

2 November 2018

## STATEMENT OF RESULTS OF THE 2018 EU-WIDE STRESS TEST

HSBC Holdings plc ('HSBC') notes the publication today of the results of the EU-wide stress test which has been conducted by the European Banking Authority ('EBA') in co-operation with the Prudential Regulation Authority ('PRA'), the European Central Bank ('ECB') and the European Systemic Risk Board ('ESRB').

HSBC's common equity tier 1 ('CET1') capital ratio on a transitional basis<sup>1</sup>, under the methodology and hypothetical adverse economic scenario prescribed for the three-year time horizon of the exercise (2018 – 2020), is projected to reach a low point of 9.42% at the end of 2020. On a fully loaded basis, HSBC's CET1 capital ratio is projected to reach a low point of 9.14% at the end of 2019 rising to 9.18% at the end of 2020.

The exercise does not contain a CET1 capital ratio threshold and is instead designed to be used as an input into the 2018 Supervisory Review and Evaluation Process ('SREP') and assist competent authorities in assessing banks' ability to meet applicable prudential requirements under stress.

Today's results demonstrate HSBC's continuing capital strength.

The EBA's 2018 stress test results are available to view in full on the EBA's website at: <https://www.eba.europa.eu/documents/10180/2419200/2018-EU-wide-stress-test-Results.pdf>

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**Footnote:**

<sup>1</sup>HSBC's CET1 ratio on a transitional basis is calculated using the EU's regulatory transitional arrangements for IFRS 9 in article 473a of the Capital Requirements Regulation.

**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 approximately 3,800 offices in 66 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,603bn at 30 September 2018, HSBC is one of the world's largest banking and financial services organisations.

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