

IMPORTANT NOTICE

You must read the following before continuing. In accessing the Offer to Purchase (as defined herein), you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from HSBC Holdings plc and the Dealer Manager (as defined herein) as a result of such access.

The following are **ineligible** to participate in these Cash Offers (as defined herein) (each, an “**Ineligible Holder**”):

- A “qualified institutional buyer” within the meaning of Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”).
- A holder of an aggregate principal amount of \$200,000 or more in the relevant series of the Notes (as defined herein).

All **other** holders of Notes are eligible to participate in the Cash Offers (such other holders, the “**Cash Offer Qualified Holders**”). Holders participating in the Cash Offers are required to certify that they are Cash Offer Qualified Holders.

Holders eligible to participate in the Exchange Offers (as defined herein) are Ineligible Holders and are NOT permitted to participate in the Cash Offers.

OFFER TO PURCHASE



HSBC Holdings plc
Offers to Purchase for Cash Up to U.S.\$70,000,000 Aggregate Principal Amount
of its Outstanding Notes Listed Below

EACH CASH OFFER (AS DEFINED BELOW) WILL EXPIRE AT 11:59 P.M. (NEW YORK CITY TIME) ON SEPTEMBER 13, 2022, UNLESS EXTENDED OR EARLIER TERMINATED BY US IN OUR SOLE DISCRETION (SUCH DATE AND TIME WITH RESPECT TO A CASH 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 NOTES (AS DEFINED BELOW) TENDERED FOR PURCHASE MAY BE VALIDLY WITHDRAWN AT ANY TIME AT OR PRIOR TO 11:59 P.M. (NEW YORK CITY TIME) ON SEPTEMBER 13, 2022 (SUCH DATE AND TIME WITH RESPECT TO AN OFFER, AS THE SAME MAY BE EXTENDED, THE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 certification instruction letter (the “Certification”, and, together with the 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 three separate offers up to a total of U.S.\$70,000,000 aggregate principal amount (the “Maximum Amount”) of the outstanding notes listed below. We refer to each offer to purchase a series of Notes as a “Cash Offer,” and collectively as the “Cash Offers.” As of the date of this Offer to Purchase, the aggregate outstanding principal amount of Notes subject to the Cash Offers is \$709,955,000.

| Title of Notes | CUSIP | Maturity Date | Principal Amount Outstanding | Reference Security | Fixed Spread |
|------------------------------------|--|-------------------|------------------------------|--|--------------|
| 7.35% Subordinated Notes Due 2032 | 404280AE9 | November 27, 2032 | \$222,042,000 | US Treasury 2.875% due May 15, 2032 (US91282CEP23) | +220 bps |
| 7.625% Subordinated Notes Due 2032 | 404280AF6 | May 17, 2032 | \$483,613,000 | US Treasury 2.875% due May 15, 2032 (US91282CEP23) | +220 bps |
| 7.625% Subordinated Notes Due 2032 | 404280AD1 | May 17, 2032 | \$4,300,000 | US Treasury 2.875% due May 15, 2032 (US91282CEP23) | +220 bps |
| | Rule 144A Notes: Reg S Notes: G4634UAV4 | | | | |

We will accept the Notes specified in the table above, subject to the satisfaction of the Exchange Offer Completion Condition (as defined below) and other conditions, as described in “*Description of the Cash Offers—Conditions to the Cash Offers.*”

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 Cash Offer at any time at or prior to the Expiration Time. See “*Description of the Cash Offers—Expiration Time; Extensions.*”

In addition, if Notes are validly tendered in an aggregate principal amount that would exceed the Maximum Amount pursuant to the Cash Offers, such tendered Notes will be subject to proration at the sole discretion of the company. For a description of the applicable proration procedures, see “*Description of the Cash Offers – Maximum Amount.*”

Provided that all conditions to a Cash 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 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 16, 2022, unless extended or earlier terminated in respect of a Cash Offer by us in our sole discretion (such date or dates with respect to the Cash Offers, as each 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 and accepted by us and not validly withdrawn (the “Consideration,” and the aggregate Consideration payable for all validly tendered and accepted Notes in all Cash Offers, the “Total Consideration”) will be 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 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. 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 Notes, which is expected to be PX1, (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 respect of the Notes be calculated at or around 11:00 a.m. (New York City Time) on September 13, 2022, unless extended by us in respect of a Cash Offer in our sole discretion (such date with respect to a Cash Offer, as the same may be extended, the “Price Determination Date”). In addition to the Consideration, Cash Offer Qualified 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 (such amount in respect of a series of Notes, “Accrued Interest”).

HSBC Securities (USA) Inc. is acting as dealer manager for the Cash Offers (the “Dealer Manager”) and Global Bondholder Services Corporation is acting as the information agent (in such capacity, the “Information Agent”) and the depositary (in such capacity, the “Depositary”).

Neither the Securities and Exchange Commission (“SEC”) nor any other regulatory body has approved or disapproved of the Cash 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 Cash Offers. In particular, see “Risk Factors” on page 15 for a discussion of certain factors you should consider in connection with the Cash Offers.

Dealer Manager

HSBC Securities (USA) Inc.

The date of this Offer to Purchase is August 30, 2022

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IMPORTANT INFORMATION

We hereby make the concurrent, but separate, Cash 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 Cash Offer, to amend, extend or, if any of the conditions described herein is not timely satisfied or waived, terminate such Cash 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. **We have not provided guaranteed delivery provisions in connection with the Cash Offers. Holders must tender their Notes in accordance with the procedures set forth under “Description of the Cash 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 Cash 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.

Concurrently with the launch of the Cash Offers made pursuant to this Offer to Purchase, HSBC Holdings expects to conduct separate exchange offers (together, the “Exchange Offers” and each an “Exchange Offer”) to exchange five existing series of subordinated debt securities (the “Original Notes”), including each series of Notes listed above, for new subordinated debt securities of a corresponding series to be issued by HSBC Holdings (the “Exchange Notes”) upon the terms and subject to the conditions set forth in a separate registration statement filed with the SEC on Form F-4 on August 2, 2022 and declared effective on August 24, 2022 (the “F-4 Registration Statement”) and the related prospectus dated August 30, 2022. No assurance can be given that the Exchange Offers will be completed. Notwithstanding any other provision of this Offer to Purchase, the consummation of each Cash Offer and our obligation to accept for purchase, and to pay for, Notes validly tendered (and not validly withdrawn) pursuant to each Cash Offer is subject to the satisfaction, or waiver, of: (a) the Exchange Offer Completion Condition and (b) the other conditions set forth in “Description of the Cash Offers—Conditions to the Cash Offers.” We reserve the right to amend or waive any of the other conditions of the Cash Offers, in whole or in part, at any time or from time to time, in our sole discretion, subject to applicable law.

