

HSBC Bank plc

Pillar 3 Disclosures at 30 September 2025

Registered number – 00014259



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Certain defined terms

This document comprises the 30 September 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 pounds sterling, respectively.

Disclosures and Governance

Regulatory framework for disclosure

Our Pillar 3 Disclosures at 30 September 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 have advanced our comprehensive initiative aimed at strengthening our global regulatory reporting processes and making them more sustainable, including enhancements to data, consistency and controls. While this programme continues, there may be further impacts on some of our regulatory ratios as we implement recommended changes and continue to enhance our controls across the process.

Business Segments

On 22 October 2024, HSBC Holdings plc announced that the HSBC Group would simplify its organisational structure to help accelerate delivery against its strategic priorities. Effective 1 January 2025, the HSBC Group started to operate through four new businesses – Hong Kong, UK, Corporate and Institutional Banking ('CIB'), International

Wealth and Premier Banking ('IWPB'). HSBC Bank plc realigned its organisational structure effective 1 January 2025 accordingly, which includes CIB and IWPB businesses in Europe.

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.

The table below references where disclosures have been enhanced.

Page ref	Table Reference	Activity
3	Table 1 – KM1/IFRS9-FL	Effective 30 June 2025, inclusion of accrued interest in Tier 2 and MREL instruments.

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 HSBC Bank plc Chief Financial Officer following recommendation by the HSBC Bank plc Disclosure Committee. In this context, the HSBC Bank plc Disclosure Committee acts under delegated authority from the HSBC Bank plc Audit Committee.

Key metrics

The table below sets out the key regulatory metrics covering HSBC Bank plc's available capital (including buffer requirements and ratios), RWAs, leverage ratio, Liquidity coverage ratio ('LCR') and Net stable funding ratio ('NSFR'). Effective 1 January 2025, the IFRS 9 transitional arrangements came to an end, followed by the end of the CRR II grandfathering provisions on 28 June 2025. Accordingly, our capital figures 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. LCR is reported as the average of the preceding 12 months while NSFR is reported as the average of the preceding four quarter-end values.

Table 1: Key metrics¹ (KM1/IFRS9-FL)

Ref*		At				
		30 Sep 2025	30 Jun 2025	31 Mar 2025	31 Dec 2024	30 Sep 2024
	Available capital (£m)					
1	Common equity tier 1 ('CET1') capital	21,274	21,840	21,391	21,896	20,485
2	Tier 1 capital	25,394	25,959	25,324	25,828	24,427
3	Total capital	40,146	40,612	39,613	41,306	39,022
	Risk-weighted assets ('RWAs') (£m)					
4	Total RWAs	112,286	112,707	109,634	112,251	110,037
	Capital ratios (%)					
5	CET1	18.9	19.4	19.5	19.5	18.6
6	Tier 1	22.6	23.0	23.1	23.0	22.2
7	Total capital	35.8	36.0	36.1	36.8	35.5
	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	1.1	1.1	1.0
11	Combined buffer requirement	3.6	3.6	3.6	3.6	3.5
UK-11a	Overall capital requirements	11.6	11.6	11.6	11.6	11.5
12	CET1 available after meeting the total SREP own funds requirements	14.5	14.9	15.0	15.0	14.1
	Leverage ratio					
13	Total exposure measure excluding claims on central banks (£m)	523,489	501,586	483,389	468,557	470,629
14	Leverage ratio excluding claims on central banks (%)	4.9	5.2	5.2	5.5	5.2
	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 (%)	4.9	5.2	5.2	5.5	5.2
14b	Leverage ratio including claims on central banks (%)	4.0	4.3	4.2	4.3	4.2
14c	Average leverage ratio excluding claims on central banks (%)	4.9	5.1	5.1	5.1	5.1
14d	Average leverage ratio including claims on central banks (%)	4.1	4.2	4.1	4.1	4.1
14e	Countercyclical leverage ratio buffer (%)	0.4	0.4	0.4	0.4	0.4
EU-14d	Leverage ratio buffer requirement (%)	0.4	0.4	0.4	0.4	0.4
EU-14e	Overall leverage ratio requirements (%)	3.7	3.7	3.7	3.7	3.7
	Liquidity coverage ratio ('LCR') (£m)					
15	Total high-quality liquid assets	112,087	111,421	110,876	107,749	105,182
UK-16a	Cash outflows – total weighted value	116,860	115,669	115,738	116,388	114,380
UK-16b	Cash inflows – total weighted value	43,252	43,489	43,146	43,615	42,641
16	Total net cash outflow	73,608	72,180	72,592	72,773	71,740
17	LCR ratio (%)	152	154	153	148	147
	Net stable funding ratio ('NSFR') (£m)					
18	Total available stable funding	132,065	132,399	133,951	131,324	125,508
19	Total required stable funding	113,619	113,240	114,205	114,149	111,065
20	NSFR ratio (%)	116	117	117	115	113

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

1 From 30 June 2025, the regulatory valuation of Tier 2 capital includes the accrued interest. Prior periods have not been restated.

