HSBC Bank plc

Pillar 3 Disclosures at 31 March 2025
Registered number – 00014259

HSBC

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Certain defined terms

This document comprises the 31 March 2025 Pillar 3 Disclosures for HSBC Bank plc.

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

Introduction

Pillar 3 Disclosures and Governance

Regulatory framework for disclosure

Our Pillar 3 Disclosures at 31 March 2025 comprise both quantitative and qualitative information required under Pillar 3. These disclosures are made in accordance with the Prudential Regulation Authority ('PRA') Rulebook Disclosure (Capital Requirements Regulation). They are supplemented by specific additional requirements of the PRA and discretionary disclosures on our part.

We are supervised on an individual basis in the United Kingdom ('UK') by the PRA, which receives information on the capital and liquidity adequacy of, and sets capital and liquidity requirements for, the bank as a whole. Individual banking subsidiaries are directly regulated by their local banking supervisors, who set and monitor their local capital and liquidity adequacy requirements. In most jurisdictions, non-banking financial subsidiaries are also subject to the supervision and capital and liquidity requirements of local regulatory authorities.

The Basel Committee on Banking Supervision ('Basel') III framework is structured around three 'pillars', with the Pillar 1 minimum capital requirements and the Pillar 2 supervisory review process complemented by the Pillar 3 market discipline. The aim of Pillar 3 is to produce disclosures that allow market participants to assess the scope of application by banks of the Basel framework and the rules in their jurisdiction, their capital resources, risk exposures and risk management processes, and hence their capital adequacy.

We calculate the bank's capital for prudential regulatory purposes using the Basel III framework, 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, and may be subsequently amended under UK law. We refer to the regulatory requirements of the Capital Requirements Regulation and Directive, the CRR II regulation and the PRA Rulebook as 'CRR II'.

Regulatory reporting processes and controls

We are advancing a comprehensive initiative aimed at strengthening our global regulatory reporting processes, and making them more sustainable. This multifaceted programme includes enhancing data, consistency and controls. This remains a key priority for both HSBC management and regulatory authorities.

While this programme continues, there may be further impacts on some of our regulatory ratios, such as the common equity tier 1 ('CET1') ratio, liquidity coverage ratio ('LCR') and net stable funding ratio ('NSFR'), as we implement recommended changes and continue to enhance our controls across the process.

Comparatives and references

To give insight into movements during 2025, 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(1) of CRR II. Narratives are included to explain quantitative disclosures where necessary.

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 are not applicable or are immaterial to our activities, we omit them and follow the same approach for comparatives.

In alignment with the PRA Rulebook table requirements, we have shaded cells where no information is required to be disclosed.

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

Frequency and location

We publish our Pillar 3 Disclosures quarterly on our website www.hsbc.com/investors.

Material risks

Pillar 3 requires all material risks to be disclosed to provide a comprehensive view of a bank's risk profile.

Governance

Our Pillar 3 Disclosures are governed by the bank's regulatory reporting policy and associated internal controls framework. This document has been approved by the bank's Disclosure Committee, chaired by the HSBC Bank plc Chief Financial Officer, as delegated by the HSBC Bank plc Audit Committee.

Key metrics

The table below sets out the key regulatory metrics covering the HSBC Bank plc's available capital (including buffer requirements and ratios), RWAs, Leverage ratio, LCR and NSFR. Effective 1 January 2025, the IFRS 9 transitional arrangements came to an end. Accordingly, our current period numbers are the same on both the transitional and end-point basis. The leverage ratio is calculated using the CRR II end point basis for capital. The calculation for LCR is the average of the preceding 12 months for each quarter and NSFR is the average of the preceding four quarters.

Table 1: Key metrics (KM1/IFRS9–FL)

