# HSBC Bank plc

**Pillar 3 Disclosures at 30 September 2022**
**Registered number - 00014259**

HSBC

## Contents



## Tables



This document comprises the 30 September 2022 Pillar 3 disclosures for HSBC Bank Plc.

Unless the context requires otherwise, 'HSBC Holdings' means HSBC Holdings plc, and 'HSBC' and the 'Group' refer to HSBC Holdings together with its subsidiaries; similarly, 'HSBC Bank' and the 'bank' mean HSBC Bank plc, and the 'group' refers to HSBC Bank together with its subsidiaries.

When used in the terms 'shareholders' equity' and 'total shareholders' equity', 'shareholders' means holders of HSBC Bank ordinary shares and those preference shares and capital securities issued by HSBC Bank classified as equity.

The abbreviations '£m' and '£bn' represent millions and billions (thousands of millions) of GB pounds respectively.

This document contains certain forward-looking statements with respect to the financial condition, result of operations and business of the group.

Statements that are not historical facts, including statements about the group's beliefs and expectations, are forward-looking statements. Words such as 'expects', 'will', 'targets', 'anticipates', 'intends', 'plans', 'believes', 'seeks', 'estimates', 'potential' and 'reasonably possible', variations of these words and similar expressions are intended to identify forward-looking statements. These statements are based on current plans, estimates and projections, and therefore undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made. HSBC Bank Plc makes no commitment to revise or update any forward-looking statements to reflect events or circumstances occurring or existing after the date of any forward-looking statements.

Forward-looking statements involve inherent risks and uncertainties. Readers are cautioned that a number of factors could cause actual results to differ, in some instances materially, from those anticipated or implied in any forward-looking statement.

# Introduction

## Regulatory framework for disclosures

We are supervised on a consolidated basis in the UK by the Prudential Regulation Authority ('PRA')

We have calculated capital for prudential regulatory reporting purposes using the Basel III framework of the Basel Committee on Banking Supervision ('Basel'), as implemented in the UK. Any references to European Union ('EU') regulations and directives (including technical standards) should, as applicable, be read as references to the UK's version of such regulation and/or directive, as onshored into UK law under the European Union (Withdrawal) Act 2018, including any subsequent amendments.

The Basel Committee's framework is structured around three 'pillars': Pillar 1, minimum capital requirements; Pillar 2, supervisory review process; and Pillar 3, market discipline. The aim of Pillar 3 is to produce disclosures that allow market participants to assess a bank's scope of application of the Basel Committee's framework. It also aims to assess their application of the rules in their jurisdiction, capital condition, risk exposures and risk management processes, and hence their capital adequacy.

All European legislation that was in place on 31 December 2020 was onshored into UK law, subject to certain amendments.

## Pillar 3 disclosures

Our *Pillar 3 Disclosures at 30 September 2022* comprises both quantitative and qualitative information required under Pillar 3. These disclosures are made in accordance with part Eight of the Capital Requirements Regulation and Directive, as implemented ('CRR II') and the PRA Rulebook and use the PRA's disclosure templates and instructions which came into force on 1 January 2022. They are supplemented by specific additional requirements of the PRA and discretionary disclosures on our part.

To give insight into movements during the year, we provide comparative figures, commentary on variances and flow tables for capital requirements.

In all tables where the term 'capital requirements' is used, this represents the minimum total capital charge set at 8% of risk-weighted assets ('RWAs') by article 92 of the Capital Requirements Regulation.

Table name references and row numbering in tables identify those prescribed in the relevant PRA guidelines where applicable and where there is a value.

Regulatory numbers and ratios are as presented at the date of reporting. Small changes may exist between these numbers and ratios and those subsequently submitted in regulatory filings. Where differences are significant, we will restate comparatives.

Where disclosures have been enhanced, or are new, we do not generally restate or provide comparatives. Wherever specific rows and columns in the tables prescribed by the PRA or Basel are not applicable or immaterial to our activities, we omit them and follow the same approach for comparative disclosures.

Pillar 3 requirements may be met by inclusion in other disclosure media. Where we adopt this approach, references are provided to the relevant locations.

