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HSBC Holdings plc

Overseas Regulatory Announcement

The attached announcement has been released to the other stock exchanges on which HSBC Holdings plc is listed.

The Board of Directors of HSBC Holdings plc as at the date of this announcement comprises: Mark Tucker*, John Flint, Kathleen Casey†, Laura Cha†, Henri de Castries†, Lord Evans of Weardale†, Irene Lee†, Iain Mackay, Heidi Miller†, Marc Moses, David Nish†, Jonathan Symonds†, Jackson Tai† and Pauline van der Meer Mohr†.

* Non-executive Group Chairman

† Independent non-executive Director

Hong Kong Stock Code: 5

HSBC Holdings plc

Registered Office and Group Head Office:

8 Canada Square, London E14 5HQ, United Kingdom

Web: www.hsbc.com

Incorporated in England with limited liability. Registered in England: number 617987



28 September 2018

HSBC HOLDINGS PLC ISSUANCE OF PERPETUAL SUBORDINATED CONTINGENT CONVERTIBLE SECURITIES

Reference is made to the announcement dated 21 September 2018 (the "**Announcement**") made by HSBC Holdings plc (the "**Company**"). Unless otherwise defined in this announcement, capitalised terms used herein shall have the same meanings given to them in the Announcement.

The Company is pleased to announce that all of the conditions precedent under the Securities Terms Agreement have been satisfied (or where permitted, waived) and GBP1,000,000,000 5.875% Perpetual Subordinated Contingent Convertible Securities (callable 28 September 2026 and every five years thereafter) (ISIN: XS1884698256) (the "**Securities**") were issued on 28 September 2018 in accordance with the terms of such agreement.

The Securities are expected to be admitted to the Official List and to trading on the Global Exchange Market of The Irish Stock Exchange plc trading as Euronext Dublin within 30 days.

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Enquiries:

Investor enquiries to:

Greg Case (UK) Tel: +44 (0) 20 7992 3825
Hugh Pye (HK) Tel: +852 28224908

Media enquiries to:

Ankit Patel (UK) Tel: +44 (0) 20 7991 9813
Vinh Tran (HK) Tel: +852 2822 4924

Disclaimers

The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession this announcement comes are required to inform themselves about and to observe any such restrictions.

This announcement does not constitute an offer or an invitation to subscribe or purchase any of the Securities. No action has been taken in any jurisdiction to permit a public offering of the Securities where such action is required other than in the US. The offer and sale of the Securities may be restricted by law in certain jurisdictions.

The Securities are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Securities to retail investors. In particular, in June 2015, the UK Financial Conduct Authority (the “**FCA**”) published the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015, which set out certain rules and took effect from 1 October 2015 (the “**PI Rules**”). In addition, (i) on 1 January 2018, the provisions of Regulation (EU) No 1286/2014 (as amended, the “**PRIPs Regulation**”) on key information documents for packaged retail and insurance-based investment products became directly applicable in all European Economic Area (“**EEA**”) member states and (ii) MiFID II was required to be implemented in EEA member states by 3 January 2018. Together, the PI Rules, the PRIPs Regulation and Directive 2014/65/EU (as amended, “**MiFID II**”) are referred to as the “**Regulations**”.

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

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

The Company and some or all of the Managers are required to comply with the Regulations. By purchasing, or making or accepting an offer to purchase (including by an indication of interest), any Securities (or a beneficial interest in such Securities) from the Company and/or the Managers, each prospective investor represents, warrants, agrees with and undertakes to the Company and its affiliates and each of the Managers and their affiliates that:

- (1) it is not a retail investor in the EEA;
- (2) it will not (A) sell, offer or recommend the Securities (or any beneficial interest therein) or otherwise make them available to retail investors in the EEA or (B) communicate (including the distribution of the Prospectus or the Prospectus Supplement) or approve an invitation or inducement to participate in, acquire or underwrite the Securities (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail investor in the EEA; and
- (3) it will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the EEA) relating to the promotion, offering, distribution and/or sale of the Securities (or any beneficial interests therein), including (without limitation) any such applicable laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Securities (or any beneficial interests therein) by investors in any relevant jurisdiction, having regard to the target market assessment for the Securities.

For these purposes, a “**retail investor**” means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “**IMD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Securities (or any beneficial interests therein) from the Company and/or the Managers the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client. For the avoidance of doubt, the restrictions described above do not affect the distribution of the Securities in jurisdictions outside the EEA, such as the US, provided that any distribution into the EEA complies with the PI Rules.

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The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the IMD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by the PRIIPs Regulation for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU), and includes any relevant implementing measure in any Member State.

Note to editors:

HSBC Holdings plc

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 3,800 offices in 66 countries and territories in Europe, Asia, North and Latin America, and Middle East and North Africa. With assets of US\$2,607bn at 30 June 2018, HSBC is one of the world's largest banking and financial services organisations.

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