If the purchase of all Notes validly tendered in the Cash Offers on or prior to the Expiration Date would cause HSBC Holdings to purchase an aggregate principal amount of Notes that exceeds the Maximum Amount, then HSBC Holdings will (assuming satisfaction or the waiver of the conditions set forth in this Offer to Purchase) accept for purchase such tendered Notes on a prorated basis such that HSBC Holdings purchases an aggregate principal amount of Notes that would not exceed the Maximum Amount in the Offer. See “Description of the Cash Offers—Maximum Amount.”

In the event that any Cash 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 Cash Offer. In any such event, Notes previously tendered pursuant to such Cash 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 Cash 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 Cash 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 questions 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 Depository, 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 Holdings 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 Cash 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 Cash Offers in, from or otherwise involving the United Kingdom.

IMPORTANT DATES AND TIMES

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

| Date | Calendar Date and Time | Event |
|-------------------------------|---|---|
| Launch Date..... | Before 9:00 a.m. (New York City time) on August 2, 2022. | Commencement of the Cash Offers. |
| Price Determination Date..... | At 11:00 a.m. (New York City Time) on September 13, 2022, unless extended in respect of a Cash Offer by us in our sole discretion. | The date and time at which the Reference Yield and the Consideration in respect of each series of Notes will be determined by the Dealer Manager. We will announce the Consideration for each series of Notes as soon as reasonably practicable after the determination thereof. |
| Withdrawal Date | 11:59 p.m. (New York City Time) on September 13, 2022, unless extended or earlier terminated in respect of a Cash Offer by us in our sole discretion. | The deadline for Holders to validly withdraw tenders of their Notes. If a tender of Notes is validly 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..... | 11:59 p.m. (New York City Time) on September 13, 2022, unless extended or earlier terminated in respect of a Cash Offer by us in our sole discretion. | The date and time by which Holders must validly tender Notes in order to be eligible to receive the Consideration and Accrued Interest for such Notes on the Settlement Date. We will announce the results of the Cash Offers on the following Business Day. |

| | | |
|----------------------|---|---|
| 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 16, 2022, unless extended or earlier terminated in respect of a Cash 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 Cash 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, a Cash 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 annual financial statements of the HSBC Group comply with international accounting standards in conformity with UK-adopted International Accounting Standards, the requirements of the UK Companies Act 2006 and have also applied International Financial Reporting Standards (“IFRSs”) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union (“EU”). These financial statements are also prepared in accordance with IFRSs as issued by the International Accounting Standards Board (“IASB”), including interpretations issued by the IFRS Interpretations Committee, as there are no applicable differences from IFRSs issued by the IASB for the periods presented. As of December 31, 2021, there were no unendorsed standards effective for the year ended December 31, 2021 affecting the consolidated financial statements included in our Annual Report on Form 20-F for the year ended December 31, 2021, filed with the SEC on February 23, 2022 (the “**2021 Form 20-F**”).

The interim condensed financial statements of the HSBC Group have been prepared on the basis of the policies set out in the 2021 Form 20-F and in accordance with IAS 34 “Interim Financial Reporting” as adopted by the UK, IAS 34 “Interim Financial Reporting” as issued by the IASB, IAS 34 “Interim Financial Reporting” as adopted by the EU and the Disclosure Guidance and Transparency Rules sourcebook of the UK’s Financial Conduct Authority. The interim condensed financial statements should be read in conjunction with the 2021 Form 20-F. As of June 30, 2022, there were no unendorsed standards effective for the six-month period ended June 30, 2022 affecting our interim condensed financial statements included in our Interim Report for the six-month period ended June 30, 2022, furnished under cover of Form 6-K to the SEC on August 1, 2022 (the “**2022 Interim Report**”), and there was no difference between IFRSs adopted by the UK, IFRSs as adopted by the EU and IFRSs issued by the IASB in terms of their application to HSBC.

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.

The financial information incorporated by reference in this document relating to the year ended December 31, 2021 (i) complies with international accounting standards in conformity with the UK-adopted International Accounting Standards, the requirements of the UK Companies Act 2006 and with IFRSs adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the EU, and (ii) is prepared in accordance with IFRSs as issued by the IASB. See “*Where You Can Find More Information; Documents Incorporated By Reference.*”

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 certain forward-looking statements with respect to HSBC's financial condition; results of operations and business, including the strategic priorities; financial, investment and capital targets; and ESG targets, commitments and ambitions described in the 2021 Form 20-F and the 2022 Interim Report.

Statements that are not historical facts, including statements about HSBC's beliefs and expectations, are forward-looking statements. Words such as 'may', 'will', 'should', 'expects', 'targets', 'anticipates', 'intends', 'plans', 'believes', 'seeks', 'estimates', 'potential' and 'reasonably possible', or the negative thereof, other variations thereon or similar expressions are intended to identify forward-looking statements. These statements are based on current plans, information, data, estimates and projections, and therefore undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made. HSBC makes no commitment to revise or update any forward-looking statements to reflect events or circumstances occurring or existing after the date of any forward-looking statements. Written and/or oral forward-looking statements may also be made in the periodic reports to the SEC, summary financial statements to shareholders, proxy statements, offering circulars and prospectuses, press releases and other written materials, and in oral statements made by HSBC's directors, officers or employees to third parties, including financial analysts. Forward-looking statements involve inherent risks and uncertainties. Readers are cautioned that a number of factors could cause actual results to differ, in some instances materially, from those anticipated or implied in any forward-looking statement. These include, but are not limited to:

