HSBC UK Bank plc

Interim Report 2026

HSBC

Opening up a world of opportunity

Contents

Presentation of information

This document comprises the Interim Report 2026 for HSBC UK Bank plc ('the bank' or 'the Company') and its subsidiaries (together 'HSBC UK' or 'the group'). 'We', 'us' and 'our' refer to HSBC UK Bank plc together with its subsidiaries. References to 'HSBC Group' or 'the Group' within this document mean HSBC Holdings plc together with its subsidiaries.

A full list of abbreviations is provided on page 40.

It contains the Interim Management Report and Condensed Consolidated Financial Statements of the group, together with the Auditor's Review Report, as required by the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

Our Pillar 3 Disclosures at 30 June 2026 are expected to be published on or around 10 August 2026 at www.hsbc.com.

Unless otherwise stated, commentary on the income statement compares the six months to 30 June 2026 with the six months to 30 June 2025. Balance sheet commentary compares the position at 30 June 2026 to 31 December 2025.

In accordance with International Accounting Standards ('IAS') 34 'Interim Financial Reporting', the Interim Report is intended to provide an update on the Annual Report and Accounts 2025 and therefore focuses on events during the first six months of 2026, rather than duplicating information previously reported.

Our reporting currency is £ sterling. Unless otherwise specified, all £ symbols represent £ sterling and $ symbols represent US dollars. The abbreviations '£m' and '£bn' represent millions and billions (thousands of millions) of £ sterling, respectively.

Contents of any linked websites are not incorporated into this document.

Who we are

HSBC UK Bank plc is a public limited company with debt securities traded on the London Stock Exchange. The Company is a ring-fenced bank and wholly owned subsidiary of HSBC Holdings plc. We leverage the rest of the HSBC Group network to support our customers and help to grow revenue across key trade corridors around the world.

The HSBC Group operates through four businesses, of which the 'UK business' is one. The 'UK business' comprises Retail Banking and Wealth ('RBW') and Commercial Banking ('CMB') segments of HSBC UK. In addition to the UK business, HSBC UK operates Private Bank ('PB'), Corporate and Institutional Banking ('CIB') and Corporate Centre segments.

Headquartered in Birmingham, we serve over 15.3 million customers with over 17,700 full-time equivalent staff ('FTE') across the country. We are supported by approximately 4,700 FTE based in HSBC Global Services (UK) Limited, who provide services to HSBC UK and the wider HSBC Group.

Effective 1 January 2026 HSBC UK created a single UK Global Network Banking ('GNB') team to augment international client support, help drive growth, and expedite decision-making. Consequently, a set of customers were transferred from CMB to CIB, with no impact on HSBC UK. Segmental comparative data has been re-presented on this basis.

As part of our strategy to simplify our structure, HSBC UK transferred the business of Marks and Spencer Financial Services into the bank as a separate branded division. This transfer completed on 1 June 2026, following regulatory and court approval, via a Banking Business Transfer Scheme under Part VII of the Financial Services and Markets Act 2000.

Retail Banking and Wealth

RBW offers a comprehensive set of banking products and services to help our customers manage their day-to-day finances, as well as helping to protect and grow their wealth. We serve over 14.6 million customers[1] under our three brands: HSBC UK, Marks and Spencer ('M&S') Bank and first direct.

Private Bank

PB supports high-net worth individuals and families with their personal wealth needs, offering investment and lending opportunities, wealth planning solutions and banking services. We strategically partner with our clients to deliver tailored solutions based on their needs, leveraging the HSBC Group's global capabilities and reach.

Commercial Banking

CMB is a full-service domestic and international commercial bank and is highly connected to the HSBC Group given the UK is a home market. We serve around 700,000 clients[1] across the full business lifecycle, from start-ups, through mid-market firms, to listed corporates. HSBC Innovation Bank Limited ('HINV') is part of our CMB business.

Corporate and Institutional Banking

CIB offers foreign currency payments and selected products to enable commercial hedging, as permitted under UK ring-fencing legislation, and works with the HSBC Group to provide products not available within HSBC UK on an arm's-length basis. Following the GNB transfer, GNB clients retain access to full-service banking across the HSBC Group, and we aim to provide more consistent cross-border coverage and improved access to specialist CIB capabilities, while supporting ring-fencing design principles and closer collaboration.

Corporate Centre

Corporate Centre supports central operations of the HSBC UK business and includes interests in a joint venture and stewardship costs.

1 RBW as at June 2026, CMB as at May 2026.

Highlights

Key Financial Indicators

For the half-year ended 30 June 2026.

Profit before tax	Revenue	Expected credit losses and other credit impairment charges
£2.9bn	£5.4bn	£385m
(1H25: £2.8bn)	(1H25: £5.1bn)	(1H25: £263m)

Risk-weighted assets	Common equity tier 1 capital ratio	Return on average tangible equity (annualised)
£124.3bn	13.2%	19.4%
(31 Dec 25: £117.5bn)	(31 Dec 25: 13.2%)	(1H25: 19.5%)

Financial performance

We delivered profit before tax ('PBT') of £2,899m, £113m or 4% higher than 1H25.

Revenue increased by £276m, or 5%, to £5,396m in 1H26. This was mainly driven by higher net interest income ('NII') resulting from balance sheet growth and a repricing of the structural hedge, which widened net interest margin ('NIM') from 2.61% in 1H25 to 2.66% in 1H26, offsetting the impacts of Bank of England ('BoE') Base Rate cuts in 2025.

Expected Credit Losses ('ECL') increased by £122m, or 46%, from £263m in 1H25 to £385m in 1H26; this increase is mainly attributable to heightened uncertainty and a deterioration in the forward economic outlook due to the continued conflict in the Middle East.

Operating expenses increased by £41m, or 2% to £2,112m in 1H26, mainly due to an increase in costs incurred on branch security, continued investment in technology and the impact of inflation. These increases were partly mitigated by cost reductions from our organisational simplification.

Loans and advances increased by 4% to £239.9bn in 1H26 led by growth in mortgages and commercial lending, with modest market share growth. Customer accounts increased by 1% to £291.4bn in 1H26.

Our 1H26 reported Return on average tangible equity ('RoTE') of 19.4% is 0.1 percentage points lower than the 1H25 reported RoTE of 19.5%. Supported by a Common equity tier 1 ('CET1') ratio of 13.2% and Liquidity Coverage Ratio ('LCR') of 160% as at 30 June 2026, our balance sheet remains resilient with sufficient capital and liquidity.

Our financial summary, containing further details of our financial performance, can be found on page 4.

Progress in growth areas

In 1H26, we continued to enhance digital servicing and key customer journeys through the RBW mobile app. We expanded in-app mortgage servicing, including redemption quotations and overpayments, and increased retail mortgage stock balances to £140.1bn (FY25: £136.7bn). We also launched the 'Save & Invest' hub, providing customers with a clearer route to investment support and tools and our Wealth balances increased to £134.3bn (FY25: £126.1bn). first direct received external recognition, being named the 2026 Which? 'Banking Brand of the Year' and at 1H26 ranked 2nd in our strategic Net Promoter Score ('NPS') survey (1H25: 1st). HSBC UK improved its NPS rank to 9th at 1H26 (1H25: 10th).

We remain committed to maintaining widespread access to banking across the UK. In 2025, we pledged not to close any further HSBC UK branches until at least 2027, and we continue to invest in our branch network. Alongside our partnerships with Cash Access UK and the Post Office, we provide access to banking in around 12,000 locations nationwide. We have supported banking hubs since their launch and see them as an extension of our branch network.

Our Mid-Market Enterprise ('MME') NPS continues to rank in the top three[1] and at the 2026 Coalition Greenwich Awards we were recognised as 'Best Bank in the United Kingdom' in the Commercial Banking category, and first as Share Leader across UK categories in Commercial and Corporate Banking, reflecting market-leading share. We were also named 'The UK's Best Bank for Large Corporates' at the Euromoney Awards for Excellence 2026 and named '#1 Trade Finance Bank in the UK' by Euromoney.

We continue to support our international network, with 4.8% growth in outbound revenue and 4% growth in multi-jurisdictional revenue year-on-year to May 2026.

We remain committed to supporting small businesses. We have been recognised by Euromoney as 'The UK's Best Bank for Small and medium-sized enterprises ('SMEs')' in 2026 and we improved our NPS rank to 3rd in 2Q26 for businesses with <£3m turnover (2Q25: 6th)[2]. In April 2026, we launched My Business Finances in partnership with Sage, integrating accounting capability directly into HSBC Business Internet Banking. The service enables eligible sole traders to comply with HM Revenue & Customs's (HMRC) Making Tax Digital requirements through embedded accounting software. We also launched 'Copilot Coach', a virtual one-to-one Artificial Intelligence ('AI') coaching service for SMEs, highlighting practical ways AI can help save time, reduce costs and simplify processes. This is available at no additional cost as part of the HSBC Small Business Growth Programme, which is designed to help small businesses grow and build resilience.

1 Source: Savanta. Based on businesses with a turnover £15-350m in Great Britain, YE Q2 2025 (Base: 579) and YE Q2 2026 (Base: 516). Data weighted by region and turnover to be representative of businesses in Great Britain.
2 Source: Savanta. Based on businesses with a turnover of up to £3m in Great Britain, YE Q2 2025 (Base: 7148) and YE Q2 2026 (Base: 6894). Data weighted by region and turnover to be representative of businesses in Great Britain.

UK outlook

UK Gross Domestic Product ('GDP') grew by 0.6% in 1Q26 compared with the previous quarter, but growth has slowed since then, largely due to greater geopolitical uncertainty[1]. Corporate credit growth and mortgage approvals slowed in May 2026, on the back of tighter financial conditions, after a pick-up at the start of the year, though unsecured consumer credit growth remained more stable[2]. Unemployment rose to 5.2% in January 2026 (the highest since 2020) but has since fallen back, and stood at 4.9% in May[1]. Job vacancies have continued to decline, and surveys suggest employers are still cautious about hiring[1]. Consumer Price Index ('CPI') inflation fell to a

15-month low of 2.6% year-on-year in May 2026[1]. The BoE cut Bank Rate by 25 basis points ('bps') for the sixth time in December 2025, taking it to 3.75%, and has kept it unchanged since[2].

There is still significant uncertainty globally, including around the Strait of Hormuz and possible impacts on commodity prices. HSBC Global Investment Research expects GDP growth to slow, with GDP forecast to rise by 1.0% in 2026, and inflation expected to increase to 3.9% year-on-year in November 2026. At the time of writing, the market was pricing in between two quarter-point interest rate rises by mid-2027.

On 19 May 2026, the Government published its Financial Services and Markets Bill, as announced in the King's Speech on 13 May 2026. The Bill will implement a range of measures previously consulted on, including reforms to the Financial Ombudsman Service, Senior Managers and Certification Regime and Consumer Credit Act, and transferring the functions of the Payment Systems Regulator to the Financial Conduct Authority ('FCA'). It will also be the legislative vehicle for implementing some of the outcomes of ongoing reviews by HM Treasury of the ring-fencing regime and access to banking. None of the changes will come into effect in 2026, as the Bill is expected to receive royal assent in 1Q27 at the earliest.

1 Office for National Statistics.
2 Bank of England.

Financial review

Key financial metrics

	Half-year to	
For the period	**30 Jun 2026**	30 Jun 2025
Reported results		
Revenue (£m)[1]	**5,396**	5,120
Profit before tax (£m)[2]	**2,899**	2,786
Profit after tax (£m)	**2,121**	2,044
Profit attributable to the shareholder (£m)	**2,120**	2,041
Net interest margin (%)	**2.66**	2.61
Cost efficiency ratio (%)[2]	**39.1**	40.4
Alternative performance measures		
Expected credit losses and other credit impairment charges as % of average gross loans and advances to customers (annualised) (%)	**0.33**	0.24
Return on average ordinary shareholder's equity (annualised)[2] (%)	**16.0**	16.0
Return on average tangible equity (annualised)[2,5] (%)	**19.4**	19.5

	At	
Balance sheet	**30 Jun 2026**	31 Dec 2025
Total assets (£m)	**369,272**	355,930
Net loans and advances to customers (£m)	**239,853**	231,223
Customer accounts (£m)	**291,403**	288,756
Average interest-earning assets (£m)	**341,185**	328,837
Loans and advances to customers as % of customer accounts (%)	**82.3**	80.1
Total shareholder's equity (£m)	**28,561**	28,241
Tangible ordinary shareholder's equity (£m)	**21,227**	21,149
Capital, leverage and liquidity		
Common equity tier 1 capital ratio (%)[2,3,6]	**13.2**	13.2
Total capital ratio (%)[3,6]	**18.7**	18.6
Risk-weighted assets (£m)[3,6]	**124,338**	117,463
Leverage ratio (%)[3,6]	**5.6**	5.6
High-quality liquid assets (liquidity value) (£m)[3,6]	**90,138**	93,670
Liquidity coverage ratio (%)[3,4,6]	**160**	175

1 Revenue also refers to net operating income before change in expected credit losses and other credit impairment charges.
2 These metrics are tracked as Key Performance Indicator ('KPI')s of the group.
3 Regulatory numbers and ratios are as presented at the date of reporting. Small changes may exist between these numbers and ratios and those subsequently submitted in regulatory filings. Where differences are significant, we will restate in subsequent periods.
4 The LCR is based on the average month-end value over the preceding 12 months.
5 In the event that the current IAS 19 Pension fund surplus was zero, RoTE would be 20.7% (1H25: 21.8%). We refer to this as Pension Adjusted RoTE. Further details are on page 38.
6 Regulatory ratios and requirements are based on Prudential rules in force at the time. 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 UK Bank plc as the 'Prudential rules'.

