

OFFER TO PURCHASE



HSBC Holdings plc

Offers to Purchase for Cash

Any and All of its Outstanding Notes Listed Below

EACH OFFER (AS DEFINED BELOW) WILL EXPIRE AT 5:00 P.M. (NEW YORK CITY TIME) ON SEPTEMBER 22, 2020, UNLESS EXTENDED OR EARLIER TERMINATED BY US IN OUR SOLE DISCRETION (SUCH DATE AND TIME WITH RESPECT TO AN OFFER, AS THE SAME MAY BE EXTENDED, THE “EXPIRATION TIME”). NOTES (AS DEFINED BELOW) TENDERED FOR PURCHASE MAY BE VALIDLY WITHDRAWN AT ANY TIME AT OR PRIOR TO 5:00 P.M. (NEW YORK CITY TIME) ON SEPTEMBER 22, 2020 (SUCH DATE AND TIME WITH RESPECT TO AN OFFER, AS THE SAME MAY BE EXTENDED, THE “WITHDRAWAL DATE”), BUT NOT THEREAFTER, UNLESS EXTENDED OR EARLIER TERMINATED WITH RESPECT TO AN OFFER BY US IN OUR SOLE DISCRETION AS DESCRIBED BELOW.

Upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related notice of guaranteed delivery (the “Notice of Guaranteed Delivery” and, together with this Offer to Purchase and any supplements or amendments hereto or thereto, the “Offer Documents”), HSBC Holdings plc (“HSBC Holdings,” “we” or “us”), hereby offers to purchase for cash in six separate offers any and all of the outstanding notes listed below. We refer to each offer to purchase a series of Notes as an “Offer,” and collectively as the “Offers.” As of the date of this Offer to Purchase, the aggregate outstanding principal amount of Notes subject to the Offers is \$8,147,122,000.

Acceptance Priority Level <sup>(1)</sup>	Title of Notes	CUSIP	Maturity Date	Principal Amount Outstanding	Reference Security	Fixed Spread	Fixed Price <sup>(2)</sup>
1	2.950% Senior Unsecured Notes due May 2021	404280AY5	May 25, 2021	\$2,500,000,000	UST 2.625% due May 15, 2021 (US9128284P22)	+ 15 basis points (“bps”)	N/A
2	Floating Rate Senior Unsecured Notes due May 2021	404280AZ2	May 25, 2021	\$1,000,000,000	N/A	N/A	\$1,010.96
3	4.000% Senior Unsecured Notes due March 2022	404280AN9	March 30, 2022	\$2,000,000,000	UST 0.375% due March 31, 2022 (US912828ZG82)	+25 bps	N/A
4	3.400% Senior Unsecured Notes due March 2021	404280AV1	March 8, 2021	\$1,032,090,000	UST 1.125% due February 28, 2021 (US912828P873)	+10 bps	N/A
5	5.100% Senior Unsecured Notes due April 2021	404280AK5	April 5, 2021	\$907,191,000	UST 1.250% due March 31, 2021 (US912828Q376)	+10 bps	N/A
6	Floating Rate Senior Unsecured Notes due March 2021	404280AX7	March 8, 2021	\$707,841,000	N/A	N/A	\$1,010.11

(1) We will accept Notes in the order of their respective Acceptance Priority Level specified in the table above, subject to the satisfaction of the Financing Condition (as defined below). **It is possible that the Financing Condition might not be met with respect to any series of Notes with any Acceptance Priority Level, and such series of Notes will not be accepted for purchase, even if one or more series of Notes with a lower Acceptance Priority Level is accepted for purchase.**

(2) Per \$1,000 principal amount.

We refer to the outstanding notes listed in the table above collectively as the “Notes” and separately as a “series” of Notes. Subject to applicable law and limitations described elsewhere in this Offer to Purchase, HSBC Holdings reserves the right to amend, extend or, to the extent the conditions described herein are not satisfied or waived, terminate each Offer at any time at or prior to the Expiration Time. See “Description of the Offers—Expiration Time; Extensions.”

Each Offer is subject to various conditions described in this Offer to Purchase. See “Description of the Offers—Conditions to the Offers.”

Provided that all conditions to an Offer have been satisfied or waived by us by the Expiration Time, we will settle all Notes validly tendered at or prior to the Expiration Time or the Guaranteed Delivery Date (as defined below) and accepted for purchase on the settlement date, which is expected to be the third Business Day (as defined below) after the Expiration Time, or September 25, 2020, unless extended or earlier terminated in respect of an Offer by us in our sole discretion (such date with respect to an Offer, as the same may be extended, the “Settlement Date”).

The consideration for each \$1,000 principal amount of each series of Notes validly tendered at or prior to the Expiration Time or the Guaranteed Delivery Date (as applicable), and accepted by us and not validly withdrawn (the “Consideration,” and the aggregate Consideration payable for all validly tendered and accepted Notes in all Offers, the “Total Consideration”) will be (i) in the case of the 3.400% Senior Unsecured Notes due March 2021, the 5.100% Senior Unsecured Notes due April 2021, the 2.950% Senior Unsecured Notes due May 2021 and the 4.000% Senior Unsecured Notes due March 2022 (collectively, the “Fixed Rate Notes”), determined in accordance with the formula set out in Annex A

hereto and with standard market practice, using the applicable Offer Yield, which will be equal to the sum of: (x) the applicable Reference Yield (as defined below) as determined by the Dealer Manager (as defined below) that corresponds to the bid-side yield of the applicable “Reference Security” specified in the table above for such series of Notes on the Bloomberg Reference Page (as defined below), plus (y) the applicable “Fixed Spread” specified in the table above, or (ii) in the case of the Floating Rate Senior Unsecured Notes due March 2021 and the Floating Rate Senior Unsecured Notes due May 2021 (collectively, the “Floating Rate Notes”), the applicable “Fixed Price” specified in the table above. The “Bloomberg Reference Page” means the page on Bloomberg from which the Dealer Manager will observe the bid-side yield of the Reference Security for each series of Fixed Rate Notes, which is expected to be PX3 or PX4, as applicable (or any other recognized quotation source selected by us in consultation with the Dealer Manager if such quotation source is not available or manifestly erroneous). The Consideration will, in the case of the Fixed Rate Notes, be calculated at or around 11:00 a.m. (New York City Time) on September 22, 2020, unless extended by us in respect of an Offer in our sole discretion (such date with respect to an Offer, as the same may be extended, the “Price Determination Date”). In addition to the Consideration, Holders (as defined below) whose Notes of a given series are accepted for purchase will be paid a cash amount equal to accrued and unpaid interest on such Notes from, and including, the last interest payment date for such Notes to, but not including, the Settlement Date, rounded to the nearest cent (such amount in respect of a series of Notes, “Accrued Interest”).

HSBC Bank plc is acting as dealer manager for the Offers (the “Dealer Manager”) and Global Bondholder Services Corporation is acting as the information agent (in such capacity, the “Information Agent”) and the depository (in such capacity, the “Depository”).

**Neither the Securities and Exchange Commission (“SEC”) nor any other regulatory body has approved or disapproved of the Offers or passed upon the adequacy or accuracy of this Offer to Purchase. Any representation to the contrary is a criminal offense.**

**This Offer to Purchase contains important information that should be read before any decision is made with respect to the Offers. In particular, see “Risk Factors” on page 15 for a discussion of certain factors you should consider in connection with the Offers.**

*Dealer Manager*

**HSBC Bank plc**

The date of this Offer to Purchase is September 15, 2020

**TABLE OF CONTENTS**

Important Information .....2  
Important Dates and Times.....4  
Certain Definitions and Presentation of Financial and Other Data.....6  
Limitations on Enforcement of U.S. Laws Against Us, Our Management and Others .....6  
Cautionary Statement Regarding Forward-Looking Statements .....6  
Where You Can Find More Information About Us .....7  
Summary of the Offers .....9  
Risk Factors .....15  
HSBC Holdings Plc .....17  
Purpose of the Offers .....18  
Description of the Offers .....19  
Taxation.....31  
Certain ERISA Considerations .....34  
Offer Restrictions .....35  
Dealer Manager; Information Agent.....37  
Annex A Formula to Calculate Consideration for Each Series of Fixed Rate Notes.....A-1

## IMPORTANT INFORMATION

We hereby make the concurrent, but separate, Offers to all Holders to purchase, upon the terms and subject to the conditions set forth in the Offer Documents, the outstanding securities listed in the table on the front cover of this Offer to Purchase. Subject to applicable law and limitations described elsewhere in the Offer Documents, we expressly reserve the right, with respect to each Offer, to amend, extend or, if any of the conditions described herein is not timely satisfied or waived, terminate such Offer.

We are responsible for the information contained and incorporated by reference in the Offer Documents we prepare or authorize. We have not authorized anyone to give you any other information, and we take no responsibility for any other information that others may give you. You should not assume that the information appearing in the Offer Documents we prepare or authorize, as well as information we have previously filed with the SEC and incorporated by reference, is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

The distribution of the Offer Documents in certain jurisdictions may be restricted by law. The Offer Documents do not constitute an offer or solicitation on our behalf, or on behalf of the Dealer Manager, to purchase Notes in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such offer or solicitation. Persons into whose possession this Offer to Purchase comes are required by us and the Dealer Manager to inform themselves about and to observe any such restrictions. This Offer to Purchase may not be used for or in connection with an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

All of the Notes are held in book-entry form through the facilities of The Depository Trust Company (“DTC”). Because only a registered holder (a “Holder”) may tender Notes, a beneficial owner of Notes must instruct the broker, dealer, commercial bank, trust company or other nominee that holds Notes on its behalf to tender Notes on such beneficial owner’s behalf.  **Holders must tender their Notes in accordance with the procedures set forth under “Description of the Offers—Procedures for Tendering Notes.”** DTC has authorized DTC participants that hold Notes on behalf of beneficial owners of Notes through DTC to tender their Notes as if they were Holders. If you desire to tender Notes through DTC, you must do so through DTC’s Automated Tender Offer Program (“ATOP”), for which the Offers will be eligible. Neither Holders nor beneficial owners of tendered Notes will be obligated to pay brokerage fees or commissions to us, the Dealer Manager or the Information Agent.

**In the event that any Offer is withdrawn or otherwise not completed, Consideration will not be paid or become payable to Holders who have validly tendered their Notes in connection with such Offer. In any such event, Notes previously tendered pursuant to such Offer will be promptly returned to the tendering Holder.**

Questions and requests for assistance may be directed to the Dealer Manager or the Information Agent at their respective addresses and telephone numbers set forth under “*Dealer Manager; Information Agent.*” Additional copies of this Offer to Purchase and other related materials may be obtained from the Information Agent. Beneficial owners may also contact their brokers, dealers, custodian banks, depositories, trust companies or other nominees through which they hold the Notes with questions and requests for assistance.

**None of the HSBC Holdings, the Dealer Manager, the Depository, the Bank of New York Mellon, London Branch as trustee (the “Trustee”), HSBC Bank USA, National Association as paying agent (the “Paying Agent”) and calculation agent (the “Calculation Agent”), the Information Agent, or any of their respective affiliates, makes any recommendation to any Holder whether to tender or refrain from tendering any or all of such Holder’s Notes, and none of them has authorized any person to make any such recommendation.**

**Prior to making an investment decision, you should consider carefully, in light of your own financial circumstances and investment objectives, all the information contained in this Offer to Purchase (including the information incorporated by reference) and related documents and any amendments or supplements. You must rely on your own examination of HSBC Holdings and the terms of the Offers, including the merits and risks involved. You should not consider any information in this Offer to Purchase to be legal, business or tax advice. You should consult your own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of an acceptance of the Offers.**

**The Trustee has not been engaged in any role in connection with this Offer to Purchase and has no responsibility whatsoever for the Offer to Purchase, the adequacy or accuracy of the information contained herein or the accuracy of any calculations relating to this Offer to Purchase. Any and all question regarding this Offer to Purchase should be directed to the Dealer Manager or the Information Agent.**

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Offer to Purchase and, if given or made, such information or representation may not be relied upon as having been authorized by us, the Dealer Manager, the Depositary, the Trustee, the Paying Agent, the Calculation Agent or the Information Agent. The delivery of this Offer to Purchase will not, under any circumstance, create any implication that the information herein is current as of any time subsequent to the date hereof or that there has been no change in the affairs of HSBC and its subsidiaries since the date of this Offer to Purchase.

After the Expiration Time, HSBC Holdings or its affiliates may from time to time purchase additional Notes in the open market, in privately negotiated transactions, through tender offers, exchange offers or otherwise, or we may redeem Notes pursuant to the terms of the indentures governing the Notes. Any future purchases may be on the same terms or on terms that are more or less favorable to Holders of Notes than the terms of the Offers and, in either case, could be for cash or other consideration. Any future purchases will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) HSBC Holdings or its affiliates will choose to pursue in the future.

The Dealer Manager or their respective affiliates may from time to time purchase additional Notes for their own account or the accounts of their customers in the open market or in privately negotiated transactions.

