

HSBC HOLDINGS PLC  
Form 6-K  
May 04, 2018

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a - 16 or 15d - 16 of

the Securities Exchange Act of 1934

For the month of May 2018

HSBC Holdings plc

42nd Floor, 8 Canada Square, London E14 5HQ, England

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F).

Form 20-F  Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934).

Yes  No

(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-  
).

CHANGE IN CAPITAL RECOGNITION  
OF SELECTED CAPITAL SECURITIES

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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%   | US404280AF651 |
| 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 <sup>2</sup>   | 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.

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

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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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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HSBC Holdings plc

By:

Name: Ben J S Mathews

Title: Group Company Secretary

Date: 04 May 2018