Financial summary

Summary consolidated income statement

	Half-year to	
	30 Jun 2026	30 Jun 2025
	£m	£m
Net interest income	**4,501**	4,203
Net fee income	**648**	660
Net income from financial instruments held for trading or managed on a fair value basis	**197**	208
Other operating income	**50**	49
Net operating income before change in expected credit losses and other credit impairment charges	**5,396**	5,120
Change in expected credit losses and other credit impairment charges	**(385)**	(263)
Net operating income	**5,011**	4,857
Total operating expenses	**(2,112)**	(2,071)
Operating profit	**2,899**	2,786
Profit before tax	**2,899**	2,786
Tax expense	**(778)**	(742)
Profit for the period	**2,121**	2,044
Profit attributable to shareholder	**2,120**	2,041
Profit attributable to non-controlling interests	**1**	3

Reported performance

Profit before tax ('PBT') in 1H26 was £2,899m, up £113m (4%) from 1H25.

Revenue rose £276m (5%) to £5,396m in 1H26.

Net interest income ('NII') increased £298m (7%) from £4,203m to £4,501m, resulting from balance sheet growth and a repricing of the structural hedge, which widened NIM from 2.61% in 1H25 to 2.66% in 1H26, offsetting the impacts of BoE Base Rate cuts in 2025.

Net fee income fell £12m (2%) to £648m, mainly due to strategic actions taken to support small business account clients in Commercial Banking. This was partly offset by higher commercial lending fees and Private Bank fees, supported by strong growth in clients' investment balances.

Net income from financial instruments (trading or fair value) decreased £11m (5%) from £208m in 1H25 to £197m in 1H26.

Expected credit losses ('ECL') rose £122m (46%) from £263m in 1H25 to £385m, due to increased uncertainty and a weaker economic outlook linked to the continued conflict in the Middle East.

Operating expenses increased £41m (2%) to £2,112m, mainly from higher branch security costs, continued technology investment, and inflation. This was partly offset by savings from organisational simplification.

The **Effective Tax Rate ('ETR')** was 26.8% (1H25: 26.6%), below the 28% statutory tax rate ('STR') for UK banking entities, mainly due to tax relief on Additional Tier 1 ('AT1') coupon payments.

Net interest income

	Half-year to	
	30 Jun 2026	30 Jun 2025
	£m	£m
Interest income	**7,516**	7,346
Interest expense	**(3,015)**	(3,143)
Net interest income	**4,501**	4,203
Average interest-earning assets	**341,185**	325,075
	%	%
Gross interest yield[1]	**4.44**	4.56
Less: Gross interest payable[1]	**(2.22)**	(2.44)
Net interest spread[2]	**2.22**	2.12
Net interest margin[3]	**2.66**	2.61

1 Gross interest yield is the annualised interest income as a percentage of Average interest-earning assets ('AIEA'). Gross interest payable is the annualised interest expense as a percentage of average interest-bearing liabilities.
2 Net interest spread is the difference between the gross interest yield and the gross interest payable.
3 NIM is NII as a percentage of AIEA.

NIM increased from 2.61% in 1H25 to 2.66% in 1H26, primarily driven by the benefit from the structural hedge repricing and partly offset by narrowing of commercial lending margins.

Return on average tangible equity ('RoTE')

RoTE is measured as reported profit attributable to the ordinary shareholder, excluding impairment of goodwill and other intangible assets for the period, divided by average reported equity adjusted for goodwill and intangibles. A reconciliation is provided on page 38, which details the adjustments made to the reported results and equity in calculating RoTE.

In 1H26, our annualised RoTE was 19.4% which was broadly flat to the 1H25 annualised RoTE of 19.5%.

Alternative Performance Measures

To measure our performance, we supplement our IFRS Accounting Standards figures with non-IFRS Accounting Standards measures, which constitute alternative performance measures. All alternative performance measures are reconciled to the closest reported performance measure.

Segmental reporting

The HSBC UK businesses are our reportable segments under IFRS 8.

The HSBC Group Chief Executive, supported by the rest of the HSBC Group Operating Committee, is considered the Chief Operating Decision Maker ('CODM') for the purposes of identifying HSBC Group's, and therefore HSBC UK's reportable segments. HSBC UK's CODM is the HSBC UK Chief Executive, supported by the HSBC UK Operating Committee.

Our operations are closely integrated and, accordingly, the presentation of data includes internal allocations of certain items of income and expense. These allocations include the costs of certain support services and global functions to the extent that they can be meaningfully attributed to global businesses. While such allocations have been made on a systematic and consistent basis, they necessarily involve a degree of subjectivity. Costs which are not allocated to global businesses are included in Corporate Centre.

Where relevant, income and expense amounts presented include the results of inter-segment funding along with inter-company and inter-business line transactions. All such transactions are undertaken on arm's length terms. The intra-group elimination items are presented in the Corporate Centre. A description of our businesses is provided in page 1.

Profit before tax and balance sheet data for the period

(Reviewed)

	Half-year to 30 Jun 2026					
	Retail Banking and Wealth	Commercial Banking	Corporate and Institutional Banking	Private Bank	Corporate Centre	Total
	£m	£m	£m	£m	£m	£m
Net operating income/(expense) before change in expected credit losses and other credit impairment charges	**2,531**	**2,466**	**265**	**137**	**(3)**	**5,396**
– external	**2,464**	**2,367**	**276**	**101**	**188**	**5,396**
– inter-segment	**67**	**99**	**(11)**	**36**	**(191)**	**—**
– of which: net interest income/(expense)	**2,283**	**2,067**	**134**	**71**	**(54)**	**4,501**
Change in expected credit losses and other credit impairment charges	**(157)**	**(219)**	**(3)**	**(6)**	**—**	**(385)**
Net operating income/(expense)	**2,374**	**2,247**	**262**	**131**	**(3)**	**5,011**
Total operating (expenses)/income	**(1,266)**	**(729)**	**(65)**	**(87)**	**35**	**(2,112)**
Operating profit	**1,108**	**1,518**	**197**	**44**	**32**	**2,899**
Profit before tax	**1,108**	**1,518**	**197**	**44**	**32**	**2,899**
	%	**%**	**%**	**%**	**%**	**%**
Cost efficiency ratio	**50.0**	**29.6**	**24.5**	**63.5**	**1,166.7**	**39.1**
	At 30 Jun 2026					
Balance sheet information						
Loans and advances to customers	**154,203**	**77,225**	**3,550**	**5,097**	**(222)**	**239,853**
Customer accounts	**175,281**	**97,285**	**10,415**	**9,157**	**(735)**	**291,403**
	Half-year to 30 Jun 2025					
Net operating income/(expense) before change in expected credit losses and other credit impairment charges	2,311	2,444	244	135	(14)	5,120
– external	2,208	2,337	294	93	188	5,120
– inter-segment	103	107	(50)	42	(202)	—
– of which: net interest income/(expense)	2,064	2,020	116	70	(67)	4,203
Change in expected credit losses and other credit impairment charges	(137)	(116)	3	(13)	—	(263)
Net operating income/(expense)	2,174	2,328	247	122	(14)	4,857
Total operating (expenses)/income	(1,233)	(738)	(60)	(85)	45	(2,071)
Operating profit	941	1,590	187	37	31	2,786
Profit before tax	941	1,590	187	37	31	2,786
	%	%	%	%	%	%
Cost efficiency ratio	53.4	30.2	24.6	63.0	321.4	40.4
	At 31 Dec 2025					
Balance sheet information						
Loans and advances to customers	150,400	73,138	3,101	4,785	(201)	231,223
Customer accounts	173,847	95,599	10,749	9,307	(746)	288,756

Retail Banking and Wealth

PBT of £1,108m in 1H26 was £167m or 18% higher than 1H25, due to higher revenue, partly offset by higher ECL and an increase in operating expenses.

Revenue increased by £220m, or 10%, to £2,531m, reflecting balance sheet growth and a repricing of the structural hedge, partly offset by the impact of base rate cuts in 2025.

ECL of £157m in 1H26 was £20m or 15% higher than 1H25, mainly reflecting heightened uncertainty and a deterioration in the forward economic outlook due to the escalation of conflict in the Middle East.

Operating expenses increased by £33m, or 3%, to £1,266m, driven by an increase in costs incurred on branch security, continued investment in technology and the impact of inflation. These increases were partly mitigated by cost reductions from our organisational simplification.

Commercial Banking

PBT of £1,518m in 1H26 was £72m or 5% lower than 1H25, mainly driven by higher ECL.

Revenue increased by £22m, or 1%, to £2,466m, resulting from the benefits of balance sheet growth and repricing of the structural hedge, partly offset by base rate cuts in 2025.

ECL increased by £103m, or 89%, to £219m in 1H26, this increase is mainly attributable to heightened uncertainty and a deterioration in the forward economic outlook due to the escalation of conflict in the Middle East.

Operating expenses are broadly stable at £729m.

Corporate and Institutional Banking

Effective 1 January 2026 HSBC UK created a single UK GNB team to augment international client support, drive growth, and expedite decision-making. Consequently, a set of customers were transferred from CMB to CIB, resulting in the reclassification as of 30 Jun 25 of £164m of net operating income (£342m at 31 Dec 25) / £131m of PBT (£268m at 31 Dec 25) / £50m of net fee income (£104m at 31 Dec 25) /£2.7bn loans and advances to customers (£3.1bn at 31 Dec 25) / £9.2bn customer accounts (£10.7bn at 31 Dec 25). Segmental comparative data, including Note 2, have been re-presented on this basis.

PBT of £197m in 1H26 was £10m, or 5%, higher than 1H25.

Revenue increased by £21m, or 9%, to £265m, led by GNB resulting from the benefits of balance sheet growth and repricing of the structural hedge, partly offset by base rate cuts in 2025.

ECL increased by £6m, to £3m in 1H26.

Operating expenses increased by £5m, 8%, to £65m in 1H26.

Private Bank

PBT of £44m in 1H26 was £7m or 19% higher than 1H25, primarily driven by lower ECL.

Revenue was stable at £137m, £2m, or 1%, higher than 1H25.

ECL decreased by £7m from £13m in 1H25 to £6m in 1H26, mainly due to lower Stage 3 charges, partly offset by a deterioration in the forward economic outlook due to the escalation of conflict in the Middle East.

Operating expenses are broadly stable at £87m.

Corporate Centre

PBT of £32m in 1H26 was stable compared to 1H25.

Dividends

The consolidated reported profit for the period attributable to the shareholder of the bank was £2,120m.

Interim dividends of £1,429m were paid on ordinary share capital during 1H26, of which £1,076m relates to the previous financial year and £353m relates to the current financial year. £138m of dividends were paid in respect of AT1 capital instruments.

On 22 July 2026, the Directors resolved to pay an interim dividend of £828m to the ordinary shareholder in respect of the financial year ending 31 December 2026.

▶ Further information regarding dividends is given in Note 5.

Summary consolidated balance sheet as at

	30 Jun 2026 £m	31 Dec 2025 £m
Total assets	**369,272**	355,930
– cash and balances at central banks	**42,893**	40,369
– financial assets mandatory measured at fair value through profit and loss	**157**	175
– derivative assets	**213**	167
– loans and advances to banks	**5,209**	6,636
– loans and advances to customers	**239,853**	231,223
– reverse repurchase agreements – non-trading	**21,695**	21,560
– financial investments	**44,858**	41,638
– other assets	**14,394**	14,162
Total liabilities	**340,711**	327,669
– deposits by banks	**7,707**	7,709
– customer accounts	**291,403**	288,756
– repurchase agreements – non-trading	**15,403**	6,276
– derivative liabilities	**118**	162
– debt securities in issue	**2,747**	3,019
– other liabilities	**23,333**	21,747
Total equity	**28,561**	28,261
– total shareholder's equity[1]	**28,561**	28,241
– non-controlling interests	**—**	20

1 Total shareholder's equity includes share capital, AT1 instruments and reserves.

HSBC UK maintained a strong and liquid balance sheet. The ratio of customer advances to customer accounts increased to 82% from 80% at 31 December 2025.