**The applicable provisions of the Financial Services and Markets Act 2000 must be complied with in respect of anything done in relation to the Offers in, from or otherwise involving the United Kingdom.**

Concurrently with the launch of the Offers made pursuant to this Offer to Purchase, HSBC Holdings expects to launch a proposed new issuance (the "Proposed Issuance") of senior unsecured debt securities in one or more series (the "New Notes") which are not subject to the Offers made hereby. It is expected that the Offers will be financed with the net cash proceeds from the issuance of such New Notes, along with cash on hand, if necessary. No assurance can be given that the Proposed Issuance will be completed. Notwithstanding any other provision of this Offer to Purchase, the consummation of each Offer and our obligation to accept for purchase, and to pay for, Notes validly tendered (and not validly withdrawn) pursuant to each Offer are subject to the satisfaction of or waiver of the following conditions: (a) the Financing Condition (including the successful completion of the Proposed Issuance) and (b) the other conditions set forth in "*Description of the Offers—Conditions to the Offers.*" We reserve the right to amend or waive any of the conditions of the Offers, in whole or in part, at any time or from time to time, in our sole discretion, subject to applicable law.

## IMPORTANT DATES AND TIMES

Holders of the Notes should be aware of the following times and dates pertaining to the Offers. Holders should note that the times and dates below are subject to change.

Date	Calendar Date and Time	Event
Launch Date.....	At or around 10:00 a.m. (New York City time) on September 15, 2020.	Commencement of the Offers.
Total Available Amount Announcement.....	At or around 10:00 a.m. (New York City Time) on September 16, 2020.	Announcement of the expected aggregate principal amount of the Proposed Issuance (the “Total Available Amount”) for purposes of applying the Financing Condition.
Price Determination Date.....	At or around 11:00 a.m. (New York City Time) on September 22, 2020, unless extended in respect of an Offer by us in our sole discretion.	<p>The date and time at which the bid-side yield on the applicable Reference Security (the “Reference Yield”) and the Consideration in respect of each series of Fixed Rate Notes will be determined by the Dealer Manager.</p> <p>We will announce the Consideration for each series of Fixed Rate Notes as soon as reasonably practicable after the determination thereof.</p>
Withdrawal Date .....	5:00 p.m. (New York City Time) on September 22, 2020, unless extended or earlier terminated in respect of an Offer by us in our sole discretion.	The deadline for Holders to properly withdraw tenders of their Notes. If a tender of Notes is properly withdrawn, the Holder will not receive any Consideration on the Settlement Date (unless that Holder validly re-tenders such Notes at or prior to the Expiration Time and the Notes are accepted by HSBC Holdings).
Expiration Time .....	5:00 p.m. (New York City Time) on September 22, 2020, unless extended or earlier terminated in respect of an Offer by us in our sole discretion.	<p>The date and time by which Holders (except for Holders tendering Notes at or prior to the Guaranteed Delivery Date pursuant to the Guaranteed Delivery Procedures (each as defined below)) must validly tender Notes in order to be eligible to receive the Consideration and Accrued Interest for such Notes on the Settlement Date, and the date and time by which Eligible Institutions must comply with certain procedures applicable to guaranteed delivery pursuant to the Guaranteed Delivery Procedures.</p> <p>We will announce the results of the Offers on the following Business Day.</p>

Guaranteed Delivery Date.....	5:00 p.m. (New York City Time) on the second Business Day after the Expiration Time, unless extended or earlier terminated in respect of an Offer by us in our sole discretion (such date with respect to an Offer, as the same may be extended, the “Guaranteed Delivery Date”).	The date and time by which Holders who tender their Notes pursuant to the Guaranteed Delivery Procedures must validly tender Notes in order to be eligible to receive the Consideration and Accrued Interest for such Notes on the Settlement Date.
Settlement Date.....	In respect of accepted Notes that are delivered at or prior to the Expiration Time, we expect the Settlement Date to occur on the third Business Day after the Expiration Time, or September 25, 2020, unless extended or earlier terminated in respect of an Offer by us in our sole discretion.	The date we will deposit with DTC the amount of cash necessary to pay, and DTC will pay, to each Holder the Consideration for the Notes tendered and accepted for purchase at or prior to the Expiration Time, together with an amount equal to the Accrued Interest thereon.

**The above times and dates are subject to our right to amend, extend, and/or, if any of the conditions described herein are not timely satisfied or waived, terminate any Offer (subject to applicable law and as provided in this Offer to Purchase). Holders of Notes are advised to check with any bank, securities broker or other intermediary through which they hold Notes as to when such intermediary would need to receive instructions from a beneficial owner in order for that beneficial owner to be able to participate in, or withdraw their instruction to participate in, an Offer before the deadlines specified in this Offer to Purchase. The deadlines set by any such intermediary and DTC for the submission of tender instructions will be earlier than the relevant deadlines specified above.**

## CERTAIN DEFINITIONS AND PRESENTATION OF FINANCIAL AND OTHER DATA

### Definitions

As used in this Offer to Purchase, the terms “HSBC Holdings,” “we,” “us” and “our” refer to HSBC Holdings plc. “HSBC Group” and “HSBC” mean HSBC Holdings together with its subsidiary undertakings.

### Presentation of Financial Information

The consolidated financial statements of HSBC Group have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), as issued by the International Accounting Standards Board (the “IASB”) and as endorsed by the European Union (“EU”). EU-endorsed IFRSs could differ from IFRSs as issued by the IASB, if, at any point in time, new or amended IFRSs were to be endorsed by the EU. As of December 31, 2019, there were no unendorsed standards effective for the year ended December 31, 2019 affecting our consolidated financial statements included in our Annual Report on Form 20-F for the year ended December 31, 2019, filed with the SEC on February 19, 2020 (the “2019 Form 20-F”), and as of June 30, 2020, there were no unendorsed standards effective for the period ended June 30, 2020 affecting our interim condensed consolidated financial statements included in our Interim Report for the six-month period ended June 30, 2020, furnished under cover of Form 6-K to the SEC on August 3, 2020 (the “2020 Interim Report”). As of December 31, 2019 and June 30, 2020, there was no difference between IFRSs endorsed by the EU and IFRSs issued by the IASB in terms of their application to HSBC. Accordingly, HSBC’s financial statements for the year ended December 31, 2019 and the six-month period ended June 30, 2019 were prepared in accordance with IFRSs as issued by the IASB.

We use the U.S. dollar as our presentation currency in our consolidated financial statements because the U.S. dollar and currencies linked to it form the major currency bloc in which we transact and fund our business.

With the exception of the capital ratio presented under “*HSBC Holdings plc*,” the financial information presented in this document has been prepared in accordance with IFRSs as issued by the IASB and as endorsed by the EU. See “*Where You Can Find More Information About Us*.”

### Currency

In this Offer to Purchase, all references to “U.S. dollars,” “US\$,” “dollars” or “\$” are to the lawful currency of the United States of America.

## LIMITATIONS ON ENFORCEMENT OF U.S. LAWS AGAINST US, OUR MANAGEMENT AND OTHERS

We are an English public limited company. Most of our directors and executive officers (and certain experts named in this Offer to Purchase or in documents incorporated herein by reference) are resident outside the United States, and a substantial portion of our assets and the assets of such persons are located outside the United States. As a result, it may not be possible for you to effect service of process within the United States upon these persons or to enforce against them or us in U.S. courts judgments obtained in U.S. courts predicated upon the civil liability provisions of the federal securities laws of the United States. We have been advised by our English solicitors, Cleary Gottlieb Steen & Hamilton LLP, that there is doubt as to enforceability in the English courts, in original actions or in actions for enforcement of judgments of U.S. courts, of liabilities predicated solely upon the federal securities laws of the United States. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in the UK. The enforceability of any judgment in the UK will depend on the particular facts of the case in effect at the time.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Offer to Purchase and the documents incorporated by reference herein contain both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements may be identified by the use of terms such as “believes,” “expects,” “estimate,” “may,” “intends,” “plan,” “will,” “should,” “potential,” “reasonably possible” or “anticipates” or the negative thereof or similar expressions, or by discussions of strategy. We have based the forward-looking



statements on current expectations and projections about future events. These forward-looking statements are subject to risks, uncertainties and assumptions about us, as described under “Cautionary statement regarding forward-looking statements” contained in our 2019 Form 20-F and the 2020 Interim Report. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed herein might not occur. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of their dates. Additional information, including information on factors which may affect HSBC’s business, is contained in the 2019 Form 20-F, the Form 6-K furnished to the SEC on April 28, 2020 (furnishing the earnings release for the three-month period ended March 31, 2019) (the “2020 Q1 Earnings Release”) and the 2020 Interim Report.

## WHERE YOU CAN FIND MORE INFORMATION ABOUT US

We have filed with the SEC registration statements on Form F-3 (No. 333-158065, No. 333-180288, No. 333-202420 and No. 333-223191) (the “Registration Statements”) under the Securities Act of 1933, as amended (the “Securities Act”), with respect to the Notes offered for tender in this Offer to Purchase. For further information with respect to us or the Notes, please refer to the Registration Statements, including the exhibits and the financial statements, notes and schedules filed as a part thereof. Statements contained in the Offer Documents as to the contents of any contract or other document are not necessarily complete, and in each instance reference is made to the copy of such contract or document filed as an exhibit to the relevant Registration Statement, each such statement being qualified in all respects by such reference. In addition, we file annual reports and special reports, proxy statements and other information with the SEC. Our SEC filings are available to you on the SEC’s website at <http://www.sec.gov>. This site contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. We also make available on our website, free of charge, our annual reports on Form 20-F and the text of our reports on Form 6-K, including any amendments to these reports, as well as certain other SEC filings, as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. Our website address is <http://www.hsbc.com>. The information on these websites is not part of this Offer to Purchase, except as specifically incorporated by reference herein.

Copies of the materials referred to in the preceding paragraph, as well as copies of any current amendment or supplement to this Offer to Purchase, may also be obtained from the Information Agent at its telephone numbers and address set forth under “*Dealer Manager; Information Agent.*”

We are “incorporating by reference” in the Offer Documents the information in certain documents that we file with the SEC, which means we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of the Offer Documents. Each document incorporated by reference is current only as of the date of such document, and the incorporation by reference of such documents will not create any implication that there has been no change in our affairs since the date thereof or that the information contained therein is current as of any time subsequent to its date. The information incorporated by reference is considered to be a part of the Offer Documents and should be read with the same care. When we update the information contained in documents that have been incorporated by reference by making future filings with the SEC, the information incorporated by reference in the Offer Documents is considered to be automatically updated and superseded. In the case of a conflict or inconsistency between information contained in the Offer Documents and information incorporated by reference into the Offer Documents, you should rely on the information contained in the document that was filed later. We incorporate by reference in this Offer to Purchase the 2019 Form 20-F, the Form 6-K furnished to the SEC on March 10, 2020 (announcing changes to our board of directors and committee composition), the Form 6-K furnished to the SEC on March 17, 2020 (announcing the appointment of Noel Quinn as Group Chief Executive Officer), the Form 6-K furnished to the SEC on April 23, 2020 (announcing changes to our board of directors and committee composition), the 2020 Q1 Earnings Release and the 2020 Interim Report.

In addition, all documents filed by us with the SEC pursuant to Sections 13(a), 13(c) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and, to the extent expressly stated therein, certain reports on Form 6-K furnished by us after the date of this Offer to Purchase will also be deemed to be incorporated by reference in the Offer Documents from the date of filing of such documents. Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for purposes of this Offer to Purchase to the extent that a statement contained herein or in

any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of the Offer Documents and to be a part hereof from the date of filing of such document.

You may request a copy of these documents at no cost to you 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  
United States of America  
Attn: Company Secretary  
Tel: +1-212-525-5000

## SUMMARY OF THE OFFERS

*The following summary highlights information contained elsewhere in the Offer Documents. This summary is not complete and does not contain all of the information that may be important to you. You should read the Offer to Purchase and other documents to which it refers before making an investment decision. Terms which are defined in “Description of the Offers” included in this Offer to Purchase beginning on page 19 have the same meaning when used in this summary.*

<b>The Company</b> .....	HSBC Holdings plc.
<b>The Fixed Rate Notes</b> .....	<p>3.400% Senior Unsecured Notes due March 2021 in an aggregate principal amount of \$1,032,090,000 (CUSIP: 404280AV1).</p> <p>5.100% Senior Unsecured Notes due April 2021 in an aggregate principal amount of \$907,191,000 (CUSIP: 404280AK5).</p> <p>2.950% Senior Unsecured Notes due May 2021 in an aggregate principal amount of \$2,500,000,000 (CUSIP: 404280AY5).</p> <p>4.000% Senior Unsecured Notes due March 2022 in an aggregate principal amount of \$2,000,000,000 (CUSIP: 404280AN9).</p>
<b>The Floating Rate Notes</b> .....	<p>Floating Rate Senior Unsecured Notes due March 2021 in an aggregate principal amount of \$707,841,000 (CUSIP: 404280AX7).</p> <p>Floating Rate Senior Unsecured Notes due May 2021 in an aggregate principal amount of \$1,000,000,000 (CUSIP: 404280AZ2).</p>
<b>The Offer</b> .....	<p>We are making concurrent, but separate, offers to purchase for cash, upon the terms and subject to the conditions set forth in the Offer Documents, any and all of the outstanding Notes validly tendered and accepted for purchase by us. See “<i>Description of the Offers—General.</i>”</p> <p>Each Offer is independent of the other Offers, and we may terminate, modify or waive the conditions of any Offer without terminating, modifying or waiving the conditions of any other Offer.</p> <p>Unless the context indicates otherwise, all references to a valid tender of Notes in this Offer to Purchase shall mean either that (i) such Notes have been validly tendered at or prior to the Expiration Time and have not been validly withdrawn at or prior to the Withdrawal Date or (ii) such Notes have been validly tendered at or prior to the Guaranteed Delivery Date pursuant to the Guaranteed Delivery Procedures and have not been validly withdrawn at or prior to the Withdrawal Date.</p> <p>As of the date of this Offer to Purchase, the aggregate outstanding principal amount of Notes subject to the Offers is \$8,147,122,000.</p>
<b>Consideration</b> .....	We refer to the consideration payable by us for each \$1,000 principal amount of each series of Notes validly tendered at or prior to the Expiration Time, or at or prior to the Guaranteed Delivery Date pursuant to the Guaranteed Delivery Procedures, and accepted by us as the “Consideration” for such series, and the

aggregate Consideration payable for all validly tendered and accepted Notes in all Offers, as the “Total Consideration”.

