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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



4 May 2018

CHANGE IN CAPITAL RECOGNITION OF SELECTED CAPITAL SECURITIES

HSBC has today changed how some of its capital securities are recognised for consolidated regulatory capital purposes.

The securities were previously partially recognised by HSBC Holdings plc in its consolidated capital as tier 2 capital under transitional arrangements (so-called 'grandfathering') provided in the Capital Requirements Regulation (Regulation (EU) No 648/2012). The securities will now be recognised as fully eligible tier 2 instruments.

If the change had been effective on 31 March 2018, the impact would have been as follows:

Measurement basis	HSBC Holdings plc consolidated total capital ratio at 31 March 2018	HSBC Holdings plc consolidated total capital ratio if securities had been included as fully eligible tier 2 instruments
Transitional basis	20.7%	21.1%
End point basis	18.6%	20.1%

The change affects the following series of capital securities:

Nominal amount	Maturity date	Coupon	ISIN
Securities issued by HSBC Holdings plc			
US\$488 million	May 2032	7.625%	US404280AF65 ¹
US\$222 million	November 2032	7.350%	US404280AE90
US\$2,000 million	May 2036	6.500%	US404280AG49
US\$2,500 million	September 2037	6.500%	US404280AH22
US\$1,500 million	June 2038	6.800%	US404280AJ87
Securities issued by HSBC Bank plc			
GBP300 million	July 2023	6.500%	XS0088317853
GBP500 million	August 2033	5.375%	XS0174470764
GBP225 million	January 2041	6.250%	XS0120514335
GBP600 million	March 2046	4.750%	XS0247840969
US\$300 million ²	May 2025	7.650%	US597433AC57
US\$750 million	Undated	Floating	GB0005902332
US\$500 million	Undated	Floating	XS0015190423
US\$300 million	Undated	Floating	GB0005903413
Securities issued by HSBC Bank USA, N.A.			
US\$1,250 million	August 2020	4.875%	US4042Q1AE77
US\$1,000 million	November 2034	5.875%	US4042Q1AA55
US\$750 million	August 2035	5.625%	US4042Q1AB39
US\$700 million	January 2039	7.000%	US4042Q1AD94
Securities issued by The Hongkong and Shanghai Banking Corporation Limited			
US\$400 million	Undated	Floating	GB0004355490

Notes:

¹ See also US404280AD18 (144A) and USG4634UAV47 (Reg. S).

² Also to be included as fully eligible tier 2 instruments in the solo and consolidated capital of HSBC Bank plc.

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Change in Capital Recognition of Selected Capital Securites/2

This announcement includes inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014.

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Investor enquiries to:

Greg Case +44 (0) 207 992 3825 greg.case@hsbc.com

Media enquiries to:

Heidi Ashley +44 (0) 20 7992 2045 heidi.ashley@hsbc.com

Notes 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 3,900 offices in 67 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,652bn at 31 March 2018, HSBC is one of the world's largest banking and financial services organisations.

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