- changes in general economic conditions in the markets in which we operate, such as new, continuing or deepening recessions, inflationary pressures and fluctuations in employment and creditworthy customers beyond those factored into consensus forecasts (including, without limitation, as a result of the Russia-Ukraine war and the Covid-19 pandemic); the Covid-19 pandemic and its impact on global economies could have a material adverse effect on (among other things) our financial condition, results of operations, prospects, liquidity, capital position and credit ratings; deviations from the market and economic assumptions that form the basis for our ECL measurements (including, without limitation, as a result of the Russia-Ukraine war, inflationary pressures and the Covid-19 pandemic); potential changes in HSBC's dividend policy; changes in foreign exchange rates and interest rates, including the accounting impact resulting from financial reporting in respect of hyperinflationary economies; volatility in equity markets; lack of liquidity in wholesale funding or capital markets, which may affect our ability to meet our obligations under financing facilities or to fund new loans, investments and businesses; geopolitical tensions or diplomatic developments producing social instability or legal uncertainty, such as the Russia-Ukraine war and the related imposition of sanctions, the US's approach to strategic competition with China, supply chain restrictions, claims of human rights violations, diplomatic tensions, including between China and the US, the UK, the EU, Australia and India and other countries, and developments in Hong Kong and Taiwan, alongside other potential areas of tension, which may affect HSBC by creating regulatory, reputational and market risks; the efficacy of government, customer and HSBC's actions in managing and mitigating ESG risks, in particular climate risk, nature-related risks and human rights risks, and in supporting the global transition to net zero carbon emissions, each of which can impact HSBC both directly and indirectly through our customers and which may cause both idiosyncratic and systemic risks resulting in potential financial and non-financial impacts; illiquidity and downward price pressure in national real estate markets; adverse changes in central banks' policies with respect to the provision of liquidity support to financial markets; heightened market concerns over sovereign creditworthiness in over-indebted countries; adverse changes in the funding status of public or private defined benefit pensions; societal shifts in customer financing and investment needs, including consumer perception as to the continuing availability of credit; exposure to counterparty risk, including third

parties using us as a conduit for illegal activities without our knowledge; the discontinuation of certain key libors and the development of near risk-free benchmark rates, as well as the transition of legacy libor contracts to near risk-free benchmark rates, which exposes HSBC to material execution risks, and increases some financial and non-financial risks; and price competition in the market segments we serve;

- changes in government policy and regulation, including the monetary, interest rate and other policies of central banks and other regulatory authorities in the principal markets in which we operate and the consequences thereof (including, without limitation, actions taken as a result of the Covid-19 pandemic and the impact of the Russia-Ukraine war on inflation); initiatives to change the size, scope of activities and interconnectedness of financial institutions in connection with the implementation of stricter regulation of financial institutions in key markets worldwide; revised capital and liquidity benchmarks, which could serve to deleverage bank balance sheets and lower returns available from the current business model and portfolio mix; changes to tax laws and tax rates applicable to HSBC, including the imposition of levies or taxes designed to change business mix and risk appetite; the practices, pricing or responsibilities of financial institutions serving their consumer markets; expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership; the UK's relationship with the EU following the UK's withdrawal from the EU, which continues to be characterised by uncertainty despite the signing of the Trade and Cooperation Agreement between the UK and the EU; passage of the Hong Kong national security law and restrictions on telecommunications, as well as the US Hong Kong Autonomy Act, which have caused tensions between China, the US and the UK; general changes in government policy that may significantly influence investor decisions; the costs, effects and outcomes of regulatory reviews, actions or litigation, including any additional compliance requirements; and the effects of competition in the markets where we operate including increased competition from non-bank financial services companies; and
- factors specific to HSBC, including our success in adequately identifying the risks we face, such as the incidence of loan losses or delinquency, and managing those risks (through account management, hedging and other techniques); our ability to achieve our financial, investment, capital and ESG targets, commitments and ambitions (including with respect to the commitments set forth in our thermal coal phase-out policy and our targets to reduce our on-balance sheet financed emissions in the oil and gas, and power and utilities sectors), which may result in our failure to achieve any of the expected benefits of our strategic priorities; model limitations or failure, including, without limitation, the impact that high inflationary concerns and the consequences of the Covid-19 pandemic have had on the performance and usage of financial models, which may require us to hold additional capital, incur losses and/or use compensating controls, such as judgemental post-model adjustments, to address model limitations; changes to the judgements, estimates and assumptions we base our financial statements on; changes in our ability to meet the requirements of regulatory stress tests; a reduction in the credit ratings assigned to us or any of our subsidiaries, which could increase the cost or decrease the availability of our funding and affect our liquidity position and net interest margin; changes to the reliability and security of our data management, data privacy, information and technology infrastructure, including threats from cyber-attacks, which may impact our ability to service clients and may result in financial loss, business disruption and/or loss of customer services and data; the accuracy and effective use of data, including internal management information that may not have been independently verified; changes in insurance customer behaviour and insurance claim rates; our dependence on loan payments and dividends from subsidiaries to meet our obligations; changes in accounting standards, including the implementation of IFRS 17 'Insurance Contracts', which may have a material impact on the way we prepare our financial statements and (with respect to IFRS 17) may negatively affect the profitability of HSBC's insurance business; changes in our ability to manage third-party, fraud and reputational risks inherent in our operations; employee misconduct, which may result in regulatory sanctions and/or reputational or financial harm; changes in skill requirements, ways of working and talent shortages, which may affect our ability to

recruit and retain senior management and diverse and skilled personnel; and changes in our ability to develop sustainable finance and climate-related products consistent with the evolving expectations of our regulators, and our capacity to measure the climate impact from our financing activity (including as a result of data limitations and changes in methodologies), which may affect our ability to achieve our climate ambition, our targets to reduce financed emissions in our oil and gas, and power and utilities portfolio and the commitments set forth in our thermal coal phase-out policy, and increase the risk of greenwashing. Effective risk management depends on, among other things, our ability through stress testing and other techniques to prepare for events that cannot be captured by the statistical models it uses; our success in addressing operational, legal and regulatory, and litigation challenges; and other risks and uncertainties we identify in the 2021 Form 20-F and the 2022 Interim Report.

Additional information, including information on factors which may affect HSBC's business, is contained in the 2021 Form 20-F, the Form 6-K furnished to the SEC on April 26, 2022 (furnishing the earnings release for the three-month period ended March 31, 2022) (the "2022 Q1 Earnings Release") and the 2022 Interim Report.