		At				
Ref*		**31 Mar 2025**	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024
	Available capital (£m)					
1	Common equity tier 1 ('CET1') capital	**21,391**	21,896	20,485	20,326	20,124
	CET1 capital as if IFRS 9 transitional arrangements had not been applied	**21,391**	21,896	20,485	20,326	20,124
2	Tier 1 capital	**25,324**	25,828	24,427	24,268	24,066
	Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	**25,324**	25,828	24,427	24,268	24,066
3	Total capital	**39,613**	41,306	39,022	39,294	38,634
	Total capital as if IFRS 9 transitional arrangements had not been applied	**39,613**	41,306	39,022	39,294	38,634
	Risk-weighted assets ('RWAs') (£m)					
4	Total RWAs	**109,634**	112,251	110,037	113,191	113,430
	Total RWAs as if IFRS 9 transitional arrangements had not been applied	**109,634**	112,251	110,037	113,191	113,430
	Capital ratios (%)					
5	CET1	**19.5**	19.5	18.6	18.0	17.7
	CET1 as if IFRS 9 transitional arrangements had not been applied	**19.5**	19.5	18.6	18.0	17.7
6	Tier 1	**23.1**	23.0	22.2	21.4	21.2
	Tier 1 as if IFRS 9 transitional arrangements had not been applied	**23.1**	23.0	22.2	21.4	21.2
7	Total capital	**36.1**	36.8	35.5	34.7	34.1
	Total capital as if IFRS 9 transitional arrangements had not been applied	**36.1**	36.8	35.5	34.7	34.1
	Additional own funds requirements based on Supervisory Review and Evaluation Process ('SREP') as a percentage of RWAs (%)					
UK–7d	Total SREP own funds requirements	**8.0**	8.0	8.0	8.0	8.0
	Combined buffer requirement as a percentage of RWAs (%)					
8	Capital conservation buffer requirement	**2.5**	2.5	2.5	2.5	2.5
9	Institution specific countercyclical capital buffer ('CCyB')	**1.1**	1.1	1.0	1.0	0.9
11	Combined buffer requirement	**3.6**	3.6	3.5	3.5	3.4
UK–11a	Overall capital requirements	**11.6**	11.6	11.5	11.5	11.4
12	CET1 available after meeting the total SREP own funds requirements	**15.0**	15.0	14.1	13.5	13.2
	Leverage ratio					
13	Total exposure measure excluding claims on central banks (£m)	**483,389**	468,557	470,629	471,459	481,973
14	Leverage ratio excluding claims on central banks (%)	**5.2**	5.5	5.2	5.1	5.0
	Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)					
14a	Fully loaded expected credit losses ('ECL') accounting model leverage ratio excluding claims on central banks (%)	**5.2**	5.5	5.2	5.1	5.0
14b	Leverage ratio including claims on central banks (%)	**4.2**	4.3	4.2	4.1	4.1
14c	Average leverage ratio excluding claims on central banks (%)	**5.1**	5.1	5.1	5.1	5.1
14d	Average leverage ratio including claims on central banks (%)	**4.1**	4.1	4.1	4.1	4.0
14e	Countercyclical leverage ratio buffer (%)	**0.4**	0.4	0.4	0.3	0.3
EU 14d	Leverage ratio buffer requirement (%)	**0.4**	0.4	0.4	0.3	0.3
EU 14e	Overall leverage ratio requirements (%)	**3.7**	3.7	3.7	3.6	3.6
	Liquidity coverage ratio ('LCR')					
15	Total high–quality liquid assets (£m)	**110,876**	107,749	105,182	104,346	104,159
UK–16a	Cash outflows – total weighted value (£m)	**115,738**	116,388	114,380	116,302	118,501
UK–16b	Cash inflows – total weighted value (£m)	**43,146**	43,615	42,641	44,601	47,370
16	Total net cash outflow (£m)	**72,592**	72,773	71,740	71,701	71,131
17	LCR ratio (%)	**153**	148	147	146	146
	Net stable funding ratio ('NSFR')					
18	Total available stable funding (£m)	**133,951**	131,324	125,508	122,723	118,287
19	Total required stable funding (£m)	**114,205**	114,149	111,065	108,120	104,619
20	NSFR ratio (%)	**117**	115	113	114	113

* The references in this and subsequent tables identify lines prescribed in the relevant PRA template where applicable and where there is a value.

At 31 March 2025, our CET1 capital ratio of 19.5% is broadly unchanged compared to 31 December 2024, as a result of a decrease in RWAs by £(2.6)bn, offset by a £(0.5)bn decrease in CET1 capital. The key drivers impacting the CET1 ratio were:

- a (0.9) percentage point impact from loss on reclassification of retained portfolio of home and other loans from amortised cost to fair value through other comprehensive income;
- a 0.3 percentage point increase from capital generation, mainly through regulatory profits partially offset by dividends;
- a 0.3 percentage point increase in foreign exchange movement and other capital movements; and
- a 0.3 percentage point increase from lower RWAs mainly due to lower foreign exchange exposures, a decrease in stressed value at risk, methodology and policy changes and other risk parameter refinements.

Throughout Q1 2025, we complied with the PRA's regulatory capital adequacy requirements, including those relating to stress testing.

Risk–weighted assets

The table below shows total RWAs including free deliveries, and the corresponding total own funds requirement split by risk type. Equities under the simple risk-weighted approach include off-balance sheet collective investment undertakings ('CIU') equity exposures, calculated as per the PRA Rulebook Article 132(c) and 'Other counterparty credit risk' includes securities financing transactions RWAs.