Upon the terms and subject to the conditions set forth in the Offer Documents, Holders who (i) validly tender Notes at or prior to the Expiration Time or (ii) validly tender Notes at or prior to the Guaranteed Delivery Date pursuant to the Guaranteed Delivery Procedures, and whose Notes are accepted for purchase by us, will receive the Consideration for each \$1,000 principal amount of such Notes, which will be payable in cash on the Settlement Date.

The Consideration payable with respect to any series of Notes does not include the Accrued Interest for such Notes, which will be payable, in cash, in addition to such Consideration.

The Consideration for each \$1,000 principal amount of each series of Floating Rate Notes validly tendered and accepted by us pursuant to the Offers will be the applicable Fixed Price for such series (as specified on the front cover page of this Offer to Purchase).

The Consideration for each \$1,000 principal amount of each series of Fixed Rate Notes validly tendered and accepted by us pursuant to the Offers will be determined in accordance with the formula set forth in Annex A and with standard market practice, as described in this Offer to Purchase, using the applicable Offer Yield, which will be equal to the sum of: (x) the applicable Reference Yield, as determined by the Dealer Manager, that corresponds to the bid-side yield of the Reference Security for such series of Notes appearing on the Price Determination Date, such yield being directly quoted on the Bloomberg Reference Page, plus (y) the Fixed Spread specified on the front cover page of this Offer to Purchase for such series of Notes.

Accordingly, the Consideration payable by us for each \$1,000 principal amount of each series of Fixed Rate Notes accepted by us will equal:

(i) the present value on the Settlement Date of \$1,000 principal amount of such Fixed Rate Notes due on the maturity date of such Fixed Rate Notes and all scheduled interest payments on such \$1,000 principal amount of such Fixed Rate Notes to be made from (but excluding) the Settlement Date up to and including such maturity date, discounted to the Settlement Date at a discount rate equal to the applicable Offer Yield, minus

(ii) the Accrued Interest per \$1,000 principal amount of such Fixed Rate Notes;

such total amount being rounded to the nearest cent per \$1,000 principal amount of such Notes, and the above calculation being made in accordance with standard market practice as described by the formula set forth in Annex A to this Offer to Purchase.

**Accrued Interest** .....

In addition to the Consideration, Holders whose Notes of a given series are accepted for purchase will be paid a cash amount equal to accrued and unpaid interest on such Notes from, and including,

the last interest payment date for such Notes to, but not including, the Settlement Date, rounded to the nearest cent. Accrued Interest will be payable on the Settlement Date.

<b>Launch Date</b> .....	At or around 10:00 a.m. (New York City time), on September 15, 2020.
<b>Price Determination Date</b> .....	11:00 a.m. (New York City time), on September 22, 2020, unless extended in respect of an Offer by us in our sole discretion.
<b>Expiration Time</b> .....	5:00 p.m. (New York City time), on September 22, 2020 unless extended or earlier terminated with respect to an Offer by us in our sole discretion, subject to applicable law. We retain the right to extend the Offers with respect to the Notes at any time and for any reason, subject to applicable law. See “ <i>Description of the Offers—Expiration Time; Extensions.</i> ”
<b>Guaranteed Delivery Date</b> .....	5:00 p.m. (New York City Time) on the second Business Day after the Expiration Time, unless extended or earlier terminated with respect to an Offer by us in our sole discretion.
<b>Settlement Date</b> .....	In respect of accepted Notes that are delivered at or prior to the Expiration Time, we expect the Settlement Date to occur on the third Business Day after the Expiration Time, or September 25, 2020, unless extended or earlier terminated with respect to an Offer by us in our sole discretion.
<b>Withdrawal Rights</b> .....	<p>Notes tendered in an Offer may be validly withdrawn in accordance with the procedures described herein and as otherwise set forth herein at any time at or prior to (a) the Withdrawal Date and (b) if such Offer is extended, the 10th Business Day after the Launch Date. In addition, tendered Notes in an Offer may be withdrawn at any time after the 60th Business Day after the Launch Date if for any reason such Offer has not been consummated by such date.</p> <p>Notes tendered after the Withdrawal Date may not be withdrawn, except where additional withdrawal rights are required by law (as determined by us in our sole discretion).</p> <p>See “<i>Description of the Offers—Withdrawal of Tenders.</i>”</p>
<b>Business Day</b> .....	A day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, England, and in the City of New York, New York (a “Business Day”).
<b>Procedures for Tendering Notes</b> .....	<p>For a Holder to validly tender Notes pursuant to an Offer, an Agent’s Message (as defined below) and any other required documents must be received by the Depository at the address or email address set forth under “<i>Dealer Manager; Information Agent</i>” at or prior to the Expiration Time or the Guaranteed Delivery Date pursuant to the Guaranteed Delivery Procedures.</p> <p>See “<i>Description of the Offers—Procedures for Tendering Notes</i>” and “<i>—Guaranteed Delivery.</i>”</p>

For further information, please contact the Information Agent or the Dealer Manager or consult your broker, dealer, commercial bank, trust company or other nominee for assistance.

**Purpose of the Offers**.....

The purpose of the Offers is to improve HSBC's liabilities structure, as the Notes cease to qualify as eligible liabilities items under CRR once they have a residual maturity of less than 12 months.

"CRR" means regulation (EU) No 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms and amending regulation (EU) No 648/2012, as amended, supplemented or replaced from time to time, and (where relevant) any applicable successor EU or UK legislation. See "*Purpose of the Offers.*"

**Allocation of New Notes** .....

We will, in connection with the allocation of the New Notes in the Proposed Issuance, consider among other factors whether or not the relevant investor seeking an allocation of the New Notes has, prior to such allocation, validly tendered or given a firm intention to us or the Dealer Manager that they intend to tender their Notes pursuant to the Offers and, if so, the aggregate principal amount of Notes tendered or intended to be tendered by such investor. See "*Description of the Offers—Allocation of New Notes in the Proposed Issuance.*"

**Conditions to the Offers** .....

Notwithstanding any other provision of the Offers, the consummation of each Offer and our obligation to accept for payment, purchase, and to pay for, Notes validly tendered (and not validly withdrawn) pursuant to such Offer are subject to the conditions set forth in "*Description of the Offers—Conditions to the Offers.*" We will not be obligated to consummate any Offer (i) upon the occurrence of an event or events or the likely occurrence of an event or events that, in our sole judgment, (a) is, or is reasonably likely to be, materially adverse to our business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects, (b) would or might prohibit, prevent, restrict or delay consummation of any Offer, or (c) would materially impair the contemplated benefits to us of any Offers or be material to Holders in deciding whether to accept an Offer, or (ii) if the Financing Condition is not satisfied with respect to such Offer.

Subject to applicable law, we reserve the right with respect to each Offer to (i) waive or modify in whole or in part any and all conditions to such Offer, (ii) extend the Expiration Time, (iii) modify or terminate such Offer, (iv) decrease the principal amount of Notes subject to such Offer or (v) otherwise amend such Offer in any respect.

Subject to the qualifications described above, if we exercise any such right to amend, modify or waive the terms or conditions of an Offer, we will give written notice thereof to the Information Agent and will make a public announcement thereof as promptly as practicable and as required by applicable law. We will also extend

such Offer as required by applicable law. See “*Description of the Offers—Expiration Time; Extensions.*”

**Source of Funds and Financing Condition.....**The Total Consideration for the completed Offers is expected to be funded with the proceeds received from the Proposed Issuance. Our obligation to complete an Offer with respect to a particular series of Notes is conditioned on satisfaction of the “Financing Condition,” meaning (1) the Proposed Issuance has been successfully completed on terms and conditions satisfactory to us in our sole discretion and (2) the Total Available Amount is sufficient to fund the sum of (a) the Consideration (excluding Accrued Interest) for all validly tendered and not validly withdrawn Notes of such series *plus* (b) the aggregate Consideration (excluding Accrued Interest) for all validly tendered and not validly withdrawn Notes of each series having a higher “Acceptance Priority Level” (as specified on the cover of this Offer to Purchase, with 1 being the highest Acceptance Priority Level and 6 being the lowest Acceptance Priority Level), other than Excluded Notes (as defined below).

Notwithstanding any other provision in this Offer to Purchase to the contrary, if the Financing Condition is not satisfied for a particular series of Notes, at any time at or prior to the Expiration Time, then we will not be obligated to accept for purchase such series of Notes and will terminate the Offer with respect to such series of Notes (such series of Notes, “Excluded Notes”). See “*Description of the Offers—Condition to the Offers.*”

It is possible that any series of Notes with any Acceptance Priority Level will fail to meet the Financing Condition and therefore will not be accepted for purchase even if one or more series with a lower Acceptance Priority Level is accepted for purchase. If any series of Notes is accepted for purchase under the Offers, all Notes of that series that are validly tendered and not validly withdrawn will be accepted for purchase. As a result, no series of Notes accepted for purchase will be prorated.

The applicable Accrued Interest for all Notes accepted for purchase will be funded by available cash on hand, if necessary.

**Acceptance for Payment and Payment of the Notes .....**

On the terms of each Offer and upon satisfaction or waiver of the conditions of each Offer specified herein under “*Description of the Offers—Conditions to the Offers,*” we will (a) accept for purchase Notes validly tendered (or defectively tendered, if in our sole discretion we waive such defect) and not validly withdrawn and (b) promptly deposit with DTC, on the Settlement Date, the amount of cash necessary to pay the Consideration, plus an amount equal to Accrued Interest thereon, for Notes that are validly tendered in such Offer and accepted for purchase.

We reserve the right with respect to each Offer, subject to applicable laws, to (a) accept for purchase and pay for all of the Notes validly tendered at or prior to the Expiration Time with respect to such Offer and to keep such Offer open or extend the Expiration Time to a later date and time and (b) waive any of the

conditions to such Offer with respect to the Notes tendered at or prior to the Expiration Time. All Notes accepted in the Offers will be cancelled and retired, and will no longer remain outstanding obligations of HSBC Holdings.

<b>Certain Tax Considerations</b> .....	For a summary of certain tax considerations with respect to the Offers, see “ <i>Taxation.</i> ”
<b>Certain ERISA Considerations</b> .....	For a summary of certain considerations under ERISA (defined below) with respect to the Offers, see “ <i>Certain ERISA Considerations.</i> ”
<b>Dealer Manager</b> .....	HSBC Bank plc.
<b>Information Agent and Depositary</b> .....	Global Bondholder Services Corporation is the information agent (in such capacity, the “Information Agent”) and the depositary (in such capacity, the “Depositary”) for the Offers.
<b>Governing Law</b> .....	The Offer Documents will be governed by, and construed in accordance with, the laws of the State of New York. Any legal proceedings arising out of, or based upon, the Notes or the Offers may be instituted in any state or federal court in the Borough of Manhattan in the City of New York, New York.
<b>Further Information</b> .....	Questions may be directed to the Dealer Manager or the Information Agent, and additional copies of the Offer Documents may be obtained by contacting the Information Agent, at its telephone numbers and address set forth under “ <i>Dealer Manager; Information Agent.</i> ”



## **RISK FACTORS**

*Before making a decision whether to tender Notes pursuant to the Offers, Holders of Notes should carefully consider the risks and uncertainties described in this Offer to Purchase, including the risk factors set forth in the documents and reports filed with the SEC that are incorporated by reference herein. Our business, financial condition, operating results and cash flows can be impacted by these factors, any one of which could cause our actual results to vary materially from recent results or from our anticipated future results. Terms which are defined in “Description of the Offers” included in this Offer to Purchase beginning on page 19 have the same meaning when used in this section.*

### **Risks Relating to the Notes**

#### ***Uncertainty as to the trading markets for Notes not purchased***

To the extent tenders of Notes in an Offer are accepted by us and such Offer is completed, the trading markets for the Notes that remain outstanding following such completion may be significantly more limited. The remaining Notes may command lower prices than comparable issues of securities with greater market liquidity. Reduced market values and reduced liquidity also may make the trading prices of the remaining Notes more volatile. As a result, the market prices for the Notes that remain outstanding after the completion of an Offer may be adversely affected as a result of such Offer. None of HSBC, the Dealer Manager, the Information Agent or the Depositary has any duty to make a market in any remaining series of Notes.