Assets

Cash and balances at central banks increased by £2.5bn driven by an increase in customer accounts and repurchase agreements, partly offset by increased customer lending and redeployment into other asset classes to optimise returns, including in our structural hedge.

Loans and advances to banks decreased by £1.4bn mainly due to a reduction in cash held for net settlement schemes of £1.6bn.

Loans and advances to customers increased by £8.6bn, mainly due to an increase in RBW of £3.8bn, which was predominantly due to mortgage lending, and CMB growth of £4.1bn.

Financial investments increased by £3.2bn mainly due to Treasury management activities.

Liabilities

Customer accounts increased by £2.6bn, which is predominantly driven by an increase in short term Markets Treasury deposits from HSBC Holdings plc of £2.1bn. These deposits are allocated to CMB (£1.1bn), RBW (£0.8bn), PB (£0.1bn) and Corporate Centre (£0.1bn) in line with our reportable segments policy.

Repurchase agreements – non-trading have increased by £9.1bn as part of activities to manage the cash and collateral efficiently.

Subordinated liabilities increased by £1.3bn mainly due to net debt issued.

Equity

Total shareholder equity, including non-controlling interests, increased by £0.3bn or 1.1% compared with 31 December 2025.

This reflected other equity instruments issued of £0.3bn and profits generated of £2.1bn, offset by dividend payments of £1.6bn and a reduction in other comprehensive income ('OCI') of £0.5bn mainly from cashflow hedge reserves.

Risk overview

Our risk exposures and how we manage these are explained in more detail in the Risk section of the Report of the Directors on pages 14 to 22 of the Annual Report and Accounts 2025.

Managing risk

We maintain a proactive approach to managing our exposure to economic, financial and geopolitical risks, supported by continuous monitoring and review. Developments in these areas have historically affected, and may in the future materially affect, HSBC UK's customers, operations and financial risk profile.

Geopolitical and macroeconomic risk

Geopolitical developments remain a source of uncertainty and may adversely impact HSBC UK and our customers. In particular the conflict in the Middle East has resulted in periodic financial market volatility, higher and more variable oil and gas prices and disruption throughout supply chains.

These developments could constrain UK growth and increase the risk of higher and more sustained inflation. Supply chain disruptions have materialised in some corridors and could have long-lasting implications for the direction of trade, and for energy, military and economic security. We maintain close oversight of developments, with a focus on potential impacts on our customers and suppliers.

We also continue to monitor the Russia-Ukraine war, and any indication of other potential military action or conflict elsewhere. Heightened strategic competition between the US and China, including cross-border investment restrictions, is also affecting the configuration of global supply chains, which may in turn affect HSBC UK's operations.

Sanctions and restrictions on trade and investment are continually evolving in response to geopolitical events and may adversely affect HSBC UK, its customers and the markets in which it operates. These factors may result in increased legal, regulatory, reputational and market risks, and a more complex operating environment.

Trade and tariff policy developments remain a source of uncertainty for businesses and consumers. Changes to tariff rates, including sector-specific measures, could reduce capital investment and consumer spending, disrupt supply chains and dampen global trade growth. While the reconfiguration of trade and supply routes may create new opportunities for investment and growth, it could also adversely affect HSBC UK and our customers.

We remain subject to interest rate risk, which can affect net interest income, the fair value of our assets and liabilities, and overall financial performance. Interest rate volatility may increase in response to changes in inflation expectations, energy prices, fiscal policy and geopolitical developments, which can alter market expectations for the timing and pace of interest rate changes. In the year to date, the Bank of England has left interest rates unchanged, even though inflation risks are assessed to have increased.

Higher interest rates, or a prolonged period of restrictive policy, could reduce loan demand across key consumer and business segments, weaken credit quality and weigh on real estate and other asset prices. By contrast, lower interest rates, or faster than expected policy easing could put pressure on net interest margins and adversely affect profitability. Interest rate uncertainty may also contribute to broader market volatility, affecting funding costs, hedging effectiveness and the valuation of financial instruments. The duration and severity of any market disruption remains uncertain and could change significantly if geopolitical outcomes differ materially from market expectations.

Our risk profile may be influenced by fiscal policies, public deficits and levels of sovereign indebtedness. Government debt levels have increased, reflecting higher social welfare commitments and increased expenditure on defence, energy security and climate transition. Heightened political uncertainty in the UK has increased risks to the medium-term fiscal outlook and the application of the fiscal rules, resulting in higher long-term interest rates. Rising government funding costs may also constrain economic growth by increasing the private sector borrowing rates across the economy. They could also create refinancing risks for our customers and counterparties, with implications for credit quality and market conditions.

We continue to monitor investment and developments in the artificial intelligence ('AI') and technology sectors. While AI may improve productivity and growth, there is a risk that the expected gains fail to materialise or take longer than expected. This could contribute to a disruptive correction to the valuations of AI and technology related assets. AI adoption may also disrupt established business models and labour markets, potentially increasing unemployment in certain sectors and markets. These risks could affect HSBC UK's risk profile and earnings, including by impairing the creditworthiness of borrowers, increasing the financial vulnerability of customers and decreasing the value of collateral and other claims.

In the first half of 2026, management adjustments to ECL were applied to reflect sector or portfolio risks that are not fully captured by our models. We continue to monitor, and seek to manage, the potential implications of all the above developments on our customers and our business.

Our operations

We remain committed to investing in the reliability and resilience of our technology systems and critical services, including our ability to withstand and respond to cyber-attacks. We assess our third parties to ensure they deliver the service standards required to maintain operational resilience. This helps protect customers and counterparties minimise the risk of service disruption. In our approach to defending against these threats, we invest in business and technical controls to help us detect, prevent, respond to, recover and learn from issues in a timely manner within our risk appetite.

HSBC UK is committed to using AI responsibly. We are working to balance the opportunity AI presents to accelerate delivery of our strategy with the need for appropriate controls to help mitigate the associated risks. To help meet HSBC UK's needs and regulatory expectations for AI, whether developed internally or facilitated through third parties, we continue to enhance our AI oversight, governance, lifecycle management and risk framework.

HSBC's Principles for the Ethical Use of Data and AI are available at www.hsbc.com/ai.

We continue to focus on building sustainable data infrastructure that seeks to deliver long-term business benefits and improve the quality and timeliness of the data used to support informed management decisions.

We are advancing our strategic and regulatory change initiatives to help deliver the right outcomes for our customers, people, investors and communities.

- For further details of our Central and other economic scenarios, see page 13.
- For further details of our risk management framework, see page 14 of our Annual Report and Accounts 2025.

Top and Emerging Risks

We identify and report top and emerging risks so that they can be considered in determining whether any incremental action is needed to either prevent them from materialising or to limit their effect. Top risks are those that have the potential to have a material adverse impact on the financial results, reputation or business model of HSBC UK. We actively manage and take actions to mitigate our top risks. Emerging risks are those that, while they could have a material impact on our risk profile were they to occur, are not considered immediate and are not under active management.

Our suite of top and emerging risks is subject to regular review by senior governance forums. The risk rating is based on Risk Steward subjective assessment, taking into account the inherent risk environment including both internal and external developments. We continue to monitor closely the identified risks and agree management actions to remediate and/or reduce them to acceptable levels, as required.

► For further details on our top and emerging risks, see page 8 and page 16 of our Annual Report and Accounts 2025.

Top and emerging risks

Risk	Description
Externally driven	
Geopolitical and macroeconomic risk	Our operations and portfolios are exposed to risks arising from political instability, civil unrest and military conflict, which could lead to disruption of our operations, physical risk to our staff and/or physical damage to our assets. We are also subject to macroeconomic risks, which may drive changes to our income growth and asset quality. Heightened geopolitical and macroeconomic risk globally, including uncertainty in international trade policy, is subject to close monitoring and review.
Technology and cybersecurity risk	There is an increased risk of service disruption or loss of data arising from technology failures or malicious activity from internal or external threat actors. This is driven by a rapidly evolving external threat environment, where AI is enabling cyber activity to become faster and more scalable across both direct and third-party channels. We continue to monitor changes to the technology and threat landscape, including those arising from ongoing geopolitical and macroeconomic events and the impact these may have on risk management. We operate a continuous improvement programme to help support the resilience and stability of our technology operations and counter a fast-evolving and heightened cyber threat environment, including in response to frontier AI models.
Environmental, social and governance (ESG) risk	We are subject to ESG risks, including in relation to climate change, nature and human rights. These risks have increased due to diverging national and political agendas, a more complex and prescriptive regulatory environment, as well as increasing frequency of severe weather events across the globe. Financial institutions' actions and investment decisions in respect of ESG matters continue to be subject to heightened scrutiny by stakeholders. Failure to meet these evolving expectations may have financial and non-financial impacts, including reputational, legal and regulatory compliance risks.
Financial crime risk	We are exposed to financial crime risk from our customers, staff and third parties engaging in criminal activity. The financial crime risk environment is heightened due to increasingly complex geopolitical challenges, the macroeconomic outlook, the complex and dynamic nature of sanctions and export control compliance, evolving financial crime regulations, rapid technological developments, an increasing number of national data privacy requirements and the increasing sophistication of fraud. As a result, we will continue to face the possibility of regulatory enforcement and reputational risk.
Digitalisation and technological advances risk	Developments in technology and the evolving regulatory environment continue to enable new entrants to the banking industry as well as new products and services offered by competitors. This challenges us to continue to innovate with new digital capabilities and evolve our products, to attract, retain and best serve our customers. Along with opportunities, new technology, including generative and agentic AI, can introduce risks and disruption. We seek to manage technology developments with appropriate controls and oversight.
Evolving regulatory environment risk	The regulatory risk environment is increasingly complex, with ongoing focus by regulators to improve outcomes for the HSBC UK's customers, particularly vulnerable customers, as well as the orderly and transparent operation of financial markets. Other regulatory priorities include operational resilience (which includes cyber risk and AI), resolvability, prudential requirements (including impacts arising from Basel 3.1), data strategy, ESG, conduct, possible changes to the ring-fenced bank regime as well as sound risk and financial crime risk management practices. We continue to monitor regulatory and wider industry developments closely, engaging with regulators as appropriate.
Credit risk	Our lending portfolios continue to be exposed to the ongoing geopolitical and macroeconomic risks, including commodity and energy price volatility, tariff uncertainty, supply chain disruption and weaker demand driven by higher costs. Our credit portfolios remain resilient despite inflationary pressures and the potential for further base rate increases that could affect customer affordability. As the UK labour market weakens, we continue to support customers who may experience financial difficulty.
Internally driven	
Data risk	We use data to serve our customers and run our operations, often in real-time within digital experiences and processes. If our data is not accurate and timely, our ability to serve customers, operate with resilience or meet regulatory requirements could be impacted. We seek to ensure that non-public data is kept confidential, and that we comply with the growing number of regulations that govern data privacy and cross-border movement of data.
Third-party risk	We procure goods and services from a range of third parties. In the current macroeconomic and geopolitical climate, the risk of service disruption in our supply chains is elevated, partly due to an industry-wide increase in supply chain cyber threats. We continue to seek to strengthen our controls, oversight and risk management policies and processes to select and manage third parties, including our third parties' own supply chains, particularly for key activities that could affect our operational resilience.
Model risk	Model risk arises whenever business decision making includes reliance on models. We use models in both financial and non-financial contexts, as well as in a range of business applications. Evolving regulatory requirements and enhanced expectations continue to drive changes in how model risk is managed throughout the banking industry, with particular focus on capital and credit loss models. New technologies, including generative AI, drive the need for enhanced model risk controls.
Strategic execution risk	Successful execution of our strategy enables us to help address the changing needs of our customers and stakeholders. We are committed to enhancing the effectiveness of strategic execution risk controls and monitoring. This will help us minimise disruptions during a period of heightened execution risk, driven by the complexity and scale of ongoing strategic, regulatory and technological change.
People risk	We are exposed to risks associated with employee retention and talent availability, the evolving skills requirements of our workforce, and compliance with employment laws and regulations. The skills required across the workforce continue to evolve in response to ongoing strategic, regulatory and technological change, increasing the need for timely upskilling and reskilling to maintain capability and capacity. Voluntary attrition rates are stable, but failure to manage these risks may impact the delivery of our strategic objectives or lead to regulatory sanctions or legal claims, and the risks are heightened during the implementation of organisational change.
Conduct and customer detriment	Consumer Duty remains embedded in our culture, policies, and practices, including placing customers at the heart of everything we do. Inadequate management of our Conduct agenda could result in poor customer outcomes and expose HSBC UK to reputational and compliance risks. We continue to seek to improve our reporting MI across products and customer journeys, particularly for our vulnerable customers.