Table 2: Overview of risk–weighted exposure amounts (OV1)

		At		
		31 Mar 2025	31 Dec 2024	**31 Mar 2025**
		RWAs	RWAs	**Total own funds requirement**
		£m	£m	**£m**
1	**Credit risk (excluding counterparty credit risk)**	**58,656**	57,911	**4,693**
2	– standardised approach ('STD')	**18,869**	19,112	**1,510**
3	– foundation internal ratings-based ('FIRB') approach	**16,876**	16,292	**1,350**
4	– slotting approach	**495**	522	**40**
UK–4a	– equities under the simple risk weighted approach	**2,535**	2,545	**203**
5	– advanced IRB ('AIRB') approach	**19,881**	19,440	**1,590**
6	**Counterparty credit risk ('CCR')**	**17,676**	18,201	**1,415**
7	– standardised approach	**4,173**	3,589	**334**
8	– internal model method ('IMM')	**6,494**	7,261	**520**
UK–8a	– exposures to a central counterparty	**321**	325	**26**
UK–8b	– credit valuation adjustment ('CVA')	**749**	908	**60**
9	– other counterparty credit risk	**5,939**	6,118	**475**
15	**Settlement risk**	**42**	27	**3**
16	**Securitisation exposures in the non-trading book (after the cap)**	**2,995**	3,545	**240**
17	– internal ratings–based approach ('SEC–IRBA')	**860**	852	**69**
18	– external ratings–based approach ('SEC–ERBA') (including internal assessment approach ('IAA'))	**703**	1,298	**56**
19	– standardised approach ('SEC–SA')	**1,271**	1,196	**102**
UK–19a	– 1250% deduction	**161**	199	**13**
20	**Position, foreign exchange and commodities risks (Market risk)**	**16,531**	18,519	**1,322**
21	– standardised approach	**3,776**	4,856	**302**
22	– internal models approach ('IMA')	**12,755**	13,663	**1,020**
23	**Operational risk**	**13,734**	14,048	**1,099**
UK–23b	– standardised approach	**13,734**	14,048	**1,099**
29	**Total**	**109,634**	112,251	**8,772**
24	– of which: amounts below the thresholds for deduction (subject to 250% risk–weight)[1]	**3,875**	4,023	**310**

1 These balances are included in rows 2 and 5 of the table and include thresholds for the recognition of significant investments and deferred tax assets.

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

Credit risk, including amounts below the thresholds for deduction

Credit risk RWAs rose by £0.7bn, primarily in our CIB business, mainly due to an balance sheet increase in corporate lending and credit risk parameter refinements. This was partly offset by a £(0.2)bn decrease in Corporate Centre driven by a reclassification of retained portfolio of home and other loans from amortised cost to fair value through other comprehensive income in HSBC Continental Europe.

Counterparty credit risk, including settlement risk

Counterparty credit risk RWAs fell by £(0.5)bn, primarily in our CIB business, mainly due to a £(0.5)bn decrease in foreign currency translation differences and the £(0.1)bn decrease driven by changes in the financial institutions model. This was partly offset by a £0.1bn increase due to other movements in derivative portfolio.

Securitisation

Securitisation RWAs fell by £(0.6)bn, mainly due to restructuring of legacy positions in Corporate Centre.

Market risk

Market Risk RWAs fell by £(2.0)bn, mainly in CIB and Corporate Centre, due to lower foreign exchange exposures and a decrease in stressed value at risk. This was further supplemented by the decrease in foreign currency translation differences.

Operational risk

Operational Risk RWAs fell by £(0.3)bn, mainly due to a £(0.4)bn reduction in Corporate Centre, attributed to the disposal of our retail banking operations in France following receipt of a PRA waiver granted in February 2025, partly offset by an £0.1bn increase in foreign exchange translation differences in CIB.

The table below presents the drivers of the quarterly movements of credit risk RWAs excluding counterparty credit risk and including free deliveries under the IRB approach. The table also excludes securitisation positions, Material holdings and non-credit obligation assets.