WHERE YOU CAN FIND MORE INFORMATION ABOUT US

The 7.35% Subordinated Notes due 2032 (CUSIP No. 404280AE9) and 7.625% Subordinated Notes due 2032 (CUSIP No. 404280AF6) offered for tender in this Offer to Purchase were offered and sold pursuant to a registration statement on Form F-4 (No. 333-126531) (the "Original Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"). The 7.625% Notes due 2032 (Rule 144 Global Notes: CUSIP No. 404280AD1; Regulation S Global Notes CUSIP No. G4634UA V4) are not registered under the Securities Act and were offered and sold by the Issuer in reliance upon an exemption from the registration requirements of the Securities Act. For further information with respect to us or the Notes, please refer to the Original Registration Statement, 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 Original 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 2021 Form 20-F, the Form

6-K furnished to the SEC on April 20, 2022 (announcing changes to our board of directors and committee composition), the 2022 Q1 Earnings Release, the Form 6-K furnished to the SEC on April 29, 2022 (announcing amendments to our articles of association) and the 2022 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 statements 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 CASH 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 Cash Offers” included in this Offer to Purchase beginning on page 19 have the same meaning when used in this summary.

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| The Company | HSBC Holdings plc. |
| The Notes | 7.35% Subordinated Notes Due 2032 in an aggregate principal amount of \$222,042,000 (CUSIP: 404280AE9). 7.625% Subordinated Notes Due 2032 in an aggregate principal amount of \$483,613,000 (CUSIP: 404280AF6). 7.625% Subordinated Notes Due 2032 in an aggregate principal amount of \$4,300,000 (144A Notes CUSIP: 404280AD1. Reg S Notes CUSIP: G4634UAV4). |
| Eligibility to Participate in the Offer | The following are Ineligible Holders: <ul style="list-style-type: none">• A “qualified institutional buyer” within the meaning of Rule 144A under the Securities Act.• A holder of an aggregate principal amount of \$200,000 or more in the relevant series of the Notes. All other holders of Notes are eligible to participate in the Cash Offers. Holders participating in the Cash Offers are required to certify that they are Cash Offer Qualified Holders. |
| The Offer | 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, up to the Maximum Amount of the outstanding Notes validly tendered and accepted for purchase by us. See “ <i>Description of the Cash Offers—General</i> .” Each Cash Offer is independent of the other Cash Offers, and we may terminate, modify or waive the conditions of any Cash Offer without terminating, modifying or waiving the conditions of any other Cash Offer. Unless the context indicates otherwise, all references to a valid tender of Notes in this Offer to Purchase shall mean that 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. As of the date of this Offer to Purchase, the aggregate outstanding principal amount of Notes subject to the Cash Offers is \$709,955,000. |
| Consideration | 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 and accepted by us as the “Consideration” for such series, and the aggregate Consideration payable for all validly tendered and accepted Notes in all Cash Offers, as the “Total Consideration”. |

Upon the terms and subject to the conditions set forth in the Offer Documents, Holders who validly tender Notes at or prior to the Expiration Time 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 Notes validly tendered and accepted by us pursuant to the Cash 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 Notes accepted by us will equal:

(i) the present value on the Settlement Date of \$1,000 principal amount of such Notes due on the maturity date of such Notes and all scheduled interest payments on such \$1,000 principal amount of such 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 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.

Launch Date

Before 9:00 a.m. (New York City time), on August 2, 2022.

Price Determination Date

11:00 a.m. (New York City time), on September 13, 2022, unless extended in respect of a Cash Offer by us in our sole discretion.

Expiration Time

11:59 p.m. (New York City time), on September 13, 2022, unless extended or earlier terminated with respect to a Cash Offer by us in our sole discretion, subject to applicable law. We retain the right to extend the Cash Offers with respect to the Notes at any time and for

any reason, subject to applicable law. See “*Description of the Cash Offers—Expiration Time; Extensions.*”

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 16, 2022, unless extended or earlier terminated with respect to a Cash Offer by us in our sole discretion.

Withdrawal Rights..... Notes tendered in a Cash 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 the Withdrawal Date. In addition, tendered Notes in a Cash Offer may be withdrawn at any time after the 60th Business Day after the Launch Date if for any reason such Cash Offer has not been consummated by such date.

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).

See “*Description of the Cash Offers—Withdrawal of Tenders.*”

Business Day..... A weekday that is not a day on which banking institutions are authorized or obligated by law or executive order to close in New York, New York (a “Business Day”).

Procedures for Tendering Notes For a Holder to validly tender Notes pursuant to a Cash 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 “*Dealer Manager; Information Agent*” at or prior to the Expiration Time.

See “*Description of the Cash Offers—Procedures for Tendering Notes*”.

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 Cash Offers Concurrently with the Cash Offers, HSBC is conducting the Exchange Offers to exchange the Original Notes for Exchange Notes, primarily in order to introduce a clause regarding contractual recognition of the UK bail-in power, which is not present in the Original Notes. Whilst the terms of the Exchange Notes will be substantially similar to those of the Original Notes in all other material respects, they will feature ancillary amendments to a limited number of provisions (relative to the Original Notes) to reflect recent legislative and regulatory developments.

As the holders of Original Notes that hold less than \$200,000 in principal amount of a series of such Original Notes are not eligible to participate in the Exchange Offers, HSBC is conducting these Cash Offers as concurrent cash tender offers directed at such holders of Original Notes that hold less than \$200,000 in principal amount of a series of such Original Notes and holders that are not “qualified institutional buyers” within the meaning of Rule 144A under the Securities Act. See “*Description of the Cash Offers—*

Eligibility to Participate in the Cash Offers” and *“Purpose of the Cash Offers”*”.

Conditions to the Cash Offers

Notwithstanding any other provision of the Cash Offers, the consummation of each Cash Offer and our obligation to accept for payment, purchase, and to pay for, Notes validly tendered (and not validly withdrawn) pursuant to such Cash Offer are subject to the satisfaction, or waiver, of certain conditions set forth in *“Description of the Cash Offers—Conditions to the Cash Offers”*, including (1) the Exchange Offer Completion Condition, and (2) certain customary conditions, including that we will not be obligated to consummate any Cash 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 Cash Offer, or (c) would materially impair the contemplated benefits to us of any Cash Offers or be material to Holders in deciding whether to accept a Cash Offer.

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

Acceptance for Payment and Payment of the Notes

On the terms of each Cash Offer and upon satisfaction or waiver of the conditions of each Cash Offer specified herein under *“Description of the Cash Offers—Conditions to the Cash 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 Cash Offer and accepted for purchase.