Risk		Description
Internally driven (continued)		
IT systems infrastructure and service resilience	▶	Enhancing operational resilience across the complex HSBC UK technology estate remains a strategic priority. Our technology modernisation and simplification agenda aims to reduce resilience vulnerabilities and better protect Important Business Services, including through improved recoverability and reduced complexity. We continue to adopt cloud services including risk assessment and regulatory engagement, supported by governance and controls to manage associated risks such as third-party dependency, concentration, data security and exit planning, in line with regulatory expectations. Developments in technology, including AI, create opportunities to enhance digital capabilities, customer experience, workforce transition/capability uplift, but also introduce risks that require careful management, including data protection, model risk, cyber security, operational disruption and third-party risk.

▲ Risk heightened during the first half of 2026

▶ Risk remained at the same level as 31 December 2025

Risk

We recognise that the primary role of risk management is to help protect our customers, business, colleagues, shareholders and the communities that we serve, while ensuring we are able to support our strategy and provide sustainable growth.

All our people are responsible for the management of risk, with the ultimate supervisory oversight residing with the Board of Directors. Our Risk and Compliance function, led by the Chief Risk and Compliance Officer, is responsible for embedding the Group Risk Management Framework ('RMF'). It operates independently from the business segments, including our sales and trading functions, providing challenge, oversight and appropriate balance of risk and reward in decision-making.

The RMF sets out our risk management approach across the organisation and across all risk types, underpinned by our culture and values. It helps us form an enterprise-wide view of the risks we run and the key principles and practices that we employ in managing these risks, both financial and non-financial. It sets out how we identify, assess and manage the risks that matter the most with respect to our ability to operate, grow, and meet external commitments. It translates our strategy, values and commitments into practical actions and risk-based decisions.

▶ A summary of our current policies and practices regarding the management of risk is set out in the 'Risk management' section on pages 16 to 25 of the Annual Report and Accounts 2025.

Key developments in the first half of 2026

In the first half of 2026, we continued to manage risks related to macroeconomic and geopolitical uncertainties. We also continue to actively help review and develop our RMF and enhance our approach to managing risks. We retained focus on risk transformation and financial crime, and continued to assess HSBC UK's operational resilience capability while prioritising the most significant enterprise risks described in our Annual Report and Accounts 2025. More specifically, we sought to enhance our risk management in the following areas:

- 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.
- We continue to oversee delivery of the Group Data Strategy initiative, ensuring the UK approach remains closely aligned, while strengthening controls to improve the resilience and sustainability of the UK data risk environment.
- We enhanced our technology and cybersecurity controls to help improve the resilience and security of our technology services in response to the heightened external threat environment.
- We continued to evaluate and deploy technological solutions to improve our capabilities in the detection and prevention of financial crime.
- We responded to new innovations in the financial system, including growing adoption of digital assets and currencies, as well as the evolving use of AI through reviewing and enhancing controls across risk areas to help us and our customers safely benefit from innovation.
- As HSBC UK expands its use of AI, we will maintain human judgement, human decision making and human accountability at the core. We are developing an integrated capability model and will continue to equip our colleagues with the knowledge and skills to understand, develop and use AI technologies responsibly.
- We continued to prioritise the redevelopment of internal ratings-based models to meet Basel 3.1 requirements and maintained implementation of requirements related to the PRA's supervisory statement 1/23 – 'Model risk management principles for banks' on track. We also progressed enhancements to the RMF and monitoring processes to help support responsible adoption and oversight of models using AI or generative AI techniques.
- We continued to enhance our processes, framework and control to improve the oversight of our third parties. We have strengthened our due diligence and ongoing monitoring, including consideration of the financial resilience of key suppliers, and continued to improve operational resilience through clearer continuity and exit planning for critical services and improved visibility of our supply chain. This supports our focus on maintaining continuity of important services and minimising disruption for customers.
- The HSBC Group continues to enhance the way it identifies and manages climate-related risks which we have embedded in HSBC UK. This is achieved through risk policies and the further development of our risk metrics and assessments to help monitor and manage exposures across our organisation.
- We have refreshed our conduct approach to ensure it remains clear, accessible and aligned with how we work today, while seeking to maintain the same strong standards and to enhance our capability to drive positive outcomes for our customers and protect the integrity of financial markets.

Credit risk

Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract. It arises principally from direct lending, trade finance and leasing business, but also from other products such as guarantees and derivatives.

A summary of our current policies and practices for the management of credit risk is set out in 'Credit risk management' on page 23 of the Annual Report and Accounts 2025.

Credit risk in the first half of 2026

Summary of credit risk

The disclosure below presents the gross carrying/nominal amount of financial instruments to which the impairment requirements in IFRS 9 are applied and the associated allowance for ECL.

On 31 December 2025, the IFRS 9 allowance for ECL was £1,601m. This allowance has increased by £139m to £1,740m at 30 June 2026.

The IFRS 9 allowance for ECL at 30 June 2026 comprises £1,625m in respect of assets held at amortised cost and £115m in respect of loan commitments and financial guarantees.

The following table provides an overview of the group's credit risk exposure.

Summary of financial instruments to which the impairment requirements in IFRS 9 are applied

	At 30 Jun 2026		At 31 Dec 2025	
	Gross carrying/ nominal amount	Allowance for ECL[1]	Gross carrying/ nominal amount	Allowance for ECL[1]
	£m	£m	£m	£m
Loans and advances to customers at amortised cost	241,473	(1,620)	232,736	(1,513)
Loans and advances to banks at amortised cost	5,209	—	6,636	—
Other financial assets measured at amortised cost	91,269	(5)	84,064	(8)
– cash and balances at central banks	42,893	—	40,369	—
– reverse repurchase agreements – non-trading	21,695	—	21,560	—
– financial investments	23,415	(1)	19,112	(1)
– prepayments, accrued income and other assets[2]	3,266	(4)	3,023	(7)
Total gross carrying amount on-balance sheet	337,951	(1,625)	323,436	(1,521)
Loans and other credit-related commitments	86,328	(104)	79,771	(69)
Financial guarantees	1,416	(11)	1,197	(11)
Total nominal amount off-balance sheet[3]	87,744	(115)	80,968	(80)
	425,695	(1,740)	404,404	(1,601)

	Fair value	Memorandum allowance for ECL[4]	Fair value	Memorandum allowance for ECL[4]
	£m	£m	£m	£m
Debt instruments measured at FVOCI	21,444	—	22,526	—

1 The total ECL is recognised in the loss allowance for the financial asset unless the total ECL exceeds the gross carrying amount of the financial asset, in which case the ECL is recognised as a provision.
2 Includes only those financial instruments which are subject to the impairment requirements of IFRS 9. 'Prepayments, accrued income and other assets', as presented within the consolidated balance sheet on page 30, includes both financial and non-financial assets, including cash collateral, settlement accounts and items in the course of collection from other banks.
3 Represents the maximum amount at risk should the contracts be fully drawn upon and clients default.
4 Debt instruments measured at FVOCI continue to be measured at fair value with the allowance for ECL as a memorandum item. Change in ECL is recognised in 'Change in expected credit losses and other credit impairment charges' in the income statement.

The following table provides an overview of the group's credit risk by stage and industry, and the associated ECL coverage. The financial assets recorded in each stage have the following characteristics:

- Stage 1: These financial assets are unimpaired and without significant increase in credit risk ('SICR') for which a 12-month allowance for ECL is recognised.
- Stage 2: A SICR has been experienced on these financial assets since initial recognition for which a lifetime ECL is recognised.
- Stage 3: There is objective evidence of impairment, and the financial assets are therefore considered to be in default or otherwise credit impaired for which a lifetime ECL is recognised.
- Purchased or originated credit impaired ('POCI'): Financial assets that are purchased or originated at a deep discount are seen to reflect the incurred credit losses for which a lifetime ECL is recognised. We did not have any such exposures as at 30 June 2026 or as at 31 December 2025.

Summary of credit risk (excluding debt instruments measured at FVOCI) by stage distribution and ECL coverage by industry sector

	Gross carrying/nominal amount[1]				Allowance for ECL				ECL coverage %			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	£m	£m	£m	£m	£m	£m	£m	£m	%	%	%	%
Loans and advances to customers at amortised cost	218,544	19,727	3,202	241,473	(334)	(538)	(748)	(1,620)	0.2	2.7	23.4	0.7
– personal	148,214	9,624	863	158,701	(167)	(268)	(197)	(632)	0.1	2.8	22.8	0.4
– corporate and commercial	61,739	9,696	2,281	73,716	(158)	(257)	(498)	(913)	0.3	2.7	21.8	1.2
– non-bank financial institutions	8,591	407	58	9,056	(9)	(13)	(53)	(75)	0.1	3.2	91.4	0.8
Loans and advances to banks at amortised cost	5,209	—	—	5,209	—	—	—	—	—	—	—	—
Other financial assets measured at amortised cost	91,158	80	31	91,269	(1)	(3)	(1)	(5)	—	3.8	3.2	—
Loan and other credit-related commitments	82,980	3,123	225	86,328	(34)	(16)	(54)	(104)	—	0.5	24.0	0.1
– personal	44,893	587	28	45,508	(10)	(4)	—	(14)	—	0.7	—	—
– corporate and commercial	30,848	2,394	197	33,439	(23)	(12)	(54)	(89)	0.1	0.5	27.4	0.3
– financial	7,239	142	—	7,381	(1)	—	—	(1)	—	—	—	—
Financial guarantee and similar contracts	1,305	77	34	1,416	—	—	(11)	(11)	—	—	32.4	0.8
– personal	307	—	—	307	—	—	—	—	—	—	—	—
– corporate and commercial	623	77	34	734	—	—	(11)	(11)	—	—	32.4	1.5
– financial	375	—	—	375	—	—	—	—	—	—	—	—
At 30 Jun 2026	399,196	23,007	3,492	425,695	(369)	(557)	(814)	(1,740)	0.1	2.4	23.3	0.4

Summary of credit risk (excluding debt instruments measured at FVOCI) by stage distribution and ECL coverage by industry sector (continued)

	Gross carrying/nominal amount[1]				Allowance for ECL				ECL coverage %			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	£m	£m	£m	£m	£m	£m	£m	£m	%	%	%	%
Loans and advances to customers at amortised cost	210,641	18,642	3,453	232,736	(284)	(477)	(752)	(1,513)	0.1	2.6	21.8	0.7
– personal	142,951	10,823	895	154,669	(149)	(235)	(191)	(575)	0.1	2.2	21.3	0.4
– corporate and commercial	59,346	7,633	2,500	69,479	(127)	(240)	(508)	(875)	0.2	3.1	20.3	1.3
– non-bank financial institutions	8,344	186	58	8,588	(8)	(2)	(53)	(63)	0.1	1.1	91.4	0.7
Loans and advances to banks at amortised cost	6,636	—	—	6,636	—	—	—	—	—	—	—	—
Other financial assets measured at amortised cost	83,957	78	29	84,064	(1)	(3)	(4)	(8)	—	3.8	13.8	—
Loan and other credit-related commitments	77,089	2,480	202	79,771	(33)	(16)	(20)	(69)	—	0.6	9.9	0.1
– personal	41,165	600	32	41,797	(11)	(4)	—	(15)	—	0.7	—	—
– corporate and commercial	31,687	1,763	170	33,620	(20)	(12)	(20)	(52)	0.1	0.7	11.8	0.2
– financial	4,237	117	—	4,354	(2)	—	—	(2)	—	—	—	—
Financial guarantee and similar contracts	1,127	33	37	1,197	—	—	(11)	(11)	—	—	29.7	0.9
– personal	303	—	—	303	—	—	—	—	—	—	—	—
– corporate and commercial	563	33	37	633	—	—	(11)	(11)	—	—	29.7	1.7
– financial	261	—	—	261	—	—	—	—	—	—	—	—
At 31 Dec 2025	379,450	21,233	3,721	404,404	(318)	(496)	(787)	(1,601)	0.1	2.3	21.2	0.4

1 Represents the maximum amount at risk should the contracts be fully drawn upon and clients default.

Unless identified at an earlier stage, all financial assets are deemed to have suffered a SICR when they are 30 days past due ('DPD') and are transferred from Stage 1 to Stage 2. The following disclosure presents the ageing of Stage 2 financial assets by those less than 30 DPD and greater than 30 DPD and therefore presents those financial assets classified as stage 2 due to ageing (30 DPD) and those identified at an earlier stage (less than 30 DPD).