# Key metrics

Key metrics (KM1/IFRS9-FL)*

| Ref | | At | | | | |
|---|---|---|---|---|---|---|
| | | **30 Sep 2022** | 30 Jun 2022 | 31 Mar 2022 | 31 Dec 2021 | 30 Jun 2021 |
| | **Available capital (£m)[1,5]** | | | | | |
| 1 | Common equity tier 1 ('CET1') capital^ | **18,180** | 18,797 | 18,586 | 18,963 | 18,740 |
| | CET1 capital as if IFRS 9 transitional arrangements had not been applied | **18,160** | 18,779 | 18,565 | 18,927 | 18,703 |
| 2 | Tier 1 capital^ | **22,068** | 22,689 | 22,482 | 22,825 | 22,647 |
| | Tier 1 capital as if IFRS 9 transitional arrangements had not been applied | **22,048** | 22,672 | 22,461 | 22,789 | 22,610 |
| 3 | Total capital^ | **34,908** | 35,168 | 34,014 | 33,992 | 34,349 |
| | Total capital as if IFRS 9 transitional arrangements had not been applied | **34,888** | 35,150 | 33,993 | 33,956 | 34,312 |
| | **Risk-weighted asset ('RWAs') (£m)[5]** | | | | | |
| 4 | Total RWAs^ | **124,768** | 123,530 | 115,514 | 106,703 | 113,031 |
| | Total RWAs as if IFRS 9 transitional arrangements had not been applied | **124,751** | 123,513 | 115,494 | 106,670 | 112,999 |
| | **Capital ratios (%)[5]** | | | | | |
| 5 | CET1^ | **14.6** | 15.2 | 16.1 | 17.8 | 16.6 |
| | CET1 as if IFRS 9 transitional arrangements had not been applied | **14.6** | 15.2 | 16.1 | 17.7 | 16.6 |
| 6 | Tier 1^ | **17.7** | 18.4 | 19.5 | 21.4 | 20.0 |
| | Tier 1 as if IFRS 9 transitional arrangements had not been applied | **17.7** | 18.4 | 19.4 | 21.4 | 20.0 |
| 7 | Total capital^ | **28.0** | 28.5 | 29.4 | 31.9 | 30.4 |
| | Total capital as if IFRS 9 transitional arrangements had not been applied | **28.0** | 28.5 | 29.4 | 31.8 | 30.4 |
| | **Additional own funds requirements based on supervisory review and evaluation process ('SREP') as a percentage of RWAs (%)[2]** | | | | | |
| UK-7d | Total SREP own funds requirements (TSCR ratio) | **8.0** | 8.0 | 8.0 | N/A | N/A |
| | **Combined buffer requirement as a percentage of RWAs (%)** | | | | | |
| 8 | Capital conservation buffer requirement | **2.5** | 2.5 | 2.5 | N/A | N/A |
| 9 | Institution specific countercyclical capital buffer | **0.0** | 0.0 | 0.0 | N/A | N/A |
| 11 | Combined buffer requirement | **2.5** | 2.5 | 2.5 | N/A | N/A |
| UK-11a | Overall capital requirements[2] | **10.5** | 10.5 | 10.5 | N/A | N/A |
| 12 | CET1 available after meeting the total SREP own funds requirements | **10.1** | 10.7 | 11.6 | N/A | N/A |
| | **Leverage ratio[^,2,3,5]** | | | | | |
| 13 | Total exposure measure excluding claims on central banks (£m) | **462,375** | 447,863 | 424,871 | N/A | N/A |
| 14 | Leverage ratio excluding claims on central banks (%) | **4.8** | 5.1 | 5.3 | N/A | N/A |
| | **Leverage ratio (under Capital Requirements Regulation)[^,3,5]** | | | | | |
| | Total leverage ratio exposure measure (£m) | **N/A** | N/A | N/A | 536,518 | 561,169 |
| | Leverage ratio (%) | **N/A** | N/A | N/A | 4.2 | 4.0 |
| | **Liquidity coverage ratio ('LCR')[4]** | | | | | |
| 15 | Total high-quality liquid assets (£m) | **107,036** | 103,389 | 102,541 | N/A | N/A |
| UK-16a | Cash outflows – total weighted value (£m) | **118,095** | 112,046 | 108,705 | N/A | N/A |
| UK-16b | Cash inflows – total weighted value (£m) | **46,419** | 42,534 | 39,853 | N/A | N/A |
| 16 | Total net cash outflow (£m) | **71,675** | 69,512 | 68,852 | N/A | N/A |
| 17 | LCR ratio (%) | **149.3** | 148.7 | 148.9 | N/A | N/A |
| | **Net stable funding ratio ('NSFR')[4]** | | | | | |
| 18 | Total available stable funding (£m) | **107,425** | 105,549 | 102,367 | N/A | N/A |
| 19 | Total required stable funding (£m) | **92,065** | 91,458 | 92,179 | N/A | N/A |
| 20 | NSFR ratio (%) | **116.7** | 115.4 | 111.1 | N/A | N/A |

