



10 December 2020

HSBC HOLDINGS PLC ANNOUNCES A PROPOSED OFFERING OF ADDITIONAL TIER 1 SECURITIES TO FINANCE THE REDEMPTION OF ITS US DOLLAR PREFERENCE SHARES

HSBC Holdings plc (the '**Company**', '**we**' or '**us**') announces a proposed offering (the '**Offering**') of a series of US dollar-denominated perpetual subordinated contingent convertible securities (the '**Securities**'), subject to market conditions.

Subject to the successful pricing of the Offering of the Securities (which is expected to occur on 10 December 2020, subject to market conditions), the Company intends to exercise its right to redeem all of its 1,450,000 6.20% Non-Cumulative Dollar Preference Shares, Series A (the '**Preference Shares**') represented by American Depositary Shares, Series A (the '**ADSs**') at a redemption price of US\$1,000 per Preference Share and US\$25 per ADS, plus accrued and unpaid dividends for the then-current dividend period to the redemption date. The Company intends to use the net proceeds from the sale of the Securities to redeem the Preference Shares and the ADSs, in accordance with the terms and conditions of the Preference Shares and the ADSs. Any of the net proceeds in excess of the redemption amount will be used for general corporate purposes and to further strengthen the Company's capital base pursuant to regulatory requirements.

The Company has retained HSBC Securities (USA) Inc. as Sole Structuring Adviser and Book-Running underwriter for the Offering.

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The Offering is being made pursuant to an effective shelf registration statement on Form F-3 filed with the Securities and Exchange Commission (the '**SEC**'). The Offering is being made solely by means of a prospectus supplement and accompanying prospectus (together, the '**Prospectus**') which has been or will be filed with the SEC. You may obtain these documents for free by visiting EDGAR on the SEC website at www.sec.gov or by writing or telephoning us at either of the following addresses:

Group Company Secretary
HSBC Holdings plc
8 Canada Square
London E14 5HQ
United Kingdom
Tel: +44 20 7991 8888

HSBC Holdings plc
c/o HSBC Bank USA, National Association
452 Fifth Avenue
New York, New York, 10018
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The distribution of this communication and other information referred to herein may be restricted by law and persons into whose possession this communication or such other information comes should inform themselves about and observe any such restriction. Any

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failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This communication does not constitute an offer to sell or a solicitation of an offer to buy the Securities, nor shall there be any sale of the Securities in any state or other jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

This communication shall not constitute a notice of redemption with respect to the Preference Shares and the ADSs. A notice will be published in due course, to the extent that the Company exercises its redemption option.

This communication, the Prospectus and any other documents or materials relating to the Offering are for distribution only to persons who (i) have professional experience in matters relating to investments and who fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the '**Financial Promotion Order**'), (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations etc.) of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as '**relevant persons**'). This communication, the Prospectus and any other documents or materials relating to the Offering are directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication, the Prospectus and any other documents or materials relating to the Offering relate is available only to relevant persons and will be engaged in only with relevant persons.

The Securities are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Securities to retail investors. In particular, in June 2015, the FCA published the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015, which set out certain rules and took effect from 1 October 2015 (the '**PI Rules**'). In addition, (i) on 1 January 2018, the provisions of Regulation (EU) No 1286/2014 (as amended, the '**PRIPs Regulation**') on key information documents for packaged retail and insurance-based investment products became directly applicable in all European Economic Area ('**EEA**') member states and the United Kingdom ('**UK**'), and (ii) MiFID II was required to be implemented in EEA member states and the UK by 3 January 2018. Together, the PI Rules, the PRIPs Regulation and MiFID II are referred to as the '**Regulations**'.

The Regulations set out various obligations in relation to (i) the manufacturing and distribution of financial instruments and (ii) the offering, sale and distribution of packaged retail and insurance-based investment products and certain contingent write-down or convertible securities, such as the Securities.

Potential investors should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Securities (or any beneficial interests therein) including the Regulations.

The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, '**MiFID II**'); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by the PRIPs Regulation for offering or selling the Securities or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIPs Regulation.