At 30 September 2025, our common equity tier 1 ('CET1') capital ratio decreased to 18.9% from 19.4% at 30 June 2025. The key drivers impacting the CET1 ratio were:

- a (0.7) percentage point decrease from capital reduction, mainly through regulatory losses and dividends;
- a (0.2) percentage point decrease in foreign exchange movement, fair value through other comprehensive income and other capital movements; and

- a 0.4 percentage point increase from lower RWAs, mainly due to a balance sheet reduction in corporate lending.

Throughout 3Q25, 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		30 Jun 2025	30 Jun 2025
		30 Sep 2025	30 Sep 2025		
		RWAs	Total own funds requirement	RWAs	Total own funds requirement
		£m	£m	£m	£m
1	Credit risk (excluding counterparty credit risk)	60,196	4,816	62,470	4,997
2	– standardised approach ('STD')	21,861	1,749	21,703	1,736
3	– foundation internal ratings-based ('FIRB') approach	15,476	1,238	16,903	1,352
4	– slotting approach	575	46	543	43
UK-4a	– equities under the simple risk weighted approach	2,584	207	2,485	199
5	– advanced IRB ('AIRB') approach	19,700	1,576	20,836	1,667
6	Counterparty credit risk ('CCR')	20,757	1,661	19,091	1,526
7	– standardised approach	4,528	362	4,167	333
8	– internal model method ('IMM')	7,260	581	7,331	586
UK-8a	– exposures to a central counterparty	434	35	366	29
UK-8b	– credit valuation adjustment ('CVA')	534	43	677	54
9	– other counterparty credit risk	8,001	640	6,550	524
15	Settlement risk	12	1	10	1
16	Securitisation exposures in the non-trading book (after the cap)	3,098	247	2,875	229
17	– internal ratings-based approach ('SEC-IRBA')	852	68	855	68
18	– external ratings-based approach ('SEC-ERBA') (including internal assessment approach ('IAA'))	714	57	717	57
19	– standardised approach ('SEC-SA')	1,477	118	1,172	94
UK-19a	– 1250% deduction	55	4	131	10
20	Position, foreign exchange and commodities risks (market risk)	14,158	1,133	14,363	1,149
21	– standardised approach	3,672	294	3,716	297
22	– internal models approach ('IMA')	10,486	839	10,647	852
23	Operational risk	14,065	1,125	13,898	1,112
UK-23b	– standardised approach	14,065	1,125	13,898	1,112
29	Total	112,286	8,983	112,707	9,014
24	– of which: amounts below the thresholds for deduction (subject to 250% risk-weight) ¹	4,254	340	4,082	327

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 3Q25 quarter RWA 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 decreased by £(2.3)bn, primarily due to a £(2.6)bn balance sheet reduction in corporate lending and a £(0.7)bn fall due to methodology changes, mainly within the CIB business. This was partly offset by a £1.0bn increase in foreign currency translation differences.

Counterparty credit risk, including settlement risk

Counterparty credit risk RWAs increased by £1.7bn, primarily in the CIB business, driven by a £1.1bn rise from methodology changes, a £0.3bn increase in foreign currency translation differences and a £0.3bn increase due to other movements in the derivative and repo portfolio.

Securitisation

Securitisation RWAs increased by £0.2bn, mainly due to new positions in the CIB business.

Market risk

Market risk RWAs decreased by £(0.2)bn, mainly due to reduction in value at risk ('VaR') and foreign exchange exposures in our CIB business and Corporate Centre. This was partially offset by an increase in foreign currency translation differences.

Operational risk

Operational risk RWAs increased by £0.2bn, mainly due to foreign exchange translation differences in our CIB business.

