quoted on the London Stock Exchange for the five business days beginning with the ex-dividend date. The market price is converted to US dollars (the ‘market value’) using the exchange rates quoted by HSBC Bank plc in London at or about 11.00 am on scrip dividend date. For this dividend the market value is US$8.3022 (£6.5516).

The formula used for calculating your entitlement to new shares is as follows:

\[
\text{Number of new shares} = \frac{\text{Market value of existing shareholding}}{\text{Market value of existing shareholding} \times 100} \times \text{Number of existing shares} \times \text{Conversion factor}
\]

### What is the currency conversion rate for cash dividends?

The dividend is declared in US dollars. It will then be converted into Hong Kong dollars and sterling using the forward exchange rate quoted by HSBC Bank plc in London at or about 11.00 am on the exchange rate date. The exchange rate to be applied for the dividend will be announced to the Hong Kong, Paris, and Bermuda stock exchanges on or around the exchange rate date.

If you do not choose the currency in which to receive your cash dividend, you will be paid as follows:

1. **Principal register in the United Kingdom** - sterling (except for those who are resident in the United States in which case it will be US dollars)
2. **Hong Kong Overseas Branch register** - Hong Kong dollars
3. **Bermuda Overseas Branch register** - US dollars

### What action is required?

Your form of election or entitlement advice (the ‘form’) is included with this letter. If you have registered your email address, you should have been sent an electronic version. If you do not wish to change how you receive your dividend, you should take no action, your dividend will be paid as indicated in the form.

If you have a standing instruction to receive scrip dividend shares on your full holding this will automatically be revoked if you complete the form.

If you wish to change the way you receive your dividend, you must either do so using the online system ‘investor centre’*, returning the form, by the **ELECTION DEADLINE DATE** or by writing to our Registrar, Computershare at the relevant address given at the end of this letter.

*If you have not yet signed up to use Investor Centre you may do so at any time at www.investorcentre.co.uk or www.investorcentre.com/hk or www.investorcentre.com/bm. You can view your shareholding at any time on Investor Centre.

Overseas shareholders on the UK Principal register may now be able to elect to have their dividend payments in other currencies through our Global Dividend Service, further details on this service can be found by logging on to www.investorcentre.co.uk and selecting ‘update my details’ followed by the option ‘global payments’. If you are not a member of Investor Centre you will need to register before updating your details.

No acknowledgement of receipt of a form of election will be issued. **Other information**

If all eligible shareholders elected to receive new shares for the dividend, approximately 243,749,511 new shares would be issued, representing an increase of 1.20 per cent in the issued ordinary share capital (excluding treasury shares) of the Company, as at the last practical date for the dividend, 30 April 2019. Accordingly, the total cost of the dividend of no new shares were issued would be approximately US$2,024 million. The applicable tax credit is the sterling equivalent of approximately US$225 million.

**Transfers**

If you recently acquired ordinary shares registered on the Principal register in the United Kingdom or the Overseas Branch registers in Hong Kong or Bermuda, your share transfer must have been lodged with the appropriate Registrar before 4.00 pm on the record date in order to receive the dividend.

### Issue of share certificates and listing of new shares

Applications will be made to the UK Listing Authority and to the London Stock Exchange for the new shares to be admitted to the Official List and to trading respectively, to the Stock Exchange of Hong Kong for listing of, and permission to deal in, the new shares, and to the New York, Paris and Bermuda stock exchanges for listing of the new shares.

Existing ordinary shares on the Principal register may be held either in certificated form, or in uncertificated form through CREST. If you hold ordinary shares in both certificated and uncertificated form, each holding will be treated separately for the purpose of calculating entitlements to new shares.

Definitive share certificates for the new shares issued in respect of holdings in certificated form are expected to be mailed to shareholders entitled thereto at their risk on or about the payment date, at the same time as warrants in respect of the cash dividend are mailed. New shares issued in respect of holdings of ordinary shares which are in uncertificated form will also be issued in uncertificated form. The Company will arrange for the relevant shareholders’ stock accounts in CREST to be credited with the appropriate numbers of new shares on the payment date.

