HSBC Holdings plc

Pillar 3 Disclosures at 30 September 2026

HSBC

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Unless the context requires otherwise, 'HSBC Holdings' means HSBC Holdings plc and 'HSBC', the 'Group', 'we', 'us' and 'our' refer to HSBC Holdings together with its subsidiaries. Within this document the Hong Kong Special Administrative Region of the People's Republic of China is referred to as 'Hong Kong'. When used in the terms 'shareholders' equity' and 'total shareholders' equity', 'shareholders' means holders of HSBC Holdings ordinary shares and those preference shares and capital securities issued by HSBC Holdings classified as equity. The abbreviations '$m', '$bn' and '$tn' represent millions, billions (thousands of millions) and trillions (millions of millions) of US dollars respectively. This document should be read in conjunction with the Earnings Release 3Q26, which has been published on our website at www.hsbc.com/investors.

Disclosures and Governance

Regulatory framework for disclosure

Our Pillar 3 Disclosures at 30 September 2026 comprise both quantitative and qualitative information required under Pillar 3. These disclosures are made in accordance with the United Kingdom ('UK') 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 a consolidated basis in the UK by the PRA, which receives information on the capital and liquidity adequacy of, and sets capital and liquidity requirements for, the Group 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.

At the consolidated Group level, capital is calculated for prudential regulatory purposes using the Basel III framework as implemented in the UK. We refer to the UK Capital Requirements Regulation, the PRA Rulebook and any laws, regulations, requirements, rules, guidelines, standards and policies relating to capital adequacy, leverage and liquidity adopted by the relevant regulators, as applicable, and which are applicable to HSBC, as the 'Prudential rules'. 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 as may be subsequently amended under UK law.

The regulators of the Group's banking entities outside the UK are at varying stages of implementation of Basel's framework, so local regulation may have been on the basis of Basel I, II, III or Basel 3.1. Further details on our implementation of Basel 3.1 for the consolidated group can be found on page 5 within the key changes and regulatory assessments section.

While the frameworks may vary, the Group's disclosure requirements are unaffected by variations in local regulatory frameworks except where these impact distributions, non-controlling interests and minimum requirement for own funds and eligible liabilities ('MREL').

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

Regulatory reporting processes and controls

We have been advancing our programme aimed at strengthening our global regulatory reporting processes, and making them more sustainable, including enhancing 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.

Comparatives and references

To give insight into movements during 2026, we provide comparative figures, commentary on variances and flow tables for capital requirements. In all the 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 the UK Capital Requirements Regulation. Narratives are included to explain quantitative disclosures where necessary.

The regulatory numbers and ratios presented in this document were accurate as 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 may restate in subsequent periods.

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 accordance with the PRA's disclosure 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 the Earnings Release 3Q26 of HSBC Holdings plc or to other documents.

The table below references where disclosures have been enhanced.

Page ref	Table Reference	Activity
12	Table 9ii – KM2 ARG	Effective 31 March 2026, exclusion of own credit standing and inclusion of accrued interest in tier 2 ('T2') and MREL instruments.

Governance

Our Pillar 3 Disclosures are governed by the Group's regulatory reporting policy and associated internal controls framework. This document has been approved by the Group Chief Financial Officer following recommendation by the Group Disclosure Committee ('GDC'). In this context, the GDC acts under delegated authority from the Group Audit Committee.

Highlights

CET1 capital and ratio

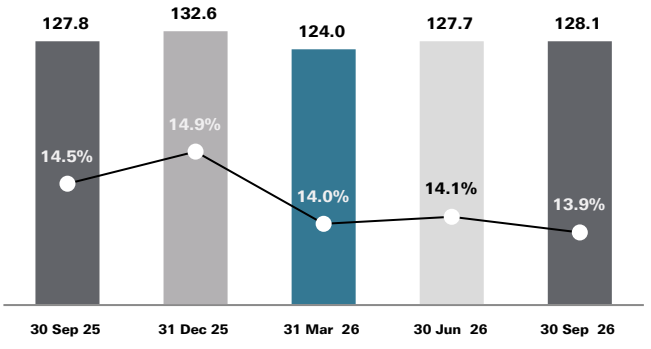
Our common equity tier 1 ('CET1') capital was $128.1bn and our ratio was 13.9% compared with 14.1% at 30 June 2026, reflecting an increase in risk-weighted assets ('RWAs'), together with a decrease in the fair value of hold-to-collect-and-sell debt instruments due to higher yields and the impact of our share buy-back announced at our interim results, partly offset by regulatory profits net of dividends.

We intend to continue to manage our CET1 capital ratio within our medium-term target operating range of 14%-14.5%.

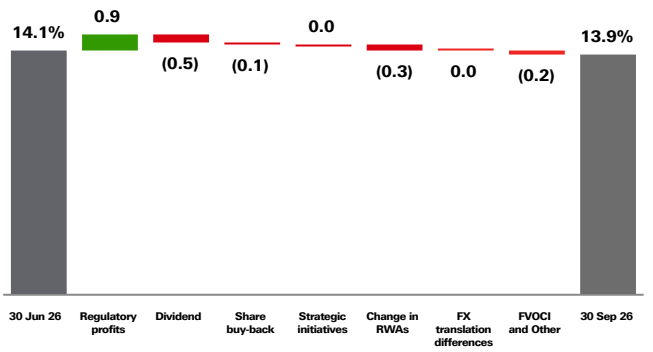
We maintain our dividend payout ratio target basis of 50% of earnings per share ('EPS') for 2026, 2027 and 2028, excluding material notable items and related impacts.

The Board has approved a third interim dividend of $0.10 per share. On 28 September 2026, we completed the $1bn share buy-back announced at our interim results. We have announced with our 3Q26 results the intention to initiate a share buy-back of up to $1bn, which we expect to complete by our 2026 full-year results announcement.