The table below presents the drivers of the quarterly movements of credit risk RWAs excluding counterparty credit risk and including free deliveries under the internal ratings-based ('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 the IRB approach (CR8)

Ref		Quarter ended			
		30 Sep 2025	30 Jun 2025	31 Mar 2025	31 Dec 2024
		£m	£m	£m	£m
1	RWAs at opening period	39,837	38,814	37,825	38,033
2	Asset size	(2,152)	1,109	904	(226)
3	Asset quality	(61)	187	107	255
4	Model updates	42	—	—	—
5	Methodology and policy	(949)	(316)	(19)	(583)
7	Foreign exchange movements ¹	663	43	(3)	346
9	RWAs at the closing period	37,380	39,837	38,814	37,825

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

The RWAs under the IRB approach decreased by £(2.5)bn during the 3Q25 primarily as a result of:

- a £(2.2)bn decrease in corporate short-term lending exposures within the CIB business due to expired deals, and a fall in other financial assets;
- a £(0.9)bn decrease driven by methodology changes in the CIB business; and
- a £0.7bn increase in foreign currency translation differences.

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)

Ref		Quarter ended			
		30 Sep 2025	30 Jun 2025	31 Mar 2025	31 Dec 2024
		£m	£m	£m	£m
1	RWAs at opening period	7,331	6,494	7,261	6,422
2	Asset size	(183)	882	(464)	409
5	Methodology and policy (IMM only)	(27)	330	(98)	7
7	Foreign exchange movements	139	(375)	(205)	423
9	RWAs at end of period	7,260	7,331	6,494	7,261

RWAs under the IMM decreased by £(0.1)bn in 3Q25, mainly due to a £(0.2)bn reduction in asset size driven by matured trades and a decrease in mark-to-market, offset by a £0.1bn rise driven by foreign currency translation differences.

The table below shows the drivers of the quarterly movements of market risk RWAs under the IMA, 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	Stressed VaR	Incremental risk charge ('IRC')	Other	Total RWAs	Total own fund requirements
		£m	£m	£m	£m	£m	£m
1	RWAs at 1 Jul 2025	3,361	4,682	1,692	911	10,647	852
1a	Regulatory adjustment	(2,561)	(3,948)	(296)	—	(6,805)	(544)
1b	RWAs at the previous quarter-end (end of day)	801	734	1,396	911	3,842	307
2	Movement in risk levels	559	1,309	327	(32)	2,163	173
6	Foreign exchange movements	15	14	26	17	72	6
8a	RWAs at the end of the reporting period (end of day)	1,375	2,057	1,749	896	6,077	486
8b	Regulatory adjustment	1,683	2,726	—	—	4,409	353
8	RWAs at 30 Sep 2025	3,057	4,783	1,749	896	10,486	840
1	RWAs at 1 Apr 2025	3,124	6,486	2,391	754	12,755	1,020
1a	Regulatory adjustment	(1,946)	(4,406)	(215)	—	(6,567)	(525)
1b	RWAs at the previous quarter-end (end of day)	1,179	2,080	2,176	754	6,188	495
2	Movement in risk levels	(310)	(1,226)	(655)	200	(1,991)	(159)
6	Foreign exchange movements	(68)	(120)	(125)	(43)	(357)	(29)
8a	RWAs at the end of the reporting period (end of day)	801	734	1,396	911	3,840	307
8b	Regulatory adjustment	2,561	3,948	296	—	6,806	544
8	RWAs at 30 Jun 2025	3,361	4,682	1,692	911	10,647	852

RWAs under the IMA decreased by £(0.2)bn in 3Q25, mainly due to a £(0.3)bn reduction in VaR over the period, driven by an averaging effect, partially offset by an increases in SVaR and IRC.

Leverage

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	
		30 Sep 2025	30 Jun 2025
25	Leverage ratio excluding claims on central banks (%)	4.85	5.18
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	4.85	5.18
UK-25c	Leverage ratio including claims on central banks (%)	3.98	4.26
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)	526,443	509,084
UK-33	Average leverage ratio including claims on central banks (%)	4.13	4.19
UK-34	Average leverage ratio excluding claims on central banks (%)	4.93	5.09

Our leverage ratio was 4.9% at 30 September 2025, down from 5.2% at 30 June 2025. This was primarily due to balance sheet growth increasing leverage exposure compounded by decrease in Tier1 capital.

At 30 September 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 £2.1bn. We exceeded these leverage requirements throughout 3Q25.

At 30 September 2025, our average leverage ratio excluding central bank claims was 4.9%, down from 5.1% at 30 June 2025. This was primarily due to an increase in average leverage exposure mainly driven by growth in the average balance sheet.