* *The references in this and subsequent tables identify lines prescribed in the relevant PRA template where applicable and where there is a value. Where "N/A" is used, it denotes that the disclosure does not apply in that period; comparatives are not usually provided for new requirements.*
^ *Figures have been prepared on an IFRS 9 transitional basis.*
1 *Capital figures and ratios are reported on a CRR II transitional basis for capital instruments.*
2 *These disclosures have been implemented from 1 January 2022 and are based on the PRA's disclosure templates and instructions which came into force at that time.*
3 *Leverage ratio is calculated using the CRR II end point basis for capital. The 2021 comparative leverage exposures and ratios are separately reported based on the Capital Requirements Regulation rules in force at that time and include claims on central banks.*
4 *These amounts relate to HSBC Bank plc as a single entity (excluding subsidiaries) and are not produced on a consolidated basis. LCR disclosure is calculated based on the end-of-the-month observations over the preceding 12 months for quarters ending March 2022, June 2022 and September 2022 respectively.*
5 *As per UK CRR Prudential Consolidation provision article 18(7), investments in non-financial institutions subsidiaries or participation have been measured on an equity accounting basis. Comparatives for prior periods have been restated to be on a consistent basis with the current year.*

At 30 September 2022, our CET1 capital ratio decreased to 14.6% from 15.2% at 30 June 2022, reflecting an increase in RWAs of £1.3bn and a decrease in CET1 capital of £0.6bn. The key drivers of this 0.6 percentage point fall in our CET1 ratio were:

- a 0.5 percentage point fall from loss on planned sale of our French retail banking business, offset by issue of ordinary share capital; and
- a 0.1 percentage point fall as a result of the increase in RWAs, chiefly driven by market risk movements.

## Regulatory transitional arrangements for IFRS 9 'Financial Instruments'

We have adopted the regulatory transitional arrangements in CRR II for IFRS 9, including paragraph four of article 473a.

The IFRS 9 regulatory transitional arrangements allow banks to add back to their capital base a proportion of the impact that IFRS 9 has upon their loan loss allowances during the first five years of use.

The impact is defined as:

- the increase in loan loss allowances on day one of IFRS 9 adoption; and
- any subsequent increase in expected credit losses ('ECL') in the non-credit-impaired book thereafter.

Any add-back must be tax-effected and accompanied by a recalculation of exposure and RWAs.

The impact is calculated separately for portfolios using the standardised ('STD') and internal ratings based ('IRB') approaches. For IRB portfolios, there is no add-back to capital unless loan loss allowances exceed regulatory 12-month expected losses.

In the current period, the add-back to the capital base amounted to £24m under the STD approach with a tax impact of £6m which resulted in a net add-back of £18m.