CET1 capital and ratio



CET1 ratio movement



RWAs

RWAs increased by $16.0bn to $922.4bn compared with 30 June 2026. The increase was primarily driven by asset size movements of $18.7bn from increases in sovereign exposures, lending and financial commitments, and a $5.9bn rise from the impact of redeveloped probability of default ('PD') models. Methodology and policy changes reduced RWAs by $6.0bn, primarily driven by a significant risk transfer transaction executed through the issuance of a credit-linked note ('CLN') in our UK business, and changes to the market risk capital multiplier.

RWAs by risk type

	30 Sep 2026	30 Jun 2026
Risk-weighted assets	**$bn**	$bn
Credit risk	**722.8**	707.9
Counterparty credit risk	**48.7**	48.3
Market risk	**31.3**	30.6
Operational risk	**119.6**	119.6
Total RWAs	**922.4**	906.4

Leverage

Our leverage ratio was 4.9%, unchanged from 30 June 2026, reflecting a marginal increase in leverage exposures driven by growth in the balance sheet and a reduction in tier 1 capital.

Leverage

	30 Sep 2026	30 Jun 2026
Tier 1 capital (leverage) ($bn)	**150.5**	151.3
Total leverage ratio exposure ($bn)	**3,090.0**	3,076.2
Leverage ratio (%)	**4.9**	4.9

Liquidity

The Group liquidity coverage ratio ('LCR') was 132% or $175bn above the regulatory requirement for the 12 months to 30 September 2026, and 134% or $179bn at 30 June 2026. The average high-quality liquid assets ('HQLA') were $719bn for 30 September 2026 and $714bn for 30 June 2026.

At 30 September 2026, our **Group net stable funding ratio ('NSFR') was 139%** compared with 140% at 30 June 2026. At 30 September 2026, all material operating entities were above regulatory minimum levels.

Liquidity

	30 Sep 2026	30 Jun 2026
LCR (%)	**132**	134
NSFR (%)	**139**	140

Key metrics

The table below sets out the key regulatory metrics covering the Group's available capital (including buffer requirements and ratios), RWAs, leverage ratio, LCR and NSFR. 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 metrics (KM1)

		At				
		30 Sep 2026	30 Jun 2026	31 Mar 2026	31 Dec 2025	30 Sep 2025
	Available capital ($bn)					
1	Common equity tier 1 ('CET1') capital	**128.1**	127.7	124.0	132.6	127.8
2	Tier 1 capital	**150.5**	151.3	146.2	153.4	148.6
3	Total capital	**176.8**	178.8	174.0	182.4	177.7
	Risk-weighted assets ($bn)					
4	Total RWAs	**922.4**	906.4	883.8	888.6	878.8
	Capital ratios (%)					
5	CET1	**13.9**	14.1	14.0	14.9	14.5
6	Tier 1	**16.3**	16.7	16.5	17.3	16.9
7	Total capital	**19.2**	19.7	19.7	20.5	20.2
	Additional own funds requirements based on Supervisory Review and Evaluation Process ('SREP') as a percentage of RWAs (%)					
UK-7a	Additional CET1 SREP requirements	**1.4**	1.4	1.4	1.4	1.4
UK-7b	Additional AT1 SREP requirements	**0.5**	0.5	0.5	0.5	0.5
UK-7c	Additional tier 2 ('T2') SREP requirements	**0.6**	0.6	0.6	0.6	0.6
UK-7d	Total SREP own funds requirements	**10.5**	10.5	10.5	10.5	10.5
	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	**0.8**	0.7	0.7	0.7	0.7
10	Global systemically important institution buffer	**2.0**	2.0	2.0	2.0	2.0
11	Combined buffer requirement	**5.3**	5.2	5.2	5.2	5.2
UK-11a	Overall capital requirements	**15.8**	15.8	15.7	15.7	15.7
12	CET1 available after meeting the total SREP own funds requirements	**8.0**	8.2	8.1	9.0	8.6
	Leverage ratio					
13	Total exposure measure excluding claims on central banks ($bn)	**3,090.0**	3,076.2	2,947.0	2,877.1	2,840.5
14	Leverage ratio excluding claims on central banks (%)	**4.9**	4.9	5.0	5.3	5.2
	Additional leverage ratio disclosure requirements					
14b	Leverage ratio including claims on central banks (%)	**4.4**	4.4	4.5	4.7	4.6
14c	Average leverage ratio excluding claims on central banks (%)	**4.9**	5.0	5.0	5.3	5.3
14d	Average leverage ratio including claims on central banks (%)	**4.4**	4.5	4.4	4.7	4.7
14e	Countercyclical leverage ratio buffer (%)	**0.3**	0.3	0.2	0.2	0.2
EU-14d	Leverage ratio buffer requirement (%)	**1.0**	1.0	0.9	0.9	0.9
EU-14e	Overall leverage ratio requirements (%)	**4.3**	4.3	4.2	4.2	4.2
	Liquidity coverage ratio ('LCR') ($bn)					
15	Total high-quality liquid assets	**719.4**	713.7	710.6	702.1	690.2
UK-16a	Cash outflows – total weighted value	**758.2**	740.1	719.8	697.0	682.2
UK-16b	Cash inflows – total weighted value	**214.1**	205.6	194.7	184.9	183.9
16	Total net cash outflow	**544.1**	534.5	525.1	512.1	498.3
17	LCR (%)	**132**	134	135	137	139
	Net stable funding ratio ('NSFR') ($bn)					
18	Total available stable funding	**1,685.5**	1,663.6	1,645.1	1,621.0	1,588.6
19	Total required stable funding	**1,211.9**	1,184.6	1,157.1	1,133.3	1,104.1
20	NSFR (%)	**139**	140	142	143	144

Key changes and regulatory assessments

Disposals

During the third quarter of 2026, we completed the sale of our operations in Uruguay, which reduced our RWAs by $1.3bn, excluding operational risk RWAs.

In addition, we announced the sale of HSBC Life Singapore. In Australia, we announced the sale of our portfolio of home and personal loans, the planned wind-down of the remaining retail business and the transfer of our Corporate and Institutional Banking ('CIB'), Private Banking and Asset Management businesses to the Sydney branch of The Hongkong and Shanghai Banking Corporation Limited, simplifying our entity footprint. In Egypt, we announced the sale of our retail banking business. The completion of announced disposals and related actions remains subject to relevant regulatory and other approvals. We have commenced a strategic review of our retail business and domestic-focused small and mid-sized corporate banking operations in Türkiye. Our international wholesale client business in Türkiye is unaffected by this review.