We reserve the right with respect to each Cash 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 Cash Offer and to keep such Cash Offer open or extend the Expiration Time to a later date and time and (b) waive any of the conditions to such Cash Offer with respect to the Notes tendered at or prior to the Expiration Time. All Notes accepted in the Cash Offers will be cancelled and retired, and will no longer remain outstanding obligations of HSBC Holdings.

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| Maximum Amount | <p>If the purchase of all Notes validly tendered in the Cash Offers on or prior to the Expiration Date would cause HSBC Holdings to purchase an aggregate principal amount of Notes that exceed the Maximum Amount, then HSBC Holdings will (assuming satisfaction or the waiver of the conditions set forth in this Offer to Purchase) accept for purchase such tendered Notes on a prorated basis such that HSBC Holdings purchases an aggregate principal amount of Notes that would not exceed the Maximum Amount in the Offer.</p> <p>If HSBC elects to accept Notes for purchase pursuant to the proration either for a single series of Notes or any combination thereof, we will multiply the principal amount of each valid tender of such series of Notes by the applicable proration factor and round the resulting amount down to the nearest \$1,000 principal amount in order to determine the principal amount of such tender that will be accepted pursuant to the applicable Cash Offer. The excess principal amount of Notes not accepted from the tendering Holders will be promptly returned to such Holders. If, after applying such proration factor, any Holders would be entitled to a credit or return of a portion of tendered Notes of a series that is less than the Minimum Denomination, then, in our sole discretion, (i) all of the Notes of such series tendered by such Holders will be accepted without proration or (ii) none of the Notes of such series tendered by such Holders will be accepted. See “<i>Description of the Cash Offers – Maximum Amount.</i>”</p> <p>In addition, HSBC reserves the right, in its sole discretion, not to accept any Notes for purchase, or to accept Notes as to one series of Notes but not the other series, for any reason.</p> |
| Certain Tax Considerations | For a summary of certain tax considerations with respect to the Cash Offers, see “ <i>Taxation.</i> ” |
| Certain ERISA Considerations | For a summary of certain considerations under ERISA (defined below) with respect to the Cash Offers, see “ <i>Certain ERISA Considerations.</i> ” |
| Dealer Manager | HSBC Securities (USA) Inc. |
| Information Agent and Depositary | Global Bondholder Services Corporation is the information agent (in such capacity, the “Information Agent”) and the depositary (in such capacity, the “Depositary”) for the Cash Offers. |
| Governing Law | 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 Cash Offers may be instituted in any state or federal court in the Borough of Manhattan in the City of New York, New York. |
| Further Information | 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 Cash 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 cashflows 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 Cash 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 the Cash Offers (and exchanges by Ineligible Holders in the concurrent Exchange Offers) are accepted by us and the Cash Offers (and the concurrent Exchange Offers) are 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 the Cash Offers (and the concurrent Exchange Offers) may be adversely affected as a result of such Cash Offer (and the concurrent Exchange Offers). 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 Cash 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 Cash Offers (and not exchanged in the concurrent Exchange 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 Cash Offers and, in either case, could be for cash or other consideration).

Responsibility for complying with the procedures of the Cash Offers

Holders of Notes are responsible for complying with all of the procedures for tendering Notes. If the instructions are not strictly complied with, or if Notes are tendered by an Ineligible Holder, 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 Cash Offers.

Consummation of one or all of the Cash Offers may not occur

Each Cash Offer is subject to the satisfaction, or, if applicable, the waiver of certain conditions, including, among other things, the Exchange Offer Completion Condition. See “Description of the Cash Offers—Conditions to the Cash Offers.” Even if a Cash Offer is completed, it may not be completed on the schedule described in this Offer to Purchase. Accordingly, Holders participating in a Cash 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 Cash Offer.

Notes Tendered, or Portions Thereof may be Rejected due to Proration or otherwise.

Valid tenders made in accordance with the terms of the Cash Offers may be subject to proration at our sole discretion, and may therefore be rejected in whole or in part as a result of proration. In addition, we reserve the right, in our sole discretion, not to accept any Notes for purchase, or to accept Notes as to one series of Notes but not the other series, for any reason.

Completion, termination and amendment

Until we announce whether we have accepted valid tenders of Notes pursuant to the Cash Offers, no assurance can be given that the Cash 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 Cash 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 Cash Offer.

Compliance with offer and distribution restrictions

Cash Offer Qualified Holders of Notes are referred to the Certification and the agreements, acknowledgements, representations, warranties and undertakings contained therein, which Cash Offer Qualified Holders will make on 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

Cash Offer Qualified 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 Cash 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 Cash Offer Qualified Holder, or will be responsible to any Cash Offer Qualified Holder for providing any protections that would be afforded to its clients or for providing advice in relation to the Cash 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 Cash Offers, or any recommendation as to whether Cash Offer Qualified Holders should tender their Notes for purchase pursuant to the Cash 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 firms 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, 2022, HSBC had total assets of US\$2,985,420 million and total shareholders' equity of US\$188,382 million. For the six-month period ended June 30, 2022, HSBC's operating profit was US\$ 7,727 million on total operating income of US\$30,685 million. HSBC had a UK CRR common equity Tier 1 ratio (transitional basis) of 13.6% and a UK CRR common equity Tier 1 ratio (non-transitional basis) of 13.6% as of June 30, 2022.

Headquartered in London, HSBC operates through long-established businesses and has an international network of offices in 63 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 CASH OFFERS

Concurrently with the Cash Offers, HSBC is conducting the Exchange Offers to exchange the Original Notes for Exchange Notes, primarily in order to introduce a clause regarding contractual recognition of the UK bail-in power, which is not present in the Original Notes. Whilst the terms of the Exchange Notes will be substantially similar to those of the Original Notes in all other material respects, they will feature ancillary amendments to a limited number of provisions (relative to the Original Notes) to reflect recent legislative and regulatory developments.

As the holders of Original Notes that hold less than \$200,000 in principal amount of a series of such Original Notes are not eligible to participate in the Exchange Offers, HSBC is conducting these Cash Offers as concurrent cash tender offers directed at such holders of Original Notes that hold less than \$200,000 in principal amount of a series of such Original Notes and holders that are not “qualified institutional buyers” within the meaning of Rule 144A under the Securities Act. See “*Description of the Cash Offers—Eligibility to Participate in the Cash Offers*”.