#### ***Treatment of the Notes not purchased***

Notes not purchased in the Offers will remain outstanding. The terms and conditions governing such Notes will remain unchanged. No amendments to these terms and conditions are being sought.

From time to time after the applicable Expiration Time, HSBC may acquire Notes of any series that are not purchased in the Offers through open market purchases, privately negotiated transactions, tender offers, exchange offers, redemptions or otherwise, upon such terms and at such prices as HSBC may determine or as may be provided for in the indenture or other documents governing such series of Notes (which may be on terms more or less favorable than those contemplated in the Offers and, in either case, could be for cash or other consideration).

#### ***Responsibility for complying with the procedures of the Offers***

Holders of Notes are responsible for complying with all of the procedures for tendering Notes. If the instructions are not strictly complied with, the Agent’s Message may be rejected. None of HSBC, the Dealer Managers, the Information Agent or the Depositary assumes any responsibility for informing any Holder of Notes of irregularities with respect to such Holder’s participation in the Offers.

#### ***Consummation of one or all of the Offers may not occur***

Each Offer is subject to the satisfaction or waiver of certain conditions, including among other things the successful completion of the Financing Condition. See “Description of the Offers—Conditions to the Offers.” It is possible that the Financing Condition might not be met with respect to any series of Notes with any Acceptance Priority Level, and such series of Notes will not be accepted for purchase, even if one or more series of Notes with a lower Acceptance Priority Level is accepted for purchase. Even if an Offer is completed, it may not be completed on the schedule described in this Offer to Purchase. Accordingly, Holders participating in an Offer may have to wait longer than expected to receive their Consideration, during which time such Holders will not be able to effect transfers of their Notes tendered in such Offer.

#### ***Completion, termination and amendment***

Until we announce whether we have accepted valid tenders of Notes pursuant to the Offers, no assurance can be given that the Offers will be completed. In addition, subject to applicable law and limitations described elsewhere in this Offer to Purchase, we expressly reserve the right, with respect to each Offer, to

amend, extend or, if any of the conditions described herein is not (i) satisfied at any time at or prior to the Expiration Time or (ii) timely waived, terminate such Offer.

***Compliance with offer and distribution restrictions***

Holders of Notes are expected to make certain agreements, acknowledgements, representations, warranties and undertakings upon submission of an Agent's Message. Non-compliance with these could result in, among other things, the unwinding of trades and/or heavy penalties.

***Responsibility to consult advisers***

Holders should consult their own tax, accounting, financial and legal advisers regarding the suitability to themselves of the tax or accounting consequences of participating in the Offers.

None of HSBC, the Dealer Manager, the Trustee, the Depositary, the Paying Agent, the Calculation Agent or the Information Agent or their respective directors, employees or affiliates is acting for any Holder, or will be responsible to any Holder for providing any protections that would be afforded to its clients or for providing advice in relation to the Offers, and accordingly none of HSBC, the Dealer Manager, the Trustee, the Depositary, the Paying Agent, the Calculation Agent or the Information Agent or their respective directors, employees and affiliates makes any recommendation whatsoever regarding the Offers, or any recommendation as to whether Holders should tender their Notes for purchase pursuant to the Offers.

***Consideration for the Notes may not reflect their fair value***

The consideration offered for each series of Notes does not reflect any independent valuation of the Notes and does not take into account events or changes in financial markets (including interest rates) after the Launch Date. We have not obtained or requested a fairness opinion from any banking or other firm as to the fairness of the consideration for the Notes. If a Holder tenders its Notes, such Holder may or may not receive more, or as much, value than if such Holder chose to keep them.

## **HSBC HOLDINGS PLC**

HSBC is one of the largest banking and financial services organizations in the world. As of June 30, 2020, HSBC had total assets of US\$2,922,798 million and total shareholders' equity of US\$187,036 million. For the six-month period ended June 30, 2020, HSBC's operating profit was US\$3,360 million on total operating income of US\$31,147 million. HSBC had a CRR common equity Tier 1 ratio (end-point basis) of 15.0% as of June 30, 2020.

Headquartered in London, HSBC operates through long-established businesses and serves customers worldwide in 64 countries and territories in Europe, Asia, North America, Latin America, and the Middle East and North Africa. Within these regions, a comprehensive range of banking and related financial services is offered to personal, commercial, corporate, institutional, investment and private banking clients. HSBC's products and services are delivered to clients through three global businesses, Wealth and Personal Banking, Commercial Banking and Global Banking and Markets.

## PURPOSE OF THE OFFERS

The purpose of the Offers is to improve HSBC's liabilities structure, as the Notes cease to qualify as eligible liabilities items under CRR once they have a residual maturity of less than 12 months.

Concurrently with the announcement of the Offers made pursuant to this Offer to Purchase, we expect to launch a Proposed Issuance of New Notes consisting of senior unsecured debt securities by HSBC Holdings which are intended, on issue, to qualify as eligible liabilities items under CRR and that are not subject to the Offers made hereby.

We expect proceeds from the Proposed Issuance, along with cash on hand, if necessary, to provide the total amount of funds required to purchase the Notes validly tendered and accepted pursuant to the Offers and to pay all related fees and expenses in connection with the Offers. The consummation of each Offer and our obligation to accept for purchase, and to pay for, Notes validly tendered (and not validly withdrawn) pursuant to each Offer are subject to the satisfaction of or waiver of the Financing Condition, including the successful completion of the Proposed Issuance. No assurance can be given that the Proposed Issuance will be completed. See "*Description of the Offers—Conditions to the Offers—Financing Condition.*"

## DESCRIPTION OF THE OFFERS

### General

Upon the terms and subject to the conditions set forth in the Offer Documents, we hereby make concurrent, but separate, offers to purchase for cash any and all of the outstanding Notes validly tendered and accepted for purchase by us.

Each Offer is independent of the other Offers, and we may terminate, modify or waive the conditions of any Offer without terminating, modifying or waiving the conditions of any other Offer.

Our obligation to accept and pay for Notes validly tendered pursuant to the Offers is conditioned upon satisfaction or waiver of certain conditions as set forth under “—*Conditions to the Offers.*” Subject to applicable laws and the terms set forth herein, we reserve the right, with respect to each Offer, to (i) waive or modify in whole or in part any and all conditions to such Offer, (ii) extend the Expiration Time, (iii) modify or terminate such Offer, (iv) decrease the principal amount of Notes subject to such Offer or (v) otherwise amend such Offer in any respect. The rights reserved by us in this paragraph are in addition to our rights to terminate the Offers described in “—*Conditions to the Offers.*”

Any amendment to an Offer will apply to all Notes tendered in such Offer. Any extension or amendment of the Expiration Time with respect to a series of Notes will be followed as promptly as reasonably practicable by public announcement thereof.

Without limiting the manner in which any public announcement may be made hereunder, we have no obligation to publish, advertise or otherwise communicate any such public announcement other than by issuing a timely press release and in accordance with applicable law and/or listing requirements.

As of the date of this Offer to Purchase, the aggregate outstanding principal amount of Notes subject to the Offers is \$8,147,122,000.

### No Recommendation

None of HSBC Holdings, the Information Agent, the Dealer Manager or any of their respective affiliates makes any recommendation as to whether Holders should tender, or refrain from tendering, all or any portion of the principal amount of their Notes pursuant to the Offers, and no one has been authorized by any of them to make such a recommendation. Holders must make their own decisions with regard to tendering Notes and, if so, the principal amount of Notes to tender pursuant to the Offers.

### Denominations

The 5.100% Senior Unsecured Notes due April 2021 and the 4.000% Senior Unsecured Notes due March 2022 may be tendered and accepted for payment only in an aggregate principal amount equal to \$2,000 and in integral multiples of \$1,000 in excess thereof. Holders who tender less than all of their Notes of these series must continue to hold at least \$2,000 in principal amount of Notes of such series.

The 3.400% Senior Unsecured Notes due March 2021, the 2.950% Senior Unsecured Notes due May 2021, the Floating Rate Senior Unsecured Notes due March 2021 and the Floating Rate Senior Unsecured Notes due May 2021 may be tendered and accepted for payment only in an aggregate principal amount of \$200,000 and in integral multiples of \$1,000 in excess thereof. Holders who tender less than all of their Notes of these series must continue to hold at least \$200,000 in principal amount of Notes such series.

No alternative, conditional or contingent tenders will be accepted for any series of Notes.

### Consideration

Upon the terms and subject to the conditions set forth in this Offer to Purchase, Holders who validly tender and whose Notes are accepted for purchase by us, will receive the Consideration for each \$1,000 principal amount of such Notes, which will be payable in cash on the Settlement Date.

The Consideration applicable to each series of Floating Rate Notes validly tendered and accepted by us pursuant to the Offers will be the Fixed Price specified on the front cover page of this Offer to Purchase for such series of Notes.

The Consideration applicable to each series of Fixed Rate Notes validly tendered and accepted by us pursuant to the Offers will be calculated on the Price Determination Date in accordance with the formula set forth in Annex A and with standard market practice, as described below, using the applicable Offer Yield, which will be equal to the sum of:

- a) the applicable Reference Yield, as determined by the Dealer Manager, that corresponds to the bid-side yield of the Reference Security specified on the front cover page of this Offer to Purchase for such series of Fixed Rate Notes appearing on the Price Determination Date, such yield being directly quoted on the Bloomberg Reference Page and being rounded to the nearest 0.001 per cent. (with 0.0005 per cent. being rounded up), plus
- b) the Fixed Spread specified on the front cover page of this Offer to Purchase for such series of Notes.

Accordingly, the Consideration payable by us for each \$1,000 principal amount of each series of Fixed Rate Notes accepted by us will equal:

(i) the present value on the Settlement Date of \$1,000 principal amount of such Fixed Rate Notes due on the maturity date of such Fixed Rate Notes and all scheduled interest payments on such \$1,000 principal amount of such Fixed Rate Notes to be made from (but excluding) the Settlement Date up to and including such maturity date, discounted to the Settlement Date at a discount rate equal to the applicable Offer Yield, minus

(ii) the Accrued Interest per \$1,000 principal amount of such Fixed Rate Notes;

such total amount being rounded to the nearest cent per \$1,000 principal amount of such Notes and the above calculation being made in accordance with standard market practice as described by the formula set forth in Annex A to this Offer to Purchase.

We will publicly announce the Consideration for each series of Fixed Rate Notes as soon as reasonably practicable after it is determined by the Dealer Manager.

In the event of any dispute or controversy regarding the Consideration applicable, or the amount of Accrued Interest, for any Notes tendered pursuant to the Offers, our determination shall be conclusive and binding, absent manifest error.

Because the Consideration for each series of Fixed Rate Notes is based on a fixed spread pricing formula linked to the Reference Yield, the actual amount of consideration that may be received by a Holder validly tendering Fixed Rate Notes pursuant to the Offers will be affected by changes in the Reference Yield during the term of the Offers prior to the Price Determination Date.

### **Accrued Interest**

In addition to the Consideration, Holders whose Notes are accepted for purchase will also be paid a cash amount equal to accrued and unpaid interest on such Notes from, and including, the last interest payment date for such Notes to, but not including, the Settlement Date, rounded to the nearest cent. Accrued Interest will be payable on the Settlement Date. Under no circumstances will any interest be payable to Holders because of any delay on the part of the Depository, DTC or any other party in the transmission of funds to Holders.

### **Expiration Time; Extensions**

The Expiration Time is 5:00 p.m. (New York City time) on September 22, 2020, unless extended in respect of an Offer, in which case the Expiration Time in respect of such Offer will be such time and date to which the Expiration Time is extended.

Subject to applicable law, we, in our sole discretion, may extend the Expiration Time with respect to an Offer for any reason, with or without extending the related Withdrawal Date. To extend the Expiration Time, we will notify the Information Agent and will make a public announcement thereof at or around 9:00 a.m. (New York

City time) on the next Business Day (as defined above) after the previously scheduled Expiration Time. Such announcement will state that we are extending the Expiration Time, as the case may be, for a specified period. During any such extension, all Notes previously validly tendered in the Offers, and not validly withdrawn, will remain subject to the Offers and may be accepted for purchase by us.

We expressly reserve the right, subject to applicable law, to:

- delay accepting any Notes, extend any Offer, or, upon failure of a condition to be satisfied or waived prior to the Expiration Time for an Offer, terminate such Offer and not accept any Notes; and
- amend, modify or waive at any time, or from time to time, the terms of the Offers in any respect, including waiver of any conditions to consummation of the Offers.