Table 3: RWA flow statements of credit risk exposures under IRB approach (CR8)

		Quarter ended			
		31 Mar 2025	31 Dec 2024	30 Sep 2024	30 Jun 2024
Ref		**£m**	£m	£m	£m
1	**RWAs at opening period**	**37,825**	38,033	39,867	39,604
2	Asset size	**904**	(226)	(943)	(195)
3	Asset quality	**107**	255	319	(99)
4	Model updates	**—**	—	(172)	350
5	Methodology and policy	**(19)**	(583)	(194)	360
7	Foreign exchange movements[1]	**(3)**	346	(844)	(153)
9	**RWAs at the closing period**	**38,814**	37,825	38,033	39,867

1 Foreign exchange movements in this disclosure are computed by retranslating the RWAs into sterling pounds based on the underlying transactional currencies and other movements in the table are presented on a constant currency basis.

The RWAs under IRB approach increased by £1.0bn, mainly due to an £0.9bn balance sheet increase in corporate lending and other financial assets. This was further supplemented by the £0.1bn increase due to credit risk parameter refinements.

The table below shows the drivers of the quarterly movements of counterparty credit risk RWAs under the internal model method approach.

Table 4: RWA flow statements of counterparty credit risk exposures under the IMM (CCR7)

		Quarter ended			
		31 Mar 2025	31 Dec 2024	30 Sep 2024	30 Jun 2024
Ref		**£m**	£m	£m	£m
1	**RWAs at opening period**	**7,261**	6,422	6,676	6,322
2	Asset size	**(464)**	409	276	(112)
3	Credit quality of counterparties	**—**	—	(162)	465
5	Methodology and policy (IMM only)	**(98)**	7	—	—
7	Foreign exchange movements	**(205)**	423	(368)	1
9	**RWAs at end of period**	**6,494**	7,261	6,422	6,676

RWAs under the internal model method decreased by £(0.8)bn, mainly due to a £(0.5)bn decrease in asset size driven by matured trades and the decrease in Mark to Market, £(0.2)bn fall due to foreign currency translation differences, and the £(0.1)bn decrease due to changes in the financial institutions model.

The table below shows the drivers of the quarterly movements of market risk RWAs under the internal model approach, split by value at risk ('VaR'), stressed VaR ('SVaR'), incremental risk charge ('IRC') and other models. Rows 1a/1b and 8a/8b represent differences between RWAs reported for the period and RWAs calculated on a spot basis at the end of the reporting period, except RWAs in 'Other' which includes components that are calculated on an average basis.

Table 5: RWA flow statements of market risk exposures under 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 Jan 2025**	**3,427**	**6,947**	**2,553**	**737**	**13,663**	**1,093**
1a	Regulatory adjustment	**(2,513)**	**(4,605)**	**(404)**	**—**	**(7,523)**	**(602)**
1b	**RWAs at the previous quarter-end (end of day)**	**914**	**2,341**	**2,148**	**737**	**6,140**	**491**
2	Movement in risk levels	**291**	**(195)**	**89**	**38**	**222**	**18**
3	Model updates/changes	**—**	**—**	**—**	**—**	**—**	**—**
5	Acquisitions and disposals	**—**	**—**	**—**	**—**	**—**	**—**
6	Foreign exchange movements	**(26)**	**(66)**	**(61)**	**(21)**	**(173)**	**(14)**
8a	**RWAs at the end of the reporting period (end of day)**	**1,179**	**2,080**	**2,176**	**754**	**6,188**	**495**
8b	Regulatory adjustment	**1,946**	**4,406**	**215**	**—**	**6,567**	**525**
8	**RWAs at 31 Mar 2025**	**3,124**	**6,486**	**2,391**	**754**	**12,755**	**1,020**
1	RWAs at 1 Oct 2024	3,388	6,333	2,359	701	12,780	1,022
1a	Regulatory adjustment	(2,482)	(5,392)	(314)	—	(8,188)	(655)
1b	RWAs at the previous quarter-end (end of day)	907	941	2,044	701	4,593	367
2	Movement in risk levels	(51)	1,345	(30)	(11)	1,253	100
3	Model updates/changes	(1)	—	—	1	—	—
5	Acquisitions and disposals	(1)	(7)	(1)	—	(8)	(1)
6	Foreign exchange movements	60	62	135	46	303	24
8a	RWAs at the end of the reporting period (end of day)	914	2,341	2,148	737	6,140	491
8b	Regulatory adjustment	2,513	4,605	404	—	7,523	602
8	RWAs at 31 Dec 2024	3,427	6,947	2,553	737	13,663	1,093
1	RWAs at 1 Jul 2024	3,799	7,247	2,198	743	13,987	1,119
1a	Regulatory adjustment	(2,815)	(5,880)	—	—	(8,695)	(696)
1b	RWAs at the previous quarter-end (end of day)	985	1,366	2,198	743	5,292	423
2	Movement in risk levels	(18)	(322)	(33)	(2)	(374)	(30)
3	Model updates/changes	(6)	(28)	—	—	(34)	(3)
5	Acquisitions and disposals	—	—	—	—	—	—
6	Foreign exchange movements	(54)	(75)	(121)	(41)	(292)	(23)
8a	RWAs at the end of the reporting period (end of day)	907	941	2,044	701	4,593	367
8b	Regulatory adjustment	2,482	5,392	314	—	8,188	655
8	RWAs at 30 Sep 2024	3,388	6,333	2,359	701	12,780	1,022
1	RWAs at 1 Apr 2024	4,029	7,432	1,450	733	13,644	1,092
1a	Regulatory adjustment	(3,011)	(6,110)	(35)	—	(9,156)	(732)
1b	RWAs at the previous quarter-end (end of day)	1,018	1,322	1,416	733	4,489	359
2	Movement in risk levels	(33)	44	782	10	804	64
3	Model updates/changes	—	—	—	—	—	—
5	Acquisitions and disposals	—	—	—	—	—	—
6	Foreign exchange movements	—	—	—	—	—	—
8a	RWAs at the end of the reporting period (end of day)	985	1,366	2,198	743	5,292	423
8b	Regulatory adjustment	2,815	5,880	—	—	8,695	696
8	RWAs at 30 Jun 2024	3,799	7,247	2,198	743	13,987	1,119