The consummation of each Cash Offer and our obligation to accept for purchase, and to pay for, Notes validly tendered (and not validly withdrawn) pursuant to each Cash Offer are subject to the satisfaction or the waiver of the Exchange Offer Completion Condition. No assurance can be given that the Exchange Offer will be completed. See “*Description of the Cash Offers—Conditions to the Cash Offers—Exchange Offer Completion Condition*.”

DESCRIPTION OF THE CASH 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 up to the Maximum Amount of the outstanding Notes validly tendered and accepted for purchase by us.

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

Any amendment to a Cash Offer will apply to all Notes tendered in such Cash 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 Cash Offers is \$709,955,000.

Eligibility to Participate in the Cash Offers

Concurrently with the Cash Offers for each series of Notes, HSBC is conducting separate exchange offers with respect to each such series of Notes, to exchange any and all of such series of Notes held for new Exchange Notes upon the terms and subject to the conditions set forth in the F-4 Registration Statement and the related prospectus dated August 30, 2022.

If you are a “qualified institutional buyer” within the meaning of Rule 144A under the Securities Act or a holder of an aggregate principal amount of \$200,000 or more in the relevant series of the Notes, you are an Ineligible Holder and are not permitted to participate in the Cash Offers.

All other holders of Notes are eligible to participate in the Cash Offers. Ineligible Holders of Notes that are eligible to participate in the Exchange Offers are not eligible to participate in the Cash Offers.

If you are not a Cash Offer Qualified Holder, you should dispose of this Offer to Purchase. Each Cash Offer Qualified Holder that tenders its outstanding Notes will be bound by the Agent’s Message and will be agreeing with and making the representations, warranties and agreements as set forth under “*Description of the Cash Offers—Other Matters.*”

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 Cash 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 Cash Offers.

Minimum Denomination

The Notes may be tendered and accepted for payment only in an aggregate principal amount equal to \$1,000 (the “Minimum Denomination”) 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 \$1,000 in principal amount of Notes of 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 Notes validly tendered and accepted by us pursuant to the Cash 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 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 Notes accepted by us will equal:

- (i) the present value on the Settlement Date of \$1,000 principal amount of such Notes due on the maturity date of such Notes and all scheduled interest payments on such \$1,000 principal amount of such 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 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 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 Cash Offers, our determination shall be conclusive and binding, absent manifest error.

Because the Consideration for each series of 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 Notes pursuant to the Cash Offers will be affected by changes in the Reference Yield during the term of the Cash 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 11:59 p.m. (New York City time) on September 13, 2022, unless extended in respect of a Cash Offer, in which case the Expiration Time in respect of such Cash 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 a Cash 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 Cash Offers, and not validly withdrawn, will remain subject to the Cash 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 Cash Offer, or, upon failure of a condition to be satisfied or waived prior to the Expiration Time for a Cash Offer, terminate such Cash Offer and not accept any Notes; and
- amend, modify or waive at any time, or from time to time, the terms of the Cash Offers in any respect, including waiver of any conditions to consummation of the Cash 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 a Cash 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 a Cash Offer or the information concerning a Cash Offer or waive a material condition of a Cash Offer, we will disseminate additional offering materials and extend such Cash Offer to the extent required by law. If the Consideration to be paid in a Cash Offer is increased or decreased or the principal amount of the Notes subject to the Cash Offer is decreased, such Cash 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 a Cash 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. 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 Cash 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 Cash Offers.

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

Maximum Amount

HSBC Holdings is offering to purchase its outstanding Notes for cash up to the Maximum Amount, upon the terms and subject to the conditions set forth in this Offer to Purchase and for the consideration described in this Offer to Purchase, and Notes that are validly tendered and accepted in the Cash Offers are subject to possible proration.

If the purchase of all Notes validly tendered in the Cash Offers on or prior to the Expiration Date would cause HSBC Holdings to purchase an aggregate principal amount of Notes that exceed the Maximum Amount, then HSBC Holdings will (assuming satisfaction or the waiver of the conditions set forth in this Offer to Purchase) accept for purchase such tendered Notes on a prorated basis such that HSBC Holdings purchases an aggregate principal amount of Notes that would not exceed the Maximum Amount.

If proration is required for a series of validly tendered Notes, each Holder of such Notes will have a fraction of the principal amount of validly tendered Notes purchased, rounded down to the nearest \$1,000 principal amount to avoid the purchase of Notes in a principal amount other than in integral multiples of \$1,000. The proration factor shall be a fraction, determined by HSBC as soon as practicable following the Expiration Time, and the amount purchased shall be the proration factor multiplied by the principal amount of each valid tender of the series of Notes subject to proration. Tenders that, if subject to proration, would result in returning to Holders a principal amount of Notes that is less than the applicable Minimum Denomination, will either be accepted or rejected in whole, at HSBC's sole option, and will not be subject to proration. If, after applying such proration factor, any Holders would be entitled to a credit or return of a portion of tendered Notes of a series that is less than the Minimum Denomination, then, in our sole discretion, (i) all of the Notes of such series tendered by such Holders will be accepted without proration or (ii) none of the Notes of such series tendered by such Noteholders will be accepted.

Conditions to the Cash Offers

Notwithstanding any other provision of the Cash Offers and in addition to (and not in limitation of) our rights to terminate, extend and/or amend any or all of the Cash 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 Cash 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 Cash 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 Cash Offers, or (c) would materially impair the contemplated benefits of one or more of Cash Offers to HSBC or be material to Holders in deciding whether to accept a Cash 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 Cash Offers or shall have taken any action that challenges the validity or effectiveness of the procedures used by us in the making of the Cash 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 Exchange Offer Completion Condition is not satisfied.

Exchange Offer Completion Condition

HSBC Holdings' obligation to complete any Cash Offer with respect to a particular series of Notes is conditioned on the completion of the Exchange Offer for such series of Notes (the "Exchange Offer Completion Condition") and HSBC Holdings' obligation to complete any Exchange Offer is subject to conditions as set forth in the F-4 Registration Statement and the related prospectus dated August 30, 2022. With respect to any Exchange Offer, HSBC will not be obligated to complete the Exchange Offers if:

- the F-4 Registration Statement has not been declared effective by the SEC;
- there is threatened, instituted or pending any action or proceeding before, or any injunction, order or decree issued by, any court or governmental agency or other governmental regulatory or administrative agency or commission that might, in our reasonable judgment, materially impair our ability to proceed with the Exchange Offer;
- there is proposed, adopted or enacted, or there shall occur a change in the current interpretations by the staff of the SEC that might, in our reasonable judgment, materially impair our ability to proceed with the Exchange Offer; or
- the Exchange Offer or the making of any exchange by a holder of Original Notes would violate applicable law or any applicable interpretation of the SEC staff.