Dealing in the new shares in London, Hong Kong, Paris and Bermuda, and in the American Depository Shares in New York are expected to begin on the payment date. The new shares will rank pari passu with the existing ordinary shares of the Company.

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Appendix

Tentative of events

Ordinary shares quoted ex-dividend in London, Hong Kong, Paris and Bermuda and American Depositary Shares quoted ex-dividend in New York (‘ex-dividend date’)

16 May 2019

Record date for the first interim dividend for 2019 for holders on the Principal register in Hong Kong or Bermuda Overseas Branch registers (‘record date’)

17 May 2019

Scrip dividend calculation date

22 May 2019

Final date for receipt by Registrar of forms of action, revocations of standing instructions for scrip dividends and electronic instructions (‘election deadline date’)

20 June 2019

Exchange rate determined for payment of dividends in sterling and Hong Kong dollars (‘exchange rate date’)

24 June 2019

Payment date; dividend warrants mailed, new shares certificates or Bermuda Overseas Branch register Transaction Advices and Dividend Confirmations mailed, and shares credited to stock accounts in CREST (‘payment date’)

5 July 2019

Expected first day of dealings in new shares in London, Hong Kong, Paris, Bermuda, and in American Depository Shares in New York

5 July 2019

How is the scrip dividend calculated?

The scrip dividend is calculated using the average middle market closing price of HSBC Holdings plc ordinary shares quoted on the London Stock Exchange for the five business days beginning with the ex-dividend date. The market price is converted to business days beginning with the ex-dividend date. The market price is converted to

The market price is converted to US dollars (the ‘market value’) using the exchange rates quoted by HSBC Bank plc in London at or about 11.00 am on scrip calculation date. For this dividend the market value is US$37052 (€2.5516).

The formula used for calculating your entitlement to new shares is as follows:

The new shares will be issued subject to the Articles of Association of the Company and will rank equally with the existing ordinary shares in all respects.

What is the currency conversion rate for cash dividends?

The dividend is declared in US dollars. It will then be converted into Hong Kong dollars and sterling using the forward exchange rate quoted by HSBC Bank plc in London at or about 11.00 am on the exchange rate date. The exchange rate to be applied for the dividend will be announced to the London, Hong Kong, New York, Paris and Bermuda stock exchanges on or around the exchange rate date.

If you do not choose the currency in which to receive your cash dividend, you will be paid as follows:

1. Principal register in the United Kingdom - sterling (except for those who are resident in the United States in which case it will be US dollars)

2. Hong Kong Overseas Branch register - Hong Kong dollars

3. Bermuda Overseas Branch register - US dollars

What action is required?

Your form of election or entitlement advice (the ‘form’) is included with this letter. If you have less than 84 ordinary shares you will not receive any new shares for this dividend.

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If you do not choose the currency in which to receive your cash dividend, you will be paid as follows:

1. Principal register in the United Kingdom - sterling (except for those who are resident in the United States in which case it will be US dollars)

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3. Bermuda Overseas Branch register - US dollars

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1. Principal register in the United Kingdom - sterling (except for those who are resident in the United States in which case it will be US dollars)

2. Hong Kong Overseas Branch register - Hong Kong dollars

3. Bermuda Overseas Branch register - US dollars

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If you do not choose the currency in which to receive your cash dividend, you will be paid as follows:

1. Principal register in the United Kingdom - sterling (except for those who are resident in the United States in which case it will be US dollars)

2. Hong Kong Overseas Branch register - Hong Kong dollars

3. Bermuda Overseas Branch register - US dollars

What action is required?

Your form of election or entitlement advice (the ‘form’) is included with this letter. If you have less than 84 ordinary shares you will not receive any new shares for this dividend.

If you have less than 84 ordinary shares you will not receive any new shares for this dividend.

The new shares will be issued subject to the Articles of Association of the Company and will rank equally with the existing ordinary shares in all respects.

What is the currency conversion rate for cash dividends?

The dividend is declared in US dollars. It will then be converted into Hong Kong dollars and sterling using the forward exchange rate quoted by HSBC Bank plc in London at or about 11.00 am on the exchange rate date. The exchange rate to be applied for the dividend will be announced to the London, Hong Kong, New York, Paris and Bermuda stock exchanges on or around the exchange rate date.