# Risk-weighted assets

## Overview of RWAs (OV1)

| | | At | | | |
|---|---|---|---|---|---|
| | | **30 Sep 2022** | 30 Jun 2022 | **30 Sep 2022** | 30 Jun 2022 |
| | | **RWAs** | RWAs | **Total own funds requirement[1]** | Total own funds requirement[1] |
| | | **£m** | £m | **£m** | £m |
| 1 | **Credit risk (excluding counterparty credit risk)** | **73,785** | 74,714 | **5,903** | 5,977 |
| 2 | – standardised approach | **23,313** | 23,502 | **1,865** | 1,880 |
| 3 | – foundation internal ratings-based ('FIRB') approach | **19,542** | 19,467 | **1,563** | 1,557 |
| 4 | – slotting approach | **1,786** | 1,811 | **143** | 145 |
| 5 | – advanced IRB ('AIRB') approach | **29,144** | 29,934 | **2,332** | 2,395 |
| 6 | **Counterparty credit risk ('CCR')** | **20,405** | 19,962 | **1,632** | 1,598 |
| 7 | – standardised approach[2] | **5,285** | 5,295 | **423** | 424 |
| 8 | – internal model method ('IMM') | **8,137** | 7,335 | **651** | 587 |
| UK-8a | – risk exposure amount for contributions to the default fund of a central counterparty | **224** | 284 | **17** | 23 |
| UK-8b | – credit valuation adjustment | **1,777** | 2,015 | **142** | 161 |
| 9 | – other counterparty credit risk[4] | **4,982** | 5,033 | **399** | 403 |
| 15 | **Settlement risk** | **114** | 308 | **9** | 25 |
| 16 | **Securitisation exposures in the non-trading book** | **3,560** | 3,695 | **285** | 296 |
| 17 | – internal ratings-based approach ('SEC-IRBA') | **329** | 333 | **26** | 27 |
| 18 | – external ratings-based approach ('SEC-ERBA') (including internal assessment approach ('IAA'))[3] | **2,433** | 2,532 | **195** | 203 |
| 19 | – standardised approach ('SEC-SA') | **685** | 717 | **55** | 57 |
| UK-19a | – 1250% deduction | **113** | 113 | **9** | 9 |
| 20 | **Position, foreign exchange and commodities risks (market risk)** | **16,106** | 14,180 | **1,288** | 1,134 |
| 21 | – standardised approach | **2,258** | 2,303 | **181** | 184 |
| 22 | – internal models approach ('IMA') | **13,848** | 11,877 | **1,107** | 950 |
| 23 | **Operational risk** | **10,798** | 10,671 | **864** | 854 |
| UK-23b | – standardised approach | **10,798** | 10,671 | **864** | 854 |
| 29 | **Total** | **124,768** | 123,530 | **9,981** | 9,884 |
| 24 | **Amounts below the thresholds for deduction (subject to 250% risk-weight)** | **5,858** | 5,656 | **469** | 452 |

1 *'Capital requirement' in this table represents the minimum capital charge set at 8% of RWAs by article 92 of the Capital Requirements Regulation.*
2 *The standardised approach to CCR was implemented with effect from 1 January 2022 and replaces the previous mark-to-market method. The comparative balance has been reported under the previous approach.*
3 *External ratings-based approach ('SEC-ERBA') includes internal assessment approach ('IAA').*
4 *Other CCR includes RWAs on securities financing transactions and free deliveries.*

The quarter-on-quarter movements in the table above are described by risk type in the following comments.

### Credit risk (including amounts below the thresholds for deduction)

RWAs fell £1.1bn primarily due to the implementation of new internal rating-based retail models in Continental Europe.

### Counterparty credit risk

RWAs rose by £0.5bn as a result of a £1.0bn increase driven by mark-to-market movements. This was partly offset by a £0.4bn decrease from management initiatives (mainly novations and index hedging) and internal updates. Further minor reductions stemmed from falls in free deliveries and settlement risk.

### Securitisation

The £0.1bn decline in RWAs is mainly due to repayments in our Regency portfolio under the Sec-ERBA approach.

### Market risk

RWAs on the internal models approach rose by £2.0bn primarily as a result of increased volatility, higher correlation, and increases in dividend risk and options futures.

RWAs on the standardised approach fell by £0.1bn as a result of lower equity underwriting commitments in Continental Europe.

### Operational risk

Operational risk RWAs increased by £0.1bn, due to foreign currency translation differences.