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 a Cash 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 a Cash Offer, we may, in our sole discretion and without giving any notice, subject to applicable law, (a) terminate such Cash Offer, (b) extend such Cash 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.

If we terminate any Cash Offer, all of the Notes validly tendered pursuant to such terminated Cash Offer will not be accepted for purchase and will be returned promptly to the tendering Cash Offer Qualified Holders thereof in accordance with applicable law at our expense.

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 Cash 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 Cash 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 a Cash Offer, (1) an Agent's Message, a Certification 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 Cash 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 Cash 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 a Cash 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 Cash 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 a Cash 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 Cash 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 Cash Offer and the transactions contemplated thereby, in each case on and subject to the terms and conditions of such Cash 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.

Certification Instructions Letter

Holders are required to deliver a duly completed Certification to validly tender Notes pursuant to the Cash Offers. The deadline for Holders to deliver a Certification in order to be eligible to receive the applicable

Consideration, and Accrued Interest, if any, is the Expiration Date. Duly completed Certifications should be delivered to the Depository at its address set forth on the back cover of this Offer to Purchase. Brokers, dealers, commercial banks, trust companies or other nominees that hold Notes on behalf of beneficial holders are required to deliver Certifications on behalf of beneficial holders. A single Certification may include information of one or more beneficial holders; provided that the information is clearly specified in such Certification or in an accompanying spreadsheet. **If a tender of Notes contained in a Certification is rejected by HSBC Holdings as a result of an improper or illegal tender or otherwise, the broker, dealer, commercial bank, trust company or other nominee that delivered the Certification to the Depository is required to withdraw such tender of Notes. If the broker, dealer, commercial bank, trust company or other nominee fails to withdraw the Notes tendered, HSBC Holdings reserves the right to reject all tenders of Notes specified in the Certification delivered by the broker, dealer, commercial bank, trust company or other nominee.**

Other Matters

Subject to, and effective upon, the Expiration Time applicable to a Cash Offer and 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 such Cash 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 Cash Offer; and
- (v) represented, warranted and agreed to and with us and the Dealer Manager that:
 - a) it is a Cash Offer Qualified Holder;
 - b) 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;
 - c) 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;

- d) 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;
- e) it is a person to whom it is lawful to make available this Offer to Purchase or to make the Cash Offers in accordance with applicable laws (including the offering restrictions set out in this Offer to Purchase);
- f) 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 Cash Offers;
- g) 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 Cash 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;
- h) it is not a person or entity with whom dealings are prohibited or restricted under any sanctions enforced by any Sanctions Authority (as defined below), including as a result of being (i) described or designated, or directly or indirectly owned or controlled by, a person or entity 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>); (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 (D) the most current United Kingdoms sanctions list (which as of the date hereof can be found at: <https://www.gov.uk/government/publications/the-uk-sanctions-list>); or (ii) located, organized, or resident in a country or territory that is subject to comprehensive country or territory-wide sanctions by any Sanctions Authority (currently, the Crimea, Donetsk, and Luhansk regions of Ukraine, Cuba, Iran, North Korea, and Syria), 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;
- i) in evaluating the relevant Offer and in making its decision whether to participate in such Cash 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 Cash Offer;

- j) 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;
- k) 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 Cash 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 Cash Offers or the tender of Notes in connection therewith; and
- l) 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 a Cash 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 a Cash 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, a Certification and any other required documentation. The tender of Notes pursuant to a Cash 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 Cash 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.

Cash Offer Qualified Holders of Notes are referred to the Certification, which is required to accompany all tenders of Notes.

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 Cash 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 Cash Offer Qualified 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 Cash Offer under any of the procedures described above will constitute a binding agreement between the tendering Holder and us with respect to such Cash Offer upon the terms and subject to the conditions of such Cash Offer, including the tendering Holder's acceptance of the terms and conditions of such Cash 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 Cash 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 a Cash Offer may be validly withdrawn at any time at or prior to the Withdrawal Date. In addition, tendered Notes may be withdrawn at any time after the 60th Business Day after the Launch Date if for any reason such Cash 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 a Cash Offer may not be validly withdrawn unless we amend or otherwise change such Cash Offer in a manner material to tendering Cash Offer Qualified 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 Cash Offer Qualified Holders that we believe gives Cash Offer Qualified Holders a reasonable opportunity to consider such amendment or other change and implement the withdrawal procedures described below. If a Cash Offer is terminated, Notes tendered pursuant to such Cash Offer will be returned promptly to the tendering Cash Offer Qualified 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 A TOP. 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 A TOP, 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 validly 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.

Acceptance for Payment and Payment for Notes

Upon the terms of each Cash Offer and upon satisfaction or waiver of the conditions of such Cash Offer specified herein under “—*Conditions to the Cash Offers,*” we will, in respect of each Cash 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 Cash Offer and accepted for purchase, in immediately available funds with DTC. In all cases, payment for Notes accepted for purchase pursuant to a Cash 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 a Cash Offer and thereby have purchased Notes validly tendered and not validly 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 Cash 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 a Cash 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 validly 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 Cash Offer Qualified Holders promptly after the expiration, termination or withdrawal of such Cash 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 Cash 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 Cash 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 Cash 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 Cash 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 a Cash Offer, but any such transfer or assignment will not relieve us of our obligations under the related Cash 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 Cash Offer.

Tendering Holders of Notes purchased in a Cash 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 Cash Offers.

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

Certain Consequences to Cash Offer Qualified Holders of Notes Not Tendering in the Cash Offers

Any of the Notes that are not tendered to us at or prior to the Expiration Time 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 or otherwise exchanged pursuant to the concurrent Exchange Offers 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

Certain U.S. Federal Income Tax Considerations

The following is a summary of certain U.S. federal income tax consequences of the Cash 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.

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 Cash 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 Cash 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 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 Cash 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 Cash 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 Cash 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. persons 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.

Certain United Kingdom Tax Consequences

The following is a summary of certain United Kingdom tax consequences of the participation in the Cash 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 and the London Stock Exchange are "recognised stock exchanges" 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. The Notes will be treated as listed on the London Stock Exchange if they are included in the Official List of the UK Financial Conduct Authority and are admitted to trading on the Main Market of the London Stock Exchange.