Subject to the qualifications described above, if we exercise any such right, we will give written notice thereof to the Information Agent and will make a public announcement thereof as promptly as practicable. Without limiting the manner in which we may choose to make a public announcement of any extension, amendment or termination of an Offer, we will not be obligated to publish, advertise or otherwise communicate any such public announcement, other than by making a timely press release and in accordance with applicable law and/or listing requirements.

If we make a material change in the terms of an Offer or the information concerning an Offer or waive a material condition of an Offer, we will disseminate additional offering materials and extend such Offer to the extent required by law. If the Consideration to be paid in an Offer is increased or decreased or the principal amount of the Notes subject to the Offer is decreased, such Offer will remain open at least five Business Days from the date we first give notice to Holders, by public announcement or otherwise prior to 10:00 a.m. (New York City time) on the day of such increase or decrease. In addition, we may, if we deem appropriate, extend an Offer for any other reason.

#### **Settlement of Notes**

Subject to the terms and conditions set forth herein, we expect to accept for purchase all of the Notes that are validly tendered and not validly withdrawn at or prior to the Expiration Time or the Guaranteed Delivery Date pursuant to the Guaranteed Delivery Procedures. Except for Notes tendered at or prior to the Guaranteed Delivery Date pursuant to the Guaranteed Delivery Procedures, no tenders of Notes will be valid if submitted after the Expiration Time.

On the Settlement Date, we will deposit with DTC an amount of cash sufficient to (a) purchase all Notes validly tendered by book-entry transfer and accepted by us pursuant to the Offers and (b) pay any Accrued Interest then due to Holders of such Notes. For the avoidance of doubt, interest will cease to accrue on the Settlement Date for all Notes accepted in the Offers.

In the event of a termination of an Offer, all Notes tendered pursuant to such Offer will be promptly returned to the tendering Holders.

#### **Conditions to the Offers**

Notwithstanding any other provision of the Offers and in addition to (and not in limitation of) our rights to terminate, extend and/or amend any or all of the Offers with respect to the Notes, in our sole discretion, we shall not be required to accept for payment, purchase or pay for, and may delay the acceptance for payment of, any Notes validly tendered (and not validly withdrawn), in each event subject to Rule 14e-1(c) under the Exchange Act, and may terminate any or all of the Offers, if any of the following has occurred:

- (i) there shall have been instituted, threatened or be pending any action, proceeding or investigation (whether formal or informal) (or there shall have been any material adverse development to any action or proceeding currently instituted, threatened or pending) before or by any court, governmental, regulatory or administrative agency or instrumentality, or by any other person, in connection with one or more of the Offers that, in our sole judgment, (a) is, or is reasonably likely to be, materially adverse to the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of HSBC, (b) would or might prohibit, prevent, restrict or delay consummation of one or more of the Offers, or (c) would materially impair the contemplated benefits of one or more of Offers to HSBC or be material to Holders in deciding whether to accept an Offer;

- (ii) an order, statute, rule, regulation, executive order, stay, decree, judgment or injunction shall have been proposed, enacted, entered, issued, promulgated, enforced or deemed applicable by any court or governmental, regulatory or administrative agency or instrumentality that, in our sole judgment, would or might result in any of the consequences referred to in the bullet above;
- (iii) there shall have occurred or be likely to occur any event affecting the business or financial affairs of HSBC that, in our sole judgment, would or might result in any of the consequences referred to clause (ii) above;
- (iv) the Trustee, the Paying Agent or the Calculation Agent shall have objected in any respect to or taken action that could, in our sole judgment, adversely affect the consummation of one or more of the Offers or shall have taken any action that challenges the validity or effectiveness of the procedures used by us in the making of the Offers or the acceptance of, or payment for, the Notes;
- (v) there shall have occurred (a) any general suspension of, or limitation on prices for, trading in securities in the United States securities or financial markets, (b) any significant adverse change in the price of the Notes in the United States or other major securities or financial markets, (c) a material impairment in the trading market for debt securities, (d) a declaration of a banking moratorium or any suspension of payments in respect to banks in the United States, United Kingdom or other major financial markets (whether or not mandatory), (e) any limitation (whether or not mandatory) by any government or governmental, administrative or regulatory authority or agency, domestic or foreign, or other event that, in our reasonable judgment, might affect the extension of credit by banks or other lending institutions, (f) a commencement of a war, armed hostilities, terrorist acts or other national or international calamity directly or indirectly involving the United States or the United Kingdom, (g) in the case of any of the foregoing existing on the date hereof, a material acceleration or worsening thereof or (h) any event that has resulted, or may in our sole judgment result, in a material adverse change in the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of HSBC; or
- (vi) the Financing Condition shall not be satisfied.

The foregoing conditions are for our sole benefit and may be asserted by us regardless of the circumstances giving rise to any such condition (including any action or inaction by HSBC) and may be waived by us with respect to the Notes, in whole or in part, at any time and from time to time, in our sole discretion. Any condition may be asserted with respect to one series of Notes and waived with respect to others. All conditions to an Offer will, if any Notes are to be accepted for purchase after the Expiration Time, be either satisfied or waived by us concurrently with or before such time. If any of the conditions are not satisfied at the Expiration Time with respect to an Offer, we may, in our sole discretion and without giving any notice, subject to applicable law, (a) terminate such Offer, (b) extend such Offer, on the same or amended terms, and thereby delay acceptance of any validly tendered Notes, or (c) continue to accept tenders. The failure by HSBC Holdings at any time to exercise any of the foregoing rights will not be deemed a waiver of any other right and each right will be deemed an ongoing right that may be asserted at any time and from time to time.

#### *Financing Condition and Acceptance Priority Levels*

Our obligation to complete an Offer with respect to a particular series of Notes is conditioned on satisfaction of the Financing Condition, meaning (1) the Proposed Issuance has been successfully completed on terms and conditions satisfactory to us in our sole discretion and (2) the Total Available Amount is sufficient to fund the sum of (a) the Consideration (excluding Accrued Interest) for all validly tendered and not validly withdrawn Notes of such series *plus* (b) the aggregate Consideration (excluding Accrued Interest) for all validly tendered and not validly withdrawn Notes of each series having a higher Acceptance Priority Level (with 1 being the highest Acceptance Priority Level and 6 being the lowest Acceptance Priority Level), other than Excluded Notes.

Notwithstanding any other provision in this Offer to Purchase to the contrary, if the Financing Condition is not satisfied for a particular series of Notes, at any time at or prior to the Expiration Time, then (1) we will not be obligated to accept for purchase such series of Notes and will terminate the Offer with respect to such series of Notes (in which case such series of Notes will be treated as Excluded Notes), and (2) if there is any series of Notes having a lower Acceptance Priority Level for which the Financing Condition is satisfied, meaning the Total Available Amount is equal to or greater than the sum of:



- a) the Consideration necessary to purchase all validly tendered and not validly withdrawn Notes of such series (excluding Accrued Interest), *plus*
- b) the aggregate Consideration necessary to purchase all validly tendered and not validly withdrawn Notes of all series having a higher Acceptance Priority Level than such series of Notes, other than the Excluded Notes (in each case, excluding Accrued Interest),

then all Notes of such series having a lower Acceptance Priority Level will be accepted for purchase, and the Financing Condition will be applied at each subsequent Acceptance Priority Level until there is no series of Notes with a lower Acceptance Priority Level to be considered for purchase for which the Financing Condition is met.

It is possible that any series of Notes with any Acceptance Priority Level will fail to meet the Financing Condition and therefore will not be accepted for purchase even if one or more series with a lower Acceptance Priority Level is accepted for purchase. If any series of Notes is accepted for purchase under the Offers, all Notes of that series that are validly tendered and not validly withdrawn will be accepted for purchase. As a result, no series of Notes accepted for purchase will be prorated.

For purposes of determining whether the Financing Condition is satisfied, we will assume that all Notes delivered pursuant to the Guaranteed Delivery Procedures will be validly tendered at or prior to the Guaranteed Delivery Date, and we will not subsequently adjust the series of Notes that we are accepting for purchase in accordance with the Acceptance Priority Levels if any such Notes are not so delivered.

#### **Allocation of New Notes in the Proposed Issuance**

We will, in connection with the allocation of the New Notes in the Proposed Issuance, consider among other factors whether or not the relevant investor seeking an allocation of the New Notes has, prior to such allocation, validly tendered or given a firm intention to us or the Dealer Manager that they intend to tender their Notes pursuant to the Offers and, if so, the aggregate principal amount of Notes tendered or intended to be tendered by such investor.

Therefore, a Holder who wishes to subscribe for New Notes in addition to tendering its Notes for purchase pursuant to the Offers may be eligible to receive, at the sole and absolute discretion of HSBC Holdings, priority in the allocation of the New Notes, subject to the issue of the New Notes and such Holder also making a separate application for the purchase of such New Notes to the managing bookrunner of the issue of the New Notes in accordance with the standard new issue procedures of such bookrunner.

However, we are not obliged to allocate the New Notes to a Holder who has validly tendered or indicated a firm intention to tender the Notes pursuant to the Offers and, if New Notes are allocated, the principal amount thereof may be less or more than the principal amount of Notes tendered by such Holder and accepted by us pursuant to the Offers. Any such allocation will also, among other factors, take into account the denomination of the New Notes (being \$200,000).

All allocations of the New Notes, while being considered by us as set out above, will be made in accordance with customary new issue allocation processes and procedures. In the event that a Holder validly tenders Notes pursuant to an Offer, such Notes will remain subject to such tender and the conditions of the Offers as set out in this Offer to Purchase.

#### **Procedures for Tendering Notes**

The following summarizes the procedures to be followed by all Holders in tendering their Notes.

All of the Notes are held in book-entry form and registered in the name of Cede & Co., as the nominee of DTC. Only Holders are authorized to tender their Notes pursuant to the Offers. Therefore, to tender Notes that are held through a broker, dealer, commercial bank, trust company or other nominee, a beneficial owner thereof must instruct such nominee to tender the Notes on such beneficial owner's behalf according to the procedure described below. See "*—Book-Entry Transfer*" and "*—Other Matters*" for discussion of the items that all Holders who tender Notes in any of the Offers will have represented, warranted and agreed. There is no separate letter of transmittal for this Offer to Purchase.

For a Holder to tender Notes validly pursuant to an Offer (other than through the Guaranteed Delivery Procedures), (1) an Agent's Message and any other required documents must be received by the Depository at its address set forth under "*Dealer Manager; Information Agent*" at or prior to the Expiration Time and (2) tendered Notes must be transferred pursuant to the procedures for book-entry transfer described below and a confirmation of such book-entry transfer must be received by the Depository at or prior to the Expiration Time.

To effectively tender Notes, DTC participants should transmit their acceptance through DTC's Automated Tender Offer Program ("ATOP"), for which the Offers will be eligible, and DTC will then edit and verify the acceptance and send an Agent's Message to the Depository for its acceptance. Delivery of tendered Notes must be made to the Depository pursuant to the book-entry delivery procedures set forth below.

### **Book-Entry Transfer**

The Depository will establish an account with respect to the Notes at DTC for purposes of the Offers, and any financial institution that is a participant in DTC may make book-entry delivery of the Notes by causing DTC to transfer such Notes into the Depository's account in accordance with DTC's procedures for such transfer. DTC will then send an Agent's Message to the Depository. The confirmation of a book-entry transfer into the Depository's account at DTC as described above is referred to herein as a "Book-Entry Confirmation." Delivery of documents to DTC does not constitute delivery to the Depository.

The term "Agent's Message" means a message transmitted by DTC to, and received by, the Depository and forming a part of the Book-Entry Confirmation, which states that DTC has received an express acknowledgment from the participant in DTC described in such Agent's Message, stating the aggregate principal amount of Notes that have been tendered by such participant pursuant to an Offer, that such participant has received this Offer to Purchase and that such participant agrees to be bound by and makes the representations and warranties contained in the terms of such Offer and that HSBC Holdings may enforce such agreement against such participant.

The tender by a Holder pursuant to the procedures set forth herein will constitute an agreement between such Holder and us in accordance with the terms and subject to the conditions set forth herein and in the other Offer Documents.

By tendering Notes pursuant to an Offer, a Holder will have represented, warranted and agreed that such Holder is the beneficial owner of, or a duly authorized representative of one or more such beneficial owners of, and has full power and authority to tender, sell, assign and transfer, the Notes tendered thereby and that when such Notes are accepted and the applicable Consideration is paid by us, we will acquire good, indefeasible, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim or right and that such Holder will cause such Notes to be delivered in accordance with the terms of such Offer. The Holder, by tendering Notes, will also have agreed to (a) not sell, pledge, hypothecate or otherwise encumber or transfer any Notes tendered from the date of such tender and that any such purported sale, pledge, hypothecation or other encumbrance or transfer will be void and of no effect and (b) execute and deliver such further documents and give such further assurances as may be required in connection with such Offer and the transactions contemplated thereby, in each case on and subject to the terms and conditions of such Offer. In addition, by tendering Notes, a Holder will also have released us, our affiliates and the Trustee, the Paying Agent and the Calculation Agent from any and all claims that Holders may have arising out of or relating to the Notes.