If you do not choose the currency in which to receive your cash dividend, you will be paid as follows:

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The new shares will be issued subject to the Articles of Association of the Company and will rank equally with the existing ordinary shares in all respects.
Your responsibilities
Whether or not it is to your advantage to elect to receive new shares in lieu of a cash dividend or to elect to receive payment in US dollars, sterling or Hong Kong dollars is a matter for your own decision by each shareholder. HSBC cannot accept any responsibility for your decision.

Overseas shareholders
No person receiving a copy of this document or the form of election in any jurisdiction outside the United Kingdom or Hong Kong may treat the same as offering a right to elect to receive new shares unless such offer could lawfully be made to such person without the Company being required to comply with any governmental or regulatory procedures or any similar formalities. It is the responsibility of any person outside the United Kingdom and Hong Kong who wishes to receive new shares under the scheme to comply with the laws of the relevant jurisdiction(s), including the obtaining of any governmental or other consents and compliance with all other formalities. It is also the responsibility of any person who receives new shares in lieu of a cash dividend to comply with any restrictions on the resale of the shares which may apply outside the United Kingdom and Hong Kong.

Taxation
A general outline of the tax consequences in the UK and overseas is provided on our website at www.hsbc.com/dividends. The effect on the tax position of any shareholder will depend upon the shareholder's own individual circumstances. Shareholders should consult their own tax advisers with regard to their liability to taxation. No tax is currently withheld from dividends paid by the Company. The tax-free dividend allowance in the UK is currently £2,000. To assist shareholders who receive a scrip dividend, we will send a Dividend Confirmation which may be needed for tax returns.

Communications
Shareholders may at any time choose to receive corporate communications in printed form or to receive notifications of their availability on HSBC’s website. To receive, by email, future notifications of the availability of a corporate communication on HSBC’s website, or revoke or amend an instruction to receive such communications, go to www.hsbc.com/corporatecommunications. If you elect to receive electronic communications from HSBC, we will also send notifications of your dividend entitlements by email. If you received a notification of the availability of this document on HSBC’s website and would like to receive a printed copy of it, or if you would like to receive future corporate communications in printed form, please write or send an email (including your shareholder reference number to the appropriate Registrar at the address given below). Printed copies will be provided without charge.

Further copies of this letter, replacement forms of election and a Chinese translation of this and future documents may be obtained from the Registrar.

Dear Shareholder
On 3 May 2019 your Directors declared a first interim dividend for 2019 of US$0.10 per ordinary share (the ‘dividend’). The dividend is payable on 5 July 2019 to shareholders registered in the Hong Kong Overseas Branch register on 17 May 2019 (‘record date’). You have a choice of receiving the dividend in cash in three currencies (US dollars, Hong Kong dollars or sterling). You may also elect to receive it as a scrip dividend in the form of new shares.

SCRIP DIVIDEND
You can elect to receive new shares at a market value of US$8.3022 (£6.5516) (the ‘scrip dividend’) instead of receiving the dividend in cash. If you elect to receive new shares, you will increase your shareholding without incurring dealing costs or stamp duty. The Company will also benefit by retaining cash which would otherwise be payable by way of the cash dividend. At the 2019 Annual General Meeting shareowners gave Directors authority to offer a scrip dividend scheme, which will apply to the dividend. The scrip dividend is intended to provide a way for shareowners to increase their shareholding in the Company.

We encourage you to sign up to receive all communications from the Company by email. Please go to www.hsbc.com/ecomms to register your email address so that we can send email communications to you, on an opt-in basis when shareholder documents are available on our website and of your dividend entitlements.

Yours sincerely

Richard Gray
Group Company Secretary

HSBC Holdings plc
Registered Office and Group Head Office
30 Canada Square, London E14 5HL, United Kingdom
Web: www.hsbc.com
Incorporated in England with limited liability. Registered in England: number 0173977

Dear Shareholder
On 3 May 2019 your Directors declared a first interim dividend for 2019 of US$0.10 per ordinary share (the ‘dividend’). The dividend is payable on 5 July 2019 to shareholders who are recorded on the Principal register, Hong Kong or Bermuda Overseas Branch registers on 17 May 2019 (‘record date’). You have a choice of receiving the dividend in cash in three currencies (US dollars, Hong Kong dollars or sterling). You may also elect to receive it as a scrip dividend in the form of new shares.

