

25 November 2021, Paris - HSBC SFH (France) (a limited liability company (*société anonyme*) established under the laws of the Republic of France) (the “Issuer”) today announces the launch of a Consent Solicitation to the holders of the €1,250,000,000 2.00 per cent. Covered Bonds due 16 October 2023 (ISIN: FR0011470764) of which €1,250,000,000 are currently outstanding (the “2023 Covered Bonds”) and €1,000,000,000 0.500 per cent. Covered bonds due 17 April 2025 extendible as Floating Rate Covered Bonds up to 17 April 2026 (ISIN: FR0013329638) of which €1,000,000,000 are currently outstanding (the “2025 Covered Bonds” and, together with the 2023 Covered Bonds, the “Covered Bonds” and each a “Series”) issued by the Issuer.

The Issuer is seeking the consent of the holders of the Covered Bonds (the “Bondholders”) to approve the Resolutions all as more fully described in the Consent Solicitation Memorandum dated 25 November 2021 and which is available to holders of the Covered Bonds, notably, from the Centralisation Agent (upon request and free of charge). Capitalised terms are as defined in the Consent Solicitation Memorandum.

Purpose of the Consent Solicitation

The Covered Bonds have been issued by the Issuer and are currently legal, valid and binding obligations of the Issuer. 100.00 per cent. of the Issuer’s share capital is held directly or indirectly by HSBC Continental Europe (formerly known as HSBC France) (“HBCE”).

On 18 June 2021, HBCE signed a Memorandum of Understanding (“MoU”) with Promontoria MMB SAS, its subsidiaries Banque des Caraïbes SA and My Money Bank regarding the potential sale of its retail banking business in France which includes HBCE’s 100% ownership interest in the Issuer.

Promontoria MMB SAS, Banque des Caraïbes SA and My Money Bank are under the control, directly or indirectly, of funds and accounts managed or advised by Cerberus Capital Management L.P.

Further information can be found in the press release dated 18 June 2021 published on the websites of HBCE (<https://www.hsbc.com/news-and-media/media-releases/2021/sale-of-retail-banking-business-in-france>) and the Issuer (<https://www.about.hsbc.fr/investor-relations/covered-bonds/-/media/france/en/investors-relations/releases/210618-release-potential-sale-of-hsbc-sfh-en.pdf>).

On 25 November 2021, HBCE, Promontoria MMB SAS and Banque des Caraïbes SA entered into a Framework Agreement whereby HBCE would transfer, among other things, and subject to the satisfaction of certain conditions, its full ownership interest in the Issuer and most of its rights and obligations under the Programme Documents to which it is a party, including, notably, in its capacity as borrower, administrator, issuer calculation agent and cash collateral provider, to (i) Banque des Caraïbes SA and/or (ii) any other entity within My Money Group (the “Transfer”), as further detailed in the transaction update published by HBCE on its website (<https://www.hsbc.fr/en-fr/actualites/>) and in a press release published by Promontoria MMB SAS on its website (<https://www.mymoneybank.com/en/news>).

First Resolution in respect of the 2025 Covered Bonds / Second Resolution in respect of the 2023 Covered Bonds

The first Resolution of the 2025 Meeting and the second Resolution of the 2023 Meeting consist of the approval of the Transfer and all consequential amendments to the Programme Documents and to the Conditions.

Indeed, to achieve such Transfer, the Programme Documents will have to be amended. In particular, HBCE (formerly known as HSBC France), as the majority shareholder of the Issuer, has undertaken pursuant to a letter of undertaking in favour of the Bondholders, *inter alia*, (i) not to permit any amendments to the Programme Documents other than as expressly permitted or contemplated under the Programme Documents or without the prior Representative Consent and prior Rating Affirmation (in each case, as such capitalised terms are defined under the relevant Conditions), (ii) not to sell, transfer, lease out or otherwise dispose of, in one (1) or more transactions or series of transactions (whether or not related), whether voluntarily or involuntarily, the whole or any part of the shares of the Issuer it owns, (iii) to take any necessary steps, which are available to it as shareholder, to remain majority shareholder of the Issuer. In addition, HSBC Bank plc, acting through its Paris Branch, pursuant to the same letter of undertaking has undertaken in favour of the Bondholders, not to permit the Issuer to cease to be consolidated within the tax group formed under the *régime d'intégration fiscale* provided by Articles 223 A *et seq.* of the French *Code général des impôts*, with HSBC Bank plc, acting through its Paris Branch as head of that tax group, and not to amend the tax consolidation agreement (*convention d'intégration fiscale*) between HSBC Bank plc, acting through its Paris Branch and the Issuer without prior Rating Affirmation.