**Holders desiring to tender Notes pursuant to ATOP must allow sufficient time for completion of the ATOP procedures during normal business hours of DTC.** Except as otherwise provided herein, delivery of Notes will be made only when the Agent's Message is actually received by the Depository. No documents should be sent to us or the Dealer Manager. If you are tendering through a nominee, you should check to see whether there is an earlier deadline for instructions with respect to your decision.

### **Guaranteed Delivery**

If a Holder desires to tender Notes pursuant to an Offer and such Holder cannot comply with the procedure for book-entry transfer by the Expiration Time, such Holder may effect a tender of Notes pursuant to a guaranteed delivery (the "Guaranteed Delivery Procedures") if all of the following are complied with:

- (i) such tender is made by or through an Eligible Institution (as defined below);

(ii) at or prior to the Expiration Time, such Eligible Institution has complied with ATOP's procedures applicable to guaranteed delivery and represented that the Holder(s) own such Notes and guaranteed that, no later than 5:00 p.m. (New York City time) on the Guaranteed Delivery Date, a properly transmitted Agent's Message, together with confirmation of book-entry transfer of the Notes specified therein pursuant to the procedures set forth under the caption "*—Procedures for Tendering Notes*" will be deposited by such Eligible Institution with the Depository; and

(iii) no later than 5:00 p.m. (New York City time) on the Guaranteed Delivery Date, a properly transmitted Agent's Message, together with confirmation of book-entry transfer of the Notes specified therein pursuant to the procedures set forth under the caption "*—Procedures for Tendering Notes*," and all other required documents are received by the Depository.

Guaranteed Deliveries will expire at 5:00 p.m. (New York City time) on September 24, 2020.

Interest will cease to accrue on the Settlement Date for all Notes accepted in an Offer.

The Eligible Institution that tenders Notes pursuant to the Guaranteed Delivery Procedures must (i) no later than the Expiration Time, comply with ATOP's procedures applicable to guaranteed delivery and (ii) no later than the Guaranteed Delivery Date, deliver the Agent's Message, together with confirmation of book-entry transfer of the Notes specified therein, to the Depository as specified above. **Failure to do so could result in a financial loss to such Eligible Institution.**

If a Holder is tendering Notes through ATOP pursuant to the Guaranteed Delivery Procedures, the Eligible Institution should not complete and deliver the Notice of Guaranteed Delivery, but such Eligible Institution will be bound by the terms of the relevant Offer, including the Notice of Guaranteed Delivery, as if it was executed and delivered by such Eligible Institution. Holders who tender pursuant to the Guaranteed Delivery Procedures should, at or prior to the Guaranteed Delivery Date, only comply with ATOP's procedures applicable to guaranteed delivery.

Notes may be tendered pursuant to the Guaranteed Delivery Procedures only in the authorized denominations applicable to such Notes (as described under "*—Denominations*").

No alternative, condition or contingent tenders will be accepted.

### **Other Matters**

Subject to, and effective upon, the payment and acceptance of the applicable Consideration for the principal amount of Notes tendered in accordance with the terms (and subject to the conditions) of an Offer, a tendering Holder, by submitting or sending an Agent's Message to the Depository in connection with the tender of Notes, will have:

(i) irrevocably agreed to sell, assign and transfer to or upon our order or our nominees' order, all right, title and interest in and to, and any and all claims in respect of or arising or having arisen as a result of the tendering Holder's status as a holder of, all Notes tendered, such that thereafter it shall have no contractual or other rights or claims in law or equity against us or any fiduciary, trustee, fiscal agent or other person connected with the Notes arising under, from or in connection with such Notes;

(ii) waived any and all rights with respect to the Notes tendered (including, without limitation, any existing or past defaults and their consequences in respect of such Notes and the indenture governing the Notes);

(iii) released and discharged us and the Trustee, the Paying Agent and the Calculation Agent from any and all claims the tendering Holder may have, now or in the future, arising out of or related to the Notes tendered, including, without limitation, any claims that the tendering Holder is entitled to receive additional principal or interest payments with respect to the Notes tendered (other than as expressly provided in this Offer to Purchase) or to participate in any repurchase, redemption or defeasance of the Notes tendered;

(iv) irrevocably constituted and appointed the Depository the true and lawful agent and attorney-in-fact of such tendering Holder (with full knowledge that the Depository also acts as our agent) with respect to any tendered Notes, with full power of substitution and resubstitution (such power of attorney being deemed to be an irrevocable power coupled with an interest) to (a) deliver such Notes or transfer ownership of such Notes on the account books maintained by DTC together with all accompanying evidences of

transfer and authenticity, to or upon our order, (b) present such Notes for transfer on the register, and (c) receive all benefits or otherwise exercise all rights of beneficial ownership of such Notes, all in accordance with the terms of such Offer; and

- (v) represented, warranted and agreed to and with us and the Dealer Manager that:
- a) it is the beneficial owner of, or a duly authorized representative of one or more beneficial owners of, the Notes tendered thereby, and it has full power and authority to tender the Notes;
  - b) the Notes being tendered were owned as of the date of tender, free and clear of any liens, charges, claims, encumbrances, interests and restrictions of any kind, and HSBC Holdings will acquire good, indefeasible and unencumbered title to those Notes, free and clear of all liens, charges, claims, encumbrances, interests and restrictions of any kind, when HSBC Holdings accepts the same;
  - c) it will not sell, pledge, hypothecate or otherwise encumber or transfer any Notes tendered thereby from the date of such tender, and any purported sale, pledge, hypothecation or other encumbrance or transfer will be void and of no effect;
  - d) it is a person to whom it is lawful to make available this Offer to Purchase or to make the Offers in accordance with applicable laws (including the offering restrictions set out in this Offer to Purchase);
  - e) it has had access to such financial and other information and has been afforded the opportunity to ask such questions of representatives of HSBC Holdings and receive answers thereto, as it deems necessary in connection with its decision to participate in the Offers;
  - f) it acknowledges that HSBC Holdings, the Dealer Manager and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgements, representations and warranties made by its submission of the Agent's Message are, at any time at or prior to the consummation of the Offers, no longer accurate, it shall promptly notify HSBC Holdings and the Dealer Manager. If it is tendering the Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account;
  - g) it is not a person or entity (i) that is, or is directly or indirectly owned or controlled by a person that is described or designated in (A) the most current "Specially Designated Nationals and Blocked Persons" list (which as of the date hereof can be found at: <https://www.treasury.gov/ofac/downloads/sdnlist.pdf>); or (B) the "Foreign Sanctions Evaders List" (which as of the date hereof can be found at: <http://www.treasury.gov/ofac/downloads/fse/fselist.pdf>); or (C) the most current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date hereof can be found at: <https://data.europa.eu/euodp/en/data/dataset/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions/resource/3a1d5dd6-244e-4118-82d3-db3be0554112>); or (ii) that is otherwise the subject of any sanctions administered or enforced by any Sanctions Authority (as defined below), other than solely by virtue of their inclusion in: (A) the most current "Sectoral Sanctions Identifications" list (which as of the date hereof can be found at: <https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf>) (the "SSI List"); (B) Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the "EU Annexes"); or (C) any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes. "Sanctions Authority" means each of: (i) the United States government; (ii) the United Nations; (iii) the European Union (or any of its member states including, for these purposes and without limitation the United Kingdom); (iv) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; or (v) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the

Treasury, the United States Department of State, the United States Department of Commerce and Her Majesty's Treasury;

- h) in evaluating the relevant Offer and in making its decision whether to participate in such Offer by the tender of Notes, the Holder has received a copy of this Offer to Purchase, made its own independent appraisal of the matters referred to in this Offer to Purchase and in any related communications and agrees to be bound by all the terms and conditions of such Offer;
- i) the tender of Notes shall constitute an undertaking to execute any further documents and give any further assurances that may be required in connection with any of the foregoing, in each case on and subject to the terms and conditions described or referred to in this Offer to Purchase;
- j) it and the person receiving the applicable consideration have observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities and paid any issue, transfer or other taxes or requisite payments due from any of them in each respect in connection with any offer or acceptance in any jurisdiction, and that it and such person or persons have not taken or omitted to take any action in breach of the terms of the Offers or which will or may result in HSBC Holdings or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offers or the tender of Notes in connection therewith; and
- k) neither it nor the person receiving the applicable consideration is acting on behalf of any person who could not truthfully make the foregoing representations, warranties and undertakings or those set forth in the Agent's Message.

**By tendering Notes pursuant to an Offer, a Holder will have agreed that the delivery and surrender of the Notes is not effective, and the risk of loss of the Notes does not pass to the Depository, until receipt by the Depository of a properly transmitted Agent's Message. All questions as to the form of all documents and the validity (including time of receipt) and acceptance of tenders and withdrawals of Notes will be determined by us, in our sole discretion, which determination shall be final and binding.**

Notwithstanding any other provision of this Offer to Purchase, payment of the Consideration and Accrued Interest, if any, with respect to the Notes tendered for purchase and accepted by us pursuant to an Offer will occur only after timely receipt by the Depository of a Book-Entry Confirmation with respect to such Notes, together with an Agent's Message and any other required documentation. The tender of Notes pursuant to an Offer by the procedures set forth above will constitute an agreement between the tendering Holder and us in accordance with the terms and subject to the conditions of such Offer. The method of delivery of Notes, the Agent's Message and all other required documents is at the election and risk of the tendering Holder. In all cases, sufficient time should be allowed to ensure timely delivery.

**Alternative, conditional or contingent tenders will not be considered valid.** We reserve the right to reject any or all tenders of Notes that are not in proper form or the acceptance of which would, in our opinion, be unlawful. We also reserve the right, subject to applicable law and limitations described elsewhere in this Offer to Purchase, to waive any defects, irregularities or conditions of tender as to particular Notes, including any delay in the submission thereof or any instruction with respect thereto. A waiver of any defect or irregularity with respect to the tender of one Note shall not constitute a waiver of the same or any other defect or irregularity with respect to the tender of any other Note. Our interpretations of the terms and conditions of the Offers will be final and binding on all parties. Any defect or irregularity in connection with tenders of Notes must be cured within such time as we determine, unless waived by us. Tenders of Notes shall not be deemed to have been made until all defects and irregularities have been waived by us or cured. None of us, the Trustee, the Paying Agent, the Calculation Agent, the Dealer Manager, the Depository, the Information Agent or any other person will be under any duty to give notice of any defects or irregularities in tenders of Notes or will incur any liability to Holders for failure to give any such notice.

#### **Compliance with "Short Tendering" Rule**

It is a violation of Rule 14e-4 (promulgated under the Exchange Act) for a person, directly or indirectly, to tender Notes for his or her own account unless the person so tendering (a) has a net long position equal to or greater

than the aggregate principal amount of the Notes being tendered and (b) will cause such Notes to be delivered in accordance with the terms of the relevant Offer. Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person.

A tender of Notes in any Offer under any of the procedures described above will constitute a binding agreement between the tendering Holder and us with respect to such Offer upon the terms and subject to the conditions of such Offer, including the tendering Holder's acceptance of the terms and conditions of such Offer, as well as the tendering Holder's representation and warranty that (a) such Holder has a net long position in the Notes being tendered pursuant to such Offer within the meaning of Rule 14e-4 under the Exchange Act and (b) the tender of such Notes complies with Rule 14e-4.

### **Withdrawal of Tenders**

Notes tendered in an Offer may be validly withdrawn at any time at or prior to (a) the Withdrawal Date and (b) if such Offer is extended, the 10th Business Day after the Launch Date. In addition, tendered Notes may be withdrawn at any time after the 60<sup>th</sup> Business Day after the Launch Date if for any reason such Offer has not been consummated within 60 Business Days after such Launch Date. Notes tendered after the Withdrawal Date may not be withdrawn, except in limited circumstances. After the Withdrawal Date, for example, Notes tendered in an Offer may not be validly withdrawn unless we amend or otherwise change such Offer in a manner material to tendering Holders or are otherwise required by law to permit withdrawal (as determined by us in our reasonable discretion). Under these circumstances, we will allow previously tendered Notes to be withdrawn for a period of time following the date that notice of the amendment or other change is first published or given to Holders that we believe gives Holders a reasonable opportunity to consider such amendment or other change and implement the withdrawal procedures described below. If an Offer is terminated, Notes tendered pursuant to such Offer will be returned promptly to the tendering Holders.

For a withdrawal of a tender of Notes to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the Depository at or prior to the Withdrawal Date, by email, mail, overnight courier or hand delivery or by a properly transmitted "Request Message" through ATOP. Any such notice of withdrawal must:

- (i) specify the name of the Holder who tendered the Notes to be withdrawn and, if different, the name of the registered holder of such Notes (or, in the case of Notes tendered by book-entry transfer, the name of the DTC participant whose name appears on the security position as the owner of such Notes);
- (ii) contain a description of the Notes to be withdrawn (including the principal amount of the Notes to be withdrawn); and
- (iii) except in the case of a notice of withdrawal transmitted through ATOP, be signed by such participant in the same manner as the participant's name is listed in the applicable Agent's Message, or be accompanied by evidence satisfactory to us that the person withdrawing the tender has succeeded to the beneficial ownership of such Notes.