▶ For further details of business disposals, see page 13 of the Earnings Release 3Q26.

Basel 3.1

In January 2026, the PRA published its final rules to implement the Basel Committee's reforms to the prudential framework ('Basel 3.1') in the UK. While the implementation of the overall package is scheduled for 1 January 2027, the market risk internal models approach ('IMA') has been delayed until 1 January 2028, given the uncertainty in the rules and timing in other major jurisdictions.

In June 2026, the PRA consulted on targeted updates to the IMA to improve international alignment and ensure the requirements are proportionate. The proposals include extending the monitoring period for new market risk models, providing clearer guidance where data is limited and updating the approach for risks that cannot be reliably modelled.

We continue to assess the anticipated impact of the final Basel 3.1 standards on our capital. We expect, based on our latest modelling, that the impact on the Group CET1 capital ratio at 1 January 2027 will be a benefit of approximately 40–50bps. The final impact will depend on a number of factors, including model and data refinements, portfolio size and composition and supervisory permissions granted. Any related reductions to firm-specific capital requirements are not expected to be significant.

Capital

Approach and policy

Our approach to capital management is driven by our strategic and organisational requirements, taking into account the regulatory, economic and commercial environment. We aim to maintain a strong capital base to support the risks inherent in our business and invest in accordance with our strategy, meeting both consolidated and local regulatory capital requirements at all times.

As at 30 September 2026, capital securities included in the capital base of HSBC have been issued in accordance with the Prudential rules. Capital securities are regularly reviewed for compliance with guidelines. Effective 1 January 2025, the IFRS 9 transitional arrangements came to an end, followed by the end of the UK Capital Requirements Regulation grandfathering provisions on 28 June 2025. Our capital figures are therefore the same, for both the transitional and end-point basis. A list of the main features of our capital instruments and eligible liabilities, in accordance with Article 437 and Article 437a of the PRA Rulebook, is also published on our website at www.hsbc.com with reference to our balance sheet on 30 June 2026. The full terms and conditions of our securities are also available at www.hsbc.com.

HSBC has no current or foreseen practical or legal impediment envisaged with regard to planned dividends or payments from material subsidiaries to the parent. However, the ability of subsidiaries to pay dividends or advance monies to HSBC Holdings depends on, among other things, their respective local regulatory capital and banking requirements, exchange controls, statutory reserves, and financial and operating performance. None of our subsidiaries that are excluded from the regulatory consolidation had capital resources below their minimum regulatory requirement as at 30 September 2026.

- For further details of our approach to treasury risk management, including capital risk, liquidity risk, interest rate risk in the banking book, non-trading foreign exchange exposure and pension risk, see page 156 of the Annual Report and Accounts 2025.

Own funds

The table below provides the key components covering our CET1, tier 1, tier 2 capital and the regulatory adjustments impacting our capital base.

Table 2: Own funds disclosure

		At	
		30 Sep 2026	30 Jun 2026
		$m	$m
6	Common equity tier 1 capital before regulatory adjustments	**166,952**	167,958
28	Total regulatory adjustments to common equity tier 1 capital	**(38,809)**	(40,266)
29	**Common equity tier 1 ('CET1') capital**	**128,143**	127,692
36	Additional tier 1 capital before regulatory adjustments	**22,421**	23,722
43	Total regulatory adjustments to additional tier 1 capital	**(70)**	(70)
44	**Additional tier 1 capital**	**22,351**	23,652
45	**Tier 1 capital (T1 = CET1 + Additional tier 1 ('AT1'))**	**150,494**	151,344
51	Tier 2 capital before regulatory adjustments	**28,004**	29,142
57	Total regulatory adjustments to tier 2 capital	**(1,700)**	(1,710)
58	**Tier 2 capital**	**26,304**	27,432
59	**Total capital (TC = T1 + T2)**	**176,798**	178,776

At 30 September 2026, our CET1 capital ratio decreased to 13.9% from 14.1% at 30 June 2026, driven by:

- a 0.3 percentage point decrease due to higher RWAs excluding foreign exchange translation differences, mainly from asset size and model updates;
- a 0.2 percentage point decrease mainly due to a decrease in the fair value of hold-to-collect-and-sell debt instruments, due to higher yields;
- a 0.1 percentage point decrease due to the share buy-back announced with our interim results; and
- a 0.4 percentage point increase in CET1 capital generation, through regulatory profits net of dividends.

At 30 September 2026, our Pillar 2A requirement was $23.4bn, equivalent to 2.5% of RWAs as per the PRA's Individual Capital Requirement based on a point-in-time assessment, of which 1.4% was met by CET1 capital. Throughout 3Q26, we complied with the PRA's regulatory capital adequacy requirement.

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. Amounts below the thresholds for deduction are included in rows 2 and 5 of the table and include thresholds for the recognition of significant investments and deferred tax assets.

Table 3: Overview of risk-weighted exposure amounts (OV1)