Stage 2 days past due analysis

	Gross carrying amount				**Allowance for ECL**				**ECL coverage %**			
	Stage 2	**of which: Up-to-date**	**of which: 1 to 29 DPD[1]**	**of which: 30 and > DPD[1]**	**Stage 2**	**of which: Up-to-date**	**of which: 1 to 29 DPD[1]**	**of which: 30 and > DPD[1]**	**Stage 2**	**of which: Up-to-date**	**of which: 1 to 29 DPD[1]**	**of which: 30 and > DPD[1]**
At 30 Jun 2026	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**%**	**%**	**%**	**%**
Loans and advances to customers at amortised cost	**19,727**	**19,242**	**328**	**157**	**(538)**	**(466)**	**(39)**	**(33)**	**2.7**	**2.4**	**11.9**	**21.0**
– personal	**9,624**	**9,306**	**217**	**101**	**(268)**	**(206)**	**(33)**	**(29)**	**2.8**	**2.2**	**15.2**	**28.7**
– corporate and commercial	**9,696**	**9,531**	**109**	**56**	**(257)**	**(247)**	**(6)**	**(4)**	**2.7**	**2.6**	**5.5**	**7.1**
– non-bank financial institutions	**407**	**405**	**2**	**—**	**(13)**	**(13)**	**—**	**—**	**3.2**	**3.2**	**—**	**—**
Other financial assets measured at amortised cost	**80**	**80**	**—**	**—**	**(3)**	**(3)**	**—**	**—**	**3.8**	**3.8**	**—**	**—**
At 31 Dec 2025												
Loans and advances to customers at amortised cost:	18,642	18,208	274	160	(477)	(412)	(35)	(30)	2.6	2.3	12.8	18.8
– personal	10,823	10,534	176	113	(235)	(181)	(28)	(26)	2.2	1.7	15.9	23.0
– corporate and commercial	7,633	7,488	98	47	(240)	(229)	(7)	(4)	3.1	3.1	7.1	8.5
– non-bank financial institutions	186	186	—	—	(2)	(2)	—	—	1.1	1.1	—	—
Other financial assets measured at amortised cost	78	78	—	—	(3)	(3)	—	—	3.8	3.8	—	—

1 DPD amounts presented above are on a contractual basis.

Stage 2 decomposition

The following disclosure presents the stage 2 decomposition of gross carrying amount and associated allowances for ECL for loans and advances to customers and banks. It also sets out the reasons that caused the exposures to be classified as stage 2 and therefore presented as a SICR at 30 June 2026.

The quantitative classification shows gross carrying amount and allowances for ECL for which the applicable reporting date Probability of default ('PD') measure exceeds defined quantitative thresholds for retail and wholesale exposures.

The qualitative classification primarily accounts for Customer risk rating ('CRR') deterioration, watch-and-worry and retail management judgemental adjustments.

- A summary of our current policies and practices for the significant increase in credit risk is set out in 'Summary of material accounting policies' on page 84 of the Annual Reports and Accounts 2025.

Loans and advances to customers and banks[1]

	At 30 Jun 2026							
	Loans and advances to customers						Loans and advances to banks at amortised cost	Total stage 2
		of which:						
	Personal	First lien mortgage	Credit cards	Other personal lending	Corporate and commercial	Non-bank financial institutions		
	£m	£m	£m	£m	£m	£m	£m	£m
Quantitative	**9,501**	**7,866**	**991**	**644**	**4,876**	**262**	**—**	**14,639**
Qualitative	**114**	**60**	**26**	**28**	**4,767**	**145**	**—**	**5,026**
of which: forbearance	**66**	**29**	**16**	**21**	**239**	**—**	**—**	**305**
30 DPD backstop	**9**	**3**	**2**	**4**	**53**	**—**	**—**	**62**
Total gross carrying amount	**9,624**	**7,929**	**1,019**	**676**	**9,696**	**407**	**—**	**19,727**
Quantitative	**(259)**	**(16)**	**(166)**	**(77)**	**(155)**	**(3)**	**—**	**(417)**
Qualitative	**(6)**	**(1)**	**(3)**	**(2)**	**(98)**	**(10)**	**—**	**(114)**
of which: forbearance	**(1)**	**—**	**—**	**(1)**	**(5)**	**—**	**—**	**(6)**
30 DPD backstop	**(3)**	**—**	**(1)**	**(2)**	**(4)**	**—**	**—**	**(7)**
Total allowance for ECL	**(268)**	**(17)**	**(170)**	**(81)**	**(257)**	**(13)**	**—**	**(538)**
ECL coverage %	**2.8**	**0.2**	**16.7**	**12.0**	**2.7**	**3.2**	**—**	**2.7**
	At 31 Dec 2025							
Quantitative	10,672	9,240	898	534	3,405	137	—	14,214
Qualitative	143	28	82	33	4,181	49	—	4,373
of which: forbearance	73	28	15	30	275	—	—	348
30 DPD backstop	8	4	2	2	47	—	—	55
Total gross carrying amount	10,823	9,272	982	569	7,633	186	—	18,642
Quantitative	(224)	(25)	(137)	(62)	(152)	(1)	—	(377)
Qualitative	(9)	—	(8)	(1)	(87)	—	—	(96)
of which: forbearance	(1)	—	—	(1)	(6)	—	—	(7)
30 DPD backstop	(2)	—	(1)	(1)	(1)	(1)	—	(4)
Total allowance for ECL	(235)	(25)	(146)	(64)	(240)	(2)	—	(477)
ECL coverage %	2.2	0.3	14.9	11.2	3.1	1.1	—	2.6

1 Where balances satisfy more than one of the above three criteria for determining a SICR, the corresponding gross carrying amount and ECL have been assigned in order of categories presented.

Measurement uncertainty and sensitivity analysis of ECL estimates

The recognition and measurement of ECL involves the use of significant judgement and estimation. We form multiple economic scenarios based on economic forecasts and distributional estimates and apply these to credit risk models to estimate future credit losses. The results are then probability-weighted to determine an unbiased ECL estimate.

Management assessed the current economic environment, reviewed the latest economic forecasts and discussed key risks before selecting the economic scenarios and their weightings.

Management judgemental adjustments are used where modelled ECL does not fully reflect the identified risks and related uncertainty, or to capture significant late-breaking events.

Methodology

At 30 June 2026, four economic scenarios have been used to capture the latest economic expectations and to articulate management's view of the range of risks and potential outcomes. Each scenario is updated with the latest economic forecasts and distributional estimates in each quarter.

We derive three scenarios, the Upside, Central and Downside scenarios are drawn from the external consensus forecasts, market data and distributional estimates that cover the entire range of economic outcomes. These estimates are used as conditioning assumptions in a modelled expansion of other variables to ensure scenarios are economically coherent and internally consistent. The fourth scenario, the Downside 2, represents management's view of severe downside risks.

The Central scenario is deemed the 'most likely' scenario, and in most scenarios attracts the largest probability weighting. The consensus Upside and Downside scenarios represent short-term cyclical deviations from the Central scenario, where variable paths converge back to long-term trend expectations. They are calibrated to a 10% probability.

The Downside 2 explores a more extreme economic outcome than captured by the consensus scenarios. In this scenario, variables do not, by design, revert to long-term trend expectations and may instead explore alternative outcomes. It is calibrated to a 5% probability.

In most circumstances, the alignment of weightings with the calibrated probability of scenarios is deemed appropriate for the unbiased estimation of ECL. However, management may depart from this probability-based scenario weighting approach when the economic outlook and forecasts are determined to be particularly uncertain and risks are elevated.

The Central scenario was updated to incorporate the anticipated effects of the Middle East conflict, while the outer scenarios were updated to reflect supply-side shocks, driven by higher energy prices from protracted conflict in the Middle East. In the standard downside scenarios, inflation and interest rates increase relative to the Central scenario.

Scenario weights were adjusted during the period to reflect an assessment that risks surrounding the Central scenario were more adversely skewed. As a result, the weighting on the consensus Upside scenario was reduced to reflect the conflict's lasting impact on confidence, and the weighting on the consensus Downside scenario was increased given the higher risk of a longer and more damaging conflict than implied by the distribution.

Description of consensus economic scenarios

The economic assumptions presented in this section are formed by HSBC Group with reference to external forecasts and estimates for the purpose of calculating ECL.

Forecasts may change and remain subject to uncertainty. Outer scenarios are designed to capture potential crystallisation of key macro-financial risks and alternative paths for economic variables.

The scenarios used to calculate ECL in the Interim Report 2026 are described below.

The consensus Central scenario

HSBC UK's Central scenario reflects the impact of the energy price shock resulting from the conflict in the Middle East. Relative to the fourth quarter of 2025, forecast growth is weaker and inflation is higher. Policy rates are higher in 2026–27, reflecting expected central bank tightening in response to higher oil prices and inflation.

UK GDP is expected to be 0.8% in 2026 in the Central scenario. The average rate of UK GDP growth is expected to be 1.4% over the forecast period.

The key features of our Central scenario are:

– Growth is forecast to remain positive, but slow over the remainder of 2026, due to the impact of conflict in the Middle East on confidence and activity.
– Unemployment is forecast to rise moderately, consistent with slower economic activity and subdued business confidence that constrains hiring.
– Higher energy prices are expected to lift inflation, although second order impacts to wages and service inflation are assumed to be limited. Inflation is expected to ease back towards central bank targets in 2027.
– House price growth is projected to remain positive but subdued.
– Central banks are expected to tighten policy during 2026 to keep inflation expectations anchored. Policy easing is then forecast in 2027, as the energy supply shock unwinds.
– The price of Brent crude oil is projected to peak in the second quarter of 2026 and is lower in subsequent quarters as the oil market rebalances. The price is forecast to average $91 per barrel during 2026 and $80 per barrel in 2027.

The Central scenario was created from consensus forecasts available at the end of May, and reviewed continually until the end of June 2026.

The following table describes key macroeconomic variables in the consensus Central scenario at 30 June 2026.

Central scenario

	2026 Q3-2031 Q2[1]	Average 2026-2030[1]
	UK%	UK%
GDP growth rate (annual average growth rate, %)	1.4	1.4
Unemployment rate (%)	4.9	4.7
House price index (annual average growth rate, %)	2.1	2.5
Inflation rate (annual average growth rate, %)	2.3	2.2
Central bank policy rate (annual average, %)	4.2	3.6

1 The five-year average is calculated over a projected period of 20 quarters from 1Q26 to 4Q30 for the 4Q25 scenario and 3Q26 to 2Q31 for the 2Q26 scenario.

The consensus Upside scenario

Compared with the Central scenario, the consensus Upside scenario features stronger economic activity in the near term, before converging to the long-run trend expectations. It incorporates lower unemployment and higher asset prices than the Central scenario.

The scenario is consistent with a number of key upside risk themes. These include a de-escalation in geopolitical tensions, a partial rollback of tariff measures, and an improvement in the US-China relationship.

The following table describes key macroeconomic variables in the consensus Upside scenario.

Consensus Upside scenario best outcome

	2026 Q3-2031 Q2	2026 Q1-2030 Q4
GDP growth rate (%, start-to-peak)[1]	**11.4 (2Q31)**	11.0 (4Q30)
Unemployment rate (%, min)[2]	**3.5 (2Q28)**	3.2 (4Q27)
House price index (%, start-to-peak)[1]	**17.5 (2Q31)**	20.0 (4Q30)
Inflation rate (YoY % change)[3]	**1.9 (4Q27)**	3.5 (1Q26)
Central bank policy rate (%)[3]	**3.8 (3Q26)**	3.9 (1Q26)

1 Cumulative change to the highest level of the series during the 20-quarter projection.
2 Lowest projected unemployment rate in the scenario.
3 The lowest (highest for the 4Q25 comparison) projected policy rates and YoY percentage change in inflation in the scenario.

Downside scenarios

Downside scenarios explore the intensification and crystallisation of a number of risk themes. In the second quarter of 2026, these scenarios were designed as supply-side shocks, in which higher energy prices push inflation higher and weaken economic growth.

Key downside risks include:

- a prolonged conflict in the Middle East, damage to regional energy infrastructure and sustained disruption of flows through the Strait of Hormuz, which would push oil prices and inflation higher;
- Central Bank policy tightening and a deterioration in the state of the public finances against fiscal targets pushes borrowing costs higher;
- an abrupt repricing of risk assets given elevated valuations, particularly in the technology sector, eroding wealth effects and increasing credit risk;
- an intensification of protectionist policies which could reduce investment, disrupt international supply chains and lower trade flows; and
- persistent tensions between the US and China, which could weigh on confidence, and disrupt global goods trade and supply chains for critical technologies.

The consensus Downside scenario

In the consensus Downside scenario, conflict in the Middle East continues for longer than expected, oil prices rise and economic activity is weaker than in the Central scenario.

In the scenario, GDP growth is weaker than in the Central scenario and our main markets enter into recession where unemployment rises and financial asset prices fall. The scenario assumes a prolonged disruption to oil and gas flows through the Strait of Hormuz, leading to a drawdown in oil inventories and a further rise in oil prices.