RWAs under the internal model approach decreased by £0.9bn in Q1 2025, mainly due to reductions in VaR and SVaR (£0.3bn and £0.4bn respectively) over the period, driven by a combination of averaging effect and reduced sensitivity to short-term interest rate shocks.

Leverage ratio

The table below provides the information of UK leverage ratios, buffers and average leverage ratios as per the UK's leverage ratio framework.

Table 6: Leverage ratio common disclosure (UK LR2–LRCom)

		At	
		31 Mar 2025	31 Dec 2024
25	**Leverage ratio excluding claims on central banks (%)**	**5.24**	5.51
UK–25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	**5.24**	5.51
UK–25c	Leverage ratio including claims on central banks (%)	**4.23**	4.33
27	**Leverage ratio buffer**	**0.40**	0.40
UK–27b	– of which: countercyclical leverage ratio buffer (%)	**0.40**	0.40
UK–32	Average total exposure measure excluding claims on central banks (£m)	**492,571**	484,354
UK–33	Average leverage ratio including claims on central banks (%)	**4.12**	4.11
UK–34	Average leverage ratio excluding claims on central banks (%)	**5.13**	5.13

Our leverage ratio was 5.2% at 31 March 2025, down from 5.5% at 31 December 2024. This was primarily due to increase in leverage exposure mainly driven by rise in SFTs and on-balance sheet exposures compounded by decrease in Tier 1 capital.

At 31 March 2025, our UK minimum leverage ratio requirement of 3.25% was supplemented by a countercyclical leverage ratio buffer of 0.40%. The leverage ratio is expressed in terms of Tier1 Capital but these buffers translated to CET1 capital values of £1.9bn. We exceeded these leverage requirements throughout 1Q25.

At 31 March 2025, our average leverage ratio excluding central bank claims was 5.1%, broadly unchanged from 5.1% at 31 December 2024. The increase in the average leverage exposure was primarily driven by growth in the average balance sheet, partly offset by a rise in the average Tier1 capital.

Liquidity

Management of liquidity and funding risk

We manage liquidity and funding risk at an operating entity level, in accordance with globally consistent policies, procedures and reporting standards.

Liquidity coverage ratio

The Liquidity coverage ratio ('LCR') aims to ensure that a bank has a sufficient unencumbered HQLA to meet its liquidity needs in a 30 calendar day liquidity stress scenario. For the disclosure of the LCR, we follow Article 451a of CRR II.

The average LCR for 12 months to 31 March 2025 was 153% or £38bn (31 December 2024: 148% or £35bn) above regulatory requirement. The average LCR HQLA of £111bn (31 December 2024: £108bn) was held in range of asset classes and currencies.

Currency mismatch in the LCR

Our internal liquidity and funding risk management framework requires all operating entities to monitor the LCR for material currencies. Limits are set to ensure that outflows can be met, given assumptions on the stressed capacity in the foreign exchange swap markets. This continuous monitoring helps with the overall management of currency exposures, in line with our internal framework.

Net stable funding ratio

We use the NSFR or other appropriate metrics as a basis to raise sufficient stable funding to support business activities. The NSFR is defined as the ratio between the amount of stable funding available and the amount of stable funding required.

The average NSFR over the previous four quarters was 117% at 31 March 2025 and 115% at 31 December 2024.