		At		At	
		30 Sep 2026	**30 Sep 2026**	30 Jun 2026	30 Jun 2026
		RWAs	**Total own funds requirements**	RWAs	Total own funds requirements
		$m	**$m**	$m	$m
1	**Credit risk (excluding counterparty credit risk)**	**708,914**	**56,714**	696,178	55,694
2	– standardised approach	**206,281**	**16,503**	202,904	16,232
3	– foundation IRB approach	**94,746**	**7,580**	90,990	7,279
4	– slotting approach	**18,923**	**1,514**	20,787	1,663
UK-4a	– equities under the simple risk-weighted approach	**5,001**	**400**	4,894	392
5	– advanced IRB approach	**383,963**	**30,717**	376,603	30,128
6	**Counterparty credit risk**	**48,630**	**3,890**	48,179	3,855
7	– standardised approach	**11,408**	**913**	11,974	949
8	– internal model method	**17,280**	**1,382**	15,508	1,250
UK-8a	– exposures to a central counterparty	**2,370**	**190**	2,683	215
UK-8b	– credit valuation adjustment	**2,068**	**165**	1,478	118
9	– other counterparty credit risk	**15,504**	**1,240**	16,536	1,323
15	**Settlement risk**	**63**	**5**	71	6
16	**Securitisation exposures in the non-trading book (after the cap)**	**13,904**	**1,112**	11,748	941
17	– internal ratings-based approach ('SEC-IRBA')	**6,577**	**526**	3,883	311
18	– external ratings-based approach ('SEC-ERBA') (including internal assessment approach ('IAA'))	**1,392**	**111**	1,396	112
19	– standardised approach ('SEC-SA')	**5,935**	**475**	6,469	518
20	**Position, foreign exchange and commodities risks (market risk)**	**31,285**	**2,503**	30,631	2,450
21	– standardised approach	**9,849**	**788**	10,239	819
22	– internal models approach	**21,436**	**1,715**	20,392	1,631
	Operational risk	**119,598**	**9,568**	119,610	9,569
UK-23b	– standardised approach	**119,598**	**9,568**	119,610	9,569
29	**Total**	**922,394**	**73,792**	906,417	72,515
24	– of which: Amounts below the thresholds for deduction (subject to 250% risk weight)	**47,395**	**3,792**	45,932	3,675

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

Credit risk, including securitisation

Credit risk RWAs at 30 September 2026, including securitisation, increased by $14.9bn compared with 30 June 2026, driven by:

- a $16.9bn rise in asset size from higher sovereign exposures in our International Wealth and Premier Banking ('IWPB') business, arising from participation in the Foreign Currency Non-Resident Deposit scheme in India, lending growth in our CIB and UK businesses and an increase in financial commitments in our Hong Kong business;
- a $5.2bn increase primarily due to the impact of a redeveloped PD model for large corporates mainly in CIB, partly offset by reductions in our UK and Hong Kong businesses, as well as an increase for the small and medium-sized enterprises PD model in our UK business;
- a $4.5bn decrease from methodology and policy changes, primarily driven by a significant risk transfer transaction executed through the issuance of a CLN in our UK business, and data refinements resulting in lower RWAs across CIB, partly offset by higher RWAs in our Hong Kong business;
- a $1.3bn fall as a result of the sale of our operations in Uruguay; and
- a $1.3bn decrease mainly due to asset quality movements from changes in credit risk parameters and composition of the underlying portfolios in our CIB and Hong Kong businesses, partly offset by unfavourable credit risk migrations, mainly in our UK business.

Counterparty credit risk, including settlement risk

Counterparty credit risk RWAs increased by $0.4bn driven by higher sovereign exposures in IWPB arising from participation in the Foreign Currency Non-Resident Deposit scheme in India and the impact of a redeveloped PD model for large corporates, largely offset by lower securities financing transactions in CIB.

Market risk

Market risk RWAs increased by $0.7bn, mainly due to higher stressed value at risk ('SVaR'), reflecting changes in the trading portfolio's risk profile under stressed market conditions, partly offset by changes to the capital multiplier.

Operational risk

Operational risk RWAs decreased marginally, driven by foreign currency translation differences.

The table below shows the drivers of the quarterly changes in credit risk RWAs under the IRB approach. These include free deliveries but exclude exposures to counterparty credit risk, securitisation positions, equity exposures and non-credit obligation assets. Foreign exchange movements in this disclosure are computed by retranslating the RWAs into US dollars based on the underlying transactional currencies.

Table 4: RWA flow statements of credit risk exposures under the IRB approach (CR8)

		Quarter ended			
		30 Sep 2026	30 Jun 2026	31 Mar 2026	31 Dec 2025
		$m	$m	$m	$m
1	**RWAs at the opening period**	**475,456**	461,900	460,105	471,315
2	Asset size	**10,135**	14,603	9,556	2,389
3	Asset quality	**(1,893)**	3,883	(3,122)	(3,387)
4	Model updates	**5,216**	393	(390)	(17)
5	Methodology and policy	**(4,240)**	(5,171)	(432)	(10,538)
6	Acquisitions and disposals	**(195)**	—	(835)	(36)
7	Foreign exchange movements	**316**	(152)	(2,982)	379
9	**RWAs at the closing period**	**484,795**	475,456	461,900	460,105

Excluding the $0.3bn foreign exchange movements, RWAs under the IRB approach increased by $9.0bn during 3Q26, primarily due to asset size movements, mainly in IWPB due to increases in sovereign exposures arising from participation in the Foreign Currency Non-Resident Deposit scheme in India and lending growth in our CIB and UK businesses. A further increase was driven by the impact of a redeveloped PD model for large corporates mainly in CIB, partly offset by reductions in our UK and Hong Kong businesses, as well as an increase for the small and medium-sized enterprises PD model in our UK business.

Methodology and policy changes reduced RWAs, mainly driven by a significant risk transfer transaction executed through the issuance of a CLN in our UK business. RWAs reduced further due to asset quality movements from changes in credit risk parameters and composition of the underlying portfolios in our CIB and Hong Kong businesses, partly offset by unfavourable credit risk migrations, mainly in our UK business.

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

Table 5: RWA flow statements of CCR exposures under IMM (CCR7)

		Quarter ended			
		30 Sep 2026	30 Jun 2026	31 Mar 2026	31 Dec 2025
		$m	$m	$m	$m
1	**RWAs at the opening period**	**15,508**	14,868	15,011	14,381
2	Asset size	**929**	658	187	410
3	Credit quality of counterparties	**843**	(18)	(216)	(28)
5	Methodology and policy (IMM only)	**—**	—	(114)	248
9	**RWAs at the closing period**	**17,280**	15,508	14,868	15,011

RWAs under the IMM approach increased by $1.8bn in 3Q26, mainly driven by higher sovereign exposures in IWPB arising from participation in the Foreign Currency Non-Resident Deposit scheme in India and the impact of a redeveloped PD model for large corporates in CIB.