The Bondholders are therefore requested to waive any undertaking made by HBCE to their benefit in any such Programme Documents in the context of the Transfer including, for the avoidance of doubt, the undertakings in relation to any Rating Affirmation and/or Representative Consent. Further details are contained in the convening notices dated the date hereof and available, notably, on the Issuer's website (<https://www.about.hsbc.fr/fr-fr/investor-relations/covered-bonds> and <https://www.about.hsbc.fr/investor-relations/covered-bonds>) and HBCE website (<https://www.about.hsbc.fr/fr-fr/investor-relations> and <https://www.about.hsbc.fr/investor-relations>).

First Resolution in respect of the 2023 Covered Bonds only

The first Resolution of the 2023 Meeting consists of the approval of the appointment of a new Representative and a new Alternative Representative (as such terms are defined in the 2023 Resolutions) following the resignation of BNP Paribas Securities Services and Mr. Frédéric Krantz, and the determination of their remuneration. As a consequence, Condition 12(b) (*Representative*) of the 2023 Conditions will be amended.

Second Resolution in respect of the 2025 Covered Bonds / Third Resolution in respect of the 2023 Covered Bonds

The second Resolution of 2025 Meeting and the third Resolution of 2023 Meeting are purely technical resolutions relating to filing of the documents relating to the Meeting of each Series.

Third Resolution in respect of the 2025 Covered Bonds / Fourth Resolution in respect of the 2023 Covered Bonds

The third Resolution of 2025 Meeting and the fourth Resolution of 2023 Meeting are purely technical resolutions granting capacities for formalities.

Consent Fees

Subject to all Resolutions being approved at the Meetings of each Series (whether held on first convocation or second convocation) (such interconditionality being waivable by the Issuer in its sole and absolute discretion), the Issuer will pay:

(i) in respect of the 2023 Meeting:

- a. on the 2023 First Consent Fee Payment Date, an amount equal to 0.10 per cent. of the aggregate nominal amount of the 2023 Covered Bonds for which any 2023 Bondholder has validly cast its vote. The 2023 First Consent Fee will be paid by the Centralising Agent, on behalf of the Issuer, to the 2023 Bondholders holding the 2023 Covered Bonds on the date of the relevant 2023 Meeting and who have validly cast their votes; and
- b. on the 2023 Second Consent Fee Payment Date, an amount equal to 0.05 per cent. of the aggregate nominal amount of the 2023 Covered Bonds held by each 2023 Bondholder only if the Transfer is completed prior to 16 October 2023 (being the maturity date of the 2023 Covered Bonds). The 2023 Second Consent Fee will be paid by the Paying Agent (in coordination with the Centralising Agent), on behalf of the Issuer, to all 2023 Bondholders holding the 2023 Covered Bonds at the 2023 Second Consent Fee Payment Date.

(ii) in respect of the 2025 Meeting:

- a. on the 2025 First Consent Fee Payment Date, an amount equal to 0.20 per cent. of the aggregate nominal amount of the 2025 Covered Bonds for which any 2025 Bondholder has validly cast its vote. The 2025 First Consent Fee will be paid by the Centralising Agent, on behalf of the Issuer, to the 2025 Bondholders holding the 2025 Covered Bonds on the date of the relevant 2025 Meeting and who have validly cast their votes; and
- b. on the 2025 Second Consent Fee Payment Date, an amount equal to 0.05 per cent. of the aggregate nominal amount of the 2025 Covered Bonds held by each 2025 Bondholder only if the Transfer is completed. The 2025 Second Consent Fee will be paid by the Paying Agent (in coordination with the Centralising Agent), on behalf of the Issuer, to all 2025 Bondholders holding the 2025 Covered Bonds at the 2025 Second Consent Fee Payment Date.