CERTAIN ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended (“ERISA”), imposes certain requirements on employee benefit plans subject to Title I of ERISA and on entities that are deemed to hold the assets of such plans (“ERISA Plans”), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA’s general fiduciary requirements, including, but not limited to, the requirement of investment prudence and diversification and the requirement that an ERISA Plan’s investments be made in accordance with the documents governing the ERISA Plan.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts) or an entity deemed to hold the assets of such plans (together with ERISA Plans, “Plans”) and certain persons (referred to as “parties in interest” under ERISA or “disqualified persons” under the Code) having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the Plan that is engaged in such a non-exempt prohibited transaction may be, among other things, subject to penalties under ERISA and the Code.

The fiduciary of a Plan that proposes to tender Notes should consider, among other things, whether such tender may involve (i) the direct or indirect extension of credit to a party in interest or a disqualified person, (ii) the sale or exchange of any property between a Plan and a party in interest or a disqualified person, (iii) the transfer to, or use by or for the benefit of, a party in interest or disqualified person, of any Plan assets, or (iv) any prohibited conflicts of interest. Such parties in interest or disqualified persons could include, without limitation, HSBC, the underwriters, the agents or any of their respective affiliates (“Transaction Parties”).

Depending on the satisfaction of certain conditions which may include the identity of the Plan fiduciary making the decision to tender Notes on behalf of a Plan, exemptions from the prohibited transaction provisions of ERISA and Section 4975 of the Code could potentially include, without limitation, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (relating to transactions with certain service providers) or Prohibited Transaction Class Exemption (“PTCE”) 84-14 (relating to transactions effected by a “qualified professional asset manager”), PTCE 90-1 (relating to investments by insurance company pooled separate accounts), PTCE 91-38 (relating to investments by bank collective investment funds), PTCE 95-60 (relating to investments by insurance company general accounts) or PTCE 96-23 (relating to transactions directed by an in-house asset manager) (collectively, the “Class Exemptions”). However, there can be no assurance that any of these Class Exemptions or any other exemption will be available with respect to the tender of Notes.

Any Plan fiduciary that proposes to cause a Plan to tender its Notes should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code, and to confirm that its tender of the Notes and its disposition of the Notes will not constitute or result in a non-exempt prohibited transaction or any other violation of an applicable requirement of ERISA or the Code. 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 to determine the need for, if necessary, and the availability of, any exemptive relief under any Similar Law.

Each Plan fiduciary (and each fiduciary for a Non-ERISA Plan) should consult with its legal adviser concerning the potential consequences to the plan under ERISA, Section 4975 of the Code or Similar Law of the tender of Notes.

OFFER RESTRICTIONS

This Offer to Purchase does not constitute an invitation to participate in the Cash 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 Cash 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 Cash 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 Cash 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 Cash 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 Cash Offers—Other Matters.*” Any tender of Notes for purchase pursuant to the Cash 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 Cash 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 Cash 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 who are within Article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Financial Promotion Order”), including existing members or creditors of HSBC Holdings, or (ii) to any other persons to whom it may otherwise lawfully be made (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 Cash Offers have been submitted to or will be notified to, and neither this Offer to Purchase nor any other documents or materials relating to the Cash Offers have been or will be approved by, the Belgian Financial Services and Markets Authority (“Autoriteit voor Financiële Diensten en Markten/Autorité des Services et Marchés Financiers”). The Cash Offers may therefore not be made in Belgium by way of a public takeover bid (openbaar overnamebod/offre publique d’acquisition) as defined in Article 3 of the Belgian Law of 1 April 2007 on public takeover bids, as amended (the “Belgian Takeover Law”), save in those circumstances where a private placement exemption is available. The Cash Offers are conducted exclusively under applicable private placement exemptions. The Cash Offers may therefore not be advertised and the Cash Offers will not be extended, and neither this Offer to Purchase nor any other documents or materials relating to the Cash Offers (including any memorandum, information circular, brochure or any similar documents) have been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than (i) to “qualified investors” within the meaning of Article 2(e) of Regulation (EU) 2017/1129, as amended and (ii) in any circumstances set out in Article 6, §4 of the Belgian Takeover Law. The Offer to Purchase will be issued only for the personal use of the above-mentioned qualified investors and exclusively for the purpose of the Cash 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 Cash Offers, this Offer to Purchase or any other document or materials relating to the Cash 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 Cash 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 Cash 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 Cash Offers.

Hong Kong. This Offer to Purchase and any other documents or materials relating to the Cash 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 Cash 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 Cash 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 Cash Offers shall be deemed to be made by such Dealer Manager, or such affiliate, on behalf of the relevant company in that jurisdiction.

France. This Offer to Purchase and any other offering material relating to the Cash Offers may not be distributed in the Republic of France except to qualified investors as defined in Article 2(e) of Regulation (EU) 2017/1129, as amended. Neither this Offer to Purchase, nor any other such offering material has been or will be submitted for clearance to, nor approved by the *Autorité des Marchés Financiers*.

DEALER MANAGER; INFORMATION AGENT

In connection with the Cash Offers, we have retained HSBC Securities (USA) Inc. to act on our behalf as Dealer Manager and Global Bondholder Services Corporation (“GBSC”) to act as Information Agent and Depository, 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 Cash 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 Cash 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 Cash Offers may contact the Dealer Manager at:

HSBC Securities (USA) Inc.
452 Fifth Avenue
New York, New York 10018
United States

Telephone:
US: +1 (212) 525-5552 (Collect)
US: +1 (888) HSBC-4LM (Toll Free)
Europe: +44 (0)20 7992 6237

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: (855) 654-2014
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 Cash Offers.

All correspondence in connection with the Cash 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 Cash 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 Cash Offers, they may tender such Notes pursuant to the terms of the Cash 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 NOTES

| | | |
|----------------|---|---|
| YLD | = | The applicable Offer Yield expressed as a decimal number. The Offer Yield equals, in the case of the 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 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 Notes being priced (excluding Accrued Interest). The Consideration will be rounded to the nearest cent per \$1,000 principal amount of such Notes. |

Formula for Consideration for each series of Notes:

Consideration =

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



HSBC Holdings plc

Offer to Purchase

Dealer Manager
HSBC Securities (USA) Inc.

Offer to Purchase dated August 30, 2022