The table below shows the drivers of the quarterly movements of market risk RWAs under internal models approach ('IMA'), split by value at risk ('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 6: RWA flow statements of market risk exposures under IMA (MR2-B)

		VaR	**Stressed VaR**	**IRC**	**Other**	**Total RWAs**	**Total own funds requirements**
		$m	**$m**	**$m**	**$m**	**$m**	**$m**
1	**RWAs at 1 Jul 2026**	**6,586**	**7,477**	**4,742**	**1,587**	**20,392**	**1,631**
1a	Regulatory adjustment	**(4,891)**	**(5,158)**	**(117)**	**—**	**(10,166)**	**(813)**
1b	RWAs at the previous quarter end (end of day)	**1,695**	**2,319**	**4,625**	**1,587**	**10,226**	**818**
2	Movement in risk levels	**621**	**1,712**	**143**	**55**	**2,531**	**202**
4	Methodology and policy	**(706)**	**(865)**	**—**	**—**	**(1,571)**	**(125)**
8a	RWAs at the end of the reporting period (end of day)	**1,610**	**3,166**	**4,768**	**1,642**	**11,186**	**895**
8b	Regulatory adjustment	**3,856**	**6,105**	**289**	**—**	**10,250**	**820**
8	**RWAs at 30 Sep 2026**	**5,466**	**9,271**	**5,057**	**1,642**	**21,436**	**1,715**
1	RWAs at 1 Apr 2026	5,810	9,711	5,224	1,628	22,373	1,790
1a	Regulatory adjustment	(4,038)	(7,103)	(10)	—	(11,151)	(892)
1b	RWAs at the previous quarter end (end of day)	1,772	2,608	5,214	1,628	11,222	898
2	Movement in risk levels	(77)	(289)	(589)	(41)	(996)	(80)
4	Methodology and policy	—	—	—	—	—	—
8a	RWAs at the end of the reporting period (end of day)	1,695	2,319	4,625	1,587	10,226	818
8b	Regulatory adjustment	4,891	5,158	117	—	10,166	813
8	RWAs at 30 Jun 2026	6,586	7,477	4,742	1,587	20,392	1,631

RWAs under IMA increased by $1.0bn during 3Q26, mainly due to higher SVaR reflecting changes in the trading portfolio's risk profile under stressed market conditions, partly offset by changes to the capital multiplier.

Leverage

We manage our leverage ratio in order to maintain appropriate levels of leverage to support our business strategy, and meet our regulatory and stress testing-related requirements.

▶ For further details of our Treasury risk management framework see page 156 of the Annual Report and Accounts 2025.

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

Table 7: Leverage ratio common disclosure (UK LR2-LRCom)

		At	
		30 Sep 2026	30 Jun 2026
		$bn	$bn
25	**Leverage ratio excluding claims on central banks (%)**	**4.9**	4.9
UK-25c	Leverage ratio including claims on central banks (%)	**4.4**	4.4
27	Leverage ratio buffer (%)	**1.0**	1.0
UK-27a	– of which: G-SII or O-SII additional leverage ratio buffer (%)	**0.7**	0.7
UK-27b	– of which: countercyclical leverage ratio buffer (%)	**0.3**	0.3
UK-32	Average total exposure measure excluding claims on central banks	**3,107.9**	3,017.6
UK-33	Average leverage ratio including claims on central banks (%)	**4.4**	4.5
UK-34	Average leverage ratio excluding claims on central banks (%)	**4.9**	5.0

Our leverage ratio of 4.9% at 30 September 2026 was unchanged from 30 June 2026, reflecting a marginal increase in leverage exposures driven by growth in the balance sheet and a reduction in tier 1 capital.

At 30 September 2026, our UK minimum leverage ratio requirement was 3.25%, with an additional buffer of 1.0% comprising a 0.7% additional leverage ratio buffer and a 0.3% countercyclical leverage ratio buffer.

These buffers translated into capital values of $21.6bn and $9.3bn respectively. We exceeded these leverage requirements throughout 3Q26.

The average leverage ratio was 4.9% at 30 September 2026, down from 5.0% at 30 June 2026. This was driven by an increase in the average leverage exposures, mainly from growth in the average balance sheet, which led to a 0.1 percentage point fall in the average leverage ratio, partly offset by a marginal rise in average T1 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 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 the PRA Rulebook.

The average Group LCR for the 12 months to 30 September 2026 was 132% or $175bn above the regulatory requirement and 134% or $179bn for the 12 months to 30 June 2026. At 30 September 2026, our Group LCR and all of the material operating entities remained above their minimum required regulatory levels. The Group consolidation methodology includes a deduction to reflect the impact of limitations in the transferability of entity liquidity around the Group. The result was an adjustment of $144bn to LCR HQLA and $5bn to LCR inflows on an average basis.

The average Group LCR HQLA of $719bn (30 June 2026: $714bn) was held in a range of asset classes and currencies.

The Group and its entities actively manage liquidity and funding drivers within their balance sheets, including derivatives and collateral management.

Cross-currency management

The Group's internal liquidity and funding risk management framework requires all operating entities to monitor the material currency positions. Limits are set to ensure that outflows can be met, given assumptions on 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 for ensuring operating entities maintain a stable funding profile to support their 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 Group NSFR over the previous four quarters was 139% at 30 September 2026 and 140% at 30 June 2026.

Sources of funding

Our primary sources of funding are customer current accounts and savings deposits payable on demand or at short notice. We issue secured and unsecured wholesale securities to supplement customer deposits, meet regulatory obligations and to change the currency mix, maturity profile, or location of our liabilities.

The funding risk management framework seeks to ensure operating entities maintain a diversified funding profile defined in their funding plans, which are taken through regular governance, in line with globally consistent policies and standards. Diversification is achieved through a balanced mix of funding sources, tenors, currencies and geographies, seeking to mitigate concentration risks and to avoid extraordinary reliance on central banks or intra-group funding support. The framework requires entities to have policies, processes and controls for monitoring and managing funding by tenors and sources, supported by governance of limits. Entities also model cashflows from maturing short-term debts within the internal liquidity monitoring to help ensure sufficient liquidity is maintained to meet the maturing debt obligations.