Oil prices are expected to peak at around $135 per barrel by the end of 2026, with flows through the Strait of Hormuz normalising during 2027. The energy price shock causes inflation to rise sharply, prompting central banks to raise policy rates.

The following table describes key macroeconomic variables and the probabilities assigned in the consensus Downside scenario.

Consensus Downside scenario

	2026 Q3-2031 Q2	2026 Q1-2030 Q4
GDP growth rate (%, start-to-trough)[1]	**(0.5) (4Q26)**	(0.2) (2Q27)
Unemployment rate (%, max)[2]	**6.6 (2Q27)**	6.2 (4Q26)
House price index (%, start-to-trough)[1]	**(4.4) (3Q27)**	(4.1) (1Q27)
Inflation rate (YoY % change)[3]	**4.4 (4Q26)**	1.3 (3Q26)
Central bank policy rate (%)[3]	**4.4 (1Q27)**	2.2 (3Q28)

1 Cumulative change to the lowest level of the series during the 20-quarter projection.
2 The highest projected unemployment rate in the scenario.
3 The highest (lowest for the 4Q25 comparison) projected YoY percentage change in inflation and projected policy rates in the scenario.

Downside 2 scenario

The Downside 2 scenario reflects management's view of the tail of the economic distribution. It incorporates the simultaneous crystallisation of a number of risks that lead to a deep global recession, including escalation of geopolitical risks and a more prolonged disruption to energy supply. In this scenario, oil prices are expected to peak at $170 per barrel, consistent with conflict escalation, inventory drawdown and substantial damage to Gulf energy infrastructure. Inflation rises sharply, asset prices fall and unemployment rises quickly.

The following table describes key macroeconomic variables in the Downside 2 scenario.

Downside 2 scenario worst outcome

	2026 Q3-2031 Q2	2026 Q1-2030 Q4
GDP growth rate (%, start-to-trough)[1]	**(8.4) (1Q28)**	(5.3) (2Q27)
Unemployment rate (%, max)[2]	**10.1 (2Q28)**	8.9 (2Q27)
House price index (%, start-to-trough)[1]	**(34.0) (3Q28)**	(24.2) (4Q27)
Inflation rate (YoY % change)[3]	**6.6 (4Q26)**	(1.9) (4Q26)
Central bank policy rate (%)[3]	**4.7 (4Q26)**	1.4 (1Q27)

1 Cumulative change to the lowest level of the series during the 20-quarter projection.
2 The highest projected unemployment rate in the scenario.
3 The highest (lowest for the 4Q25 comparison) projected YoY percentage change in inflation and projected policy rates in the scenario.

Scenario weightings

Scenario weightings are set with reference to consensus forecast probability distributions. Management may subsequently vary weights where they assess that the calibration lags more recent events, or that it does not reflect their view of the distribution of economic and geopolitical risks.

To capture the risks associated with conflict in the Middle East, the consensus Upside scenario was assigned a weight of 5%, down from 10% at 31 December 2025. Management considered the conflict was likely to have an enduring impact on confidence and therefore reduced the likelihood of the Upside scenario.

Although it was noted that the oil price assumption in the Central scenario remained uncertain, the weight assigned to the consensus Central scenario was maintained at 75%.

The risk of a longer duration conflict and higher oil price was seen to be higher than implied by the Consensus distribution. The weight applied to the consensus Downside scenario was increased to 15% from 10% at 31 December 2025, while the Downside 2 scenario was left unchanged at 5%.

Management continued to monitor developments in the Middle East and their implications for economic forecasts, scenarios and weights after 30 June 2026. It was noted that forecasts had remained stable since the scenarios were created and that while the oil price was volatile, its development remained in line with the price assumption underpinning the Central scenario. Renewed hostilities were also seen to affirm the decision to re-weight scenarios in order to better capture the risk of a more prolonged conflict.

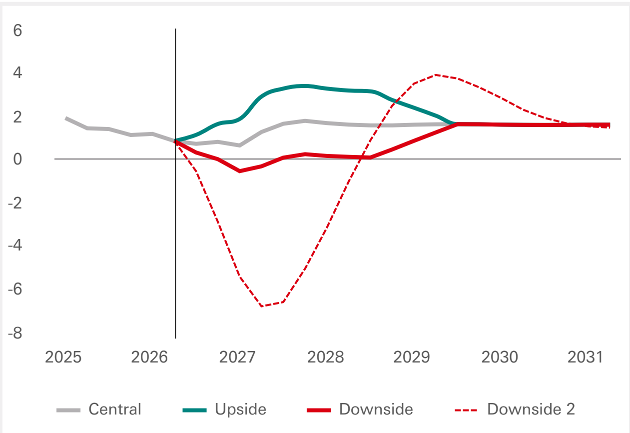
The following table describes the probabilities assigned in each scenario.

Scenario weights %

	2Q26	4Q25
Upside	**5.0**	10.0
Central	**75.0**	75.0
Downside	**15.0**	10.0
Downside 2	**5.0**	5.0

The following graph shows the historical and forecasted GDP growth rate for the various economic scenarios.

UK GDP growth



Critical estimates and judgements

The IFRS 9 ECL calculation involved significant judgements, assumptions and estimates. These included selecting and configuring economic scenarios amid changing economic conditions and risks and estimating their effects on ECL, especially when historical conditions were not fully captured by credit risk models.

How economic scenarios are reflected in ECL

The methodologies for the application of forward economic guidance into the calculation of ECL for wholesale and retail portfolios are set out on page 32 of the Annual Report and Accounts 2025. Models are used to reflect economic scenarios on ECL estimates. These models are based largely on historical observations and correlations with default.

Economic forecasts and ECL model responses to these forecasts are subject to a degree of uncertainty. The models continue to be supplemented by management judgemental adjustments where required.

Management judgemental adjustments

The drivers and types of management judgemental adjustments in relation to ECL allowance are detailed on page 32 of the Annual Report and Accounts 2025.

Management judgemental adjustments made in estimating the reported ECL at 30 June 2026 are set out in the following table:

Management judgemental adjustments to ECL at 30 June 2026[1]

	Retail	Wholesale[2]	Total
	£m	**£m**	**£m**
Modelled ECL (A)[3]	**635**	**417**	**1,052**
Corporate lending adjustments	**—**	**21**	**21**
Other credit judgements	**14**	**—**	**14**
Total management judgemental adjustments (B)[4]	**14**	**21**	**35**
Other adjustments (C)[5]	**(1)**	**37**	**36**
Final ECL (A + B + C)[6]	**648**	**475**	**1,123**

Management judgemental adjustments to ECL at 31 December 2025[1]

	Retail	Wholesale[2]	Total
	£m	£m	£m
Modelled ECL (A)[3]	585	385	970
Corporate lending adjustments	—	9	9
Other credit judgements	23	—	23
Total management judgemental adjustments (B)[4]	23	9	32
Other adjustments (C)[5]	(16)	29	13
Final ECL (A + B + C)[6]	592	423	1,015

1 Management judgemental adjustments presented in the table reflect increases or (decreases) to allowance for ECL, respectively.
2 The wholesale portfolio corresponds to adjustments to the performing portfolio (stage 1 and stage 2).
3 (A) refers to probability-weighted allowance for ECL before any adjustments are applied.
4 (B) refers to adjustments that are applied where management believes allowance for ECL does not sufficiently reflect the credit risk/expected credit losses of any given portfolio at the reporting date. These can relate to risks or uncertainties that are not reflected in the model and/or to any late-breaking events.
5 (C) refers to adjustments to allowance for ECL made to address process limitations and data/model deficiencies, and can also include, where appropriate, the impact of new models where governance has sufficiently progressed to allow an accurate estimate of ECL allowance to be incorporated into the total reported ECL.
6 As presented within our internal credit risk governance.

At 30 June 2026, total adjustments to the modelled output were an ECL increase of £58m for the Wholesale portfolio, comprising £52m relating to Corporate, Banks and Sovereign portfolios and £6m relating to Retail SME portfolios (31 December 2025: £38m increase including £5m from Retail SME). The adjustments reflected identified model limitations, data related adjustments, and management judgmental adjustments to reflect portfolio changes not captured in the modelled results.

At 30 June 2026, total adjustments to the modelled output were an ECL increase of £13m for the Retail portfolio (31 December 2025: £7m). Management judgemental adjustments relating to Other credit judgements increased ECL by £14m (31 December 2025: £23m).

Economic scenarios sensitivity analysis of ECL estimates

The economic scenarios sensitivity analysis of ECL estimates is detailed on page 33 of the Annual Report and Accounts 2025.

Wholesale and retail sensitivity

The wholesale and retail sensitivity tables present the 100% weighted results for each of the four scenarios. These exclude small portfolios, and as such cannot be directly compared with personal and wholesale lending presented in other credit risk tables. In both the wholesale and retail analysis, the comparative period results for Downside 2 scenarios are also not directly comparable with the current period, because they reflect different risks relative to the consensus scenarios for the period end.

The wholesale and retail sensitivity analysis is stated inclusive of management judgemental adjustments, as appropriate to each scenario.

For both retail and wholesale portfolios, the gross carrying amount of financial instruments is same under each scenario. For exposures with similar risk profile and product characteristics, the sensitivity impact is therefore largely the result of changes in macroeconomic assumptions.

Wholesale analysis

IFRS 9 ECL sensitivity to future economic conditions[1,2,3]

	30 Jun 2026	31 Dec 2025
	£m	£m
ECL of financial instruments subject to significant measurement uncertainty at 30 June 2026		
Reported ECL	**475**	423
Consensus scenarios		
Central scenario	**434**	404
Upside scenario	**370**	365
Downside scenario	**552**	478
Downside 2 scenario	**1,123**	770

1 ECL sensitivity includes off-balance sheet financial instruments that are subject to significant measurement uncertainty.
2 Includes low credit-risk financial instruments such as debt instruments at FVOCI, which have high carrying amounts but low ECL under all the above scenarios.
3 Excludes defaulted obligors. For a detailed breakdown of performing and non-performing wholesale portfolio exposures, see page 20.

Compared with 31 December 2025, total ECL sensitivity across all scenarios has increased, reflecting a recalibration of our forward-looking economic scenarios to capture heightened risks from the Middle East conflict and associated energy-driven supply shocks. This has resulted in a wider downside distribution. The most pronounced impact is in Downside 2, which incorporates a more conservative calibration of credit risk in a tight interest rate environment. The updated scenario set also assumes a sharper oil price response following a major escalation in the Middle East, with the resulting supply shock driving a deeper recession, higher unemployment, and a more significant decline in house prices.

Retail analysis

IFRS 9 ECL sensitivity to future economic conditions[1]

	30 Jun 2026	31 Dec 2025
	£m	£m
ECL of loans and advances to customers at 30 June 2026		
Reported ECL	**614**	561
Consensus scenarios		
Central scenario	**596**	551
Upside scenario	**553**	517
Downside scenario	**634**	573
Downside 2 scenario	**917**	793

1 ECL sensitivities exclude portfolios utilising less complex modelling approaches.

At 30 June 2026, Mortgages reflected the lowest level of ECL sensitivity as collateral values remain resilient. Credit cards and other unsecured lending across stage 1 and 2 are more sensitive to economic forecasts and therefore reflected the higher level of ECL sensitivity during the first half of 2026. Increase in total ECL sensitivity across the scenarios was primarily driven by Unsecured portfolios reflecting deterioration in the macroeconomic outlook.

Reconciliation of changes in gross carrying/nominal amount and allowances for loans and advances to banks and customers including loan commitments and financial guarantees

The following disclosure provides a reconciliation by stage of the group's gross carrying/nominal amount and allowances for loans and advances to banks and customers, including loan commitments and financial guarantees. Movements are calculated on a quarterly basis and therefore fully capture stage movements between quarters. If movements were calculated on a year-to-date basis they would only reflect the opening and closing position of the financial instrument.

The transfers of financial instruments represent the impact of stage transfers upon the gross carrying/nominal amount and associated allowance for ECL.

The net remeasurement of ECL arising from stage transfers represents the increase or decrease due to these transfers, for example, moving from a 12-month (stage 1) to a lifetime (stage 2) ECL measurement basis. Net remeasurement excludes the underlying CRR/PD movements of the financial instruments transferring stage. This is captured, along with other credit quality movements, in the 'changes in risk parameters – credit quality' line item.

Changes in 'Net new and further lending/repayments' represents the impact from volume movements within the Group's lending portfolio and includes 'New financial assets originated or purchased', 'assets derecognised (including final repayments)' and 'changes to risk parameters – further lending/repayment'.