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 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 the 12 months to 30 September 2025 was 152% or £38bn (30 June 2025: 154% or £39bn) above the regulatory requirement. The average LCR HQLA of £112bn (30 June 2025: £111bn) was held in a range of asset classes and currencies.

Currency mismatch in the LCR

The Group's 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 116% at 30 September 2025 and 117% at 30 June 2025.

Source of funding

Our primary sources of funding are customer deposits, secured wholesale funding and wholesale securities.

- For further details of our approach to treasury risk management, concentration of funding and liquidity sources see page 73 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)

UK-1a		Quarter ended							
		30 Sep 2025		30 Jun 2025		31 Mar 2025		31 Dec 2024	
		Total unweighted value £m	Total weighted value £m	Total unweighted value £m	Total weighted value £m	Total unweighted value £m	Total weighted value £m	Total unweighted value £m	Total weighted value £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')		112,087		111,421		110,876		107,749
Cash outflows									
2	Retail deposits and small business funding	18,500	3,063	18,328	3,026	18,249	3,009	18,029	2,961
3	– of which:								
	stable deposits	1,847	92	1,907	95	1,959	98	2,008	100
4	less stable deposits	16,653	2,971	16,421	2,931	16,290	2,911	16,021	2,861
5	Unsecured wholesale funding	126,256	70,634	131,033	72,178	136,051	74,851	139,769	76,754
6	– operational deposits (all counterparties) and deposits in networks of cooperative banks	40,151	9,993	43,052	10,717	45,022	11,208	47,357	11,791
7	– non-operational deposits (all counterparties)	82,386	56,922	84,361	57,841	87,432	60,046	89,456	62,007
8	– unsecured debt	3,719	3,719	3,620	3,620	3,597	3,597	2,956	2,956
9	Secured wholesale funding		12,691		10,273		8,568		7,409
10	Additional requirements	41,784	20,204	41,045	19,473	40,888	19,100	40,146	18,811
11	– outflows related to derivative exposures and other collateral requirements	19,457	14,325	18,639	13,585	18,469	13,322	17,992	13,159
13	– credit and liquidity facilities	22,327	5,879	22,406	5,888	22,419	5,778	22,154	5,652
14	Other contractual funding obligations	21,100	8,349	20,810	9,078	20,223	8,786	20,257	9,238
15	Other contingent funding obligations	36,801	1,919	35,418	1,641	34,814	1,424	34,304	1,215
16	Total cash outflows		116,860		115,669		115,738		116,388
Cash inflows									
17	Secured lending transactions (including reverse repos)	140,791	20,607	130,885	19,088	122,787	18,163	118,623	17,704
18	Inflows from fully performing exposures	7,749	7,387	8,281	7,921	8,462	8,104	8,985	8,646
19	Other cash inflows	20,176	15,258	25,777	16,480	30,366	16,879	34,859	17,265
20	Total cash inflows	168,716	43,252	164,943	43,489	161,615	43,146	162,467	43,615
UK-20c	Inflows subject to 75% cap	168,716	43,252	164,943	43,489	161,615	43,146	162,467	43,615
Liquidity coverage ratio (adjusted value)									
UK-21	Liquidity buffer		112,087		111,421		110,876		107,749
22	Total net cash outflows		73,608		72,180		72,592		72,773
23	Liquidity coverage ratio (%)		152		154		153		148

Abbreviations

£	British pound
3Q25	Third 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)
CVA	Credit valuation adjustment
Dec	December
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
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
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
IWPB	International Wealth and Premier Banking, a business segment
Jul	July
Jun	June
LCR ¹	Liquidity coverage ratio
Mar	March
MREL	Minimum requirements for own funds and eligible liabilities
NSFR ¹	Net stable funding ratio
PRA ¹	Prudential Regulation Authority (UK)
RWA ¹	Risk-weighted asset
SEC-ERBA	Securitisation external rating-based approach
SEC-IRBA	Securitisation internal rating-based approach
SEC-SA	Securitisation standardised approach
Sep	September
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
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 30 September 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 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 ongoing Russia-Ukraine war and developments in relation to 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 ongoing Russia-Ukraine war and developments in relation to 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 ongoing Russia-Ukraine war or developments in relation to the conflict in the Middle East 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 and diplomatic tensions between China and the US, which may extend to and involve the UK and the EU, 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 environmental, social and governance ('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; 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 the trade policies announced by the US and potential countermeasures that may be adopted by 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 outcomes 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 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; our ability to successfully execute and implement the announced strategic reorganisation of the HSBC 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 and 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 10 to 12 of the HSBC Bank plc Interim Report 2025.

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