The signature on a notice of withdrawal must be guaranteed by a recognized participant in the Securities Transfer Agents Medallion Program, the New York Stock Exchange, Inc., Medallion Signature Program or the Stock Exchange Medallion Program unless such Notes have been tendered for the account of an Eligible Institution. If the Notes to be withdrawn have been delivered or otherwise identified to the Depository, a signed notice of withdrawal will be effective immediately upon the Depository's receipt of written or facsimile notice of withdrawal. An "Eligible Institution" is one of the following firms or other entities identified and defined as an "eligible guarantor institution" in Rule 17Ad-15 under the Exchange Act:

- (i) a bank;
- (ii) a broker, dealer, municipal securities dealer, municipal securities broker, government securities dealer or government securities broker;
- (iii) a credit union;
- (iv) a national securities exchange, registered securities association or clearing agency; or
- (v) a savings institution that is a participant in a Securities Transfer Association recognized program.

A withdrawal of a tender of Notes may not be rescinded, and any Notes properly withdrawn will thereafter not be validly tendered for purposes of the relevant Offer. Withdrawal of Notes may only be accomplished in accordance with the foregoing procedures. Notes validly withdrawn may thereafter be retendered at any time at or prior to the applicable Expiration Time by following the procedures described under “—*Procedures for Tendering.*”

We will determine all questions as to the form and validity (including time of receipt) of any notice of withdrawal of a tender, in our sole discretion, which determination shall be final and binding. None of us, the Trustee, the Paying Agent, the Calculation Agent, the Dealer Manager, the Depositary or the Information Agent or any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal of a tender or incur any liability for failure to give any such notification.

If we are delayed in our acceptance for purchase of any Notes for any reason, then, without prejudice to our rights hereunder, but subject to applicable law, tendered Notes may be retained by the Depositary on our behalf and may not be validly withdrawn (subject to Rule 14e-1 under the Exchange Act, which requires that we issue or pay the consideration offered or return the Notes deposited by or on behalf of the Holders promptly after the expiration or termination of the related Offer).

### **Acceptance for Payment and Payment for Notes**

Upon the terms of each Offer and upon satisfaction or, where applicable, waiver of the conditions of such Offer specified herein under “—*Conditions to the Offers,*” we will, in respect of each Offer, (a) accept for purchase Notes validly tendered (or defectively tendered, if in our sole discretion we waive such defect) and not validly withdrawn and (b) promptly pay to DTC, on the Settlement Date, the Consideration (plus an amount equal to Accrued Interest thereon) for Notes that are tendered in such Offer and accepted for purchase, in immediately available funds with DTC. In all cases, payment for Notes accepted for purchase pursuant to an Offer will be made only after confirmation of book-entry transfer thereof. Under no circumstances will any interest be payable to Holders because of any delay on the part of the Information Agent, DTC or any other party in the transmission of funds to Holders.

We will be deemed to have accepted for payment pursuant to an Offer and thereby have purchased Notes validly tendered and not properly withdrawn if, as and when we give oral (promptly confirmed in writing) or written notice thereof to the Information Agent of our acceptance of the Notes. The Information Agent will act as agent for the tendering Holders for the purpose of receiving payments from us and transmitting such payments to the tendering Holders. With respect to tendered or deposited Notes that are to be returned to Holders, such Notes will be returned without expense to the tendering Holder (or, in the case of Notes tendered or deposited by book-entry transfer, such Notes will be credited to the account maintained at DTC from which such Notes were delivered) promptly after the expiration or termination of the related Offer.

If we are delayed in our acceptance of, purchase of, or payment for, validly tendered Notes or we are unable to accept for purchase or pay for validly tendered Notes pursuant to an Offer for any reason, then, without prejudice to our rights hereunder, but subject to applicable law, tendered Notes may be retained by the Information Agent on our behalf and may not be properly withdrawn, subject to Rule 14e-1 under the Exchange Act (which requires that we pay the consideration offered or return the Notes deposited by or on behalf of the Holders promptly after the termination or withdrawal of such Offer).

We expressly reserve the right, in our sole discretion and subject to Rule 14e-1(c) under the Exchange Act, to delay acceptance for payment of or payment for the Notes of any series if any of the conditions to the related Offer shall not have been satisfied or, where applicable, waived, or in order to comply, in whole or in part, with any applicable law. We also expressly reserve our right to terminate any Offer at any time, subject to applicable law.

If any tendered Notes are not accepted for payment for any reason pursuant to the terms and conditions of the related Offer, such Notes will be credited to an account maintained at DTC, designated by the participant therein that so delivered such Notes promptly following the Expiration Time or the termination of such Offer.

We may transfer or assign, in whole or from time to time in part, to one or more of our affiliates or any third party the right to purchase all or any of the Notes tendered pursuant to an Offer, but any such transfer or assignment will not relieve us of our obligations under the related Offer and will in no way prejudice the rights of tendering Holders to receive payment for Notes validly tendered and accepted for payment pursuant to such Offer.

Tendering Holders of Notes purchased in an Offer will not be obligated to pay brokerage fees or commissions to any of HSBC Holdings, the Dealer Manager, the Information Agent, or to pay transfer taxes with respect to the purchase of their Notes. If, however, any Consideration is to be paid to, or if Notes not tendered or not accepted for payment are to be registered in the name of, any person other than a Holder, the amount of any transfer taxes (whether imposed on the Holder or such other person) payable on account of the transfer to such person will be deducted from such Consideration unless satisfactory evidence of the payment of such taxes or exemption therefrom is submitted. We will pay all other charges and expenses in connection with the Offers.

All Notes accepted in the Offers will be canceled and retired, and will no longer remain outstanding obligations of HSBC Holdings.

#### **Certain Consequences to Holders of Notes Not Tendering in the Offers**

Any of the Notes that are not tendered to us at or prior to the Expiration Time or the Guaranteed Delivery Date pursuant to the Guaranteed Delivery Procedures or are not purchased will remain outstanding, will mature on their respective maturity dates and will continue to accrue interest in accordance with, and will otherwise be entitled to all the rights and privileges under, the indenture and other documents governing the Notes. The trading markets for Notes that are not purchased could become more limited than the existing trading markets for the Notes. More limited trading markets might adversely affect the liquidity, market prices and price volatility of the Notes. If markets for Notes that are not purchased exist or develop, the Notes may trade at a discount to the prices at which they would trade if the principal amount outstanding had not been reduced. See “*Risk Factors*.”



## TAXATION

**THE SUMMARY OF TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY AND IS NOT INTENDED TO BE EXHAUSTIVE. ANY HOLDERS WHO ARE IN DOUBT AS TO THEIR OWN TAX POSITION SHOULD CONSULT THEIR PROFESSIONAL ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF PARTICIPATING IN THE OFFERS, INCLUDING THE APPLICABILITY AND EFFECT OF FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW. IN PARTICULAR, HOLDERS SHOULD BE AWARE THAT THE TAX LEGISLATION OF ANY JURISDICTION WHERE A HOLDER IS RESIDENT OR OTHERWISE SUBJECT TO TAXATION (AS WELL AS THE JURISDICTIONS DISCUSSED BELOW) MAY HAVE AN IMPACT ON THE TAX CONSEQUENCES OF AN INVESTMENT IN THE NOTES INCLUDING IN RESPECT OF ANY INCOME RECEIVED FROM THE NOTES.**

### **Certain U.S. Federal Income Tax Considerations**

The following is a summary of certain U.S. federal income tax consequences of the Offers that may be relevant to a beneficial owner of Notes. The summary is based on laws, regulations, rulings and decisions now in effect, all of which are subject to change. The discussion does not deal with special classes of holders, such as dealers in securities or currencies, banks, financial institutions, insurance companies, tax-exempt organizations, entities classified as partnerships and the partners therein, nonresident alien individuals present in the United States for more than 182 days in a taxable year, persons holding Notes as a position in a “straddle” or conversion transaction, or as part of a “synthetic security” or other integrated financial transaction or U.S. Holders (as defined below) that have a functional currency other than the U.S. dollar. This discussion assumes that the Notes are held as “capital assets” within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the “Code”). The discussion does not address the alternative minimum tax, the Medicare tax on net investment income or other aspects of U.S. federal income or state and local taxation that may be relevant to a Holder in light of the Holder’s particular circumstances. Special considerations may be relevant to Holders that also purchase New Notes in the Proposed Issuance and such Holders should consult their own tax advisors concerning the U.S. federal income tax consequences to them of the acquisition of New Notes in the Proposed Issuance and the sale of their Notes pursuant to the Offers being characterized as an exchange. HSBC Holdings intends for the sale of Notes pursuant to the Offers to be treated as a sale for cash for U.S. federal income purposes.

As used herein, a “U.S. Holder” is a beneficial owner of a Note that is, for U.S. federal income tax purposes, (i) a citizen or resident of the United States, (ii) a domestic corporation or (iii) otherwise subject to U.S. federal income tax on a net income basis in respect of a Note. A “Non-U.S. Holder” is a beneficial owner of a Note that is not a U.S. Holder.

### ***Tax Considerations for U.S. Holders***

Sales of Notes pursuant to the Offers by U.S. Holders will be taxable transactions for U.S. federal income tax purposes. Subject to the discussion of the market discount rules set forth below, a U.S. Holder selling Notes pursuant to the Offers generally will recognize capital gain or loss in an amount equal to the difference between the amount of cash received (other than Accrued Interest, which will be taxed as ordinary interest income to the extent that the U.S. Holder has not previously included the Accrued Interest in its income) and the U.S. Holder’s adjusted tax basis in the Notes sold at the time of sale. A U.S. Holder’s adjusted tax basis in a Note generally will equal the amount paid therefor, increased by the amount of any original issue discount (“OID”) or market discount previously taken into account by the U.S. Holder and reduced by any payments received by the U.S. Holder other than payments of qualified stated interest and by the amount of any amortizable bond premium previously amortized by the U.S. Holder with respect to the Notes. Any gain or loss generally will be long-term capital gain or loss if the U.S. Holder’s holding period for the Notes on the date of sale was more than one year. Certain non-corporate U.S. Holders (including individuals) may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. The deductibility of capital losses is subject to limitations.

In general, if a U.S. Holder acquired the Notes with market discount, any gain realized by a U.S. Holder on the sale of the Notes will be treated as ordinary income to the extent of the portion of the market discount that has accrued while the Notes were held by the U.S. Holder, unless the U.S. Holder has elected to include market discount in income currently as it accrues. A Note will be considered to have been acquired with market discount if the U.S. Holder purchased the Note for an amount less than the Note's stated principal amount (or, in the case of Notes issued with OID, the adjusted issue price of the Notes), subject to a statutory *de minimis* exception. Market discount accrues on a ratable basis unless a U.S. Holder elects to accrue market discount on a constant-yield basis.

A U.S. Holder who does not tender its Notes pursuant to the Offers should not recognize any gain or loss for U.S. federal income tax purposes.

### ***Tax Considerations for Non-U.S. Holders***

Subject to the discussion below concerning backup withholding, a Non-U.S. Holder that realizes gain in connection with the sale of a Note pursuant to the Offers (including amounts attributable to Accrued Interest) generally will not be subject to U.S. federal income tax.

### ***Information Reporting and Backup Withholding for U.S. Holders and Non-U.S. Holders***

In general, payments to a U.S. Holder for tendering Notes pursuant to the Offers may be subject to information reporting unless the U.S. Holder is an exempt recipient. Backup withholding may apply to such payments unless the U.S. Holder (i) is an exempt recipient and establishes this fact if required, or (ii) provides an accurate taxpayer identification number and certifies that it is a U.S. person and that no loss of exemption from backup withholding has occurred. Holders who are not U.S. persons may be required to comply with applicable certification procedures to establish that they are not U.S. taxpayers in order to avoid the application of such information reporting requirements and backup withholding. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder or Non-U.S. Holder will be allowed as a credit against the Holder's U.S. federal income tax liability and may entitle the Holder to a refund, provided that the required information is timely furnished to the IRS. Holders should consult their tax advisers about these rules and any other reporting obligations that may apply to the ownership or disposition of Notes pursuant to the Offers, including requirements related to the holding of certain "specified foreign financial assets".

### **Certain United Kingdom Tax Consequences**

The following is a summary of certain United Kingdom tax consequences of the participation in the Offers by a Holder who is a resident of the United States for tax purposes and not resident in the United Kingdom for United Kingdom tax purposes (a "United States Holder").

The comments below are of a general nature and are based on current United Kingdom tax law, as applied in England and Wales and HM Revenue & Customs ("HMRC") practice (which may not be binding on HMRC), in each case as at the latest practicable date before the date of this document. The comments are not intended to be exhaustive. They do not necessarily apply where the income is deemed for tax purposes to be the income of any person other than the Holder. They relate only to the position of persons who hold their Notes as investments (regardless of whether the Holder also carries on a trade, profession or vocation through a permanent establishment, branch or agency to which the Notes are attributable) and are the absolute beneficial owners thereof. Certain classes of persons such as dealers, certain professional investors, or persons connected with HSBC Holdings may be subject to special rules and this summary does not apply to such Holders.