## RWA flow statements of credit risk exposures under IRB approach (CR8)

| Ref | | Quarter ended 30 Sep 2022 £m | 30 Jun 2022 £m | 31 Mar 2022 £m |
|---|---|---|---|---|
| 1 | **RWAs at opening period** | **49,545** | 47,207 | 44,748 |
| 2 | Asset size | **(250)** | 2,040 | 1,400 |
| 3 | Asset quality | **(703)** | (139) | 896 |
| 4 | Model updates | **(1,113)** | 140 | — |
| 5 | Methodology and policy | **604** | (869) | (91) |
| 6 | Acquisitions and disposals | **—** | — | — |
| 7 | Foreign exchange movements | **777** | 1,166 | 254 |
| 8 | Other | **—** | — | — |
| 9 | **RWAs at end of period** | **48,860** | 49,545 | 47,207 |

1 *Securitisation positions are not included in this table.*

RWAs on the IRB approach decreased by £0.7bn, including a increase due to foreign currency translation differences of £0.8bn.

The fall is primarily driven by the implementation of new internal rating-based retail models in Continental Europe which reduced RWAs by £1.1bn. Improvements in asset quality also reduced RWAs by £0.7bn.

Partly offsetting these falls, RWAs rose by £0.8bn as a result of foreign exchange movements (chiefly the depreciation of the British pound against the Euro and US dollar). Methodology and policy changes also increased IRB RWAs (by £0.6bn); this was mostly caused by a reclassification of deferred tax assets from the standardised approach.

## RWA flow statements of counterparty credit risk exposures under the IMM (CCR7)

| Ref | | Quarter ended 30 Sep 2022 £m | 30 Jun 2022 £m | 31 Mar 2022 £m |
|---|---|---|---|---|
| 1 | **RWAs at opening period** | **7,335** | 7,164 | 6,074 |
| 2 | Asset size | **1,052** | 207 | 985 |
| 3 | Asset quality | **(20)** | (76) | 98 |
| 4 | Model updates | **—** | — | 221 |
| 5 | Methodology and policy | **(153)** | 53 | (246) |
| 6 | Acquisitions and disposals | **—** | — | — |
| 7 | Foreign exchange movements | **(77)** | (13) | 32 |
| 8 | Write-offs | **—** | — | — |
| 9 | **RWAs at end of period** | **8,137** | 7,335 | 7,164 |

RWAs under the internal model method increased by £0.8bn in 3Q22, predominantly due to mark-to-market movements in book size which added £1.0bn.

This was partly offset by a £0.2bn decrease driven by management initiatives mainly due to internal updates and trade actions.

## RWA flow statements of market risk exposures under the IMA (MR2-B)

| Ref | | VaR £m | Stressed VaR £m | Incremental risk charge ('IRC') £m | Other £m | Total RWAs £m | Total own fund requirements £m |
|---|---|---|---|---|---|---|---|
| 1 | **RWAs at 1 Jul 2022** | **4,799** | **4,817** | **1,508** | **752** | **11,877** | **950** |
| 2 | Movement in risk levels | **777** | **824** | **(79)** | **251** | **1,773** | **142** |
| 3 | Model updates/changes | | | | | | |
| 4 | Methodology and policy | **—** | **—** | **198** | **—** | **198** | **16** |
| 8 | **RWAs at 30 Sep 2022** | **5,576** | **5,641** | **1,627** | **1,003** | **13,848** | **1,108** |
| | | | | | | | |
| 1 | RWAs at 1 Apr 2022 | 2,864 | 5,202 | 904 | 900 | 9,870 | 789 |
| 2 | Movement in risk levels | 1,935 | (385) | 604 | (123) | 2,032 | 163 |
| 3 | Model updates/changes | — | — | — | — | — | — |
| 4 | Methodology and policy | — | — | — | (25) | (25) | (2) |
| 8 | RWAs at 30 Jun 2022 | 4,799 | 4,817 | 1,508 | 752 | 11,877 | 950 |
| | | | | | | | |
| 1 | RWAs at 1 Jan 2022 | 2,765 | 3,776 | 1,000 | 837 | 8,378 | 670 |
| 2 | Movement in risk levels | 96 | 1,415 | (96) | 63 | 1,478 | 118 |
| 3 | Model updates/changes | — | — | — | — | — | — |
| 4 | Methodology and policy | 3 | 11 | — | — | 14 | 1 |
| 8 | RWAs at 31 Mar 2022 | 2,864 | 5,202 | 904 | 900 | 9,870 | 789 |

RWAs under the Internal Model Approach have increased £2.0bn over the period as a result of higher market volatility across portfolios, resulting in new VaR Back testing breaches (changing capital multiplier from 3.6 to 4.1) and increased P&L losses; coupled with higher equity correlation, dividend and interest rate volatility risk.