- For further details of our approach to treasury risk management, see page 156 of the Annual Report and Accounts 2025.
- For further details on the concentration of funding and liquidity sources, see page 73 of the Interim Report 2026.

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. All figures are based on the average over the preceding 12 months. The unsecured wholesale funding in the below table includes excess operational deposits of $201bn for the period ended 30 September 2026 and $194bn for the period ended 30 June 2026.

Table 8: Quantitative information of LCR (UK LIQ1)

		Quarter ended 30 Sep 2026		Quarter ended 30 Jun 2026		Quarter ended 31 Mar 2026		Quarter ended 31 Dec 2025	
		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	12	12	12	12
	High quality liquid assets								
1	Total high quality liquid assets ('HQLA')		**719,376**		713,669		710,604		702,123
	Cash outflows								
2	Retail deposits and small business funding	**912,612**	**98,024**	903,344	97,200	895,966	96,447	880,824	95,013
	– of which:								
3	stable deposits	**409,020**	**20,451**	401,455	20,072	395,407	19,770	385,826	19,291
4	less stable deposits	**503,592**	**77,573**	501,889	77,128	500,559	76,677	494,998	75,722
5	Unsecured wholesale funding	**899,485**	**409,571**	881,587	403,596	859,158	393,877	836,769	384,384
6	– operational deposits (all counterparties) and deposits in networks of cooperative banks	**284,623**	**69,308**	275,311	67,053	266,616	64,958	256,413	62,495
7	– non-operational deposits (all counterparties)	**603,928**	**329,329**	595,019	325,286	581,544	317,921	568,558	310,091
8	– unsecured debt	**10,934**	**10,934**	11,257	11,257	10,998	10,998	11,798	11,798
9	Secured wholesale funding		**53,847**		47,488		41,145		37,536
10	Additional requirements	**410,176**	**120,247**	396,979	113,891	386,785	110,253	372,458	104,840
11	– outflows related to derivative exposures and other collateral requirements	**64,656**	**54,835**	58,657	49,599	55,763	47,178	52,608	44,140
13	– credit and liquidity facilities	**345,520**	**65,412**	338,322	64,292	331,022	63,075	319,850	60,700
14	Other contractual funding obligations	**93,721**	**46,296**	94,228	48,559	93,712	49,703	90,722	48,016
15	Other contingent funding obligations	**697,559**	**30,189**	685,246	29,392	674,080	28,407	664,016	27,232
16	**Total cash outflows**		**758,174**		740,126		719,832		697,021
	Cash inflows								
17	Secured lending transactions (including reverse repos)	**520,440**	**73,018**	502,008	68,873	475,918	62,681	447,356	57,670
18	Inflows from fully performing exposures	**104,601**	**75,618**	101,174	73,535	97,281	70,907	95,474	70,108
19	Other cash inflows	**106,594**	**65,407**	102,824	63,197	99,806	61,122	94,592	57,151
20	**Total cash inflows**	**731,635**	**214,043**	706,006	205,605	673,005	194,710	637,422	184,929
UK-20c	Inflows subject to 75% Cap	**731,635**	**214,043**	706,006	205,605	673,005	194,710	637,422	184,929
	Liquidity coverage ratio (Adjusted value)								
UK-21	Liquidity buffer		**719,376**		713,669		710,604		702,123
22	Total net cash outflows		**544,131**		534,521		525,122		512,092
23	Liquidity coverage ratio (%)		**132**		134		135		137

Minimum requirement for own funds and eligible liabilities

A minimum requirement for total loss-absorbing capacity ('TLAC') in line with the final standards adopted by the Financial Stability Board ('FSB') came into effect in the UK in January 2019. This includes a minimum requirement for own funds and eligible liabilities ('MREL').

MREL includes own funds and eligible liabilities that can be written down or converted into capital resources in order to absorb losses or recapitalise a bank in the event of its failure. The framework is complemented with disclosure requirements and these disclosures are based on the formats provided in the Basel Committee Standards for Pillar 3 disclosure requirements.

In line with our existing structure and business model, HSBC has three resolution groups – the European resolution group ('ERG'), the Asian resolution group ('ARG') and the US resolution group ('URG').

In addition, there are some smaller entities that fall outside these resolution groups.

HSBC is expected to maintain a sufficient amount of resources that can credibly and feasibly be used to absorb losses in resolution, and recapitalise to a level that ensures compliance with the conditions for regulatory authorisation and sustains market confidence. Further details on HSBC's resolvability can be found in our Resolvability Assessment Framework available on the hsbc.com website.

Key metrics of the resolution groups

The Group and the ERG report in accordance with Prudential rules, while reporting for the ARG and URG follow the Hong Kong Monetary Authority ('HKMA') regulatory rules and US regulatory rules respectively. The ARG results reflect the implementation of the Basel 3.1 standards in Hong Kong from 1 January 2025.

Leverage exposures and ratios in the ERG exclude central bank claims, in line with UK PRA rules. For URG, leverage exposures and ratios are based on 'total assets for the leverage ratio' as reported in US regulatory capital calculations.

The following tables summarise key metrics for the TLAC of each of the Group's three resolution groups.