Source of funding

Our primary sources of funding are customer current accounts, repo and wholesale securities.

▶ For further details of our approach to managing Liquidity Risk, see Treasury Risk management section on page 6 of the Pillar 3 Disclosures at 2024.

▶ More details on the concentration of funding and liquidity sources may be found on page 80 of the Annual Report and Accounts 2024.

The table below sets out the granular split of cash outflows and cash inflows, as well as the available HQLA on both an unweighted and weighted basis, which are used to derive the LCR. The LCR, HQLA and net outflows are based on the average over the preceding 12 months. Amounts in the table relate to HSBC Bank plc as a single entity and are not produced on a consolidated basis.

Table 7: Quantitative information of LCR (UK LIQ1)

		Quarter ended							
UK–1a		**31 Mar 2025**		31 Dec 2024		30 Sep 2024		30 Jun 2024	
		Total unweighted value	**Total weighted value**	Total unweighted value	Total weighted value	Total unweighted value	Total weighted value	Total unweighted value	Total weighted value
		£m	**£m**	£m	£m	£m	£m	£m	£m
UK–1b	Number of data points used in the calculation of averages		**12**		12		12		12
High-quality liquid assets									
1	Total high–quality liquid assets (‘HQLA’)		**110,876**		107,749		105,182		104,346
Cash outflows									
2	Retail deposits and small business funding	**18,249**	**3,009**	18,029	2,961	17,832	2,849	17,764	2,732
3	– of which: stable deposits	**1,959**	**98**	2,008	100	2,328	116	2,756	138
4	less stable deposits	**16,290**	**2,911**	16,021	2,861	15,503	2,733	15,008	2,594
5	Unsecured wholesale funding	**136,051**	**74,851**	139,769	76,754	139,696	76,270	138,595	75,658
6	– operational deposits (all counterparties) and deposits in networks of cooperative banks	**45,022**	**11,208**	47,357	11,791	48,728	12,134	48,952	12,191
7	– non-operational deposits (all counterparties)	**87,432**	**60,046**	89,456	62,007	88,466	61,633	87,618	61,442
8	– unsecured debt	**3,597**	**3,597**	2,956	2,956	2,502	2,502	2,025	2,025
9	Secured wholesale funding		**8,568**		7,409		6,664		7,631
10	Additional requirements	**40,888**	**19,100**	40,146	18,811	38,882	18,472	39,759	20,399
11	– outflows related to derivative exposures and other collateral requirements	**18,469**	**13,322**	17,992	13,159	17,164	12,858	18,626	14,862
13	– credit and liquidity facilities	**22,419**	**5,778**	22,154	5,652	21,718	5,614	21,133	5,537
14	Other contractual funding obligations	**20,223**	**8,786**	20,257	9,238	20,281	8,980	20,547	8,751
15	Other contingent funding obligations	**34,814**	**1,424**	34,304	1,215	34,355	1,144	34,689	1,131
16	**Total cash outflows**		**115,738**		116,388		114,380		116,302
Cash inflows									
17	Secured lending transactions (including reverse repos)	**122,787**	**18,163**	118,623	17,704	113,547	17,399	109,697	17,974
18	Inflows from fully performing exposures	**8,462**	**8,104**	8,985	8,646	8,937	8,612	8,768	8,411
19	Other cash inflows	**30,366**	**16,879**	34,859	17,265	35,809	16,629	37,304	18,216
20	**Total cash inflows**	**161,615**	**43,146**	162,467	43,615	158,293	42,641	155,769	44,601
UK–20c	Inflows subject to 75% cap	**161,615**	**43,146**	162,467	43,615	158,293	42,641	155,769	44,601
Liquidity coverage ratio (adjusted value)									
UK–21	Liquidity buffer		**110,876**		107,749		105,182		104,346
22	Total net cash outflows		**72,592**		72,773		71,740		71,701
23	Liquidity coverage ratio (%)		**153**		148		147		146