# Liquidity

## Management of liquidity and funding risk

### Liquidity coverage ratio

The LCR aims to ensure that a bank has sufficient unencumbered high-quality liquid assets ('HQLA') to meet its liquidity needs in a 30 calendar day liquidity stress scenario. At 30 Sep 2022, we were above regulatory minimum levels.

### Net stable funding ratio

We use the net stable funding ratio ('NSFR'), alongside other appropriate metrics, as a basis for ensuring that a bank can raise sufficient stable funding to support its business activities. NSFR requires to maintain a minimum amount of stable funding based on assumptions of asset liquidity. From 1 January 2022, we started managing funding risk based on the PRA's NSFR rules. At 30 Sep 2022, we maintained sufficient stable funding relative to the required stable funding assessed using the NSFR.

Level and components of HSBC Bank plc liquidity coverage ratio (UK LIQ1)[1]

| | | Quarter ended | | | | | |
|---|---|---|---|---|---|---|---|
| UK-1a | | **30 Sep 2022** | | 30 Jun 2022 | | 31 Mar 2022 | |
| | | **Total unweighted value** | **Total weighted value** | Total unweighted value | Total weighted value | Total unweighted value | Total weighted value |
| | | **£m** | **£m** | £m | £m | £m | £m |
| UK-1b | Number of data points used in the calculation of averages | | **12** | | 12 | | 12 |
| **High-quality liquid assets** | | | | | | | |
| 1 | Total high-quality liquid assets ('HQLA') | | **107,036** | | 103,389 | | 102,541 |
| **Cash outflows** | | | | | | | |
| 2 | Retail deposits and small business funding | **16,631** | **2,274** | 16,147 | 2,187 | 15,827 | 2,255 |
| 3 | – *of which:* | | | | | | |
| | *stable deposits* | ***3,882*** | ***194*** | *4,047* | *202* | *3,718* | *186* |
| 4 | *less stable deposits* | ***12,731*** | ***2,080*** | *12,082* | *1,985* | *12,087* | *2,070* |
| 5 | Unsecured wholesale funding | **138,906** | **76,715** | 135,606 | 74,782 | 133,217 | 74,085 |
| 6 | – operational deposits (all counterparties) and deposits in networks of cooperative banks | **48,844** | **12,164** | 47,174 | 11,745 | 44,981 | 11,186 |
| 7 | – non-operational deposits (all counterparties) | **87,886** | **62,374** | 86,008 | 60,613 | 85,566 | 60,220 |
| 8 | – unsecured debt | **2,177** | **2,177** | 2,424 | 2,424 | 2,669 | 2,669 |
| 9 | Secured wholesale funding | | **4,717** | | 4,636 | | 4,843 |
| 10 | Additional requirements | **45,466** | **25,906** | 43,157 | 23,173 | 41,792 | 21,177 |
| 11 | – outflows related to derivative exposures and other collateral requirements | **18,722** | **17,862** | 15,789 | 15,008 | 13,249 | 12,659 |
| 12 | – outflows related to loss of funding on debt products | **—** | **—** | — | — | — | — |
| 13 | – credit and liquidity facilities | **26,744** | **8,044** | 27,368 | 8,165 | 28,543 | 8,518 |
| 14 | Other contractual funding obligations | **24,781** | **7,802** | 22,974 | 6,576 | 21,051 | 5,642 |
| 15 | Other contingent funding obligations | **56,578** | **681** | 56,785 | 691 | 56,608 | 702 |
| **16** | **Total cash outflows** | | **118,095** | | 112,046 | | 108,705 |
| **Cash inflows** | | | | | | | |
| 17 | Secured lending transactions (including reverse repos) | **76,003** | **17,164** | 76,143 | 17,442 | 77,625 | 18,170 |
| 18 | Inflows from fully performing exposures | **9,694** | **9,355** | 9,028 | 8,704 | 8,611 | 8,307 |
| 19 | Other cash inflows | **36,733** | **19,901** | 33,125 | 16,388 | 29,723 | 13,376 |
| UK-19a | (Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies) | | **—** | | — | | — |
| UK-19b | (Excess inflows from a related specialised credit institution) | | **—** | | — | | — |
| **20** | **Total cash inflows** | **122,429** | **46,419** | 118,296 | 42,534 | 115,959 | 39,853 |
| UK-20a | Fully exempt inflows | **—** | **—** | — | — | — | — |
| UK-20b | Inflows subject to 90% cap | **—** | **—** | — | — | — | — |
| UK-20c | Inflows subject to 75% cap | **110,998** | **46,419** | 106,221 | 42,534 | 102,564 | 39,853 |
| **Liquidity coverage ratio (adjusted value)** | | | | | | | |
| UK-21 | Liquidity buffer | | **107,036** | | 103,389 | | 102,541 |
| 22 | Total net cash outflows | | **71,675** | | 69,512 | | 68,852 |
| 23 | Liquidity coverage ratio (%) | | **149.3** | | 148.7 | | 148.9 |