Table 9.i: Key metrics of the European resolution group (KM2)

		At				
		30 Sep 2026	30 Jun 2026	31 Mar 2026	31 Dec 2025	30 Sep 2025
		$bn	$bn	$bn	$bn	$bn
1	Total loss absorbing capacity ('TLAC') available	**114.1**	116.9	113.0	116.5	111.0
2	Total RWAs at the level of the resolution group	**337.9**	334.1	324.3	327.7	319.4
3	TLAC as a percentage of RWA (row1/row2) (%)	**33.8**	35.0	34.8	35.5	34.7
4	Leverage exposure measure at the level of the resolution group	**1,230.8**	1,239.3	1,189.3	1,163.3	1,144.6
5	TLAC as a percentage of leverage exposure measure (row1/row4) (%)	**9.3**	9.4	9.5	10.0	9.7
6a	Does the subordination exemption in the antepenultimate paragraph of section 11 of the FSB TLAC term sheet apply?	**No**	No	No	No	No
6b	Does the subordination exemption in the penultimate paragraph of section 11 of the FSB TLAC term sheet apply?	**No**	No	No	No	No
6c	If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised as external TLAC, divided by funding issued that ranks pari passu with excluded liabilities and that would be recognised as external TLAC if no cap was applied (%)	**N/A**	N/A	N/A	N/A	N/A

Table 9.ii: Key metrics of the Asian resolution group[1] (KM2)

		At				
		30 Sep 2026	30 Jun 2026	31 Mar 2026	31 Dec 2025	30 Sep 2025
		$bn	$bn	$bn	$bn	$bn
1	Total loss absorbing capacity ('TLAC') available	**124.7**	123.2	119.5	120.6	116.4
2	Total RWAs at the level of the resolution group	**411.3**	399.6	385.6	380.0	388.7
3	TLAC as a percentage of RWA (row1/row2) (%)	**30.3**	30.8	31.0	31.7	29.9
4	Leverage exposure measure at the level of the resolution group	**1,530.2**	1,504.3	1,432.5	1,384.6	1,379.9
5	TLAC as a percentage of leverage exposure measure (row1/row4) (%)	**8.1**	8.2	8.3	8.7	8.4
6a	Does the subordination exemption in the antepenultimate paragraph of section 11 of the FSB TLAC term sheet apply?	**No**	No	No	No	No
6b	Does the subordination exemption in the penultimate paragraph of section 11 of the FSB TLAC term sheet apply?	**No**	No	No	No	No
6c	If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised as external TLAC, divided by funding issued that ranks pari passu with excluded liabilities and that would be recognised as external TLAC if no cap was applied (%)	**N/A**	N/A	N/A	N/A	N/A

1 From 31 March 2026, the regulatory valuation of T2 capital and TLAC excludes own credit standing and includes accrued interest. Prior periods have not been restated.

Table 9.iii: Key metrics of the US resolution group (KM2)

		At				
		30 Sep 2026	30 Jun 2026	31 Mar 2026	31 Dec 2025	30 Sep 2025
		$bn	$bn	$bn	$bn	$bn
1	Total loss absorbing capacity ('TLAC') available	**25.3**	24.9	24.8	24.0	24.2
2	Total RWAs at the level of the resolution group	**114.1**	112.7	110.5	109.7	110.9
3	TLAC as a percentage of RWA (row1/row2) (%)	**22.2**	22.1	22.4	21.9	21.8
4	Leverage exposure measure at the level of the resolution group	**239.8**	239.9	236.9	237.6	238.4
5	TLAC as a percentage of leverage exposure measure (row1/row4) (%)	**10.6**	10.4	10.5	10.1	10.1
6a	Does the subordination exemption in the antepenultimate paragraph of section 11 of the FSB TLAC term sheet apply?	**No**	No	No	No	No
6b	Does the subordination exemption in the penultimate paragraph of section 11 of the FSB TLAC term sheet apply?	**No**	No	No	No	No
6c	If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised as external TLAC, divided by funding issued that ranks pari passu with excluded liabilities and that would be recognised as external TLAC if no cap was applied (%)	**N/A**	N/A	N/A	N/A	N/A

Abbreviations

$	United States dollar
1Q26	First quarter of 2026
2Q26	Second quarter of 2026
3Q26	Third quarter of 2026
AIRB[1]	Advanced internal ratings-based approach
ARG	Asian resolution group
AT1 capital	Additional tier 1 capital
Basel	Basel Committee on Banking Supervision
Basel III	Basel Committee's reforms to strengthen global capital and liquidity rules
Basel 3.1	Outstanding measures to be implemented from the Basel III reforms
CCR[1]	Counterparty credit risk
CET1[1]	Common equity tier 1
CIB	Corporate and Institutional Banking
CIU	Collective investment undertakings
CLN	Credit-linked note
Dec	December
ECL[1]	Expected credit losses
EPS	Earnings per share
ERG	European resolution group
ESG	Environmental, social and governance
EU	European Union
FIRB[1]	Foundation internal ratings-based approach
FSB	Financial Stability Board
FX	Foreign exchange
GDC	Group Disclosure Committee
Group	HSBC Holdings together with its subsidiary undertakings
HKMA	Hong Kong Monetary Authority
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 as issued by the International Accounting Standards Board
IMA	Internal models approach
IMM[1]	Internal model method
IRB[1]	Internal ratings-based approach
IRC	Incremental risk charge
IWPB	International Wealth and Premier Banking
Jun	June
LCR[1]	Liquidity coverage ratio
Mar	March
MREL	Minimum requirement for own funds and eligible liabilities
NSFR[1]	Net stable funding ratio
PRA[1]	Prudential Regulation Authority (UK)
PD	Probability of default
Prudential rules	Refers to the UK Capital Requirements Regulation, the PRA Rulebook and any laws, regulations, requirements, rules, guidelines, standards and policies relating to capital adequacy, leverage and liquidity adopted by the relevant regulators, as applicable, and which are applicable to HSBC
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
TLAC[1]	Total loss-absorbing capacity
T1 capital[1]	Tier 1 capital
T2 capital[1]	Tier 2 capital
UK	United Kingdom
UK Capital Requirements Regulation	Refers to Regulation (EU) No. 575/2013, as amended or supplemented, as it forms part of domestic law in the UK by virtue of the European Union (Withdrawal) Act 2018, as amended
URG	US resolution group
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 30 September 2026 contain certain forward-looking statements with respect to HSBC's financial condition; results of operations and business, including the strategic priorities; financial, investment and capital targets; and environmental, social and governance ('ESG') ambitions, targets and commitments described herein.