Reconciliation of changes in gross carrying/nominal amount and allowances for loans and advances to banks and customers including loan commitments and financial guarantees[1]

(Reviewed)

	Non-credit impaired				Credit impaired			
	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying/ nominal amount	Allowance for ECL	Gross carrying/ nominal amount	Allowance for ECL	Gross carrying/ nominal amount	Allowance for ECL	Gross carrying/ nominal amount	Allowance for ECL
	£m	£m	£m	£m	£m	£m	£m	£m
At 1 Jan 2026	**294,225**	**(317)**	**21,128**	**(493)**	**3,692**	**(783)**	**319,045**	**(1,593)**
Transfers of financial instruments:	**(6,601)**	**(91)**	**6,069**	**112**	**532**	**(21)**	**—**	**—**
– transfers from stage 1 to stage 2	**(17,750)**	**52**	**17,750**	**(52)**	**—**	**—**	**—**	**—**
– transfers from stage 2 to stage 1	**11,232**	**(128)**	**(11,232)**	**128**	**—**	**—**	**—**	**—**
– transfers to stage 3	**(265)**	**3**	**(589)**	**61**	**854**	**(64)**	**—**	**—**
– transfers from stage 3	**182**	**(18)**	**140**	**(25)**	**(322)**	**43**	**—**	**—**
Net remeasurement of ECL arising from transfer of stage	**—**	**92**	**—**	**(80)**	**—**	**(4)**	**—**	**8**
Net new and further lending/(repayments)	**16,721**	**(38)**	**(4,301)**	**42**	**(453)**	**108**	**11,967**	**112**
Changes to risk parameters – credit quality	**—**	**(23)**	**—**	**(130)**	**—**	**(427)**	**—**	**(580)**
Changes to model used for ECL calculation	**—**	**8**	**—**	**(5)**	**—**	**4**	**—**	**7**
Assets written off	**—**	**—**	**—**	**—**	**(310)**	**310**	**(310)**	**310**
Foreign exchange	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Others	**—**	**1**	**—**	**—**	**—**	**—**	**—**	**1**
At 30 Jun 2026	**304,345**	**(368)**	**22,896**	**(554)**	**3,461**	**(813)**	**330,702**	**(1,735)**
ECL income statement change for the period		**39**		**(173)**		**(319)**		**(453)**
Recoveries								**54**
Others	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**6**
Total ECL income statement change for the period								**(393)**

At 1 Jan 2025	256,122	(301)	39,027	(593)	3,927	(698)	299,076	(1,592)
Transfers of financial instruments:	8,276	(276)	(10,013)	353	1,737	(77)	—	—
– transfers from stage 1 to stage 2	(29,764)	92	29,764	(92)	—	—	—	—
– transfers from stage 2 to stage 1	38,340	(348)	(38,340)	348	—	—	—	—
– transfers to stage 3	(502)	8	(1,801)	144	2,303	(152)	—	—
– transfers from stage 3	202	(28)	364	(47)	(566)	75	—	—
Net remeasurement of ECL arising from transfer of stage	—	241	—	(169)	—	(6)	—	66
Net new and further lending/repayments	29,827	(34)	(7,886)	145	(1,371)	317	20,570	428
Changes to risk parameters – credit quality	—	50	—	(300)	—	(908)	—	(1,158)
Changes to model used for ECL calculation	—	2	—	71	—	(12)	—	61
Assets written off	—	—	—	—	(601)	601	(601)	601
Foreign exchange	—	1	—	—	—	—	—	1
Others	—	—	—	—	—	—	—	—
At 31 Dec 2025	294,225	(317)	21,128	(493)	3,692	(783)	319,045	(1,593)
ECL income statement change for the period		259		(253)		(609)		(603)
Recoveries								78
Others	—	—	—	—	—	—	—	(5)
Total ECL income statement change for the period								(530)

1 The Reconciliation excludes loans and advances and commitments to other HSBC Group companies. As at 30 June 2026, these amounted to £0.9bn (2025: £0.7bn) and were classified as stage 1 with no ECL.

Credit quality of financial instruments

We assess the credit quality of all financial instruments that are subject to credit risk. The credit quality of financial instruments is a point-in-time assessment of the PD, whereas stages 1 and 2 are determined based on relative deterioration of credit quality since initial recognition. Accordingly, for non-credit-impaired financial instruments, there is no direct relationship between the credit quality assessment and stages 1 and 2, though typically the lower credit quality bands exhibit a higher proportion in stage 2.

The five credit quality classifications each encompass a range of granular internal credit rating grades assigned to wholesale and personal lending businesses and the external ratings attributed by external agencies to debt securities, as shown in the following table. Personal lending credit quality is disclosed based on a 12-month point-in-time PD adjusted for multiple economic scenarios. The credit quality classifications for wholesale lending are based on internal credit risk ratings.

Credit quality classification

	Debt securities and other bills	Wholesale lending		Retail lending	
	External credit rating	Internal credit rating[1]	12-month Regulatory probability of default %	Internal credit rating	12 month probability-weighted PD %[2]
Quality classification					
Strong	A- and above	CRR 1 to CRR 2	0 – 0.169	Band 1 and 2	0 – <=0.5
Good	BBB+ to BBB-	CRR 3	0.170 – 0.740	Band 3	>0.5 – <=1.5
Satisfactory	BB+ to B and unrated	CRR 4 to CRR 5	0.741 – 4.914	Band 4 and 5	>1.5 – <=20
Sub-standard	B- to C	CRR 6 to CRR 8	4.915 – 99.999	Band 6	>20 – <100
Credit impaired	Default	CRR 9 to CRR 10	100.000	Band 7	100

1 Customer risk rating.
2 12-month point-in-time probability-weighted PD.

Distribution of financial instruments to which the impairment requirements in IFRS 9 are applied, by credit quality and stage allocation

(Reviewed)

	Gross carrying/notional amount							
	Strong	Good	Satisfactory	Sub-standard	Credit impaired	Total	Allowance for ECL	Net
	£m	£m	£m	£m	£m	£m	£m	£m
Loans and advances to customers at amortised cost	146,076	47,653	39,668	4,874	3,202	241,473	(1,620)	239,853
– stage 1	143,344	42,016	32,029	1,155	—	218,544	(334)	218,210
– stage 2	2,732	5,637	7,639	3,719	—	19,727	(538)	19,189
– stage 3	—	—	—	—	3,202	3,202	(748)	2,454
Loans and advances to banks at amortised cost	5,209	—	—	—	—	5,209	—	5,209
– stage 1	5,209	—	—	—	—	5,209	—	5,209
– stage 2	—	—	—	—	—	—	—	—
– stage 3	—	—	—	—	—	—	—	—
Other financial assets measured at amortised cost	90,652	354	208	24	31	91,269	(5)	91,264
– stage 1	90,641	336	174	7	—	91,158	(1)	91,157
– stage 2	11	18	34	17	—	80	(3)	77
– stage 3	—	—	—	—	31	31	(1)	30
Loan and other credit-related commitments	51,477	20,314	13,416	896	225	86,328	(104)	86,224
– stage 1	51,219	19,834	11,718	209	—	82,980	(34)	82,946
– stage 2	258	480	1,698	687	—	3,123	(16)	3,107
– stage 3	—	—	—	—	225	225	(54)	171
Financial guarantees	671	216	483	12	34	1,416	(11)	1,405
– stage 1	671	204	429	1	—	1,305	—	1,305
– stage 2	—	12	54	11	—	77	—	77
– stage 3	—	—	—	—	34	34	(11)	23
At 30 Jun 2026	294,085	68,537	53,775	5,806	3,492	425,695	(1,740)	423,955
Debt instruments at FVOCI[1]	21,921	—	—	—	—	21,921	—	21,921
– stage 1	21,921	—	—	—	—	21,921	—	21,921
– stage 2	—	—	—	—	—	—	—	—
– stage 3	—	—	—	—	—	—	—	—
At 30 Jun 2026	21,921	—	—	—	—	21,921	—	21,921

1 For the purposes of this disclosure gross carrying value is defined as the amortised cost of a financial asset, before adjusting for any loss allowance. As such the gross carrying value of debt instruments at FVOCI as presented above will not reconcile to the balance sheet as it excludes fair value gains and losses.

Distribution of financial instruments to which the impairment requirements in IFRS 9 are applied, by credit quality and stage allocation (continued)

(Reviewed)

	Gross carrying/notional amount							
	Strong	Good	Satisfactory	Sub-standard	Credit impaired	Total	Allowance for ECL	Net
	£m	£m	£m	£m	£m	£m	£m	£m
Loans and advances to customers at amortised cost	135,440	50,642	38,564	4,637	3,453	232,736	(1,513)	231,223
– stage 1	133,860	44,134	31,393	1,254	—	210,641	(284)	210,357
– stage 2	1,580	6,508	7,171	3,383	—	18,642	(477)	18,165
– stage 3	—	—	—	—	3,453	3,453	(752)	2,701
Loans and advances to banks at amortised cost	6,636	—	—	—	—	6,636	—	6,636
– stage 1	6,636	—	—	—	—	6,636	—	6,636
– stage 2	—	—	—	—	—	—	—	—
– stage 3	—	—	—	—	—	—	—	—
Other financial assets measured at amortised cost	83,056	726	231	22	29	84,064	(8)	84,056
– stage 1	83,049	705	198	5	—	83,957	(1)	83,956
– stage 2	7	21	33	17	—	78	(3)	75
– stage 3	—	—	—	—	29	29	(4)	25
Loan and other credit-related commitments	46,043	19,079	13,600	847	202	79,771	(69)	79,702
– stage 1	45,873	18,978	12,031	207	—	77,089	(33)	77,056
– stage 2	170	101	1,569	640	—	2,480	(16)	2,464
– stage 3	—	—	—	—	202	202	(20)	182
Financial guarantees	567	180	402	11	37	1,197	(11)	1,186
– stage 1	567	179	379	2	—	1,127	—	1,127
– stage 2	—	1	23	9	—	33	—	33
– stage 3	—	—	—	—	37	37	(11)	26
At 31 Dec 2025	271,742	70,627	52,797	5,517	3,721	404,404	(1,601)	402,803
Debt instruments at FVOCI[1]	22,965	—	—	—	—	22,965	—	22,965
– stage 1	22,965	—	—	—	—	22,965	—	22,965
– stage 2	—	—	—	—	—	—	—	—
– stage 3	—	—	—	—	—	—	—	—
At 31 Dec 2025	22,965	—	—	—	—	22,965	—	22,965

1 For the purposes of this disclosure gross carrying value is defined as the amortised cost of a financial asset, before adjusting for any loss allowance. As such the gross carrying value of debt instruments at FVOCI as presented above will not reconcile to the balance sheet as it excludes fair value gains and losses.

Wholesale lending

This section provides further detail on the industries in wholesale loans and advances to customers and banks. Industry granularity is also provided by stage.

Total wholesale lending for loans and advances to banks and customers by stage distribution

	Gross carrying amount				Allowance for ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Corporate and commercial	61,739	9,696	2,281	73,716	(158)	(257)	(498)	(913)
– agriculture, forestry and fishing	3,748	798	215	4,761	(5)	(17)	(23)	(45)
– mining and quarrying	394	9	88	491	—	—	(24)	(24)
– manufacture	8,056	987	409	9,452	(14)	(23)	(57)	(94)
– electricity, gas, steam and air-conditioning supply	1,818	127	7	1,952	(2)	(5)	(2)	(9)
– water supply, sewerage, waste management and remediation	936	99	29	1,064	(2)	(3)	(9)	(14)
– real estate and construction	14,180	1,886	384	16,450	(36)	(73)	(105)	(214)
– of which: CRE	11,567	1,509	280	13,356	(30)	(58)	(62)	(150)
– wholesale and retail trade, repair of motor vehicles and motorcycles	9,012	1,940	442	11,394	(18)	(34)	(143)	(195)
– transportation and storage	2,344	339	37	2,720	(4)	(7)	(4)	(15)
– accommodation and food	4,714	938	218	5,870	(18)	(29)	(20)	(67)
– publishing, audiovisual and broadcasting	3,063	563	204	3,830	(24)	(19)	(50)	(93)
– professional, scientific and technical activities	4,608	484	76	5,168	(13)	(13)	(19)	(45)
– administrative and support services	4,602	736	75	5,413	(9)	(14)	(24)	(47)
– education	902	161	14	1,077	(3)	(8)	(6)	(17)
– health and care	1,658	173	37	1,868	(3)	(4)	(5)	(12)
– arts, entertainment and recreation	794	107	23	924	(3)	(4)	(4)	(11)
– other services	910	349	23	1,282	(4)	(4)	(3)	(11)
– government	—	—	—	—	—	—	—	—
Non-bank financial institutions	8,591	407	58	9,056	(9)	(13)	(53)	(75)
Loans and advances to banks	5,209	—	—	5,209	—	—	—	—
At 30 Jun 2026	**75,539**	**10,103**	**2,339**	**87,981**	**(167)**	**(270)**	**(551)**	**(988)**