For the avoidance of doubt, a Bondholder will be considered to have validly cast its vote if it has voted "for", "against" or "abstention" in respect of the relevant Resolutions submitted by the Issuer to the relevant Meeting, be it in person, by proxy or by correspondence.

Expected timetable

Announcement of the Consent Solicitation and publication of the 2023 Notice and of the 2025 Notice:

Consent Solicitation Memorandum available at the registered office of the Issuer, at the office of the Centralising Agent (copies of which are obtainable, upon request, free of charge) and at the specified office of the Paying Agent:

25 November 2021

Publication of the 2023 Notice and of the 2025 Notice through Euroclear France and on the websites of the Issuer (<https://www.about.hsbc.fr/fr-fr/investor-relations/covered-bonds> and <https://www.about.hsbc.fr/investor-relations/covered-bonds>) and of HBCE (<https://www.about.hsbc.fr/fr-fr/investor-relations> and <https://www.about.hsbc.fr/investor-relations>):

25 November 2021

Voting Documents Deadline:

Latest time and date for receipt by the Centralising Agent of Voting Documents whether by post or by email:

7 December 2021 at 23.59 (Paris time) (final reception date)

Account Holder Certificates Deadline:

Deadline to have the right to participate to the 2023 Meeting:

10 December 2021 at 10.00 a.m. (Paris time)

Deadline to have the right to participate to the 2025 Meeting:

10 December 2021 at 11.00 a.m. (Paris time)

Time and date of the 2023 Meeting on first convocation:

10.00 a.m. (Paris time) on 10 December 2021

Time and date of the 2025 Meeting on first convocation:

11.00 a.m. (Paris time) on 10 December 2021

Publication of the results of the 2023 Meeting and of the 2025 Meeting (if quorate):

Publication of the results notice notably through Euroclear France and on the websites of the Issuer (<https://www.about.hsbc.fr/fr-fr/investor-relations/covered-bonds> and <https://www.about.hsbc.fr/investor-relations/covered-bonds>) and of HBCE (<https://www.about.hsbc.fr/fr-fr/investor-relations> and <https://www.about.hsbc.fr/investor-relations>):

As soon as reasonably practicable after the 2023 Meeting and the 2025 Meeting held on first convocation

If the quorum is not met at the 2023 Meeting held on first convocation, or at the 2025 Meeting held on first convocation, notice for the second convocation:

Publication of the convening notice through Euroclear France and on the websites of the Issuer (<https://www.about.hsbc.fr/fr-fr/investor-relations/covered-bonds> and <https://www.about.hsbc.fr/investor-relations/covered-bonds>) and of HBCE (<https://www.about.hsbc.fr/fr-fr/investor-relations> and <https://www.about.hsbc.fr/investor-relations>):

10 December 2021¹

Voting Documents Deadline in respect of the 2023 Meeting and the 2025 Meeting held on second convocation:

Latest time and date for receipt by the Centralising Agent of Voting Documents whether by post or by email:

18 December 2021 at 23.59 (Paris time) (final reception date)²

Account Holder Certificates Deadline:

Deadline to have the right to participate to the 2023 Meeting:

21 December 2021 at 10.00 a.m. (Paris time)³

Deadline to have the right to participate to the 2025 Meeting:

21 December 2021 at 11.00 a.m. (Paris time)⁴

2023 Meeting on second convocation and 2025 Meeting on second convocation (if applicable):

Time and date of the 2023 Meeting on second convocation:

10.00 a.m. (Paris time) on 21 December 2021⁵

Time and date of the 2025 Meeting on second convocation:

11.00 a.m. (Paris time) on 21 December 2021⁶

Publication of the results of the 2023 Meeting and of the 2025 Meeting:

Publication of the results notice notably through Euroclear France and on the websites of the Issuer (<https://www.about.hsbc.fr/fr-fr/investor-relations/covered-bonds> and <https://www.about.hsbc.fr/investor-relations/covered-bonds>) and of HBCE (<https://www.about.hsbc.fr/fr-fr/investor-relations> and <https://www.about.hsbc.fr/investor-relations>):

As soon as reasonably practicable after the 2023 Meeting and the 2025 Meeting held on second convocation

Payment of the 2023 Consent Fee:

¹ Subject to adjustment as may be specified in the convening notice(s) convening the 2023 Meeting or the 2025 Meeting on second convocation.