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We encourage you to sign up to receive all communications from the Company by email. Please go to www.hsbc.com/ecomms to register your email address so that we can send email communications to you, on an opt-in basis when shareholder documents are available on our website and of your dividend entitlements.

Yours sincerely

Richard Gray
Group Company Secretary

HSBC Holdings plc
Registered Office and Group Head Office
30 Canada Square, London E14 5HL, United Kingdom
Web: www.hsbc.com
Incorporated in England with limited liability. Registered in England: number 0173977
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2019 FIRST INTERIM DIVIDEND

On 3 May 2019 your Directors declared a first interim dividend for 2019 of US$0.10 per ordinary share (the ‘dividend’). The dividend is payable on 5 July 2019 to shareholders who are recorded on the Principal register, Hong Kong or Bermuda Overseas Branch registers on 17 May 2019 (‘record date’). You have a choice of receiving the dividend in cash in three currencies (US dollars, sterling and Hong Kong dollars) or by way of the cash dividend. At the 2019 Annual General Meeting shareholders gave Directors authority to offer a scrip dividend scheme, which will apply to the dividend.

 Scrip Dividend

You can elect to receive new shares at a market value of US$0.5516 (the ‘scrip dividend’) instead of receiving the dividend in cash. If you elect to receive new shares, you will increase your shareholding without incurring dealing costs or stamp duty. The Company will also benefit by retaining cash which would otherwise be payable by way of the cash dividend. At the 2019 Annual General Meeting shareholders gave Directors authority to offer a scrip dividend scheme, which will apply to the dividend. The scrip dividend is denominated in US dollars, pounds sterling and Hong Kong dollars.

Please elect to receive it as a scrip dividend in the form of new shares.

Your responsibilities

Whether or not it is to your advantage to elect to receive new shares in lieu of a cash dividend or to elect to receive payment in US dollars, sterling or Hong Kong dollars is a matter for your individual decision by each shareholder. HSBC cannot accept any responsibility for your decision.

Overseas shareholders

No person receiving a copy of this document or the form of election in any jurisdiction outside the United Kingdom or Hong Kong may transact the same as offering a right to elect to receive new shares unless such offer could lawfully be made to such person without the Company being required to comply with any governmental or regulatory procedures or in any similar formalities. It is the responsibility of any person outside the United Kingdom and Hong Kong who wishes to receive new shares under the scheme to comply with the laws of the relevant jurisdiction(s), including the obtaining of any governmental or other consents and compliance with all other formalities. It is also the responsibility of any person who receives new shares in lieu of a cash dividend to comply with any restrictions on the resale of the shares which may apply outside the United Kingdom and Hong Kong.

Taxation

A general outline of the tax consequences in the UK and overseas is provided on our website at www.hsbc.com/dividends. The effect on the tax position of any shareholder receiving a cash dividend or electing to receive new shares in lieu of a cash dividend will depend upon the shareholder’s own individual circumstances. Shareholders should consult their own tax advisers with regard to their liability to taxation. No tax is currently withheld from dividends paid by the Company. The tax-free dividend allowance in the UK is currently £2,000. To assist shareholders who receive a scrip dividend, we will send a Dividend Confirmation which may be needed for tax returns.

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HSBC Bank Bermuda Limited
37 Front Street
Hamilton HM 11
Bermuda
Telephone: +1 441 299 6373
Email: bstdbhb@hsbc.com

Investor Relations Team
HSBC Bank Bermuda Limited
37 Front Street
Hamilton HM 11
Bermuda
Telephone: +1 441 299 6373
Email: bsbm shareholder services@hsbc.bm

Investor Centre
www.investorcentre.com/bm

Bermuda Overseas Branch register

HSBC Bank Bermuda Limited
37 Front Street
Hamilton HM 11
Bermuda

US Shareholder helpline
Telephone: +1 866 299 4242

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about this document or as to the action you should take, you should consult a stockbroker, solicitor, accountant or other appropriate independent professional adviser.

30 May 2019