Abbreviations

£	British pound
1Q25	First quarter of 2025
AIRB[1]	Advanced internal ratings-based approach
Apr	April
Basel	Basel Committee on Banking Supervision
Basel III	Basel Committee's reforms to strengthen global capital and liquidity rules
CCR[1]	Counterparty credit risk
CCyB	Countercyclical capital buffer
CET1[1]	Common equity tier 1
CIB	Corporate and Institutional Banking, a business segment
CIU	Collective investment undertakings
CRR II	The regulatory requirements of the PRA Rulebook, Capital Requirements Regulation and Directive, and the CRR II regulation (EU 2019/876)
Dec	December
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
ESG	HSBC Group's environmental, social and governance
EU	European Union
FIRB[1]	Foundation internal–ratings based approach
Group	HSBC Holdings together with its subsidiary undertakings
HQLA	High-quality liquid assets
HSBC	HSBC Holdings together with its subsidiary undertakings
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
Jan	January
Jul	July
Jun	June
LCR[1]	Liquidity coverage ratio
Mar	March
NSFR[1]	Net stable funding ratio
Oct	October
PRA[1]	Prudential Regulation Authority (UK)
RWA[1]	Risk-weighted asset
SEC	Securities and Exchange Commission
SEC–ERBA	Securitisation external rating-based approach
SEC–IRBA	Securitisation internal rating-based approach
SEC–SA	Securitisation standardised approach
Sep	September
SFTs	Securities financing transactions
SREP	Supervisory review and evaluation process
STD	Standardised approach
SVaR	Stressed value at risk
T1 capital[1]	Tier 1 capital
T2 capital[1]	Tier 2 capital
UK	United Kingdom
US	United States of America
VaR[1]	Value at risk