² Subject to adjustment as may be specified in the convening notice(s) convening the 2023 Meeting or the 2025 Meeting on second convocation.

³ Subject to adjustment as may be specified in the convening notice convening the 2023 Meeting on second convocation.

⁴ Subject to adjustment as may be specified in the convening notice convening the 2025 Meeting on second convocation.

⁵ Subject to adjustment as may be specified in the convening notice convening the 2023 Meeting on second convocation.

⁶ Subject to adjustment as may be specified in the convening notice convening the 2025 Meeting on second convocation.

Payment of the 2023 First Consent Fee to any 2023 Bondholder who has validly cast its vote if all Resolutions are approved at the Meetings of each Series (whether held on first convocation or on second convocation) (such interconditionality being waivable by the Issuer in its sole and absolute discretion), otherwise no payment. The 2023 First Consent Fee will be paid by the Centralising Agent, on behalf of the Issuer, to the 2023 Bondholders holding the 2023 Covered Bonds on the date of the relevant 2023 Meeting and who have validly cast their votes:

Payment of the 2025 Consent Fee:

Payment of the 2025 First Consent Fee to any 2025 Bondholder who has validly cast its vote if all Resolutions are approved at the Meetings of each Series (whether held on first convocation or on second convocation) (such interconditionality being waivable by the Issuer in its sole and absolute discretion), otherwise no payment. The 2025 First Consent Fee will be paid by the Centralising Agent, on behalf of the Issuer, to the 2025 Bondholders holding the 2025 Covered Bonds on the date of the relevant 2025 Meeting and who have validly cast their votes:

Notice announcing the Completion of the Transfer:

Payment of the 2023 Second Consent Fee if (i) all Resolutions are approved at the Meetings of each Series (whether held on first convocation or on second convocation) (such interconditionality being waivable by the Issuer in its sole and absolute discretion) and (ii) the Transfer is completed prior to 16 October 2023 (being the maturity date of the 2023 Covered Bonds), otherwise no payment. The 2023 Second Consent Fee will be paid by the Paying Agent (in coordination with the Centralising Agent), on behalf of the Issuer, to all 2023 Bondholders holding the 2023 Covered Bonds at the 2023 Second Consent Fee Payment Date:

Payment of the 2025 Second Consent Fee if (i) all Resolutions are approved at the Meetings of each Series (whether held on first convocation or on second convocation) (such interconditionality being waivable by the Issuer in its sole and absolute discretion) and (ii) the Transfer is completed, otherwise no payment. The 2025 Second Consent Fee will be paid by the Paying Agent (in coordination with the Centralising Agent), on behalf of the Issuer, to all 2025 Bondholders holding the 2025 Covered Bonds at the 2025 Second Consent Fee Payment Date:

At the latest 3 Business Days following the date of the latest Meeting of any Series (i.e. 10 December 2021, on first convocation or, if the quorum is not met with respect to any Series, 21 December 2021, on second convocation)

At the latest 3 Business Days following the date of the latest Meeting of any Series (i.e. 10 December 2021, on first convocation or, if the quorum is not met with respect to any Series, 21 December 2021, on second convocation)

As soon as practicable following the Completion of the Transfer

At the latest 5 Business Days following the Completion of the Transfer

At the latest 5 Business Days following the Completion of the Transfer

Contacts

For general assistance and queries relating to the Consent Solicitation please contact the Solicitation Agents, the Issuer or the Centralisation Agent at:

Solicitation Agents:

Crédit Agricole Corporate and Investment Bank, Attention: Liability Management Group, Tel: +44 20 7214 5733, Email: liability.management@cacib.com

HSBC Continental Europe, Attention: Liability Management, Tel: +44 20 7992 6237, Email: LM_EMEA@hsbc.com

Issuer:

HSBC SFH (France), Attention: Arnaud de Champfleur, Tel: +33 1 40 70 34 89, Email: hsbcsth@hsbc.fr

Centralisation Agent:

CACEIS Corporate Trust, Attention: Service Assemblées Générales, Tel: +33 1 57 78 34 44 , Email: ct-assemblies@caceis.com