1 *These amounts relate to HSBC Bank plc as a single entity (excluding subsidiaries) and are not produced on a consolidated basis. The LCR for 30 September 2022 is reported as specified in the PRA Rulebook effective since 1 January 2022. LCR disclosure is calculated based on 12 month-end averages ending March 2022, June 2022 and September 2022 respectively.*

## Abbreviations

| | |
|---|---|
| $ | United States dollar |
| **A** | |
| AIRB[1] | Advanced internal ratings-based approach |
| AT1 capital | Additional tier 1 capital |
| **B** | |
| Basel | Basel Committee on Banking Supervision |
| **C** | |
| CCR[1] | Counterparty credit risk |
| CET1[1] | Common equity tier 1 |
| CMB | Commercial Banking, a global business |
| CRR II | Revised Capital Requirements Regulation, as implemented |
| **E** | |
| EBA | European Banking Authority |
| ECL[1] | Expected credit losses. In the income statement, ECL is recorded as a change in expected credit losses and other credit impairment charges. In the balance sheet, ECL is recorded as an allowance for financial instruments to which only the impairment requirements in IFRS 9 are applied |
| EEA | European Economic Area |
| EU | European Union |
| **F** | |
| FIRB[1] | Foundation internal-ratings based approach |
| FSB | Financial Stability Board |
| **G** | |
| GBM | Global Banking and Markets, a global business |
| Group | HSBC Holdings together with its subsidiary undertakings |
| **H** | |
| Hong Kong | The Hong Kong Special Administrative Region of the People's Republic of China |
| HQLA | High-quality liquid assets |
| HSBC | HSBC Holdings together with its subsidiary undertakings |
| **I** | |
| IAA | Internal assessment approach |
| IFRSs | International Financial Reporting Standards |
| IMA[1] | Internal models approach |
| IMM[1] | Internal model method |
| IRB[1] | Internal ratings-based approach |
| IRC | Incremental risk charge |
| **L** | |
| LCR[1] | Liquidity coverage ratio |
| **M** | |
| MENA | Middle East and North Africa |
| MREL | Minimum requirements for own funds and eligible liabilities |
| **N** | |
| NSFR[1] | Net stable funding ratio |
| **P** | |
| PRA[1] | Prudential Regulation Authority (UK) |
| **R** | |
| RWA[1] | Risk-weighted asset |
| **S** | |
| SEC-ERBA | Securitisation internal rating-based approach |
| SEC-IRBA | Securitisation external rating-based approach |
| SEC-SA | Securitisation standardised approach |
| SREP | Supervisory review and evaluation process |
| **T** | |
| TLAC[1] | Total loss absorbing capacity |
| T1 capital[1] | Tier 1 capital |
| T2 capital[1] | Tier 2 capital |
| **U** | |
| UK | United Kingdom |
| US | United States |
| **V** | |
| VaR[1] | Value at risk |

1 *Full definition included in the Glossary published on HSBC website www.hsbc.com*

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