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

Cautionary statement regarding forward–looking statements

These Pillar 3 Disclosures at 31 March 2025 contain certain forward-looking statements with respect to the company's financial condition; results of operations and business, including the strategic priorities; financial, investment and capital targets; and the company's ability to contribute to the HSBC Group's environmental, social and governance ('ESG') ambitions, targets and commitments described herein. Statements that are not historical facts, including statements about the company's beliefs and expectations, are forward-looking statements. Words such as 'may', 'will', 'should', 'expects', 'targets', 'anticipates', 'intends', 'plans', 'believes', 'seeks', 'estimates', 'potential' and 'reasonably possible', or the negative thereof, other variations thereon or similar expressions are intended to identify forward-looking statements. These statements are based on current plans, information, data, 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. The company 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. Written and/or oral forward-looking statements may also be made in the periodic reports to the US Securities and Exchange Commission, offering circulars and prospectuses, press releases and other written materials, and in oral statements made by the company's Directors, officers or employees to third parties, including financial analysts. 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. These include, but are not limited to: – changes in general economic conditions in the markets in which the company operates, such as new, continuing or deepening recessions, prolonged inflationary pressures and fluctuations in employment levels and the creditworthiness of customers beyond those factored into consensus forecasts; the Russia-Ukraine war and the conflict in the Middle East and their impact on global economies and the markets where the company operates, which could have a material adverse effect on (among other things) the company's financial condition, results of operations, prospects, liquidity, capital position and credit ratings; deviations from the market and economic assumptions that form the basis for the company's ECL measurements (including, without limitation, as a result of the Russia-Ukraine war and the conflict in the Middle East, inflationary pressures and commodity price changes); changes and volatility in foreign exchange rates and interest rates levels; volatility in equity markets; lack of liquidity in wholesale funding or capital markets, which may affect the company's ability to meet its obligations under financing facilities or to fund new loans, investments and businesses; geopolitical tensions or diplomatic developments producing social instability or legal uncertainty, such as the Russia-Ukraine war or the conflict in the Middle East (including the continuation or escalation thereof) and the related imposition of sanctions, export control and trade restrictions, supply chain restrictions and disruptions, sustained increases in energy prices and key commodity prices, claims of human rights violations, diplomatic tensions between China and the US, which may extend to other countries, alongside other potential areas of tension, which may adversely affect the group by creating regulatory, reputational and market risks; the efficacy of government, customer, and the company's and the HSBC Group's actions in managing and mitigating ESG risks, in particular climate risk, nature-related risks and human rights risks, and in supporting the global transition to net zero carbon emissions, each of which can impact the company both directly and indirectly through its customers and which may result in potential financial and non-financial impacts; illiquidity and downward price pressure in national real estate markets; adverse changes in central banks' policies with respect to the provision of liquidity support to financial markets; heightened market concerns over sovereign creditworthiness in over-indebted countries; adverse changes in the funding status of public or private defined benefit pensions; societal shifts in customer financing and investment needs, including consumer perception as to the continuing availability of credit; exposure to counterparty risk, including third parties using the company as a conduit for illegal activities without the company's knowledge; the discontinuation of certain key Ibors and the transition of the remaining legacy Ibor contracts to near risk free benchmark rates, which continues to expose the company to some financial and non-financial risks; and price competition in the market segments that the company serves; – changes in government policy and regulation, including trade and tariff policies, as well as monetary, interest rate and other policies of central banks and other regulatory authorities in the principal markets in which the company operates and the consequences thereof (including, without limitation actions taken as a result of changes in government following national elections and new trade policies announced by the US and potential measures that may be adopted by several countries, including in the markets where the group operates); initiatives to change the size, scope of activities and interconnectedness of financial institutions in connection with the implementation of stricter regulation of financial institutions in key markets worldwide; revised capital and liquidity benchmarks, which could serve to deleverage bank balance sheets and lower returns available from the current business model and portfolio mix; changes to tax laws and tax rates applicable to the company, including the imposition of levies or taxes designed to change business mix and risk appetite; the practices, pricing or responsibilities of financial institutions serving their consumer markets; expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership; the UK's relationship with the EU, particularly with respect to the potential divergence of UK and EU law on the regulation of financial services; changes in government approach and regulatory treatment in relation to ESG disclosures and reporting requirements, and the current lack of a single standardised regulatory approach to ESG across all sectors and markets; changes in UK macroeconomic and fiscal policy, which may result in fluctuations in the value of the pound sterling; general changes in government policy (including, without limitation, actions taken as a result of changes in government following national elections in the markets where the group operates) that may significantly influence investor decisions; the costs, effects and outcomes of regulatory reviews, actions or litigation, including any additional compliance requirements; and the effects of competition in the markets where the company operates, including increased competition from non-bank financial services companies; and – factors specific to the company and the HSBC Group, including the company's success in adequately identifying the risks it faces, such as the incidence of loan losses or delinquency, and managing those risks (through account management, hedging and other techniques); the company's ability to achieve its financial, investment, capital targets and the HSBC Group's ESG ambitions, targets and commitments, which may result in the company's failure to achieve any of the expected benefits of its strategic priorities; evolving regulatory requirements and the development of new technologies, including artificial intelligence, affecting how the company manages model risk; model limitations or failure, including, without limitation, the impact that high inflationary pressures and rising interest rates have had on the performance and usage of financial models, which may require the company to hold additional capital, incur losses and/or use compensating controls, such as judgemental post-model adjustments, to address model limitations; changes to the judgements, estimates and assumptions the company bases its financial statements on; changes in the company's ability to meet the requirements of regulatory stress tests; a reduction in the credit ratings assigned to the company or any of its subsidiaries, which could increase the cost or decrease the availability of the company's funding and affect its liquidity position and net interest margin; changes to the reliability and security of the company's data management, data privacy, information and technology infrastructure, including threats from cyber-attacks, which may impact its ability to service clients and may result in financial loss, business disruption and/or loss of customer services and data; the accuracy and effective use of data, including internal management information that may not have been independently verified; changes in insurance customer behaviour and insurance claim rates; the company's dependence on loan payments and dividends from subsidiaries to meet its obligations; changes in the HSBC Group's reporting framework and accounting standards, which have had and may continue to have a material impact on the way the company prepares its financial statements; the company's ability to successfully execute planned strategic acquisitions and disposals; the company's success in adequately integrating acquired businesses into its business; the company's ability to successfully execute and implement the announced strategic reorganisation of the Group changes in the company's ability to manage third-party, fraud, financial crime and reputational risks inherent in its operations; employee misconduct, which may result in regulatory sanctions and/or reputational or financial harm; changes in skill requirements, ways of working and talent shortages, which may affect the company's ability to recruit and retain senior management an inclusive and skilled workforce; and changes in the company's ability to develop sustainable finance and ESG related products consistent with the evolving expectations of its regulators, and the company's capacity to measure the environmental and social impacts from its financing activity (including as a result of data limitations and changes in methodologies), which may affect HSBC Group's ability to achieve its ESG ambitions, targets and commitments, and increase the risk of greenwashing. Effective risk management depends on, among other things, the company's ability through stress testing and other techniques to prepare for events that cannot be captured by the statistical models it uses; the company's success in addressing operational, legal and regulatory, and litigation challenges; and other risks and uncertainties that the company identifies in 'Risk – Risk Overview', 'Risk – Managing Risk' and 'Risk – Top and Emerging Risks' on pages 19 to 28 of the of the Annual Report and Accounts 2024.

Additional detailed information concerning important factors, including but not limited to ESG-related factors, that could cause actual results to differ materially from those anticipated or implied in any forward-looking statement in these Pillar 3 Disclosures at 31 March 2025 is available in our Annual Report and Accounts for the fiscal year ended 31 December 2024, which was filed with the SEC on Form 20-F on 20 February 2025.

HSBC Bank plc

8 Canada Square
London E14 5HQ
United Kingdom
Telephone: 44 020 7991 8888
www.hsbc.co.uk
Registered number 00014259