References in this section to "interest" mean amounts that are treated as interest for the purpose of United Kingdom tax law. The statements below do not take account of any different definitions of interest that may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.

### ***Consideration***

Payments of the Consideration may be made without withholding or deduction on account of United Kingdom income tax, provided that they do not comprise interest payable on the Notes. If and to the extent that any part of the Consideration is treated as comprising interest, it will be treated in the same way as the amounts paid in respect of the Accrued Interest described below.

### ***Accrued Interest***

Payments of accrued interest in respect of the Notes will not be subject to withholding or deduction for or on account of United Kingdom income tax on the basis that, and so long as, the Notes are and continue to be listed on a “recognised stock exchange” within the meaning of Section 1005 of the United Kingdom Income Tax Act 2007. The New York Stock Exchange is a “recognised stock exchange” for these purposes. The Notes will be treated as listed on the New York Stock Exchange if they are both admitted to trading on the New York Stock Exchange and are officially listed in the United States in accordance with provisions corresponding to those generally applicable in countries in the European Economic Area.

## **CERTAIN ERISA CONSIDERATIONS**

A fiduciary of a pension, profit-sharing or other employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), including entities such as collective investment funds, partnerships and separate accounts whose underlying assets include the assets of such plans (collectively, “ERISA Plans”) should consider the fiduciary standards of ERISA in the context of the ERISA Plan’s particular circumstances before authorizing participation in the Offers. In addition to ERISA’s general fiduciary standards, Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans, as well as plans (including individual retirement accounts and Keogh plans) subject to Section 4975 of the Code (together with ERISA Plans, “Plans”), from engaging in certain transactions involving the “plan assets” of such Plans with persons who are “parties in interest” under ERISA or “disqualified persons” under Section 4975 of the Code with respect to such Plans unless exemptive relief is available under a statutory or administrative exemption.

Non-U.S. plans, governmental plans (as defined in Section 3(32) of ERISA) and certain church plans (as defined in Section 3(33) of ERISA), while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of ERISA and Section 4975 of the Code, may nevertheless be subject to other federal, state, local or non-U.S. laws or regulations that are substantially similar to the foregoing provisions of ERISA and the Code (“Similar Law”). Fiduciaries of any such plans subject to Similar Law (“Non-ERISA Plans”) should consult with their counsel before tendering Notes in the Offers to determine the need for, if necessary, and the availability of, any exemptive relief under any Similar Law.

Each Holder tendering Notes in the Offers (and each Plan fiduciary and each fiduciary of a Non-ERISA Plan directing or advising a Plan or Non-ERISA Plan to tender Notes in the Offer) shall be deemed to have represented and warranted that either (a) it is not a Plan or Non-ERISA Plan and it is not tendering such Notes on behalf of any Plan or Non-ERISA Plan or (b) its participation in the Offers are eligible for exemptive relief under Section 406 of ERISA and Section 4975 of the Code or Similar Law.

## OFFER RESTRICTIONS

*This Offer to Purchase does not constitute an invitation to participate in the Offers in any jurisdiction in which, or to any person to or from whom, it is unlawful to make such invitation or for there to be such participation under applicable securities laws. The distribution of this Offer to Purchase in certain jurisdictions may be restricted by law. Persons into whose possession this Offer to Purchase comes are required by us, the Dealer Manager and the Information Agent to inform themselves about, and to observe, any such restrictions.*

### **General**

This Offer to Purchase does not constitute an offer to purchase or sell, or the solicitation of an offer to purchase or sell any securities. No offer, solicitation, or sale will be made (and tenders of Notes in the Offers will not be accepted from Holders) in any circumstances in which such offer or solicitation or acceptance is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Offers to be made by a licensed broker or dealer and the Dealer Manager or any of the Dealer Manager's affiliates is such a licensed broker or dealer in any such jurisdiction, the Offers shall be deemed to be made by the Dealer Manager or such Dealer Manager's affiliate, as the case may be, on behalf of HSBC Holdings in such jurisdiction.

Each tendering Holder participating in the Offers will also be deemed to give certain representations in respect of the jurisdictions referred to below and generally as set out in "*Description of the Offers—Other Matters.*" Any tender of Notes for purchase pursuant to the Offers from a Holder that is unable to make these representations will not be accepted. Each of HSBC Holdings, the Dealer Manager and the Information Agent reserves the right, in its absolute discretion, to investigate, in relation to any tender of Notes for purchase pursuant to the Offers, whether any such representation given by a Holder is correct and, if such investigation is undertaken and as a result we determine (for any reason) that such representation is not correct, such tender shall not be accepted.

### **United Kingdom**

The communication of this Offer to Purchase and any other documents or materials relating to the Offers are not being made and such documents and/or materials have not been approved by an authorized person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, this Offer to Purchase and such documents and/or materials are not being distributed to, and must not be passed on to, persons in the United Kingdom other than (i) to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Financial Promotion Order")), (ii) to those persons who are within Article 43(2) of the Financial Promotion Order, including existing members and creditors of HSBC Holdings, (iii) to those persons who are outside the United Kingdom, or (iv) to any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as "Relevant Persons") and the transactions contemplated herein will be available only to, and engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act on or rely on this Offer to Purchase or any of its contents.

### **Belgium**

Neither this Offer to Purchase nor any other documents or materials relating to the Offers have been submitted to or will be submitted for approval or recognition to the Financial Services and Markets Authority ("Autorité des services et marchés financiers / Autoriteit financiële diensten en markten") and, accordingly, the Offers may not be made in Belgium by way of a public offering, as defined in Articles 3 and 6 of the Belgian Law of 1 April 2007 on public takeover bids (the "Belgian Takeover Law") as amended or replaced from time to time. Accordingly, the Offers may not be advertised and the Offers will not be extended, and neither this Offer to Purchase nor any other documents or materials relating to the Offers (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than (i) to "qualified investors" in the sense of Article 10 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets, acting on their own account or (ii) in any circumstances set out in Article 6, §4 of the Belgian Takeover Law. This Offer to Purchase has been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Offers. Accordingly, the information contained in this Offer to Purchase may not be used for any other purpose or disclosed to any other person in Belgium.

## ***Italy***

None of the Offers, this Offer to Purchase or any other document or materials relating to the Offers have been or will be submitted to the clearance procedures of the Commissione Nazionale per le Società e la Borsa (“CONSOB”) pursuant to Italian laws and regulations. The Offers are being carried out in the Republic of Italy as exempted offers pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the “Financial Services Act”) and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended. Holders or beneficial owners of the Notes that are located in Italy can tender the Notes for purchase in the Offers through authorized persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Notes and/or the Offers.

## ***Hong Kong***

The communication of this Offer to Purchase and any other documents or materials relating to the Offers and/or the debt securities is not being made in Hong Kong, by means of any document, other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) (the “CWUMPO”), or (ii) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the “SFO”) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” as defined in the CWUMPO.

No invitation, advertisement or document relating to the Offers and/or the Notes has been or will be issued, or has been or will be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Offers and/or the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made thereunder.

## ***Canada***

Any offer or solicitation in Canada must be made through a dealer that is appropriately registered under the laws of the applicable province or territory of Canada, or pursuant to an exemption from that requirement. Where the Dealer Manager or any affiliate thereof is a registered dealer or able to rely on an exemption from the requirement to be registered in such jurisdiction, the Offers shall be deemed to be made by such Dealer Manager, or such affiliate, on behalf of the relevant company in that jurisdiction.

## ***France***

None of the Offers are being made, directly or indirectly, to the public in the Republic of France (“France”). Neither this Offer to Purchase nor any other document or material relating to the Offers has been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers) and/or (ii) qualified investors (investisseurs qualifiés), other than individuals, acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French Code monétaire et financier, are eligible to participate in the Offer. This Offer to Purchase has not been and will not be submitted for clearance to nor approved by the Autorité des Marchés Financiers.

## DEALER MANAGER; INFORMATION AGENT

In connection with the Offers, we have retained HSBC Bank plc to act on our behalf as Dealer Manager and Global Bondholder Services Corporation (“GBSC”) to act as Information Agent and Depositary, each of which will receive customary fees for its services. We have agreed to reimburse the Dealer Manager and GBSC for certain of their out-of-pocket expenses and to indemnify them against certain liabilities, including in certain cases liabilities under federal securities laws. In connection with the Offers, we will also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of the Offers and related documents to the beneficial owners of the Notes and in handling or forwarding tenders of Notes by their customers.

Any Holder that has questions concerning the terms of the Offers may contact the Dealer Manager at:

HSBC Bank plc  
8 Canada Square  
London E14 5HQ  
United Kingdom  
Attention: Liability Management Group  
Telephone: +44 (0)20 7992 6237 / US: +1 (212) 525-5552 (Collect) / +1 (888) HSBC-4LM (Toll Free)  
Email: liability.management@hsbcib.com

Questions and requests for assistance or additional copies of this Offer to Purchase may be directed to the Information Agent at:

Global Bondholder Services Corporation  
65 Broadway – Suite 404  
New York, New York 10006  
Attn: Corporation Actions  
Toll-free: (866) 470-4300  
Banks and brokers: (212) 430-3774  
E-mail: contact@gbsc-usa.com

Holders may also contact their broker, dealer, custodian bank, depository, trust company or other nominee for assistance concerning the Offers.

All correspondence in connection with the Offers should be sent or delivered to the Information Agent at the above address. Any Holder or beneficial owner that has questions concerning tender procedures should contact the Information Agent.

The Dealer Manager may contact Holders regarding the Offers and may request brokers, dealers, custodian banks, depositories, trust companies and other nominees to forward this Offer to Purchase and related materials to beneficial owners of Notes.

The Dealer Manager is an affiliate of HSBC Holdings and, in the ordinary course of its business, makes markets in debt securities of HSBC Holdings, including the Notes, for its own accounts and for the accounts of its customers. As a result, from time to time, the Dealer Manager may own certain of HSBC Holdings’ debt securities, including the Notes. The Dealer Manager and its respective affiliates may from time to time provide certain commercial banking, financial advisory and investment banking services to HSBC for which they would receive customary fees. In the ordinary course of their businesses, the Dealer Manager and its respective affiliates may at any time hold long or short positions, and may trade for their own account or the accounts of customers, in the debt or equity securities of HSBC Holdings, including any of the Notes and, to the extent that the Dealer Manager and its respective affiliates own Notes during the Offers, they may tender such Notes pursuant to the terms of the Offers. The Dealer Manager and its respective affiliates may from time to time in the future engage in future transactions with HSBC and provide services to HSBC in the ordinary course of their respective businesses.

None of the Dealer Manager nor GBSC assumes any responsibility for the accuracy or completeness of the information concerning HSBC contained or incorporated by reference in this Offer to Purchase or for any failure by HSBC Holdings to disclose events that may have occurred and may affect the significance or accuracy of such information.

## ANNEX A

### FORMULA TO CALCULATE CONSIDERATION FOR EACH SERIES OF FIXED RATE NOTES

YLD	=	The applicable Offer Yield expressed as a decimal number. The Offer Yield equals, in the case of the Fixed Rate Notes, the sum of the applicable Reference Yield and the applicable Fixed Spread.
CPN	=	The contractual annual rate of interest payable on the applicable series of Fixed Rate Notes expressed as a decimal number.
N	=	The number of scheduled semi-annual interest payments from (but excluding) the Settlement Date to (and including) the applicable maturity date.
S	=	The number of days from and including the applicable semi-annual interest payment date immediately preceding the Settlement Date to (but excluding) the Settlement Date. The number of days is computed using the 30/360 day-count method.
/	=	Divide. The term immediately to the left of the division symbol is divided by the term immediately to the right of the division symbol before any addition or subtraction operations are performed.
Exp	=	Exponentiate. The term to the left of “exp” is raised to the power indicated by the term to the right of “exp.”
$\sum_{k=1}^N$	=	Summate. The term in the brackets to the right of the summation symbol is separately calculated “N” times (substituting for “k” in that term each whole number between 1 and N, inclusive) and the separate calculations are then added together.
Consideration	=	The price per each \$1,000 principal amount of the Fixed Rate Notes being priced (excluding Accrued Interest). The Consideration will be rounded to the nearest cent per \$1,000 principal amount of such Fixed Rate Notes.

Formula for Consideration for each series of Fixed Rate Notes:

**Consideration =**

$$\left\{ \frac{\$1,000}{(1 + \text{YLD}/2)^{\exp(N - S/180)}} \right\} + \left\{ \sum_{k=1}^N \left( \frac{\$1,000(\text{CPN}/2)}{(1 + \text{YLD}/2)^{\exp(k - S/180)}} \right) \right\} - \$1,000(\text{CPN}/2)(S/180)$$





# HSBC Holdings plc

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**Offer to Purchase**

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*Dealer Manager*  
**HSBC Bank plc**

Offer to Purchase dated September 15, 2020

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