Statements that are not historical facts, including statements about HSBC'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, forecasts, 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. Any such forward-looking statements are not a reliable indicator of future performance, as they may involve significant stated or implied assumptions and subjective judgements which may or may not prove to be correct. There can be no assurance that any of the matters set out in forward-looking statements are attainable, will actually occur or will be realised or are complete or accurate. The assumptions and judgments may prove to be incorrect and involve known and unknown risks, uncertainties, contingencies and other important factors, many of which are outside the control of HSBC. HSBC 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, summary financial statements to shareholders, offering circulars and prospectuses, press releases and other written materials, and in oral statements made by HSBC'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 we operate, 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 (including hybrid attacks across Europe attributed to Russia), the conflict in the Middle East, or any potential military action or conflict elsewhere, and their impact on global economies and the markets where HSBC operates, which could have a material adverse effect on (among other things) our financial condition, results of operations, prospects, liquidity, capital position and credit ratings; deviations from the market and economic assumptions that form the basis for our ECL measurements (including, without limitation, as a result of the Russia-Ukraine war, the conflict in the Middle East, or any potential military action or conflict elsewhere, inflationary pressures, commodity price changes, and ongoing developments in the commercial real estate sector and the residential property sector in the Chinese mainland and Hong Kong); potential changes in HSBC's dividend policy; changes and volatility in foreign exchange rates and interest rates levels, including the accounting impact resulting from financial reporting in respect of hyperinflationary economies; volatility in equity markets and the risk of disruptive correction stemming from high company valuations, including in the artificial intelligence and technology sectors; lack of liquidity in wholesale funding or capital markets, which may affect our ability to meet our 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, the conflict in the Middle East, or any potential military action or conflict elsewhere, and the related imposition of sanctions, export-control and trade and investment restrictions, as well as increased market volatility, supply chain restrictions and disruptions, sustained increases in energy prices and key commodity prices, claims of human rights violations, diplomatic tensions and strategic competition between China and the US, which may extend to and involve other countries and territories, and developments in Hong Kong and Taiwan and the surrounding maritime region, alongside other potential areas of tension, which may adversely affect HSBC by creating regulatory, reputational and market risks; the efficacy of government, customer, and HSBC's actions in managing and mitigating ESG-related 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 HSBC both directly and indirectly through our 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, fiscal capacity and debt sustainability resulting in higher long-term government debt yields, which could also increase sovereign funding pressures and private sector borrowing costs and reduce the value of HSBC's sovereign bond holdings, along with the growing role of non-bank financial institutions in holding and intermediating sovereign debt and the continued growth of private equity and debt markets, which may amplify the transmission of market volatility and risks across markets; adverse changes in the funding status of public or private defined benefit pensions; the significant depreciation of the US dollar through 2025, with volatility expected to persist; 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 us as a conduit for illegal activities without our knowledge; and price competition in the market segments we serve;
- changes in government policy and regulation, as well as monetary, fiscal, interest rate and other policies of central banks and other regulatory authorities in the major markets in which we operate and the consequences thereof (including, without limitation, actions taken as a result of changes in government following national elections, higher social welfare commitments and increased government expenditure on defence, energy security and climate transition in the markets where the Group operates); continued volatility in trade and tariff policies, changes in tariff rates, including sector-specific measures imposed by various nations, including the US, which could reduce capital investment and consumer spending, disrupt supply chains and dampen global trade growth; 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 HSBC, 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 we operate including increased competition from non-bank financial services companies; and

– factors specific to HSBC, including our success in adequately identifying the risks we face, such as the incidence of loan losses or delinquency, and managing those risks (through account management, hedging and other techniques); our ability to achieve our financial, investment, capital and ESG ambitions, targets and commitments (including the positions set forth in our thermal coal phase-out policy and our energy policy and our targets to reduce our on-balance sheet financed emissions and, where applicable, facilitated emissions in our portfolio of selected high-emitting sectors), which may result in our failure to achieve any of the expected outcomes of our strategic priorities and may result in reputational risks; technology changes and developments, including the development, deployment and use of artificial intelligence, including generative artificial intelligence, by HSBC, third-party service providers, counterparties, customers, competitors and other market participants, and related operational, cyber, fraud, data, regulatory, compliance, litigation, reputational and competitive risks, as well as such technological developments' impact on how we manage 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 us 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 we base our financial statements on; changes in our ability to meet the requirements of regulatory stress tests; a reduction in the credit ratings assigned to us or any of our subsidiaries, which could increase the cost or decrease the availability of our funding and affect our liquidity position and net interest margin; changes to the reliability and security of our data management, data privacy, information and technology infrastructure, including threats from cyber-attacks, which may impact our 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; our dependence on loan payments and dividends from subsidiaries to meet our obligations; changes in our reporting frameworks and accounting standards, which have had and may continue to have a material impact on the way we prepare our financial statements; our ability to successfully execute planned strategic acquisitions and disposals; our success in adequately integrating acquired businesses into our business; our ability to successfully execute and implement the announced strategic reorganisation of the Group; changes in our ability to manage third-party, fraud, financial crime and reputational risks inherent in our 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 our ability to recruit and retain senior management and an inclusive and skilled workforce; and changes in our ability to develop sustainable finance and ESG-related products consistent with the evolving expectations of our regulators, and our capacity to measure the environmental and social impacts from our financing activity (including as a result of data limitations and changes in methodologies), which may affect our ability to achieve our ESG ambitions, targets and commitments, including our net zero ambition, our targets to reduce on-balance sheet financed emissions and, where applicable, facilitated emissions in our portfolio of selected high-emitting sectors and the positions set forth in our thermal coal phase-out policy and our energy policy, and increase the risk of greenwashing. Effective risk management depends on, among other things, our ability through stress testing and other techniques to prepare for events that cannot be captured by the statistical models it uses; our success in addressing operational, legal and regulatory, and litigation challenges; and other risks and uncertainties we identify in 'Risk - Managing risk' on page 41 of the Earnings Release 3Q26.

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 30 September 2026 is available in our Annual Report and Accounts for the fiscal year ended 31 December 2025, which was filed with the SEC on Form 20-F on 26 February 2026, our Earnings Release 1Q26, furnished to the SEC on Form 6-K on 5 May 2026, our Interim Report for the six months ended 30 June 2026, furnished to the SEC on Form 6-K on 4 August 2026, and our Earnings Release 3Q26, furnished to the SEC on Form 6-K on 27 October 2026.

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