Total wholesale credit-related commitments and financial guarantee by stage distribution

	Nominal amount				Allowance for ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Corporate and commercial	31,471	2,471	231	34,173	(23)	(12)	(65)	(100)
Financial	7,614	142	—	7,756	(1)	—	—	(1)
At 30 Jun 2026	**39,085**	**2,613**	**231**	**41,929**	**(24)**	**(12)**	**(65)**	**(101)**

Total wholesale lending for loans and advances to banks and customers by stage distribution (continued)

	Gross carrying amount				Allowance for ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Corporate and commercial	59,346	7,633	2,500	69,479	(127)	(240)	(508)	(875)
– agriculture, forestry and fishing	3,697	555	194	4,446	(7)	(17)	(27)	(51)
– mining and quarrying	378	26	83	487	—	(1)	(43)	(44)
– manufacture	7,555	809	506	8,870	(9)	(22)	(68)	(99)
– electricity, gas, steam and air-conditioning supply	1,424	304	6	1,734	(2)	(7)	(1)	(10)
– water supply, sewerage, waste management and remediation	856	34	32	922	(2)	(1)	(9)	(12)
– real estate and construction	13,032	1,551	412	14,995	(29)	(69)	(91)	(189)
– of which: CRE	11,083	1,458	264	12,805	(26)	(60)	(62)	(148)
– wholesale and retail trade, repair of motor vehicles and motorcycles	9,249	1,334	463	11,046	(13)	(28)	(124)	(165)
– transportation and storage	2,268	196	41	2,505	(2)	(5)	(4)	(11)
– accommodation and food	4,617	927	282	5,826	(16)	(33)	(21)	(70)
– publishing, audiovisual and broadcasting	3,178	381	200	3,759	(20)	(13)	(61)	(94)
– professional, scientific and technical activities	4,336	315	79	4,730	(11)	(14)	(22)	(47)
– administrative and support services	4,611	555	59	5,225	(6)	(10)	(17)	(33)
– education	980	118	26	1,124	(2)	(7)	(7)	(16)
– health and care	1,520	184	40	1,744	(3)	(5)	(5)	(13)
– arts, entertainment and recreation	892	66	28	986	(2)	(3)	(5)	(10)
– other services	752	277	49	1,078	(3)	(5)	(3)	(11)
– government	1	1	—	2	—	—	—	—
Non-bank financial institutions	8,344	186	58	8,588	(8)	(2)	(53)	(63)
Loans and advances to banks	6,636	—	—	6,636	—	—	—	—
At 31 Dec 2025	74,326	7,819	2,558	84,703	(135)	(242)	(561)	(938)

Total wholesale credit-related commitments and financial guarantee by stage distribution (continued)

	Nominal amount				Allowance for ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Corporate and commercial	32,250	1,796	207	34,253	(20)	(12)	(31)	(63)
Financial	4,498	117	—	4,615	(2)	—	—	(2)
At 31 Dec 2025	36,748	1,913	207	38,868	(22)	(12)	(31)	(65)

Personal lending

We provide a broad range of secured and unsecured personal lending products to meet customer needs. Personal lending includes advances to customers for asset purchases such as residential property where the loans are secured by the assets being acquired. We also offer unsecured lending products such as overdrafts, credit cards and personal loans.

The quality of the mortgage book remained high, with low levels of impairment allowances. The average Loan to value ('LTV') ratio on new lending was 69%, compared with an estimated 55% for the overall mortgage portfolio.

The following table shows the levels of personal lending products in the various portfolios.

Total personal lending for loans and advances to customers at amortised costs by stage distribution

	Gross carrying amount				Allowance for ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	£m	£m	£m	£m	£m	£m	£m	£m
By portfolio								
First lien residential mortgages	**134,253**	**7,929**	**592**	**142,774**	**(17)**	**(17)**	**(57)**	**(91)**
Credit Cards	**5,739**	**1,019**	**92**	**6,850**	**(79)**	**(170)**	**(49)**	**(298)**
Other personal lending	**8,222**	**676**	**179**	**9,077**	**(71)**	**(81)**	**(91)**	**(243)**
– other personal lending which is secured	**1,185**	**63**	**13**	**1,261**	**—**	**—**	**(1)**	**(1)**
– other personal lending which is unsecured	**7,037**	**613**	**166**	**7,816**	**(71)**	**(81)**	**(90)**	**(242)**
At 30 Jun 2026	**148,214**	**9,624**	**863**	**158,701**	**(167)**	**(268)**	**(197)**	**(632)**
By portfolio								
First lien residential mortgages	129,401	9,272	587	139,260	(16)	(25)	(59)	(100)
Credit Cards	5,603	982	120	6,705	(65)	(146)	(45)	(256)
Other personal lending	7,947	569	188	8,704	(68)	(64)	(87)	(219)
– other personal lending which is secured	1,118	41	12	1,171	—	—	(1)	(1)
– other personal lending which is unsecured	6,829	528	176	7,533	(68)	(64)	(86)	(218)
At 31 Dec 2025	142,951	10,823	895	154,669	(149)	(235)	(191)	(575)

Total personal credit-related commitments and financial guarantees by stage distribution

	Nominal amount				Allowance for ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	£m	£m	£m	£m	£m	£m	£m	£m
At 30 Jun 2026	**45,200**	**587**	**28**	**45,815**	**(10)**	**(4)**	**—**	**(14)**
At 31 Dec 2025	41,468	600	32	42,100	(11)	(4)	—	(15)

Treasury risk

Overview

Treasury risk is the risk of having insufficient capital, liquidity or funding resources to meet financial obligations and satisfy regulatory requirements. This includes the risk of adverse impact on earnings or capital due to structural and transactional foreign exchange exposures, as well as changes in market interest rates, together with pension risk and insurance risk.

Key developments in the first half of 2026

- Despite a volatile macroeconomic and geopolitical environment, HSBC UK Bank plc continues to maintain and benefit from a healthy capital, liquidity and funding position.
- During 1H26, HSBC UK Bank plc assessed the impact of the external environment on its capital and liquidity positions by modelling scenarios linked to the Middle East conflict. The scenarios varied in severity and duration and included higher oil prices, rising inflation and unemployment, slower GDP growth and market disruption.
- See page 8 for a summary of key risks including geopolitical and macroeconomic risks that we are managing.

For quantitative disclosures on capital ratios, own funds and Risk-weighted assets ('RWAs'), see pages 22 to 23. For quantitative disclosures on liquidity and funding metrics, see pages 23 to 24. For quantitative disclosures on interest rate risk in the banking book, see page 22.

Capital, liquidity and funding risk management processes

A summary of our risk management approach and processes are set out on pages 53 to 58 of our Annual Report and Accounts 2025.

HSBC Holdings provides minimum requirement for own funds and eligible liabilities ('MREL') to HSBC UK Bank plc and its other subsidiaries, including equity and non-equity capital. These investments are funded by HSBC Holdings' own equity capital and MREL- eligible debt. 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.

For a description of our approach to stress testing and recovery and resolution planning see page 54 of the Annual Report and Accounts 2025.

For details on Regulatory developments, see our Pillar 3 Disclosures at 30 June 2026, which is expected to be published on 10 August 2026 at https:www.hsbc.com/investors.

Measurement of interest rate risk in the banking book processes

A summary of our risk management approach and processes is set out on page 54 of our Annual Report and Accounts 2025.

Interest rate risk in the banking book

Banking net interest income sensitivity

Banking NII sensitivity is the sensitivity of our banking net interest income to interest rate shocks over a 12 month horizon, using a static, rolling balance sheet assumption. These static assumptions ensure that interest rate risk in the banking book (IRRBB) management actions remain focused on risks that can be managed within Treasury.

However, for certain interest bearing non maturity deposits, dynamic assumptions are applied to reflect potential changes over the shock horizon and across rate scenarios.

As at 30 June 2026, the bank's 12 month Banking NII sensitivity to an immediate 100bps parallel interest rate shock was £296m for an upward shock (31 December 2025: £281m) and £(414)m for a downward shock (31 December 2025: £(377)m). This assessment assumes a static balance sheet, no Treasury management actions, a 50% customer rate pass-on on certain interest bearing deposits, and excludes pension assets and liabilities.

▶ Further information on HSBC UK's management of interest rate risk in the banking book is available in HSBC UK's Pillar 3 Disclosures as at 30 June 2026.

Capital risk

Own funds

Own funds disclosure and capital adequacy metrics

	At	
	30 Jun 2026	31 Dec 2025
	£m	£m
CET1 capital before regulatory adjustments	**24,785**	24,475
Total regulatory adjustments to common equity tier 1	**(8,390)**	(8,966)
CET1 capital	**16,395**	15,509
Additional tier 1 capital before regulatory adjustments	**2,948**	2,709
Additional tier 1 capital	**2,948**	2,709
Tier 1 capital (T1 = CET1 + AT1)	**19,343**	18,218
Tier 2 capital before regulatory adjustments	**3,941**	3,670
Tier 2 capital	**3,941**	3,670
Total regulatory capital	**23,284**	21,888
Risk-weighted assets		
Credit risk	**107,106**	100,297
Counterparty credit risk	**271**	255
Market risk	**147**	97
Operational risk	**16,814**	16,814
Total risk-weighted assets	**124,338**	117,463
Capital ratios (%)	**%**	%
Common equity tier 1 ratio	**13.2**	13.2
Tier1 ratio	**15.6**	15.5
Total capital ratio	**18.7**	18.6

At 30 June 2026, our CET1 capital ratio was 13.2%, unchanged from 31 December 2025. The key movements in the CET1 capital ratio were:

- an increase of 0.8% from £0.8bn of capital generation through profits net of dividends combined with £0.1bn from lower regulatory deductions mainly from excess regulatory expected loss;
- a decrease of 0.8% driven by £6.9bn increase in RWAs mainly from growth in lending and changes in asset quality.

At 30 June 2026, our Pillar 2A requirement, in accordance with the Prudential Regulation Authority ('PRA's') Individual Capital Requirement based on a point-in-time assessment, was equivalent to 3.8% of RWAs, of which 2.1% was met by CET1 capital. Throughout the first half of 2026, we complied with the PRA's regulatory capital adequacy requirements.

Risk-weighted assets

RWA movement by business by key driver

	Credit risk, counterparty credit risk and operational risk						
	Retail Banking and Wealth	Private Bank	Commercial Banking	Corporate and Institutional Banking	Corporate Centre	Market risk	Total RWAs
	£m	£m	£m	£m	£m	£m	£m
RWAs at 1 Jan 2026	**37,124**	**1,902**	**73,718**	**3,102**	**1,520**	**97**	**117,463**
Asset size	**1,113**	**2**	**3,490**	**644**	**66**	**49**	**5,364**
Asset quality	**624**	**(40)**	**1,150**	**(176)**	**(52)**	**—**	**1,506**
Model updates	**283**	**—**	**—**	**—**	**—**	**—**	**283**
– new/updated models	**283**	**—**	**—**	**—**	**—**	**—**	**283**
Methodology and policy	**(11)**	**(153)**	**(72)**	**(77)**	**37**	**—**	**(276)**
– internal updates	**(11)**	**(153)**	**(72)**	**(77)**	**37**	**—**	**(276)**
Foreign exchange movement	**—**	**—**	**(16)**	**2**	**11**	**1**	**(2)**
Total RWA movement	**2,009**	**(191)**	**4,552**	**393**	**62**	**50**	**6,875**
RWAs at 30 Jun 2026	**39,133**	**1,711**	**78,270**	**3,495**	**1,582**	**147**	**124,338**

RWAs increased by £6.9bn, mainly from lending growth of £5.4bn and changes in asset quality of £1.5bn.

Asset size

Increase in RWAs by £5.4bn mainly due to growth in corporate lending in CMB and CIB, and retail mortgages in RBW.

Asset quality

Increase in RWAs of £1.5bn mainly in CMB and RBW due to portfolio mix changes and credit risk migrations.

Model Updates

Increase in RWAs of £0.3bn in RBW due to recalibration of post-model adjustments.

Methodology and policy

Decrease in RWAs by £0.3bn mainly in PB due to data quality improvements.

Leverage ratio

	At	
	30 Jun 2026	31 Dec 2025
Total leverage ratio exposure measure (£m)	**344,020**	325,950
Leverage ratio (%)	**5.6**	5.6

Our leverage ratio was 5.6%, unchanged from 31 December 2025:

- a 0.3% decrease due to increase in exposure of £18bn mainly due to growth in corporate lending and retail mortgages combined with increase in reverse repurchase agreements and financial investments due to treasury management activities;
- a 0.3% increase driven by £0.8bn of capital generation through profits net of dividends, £0.1bn from lower regulatory deductions mainly from excess regulatory expected loss and £0.3bn from AT1 capital issuance.

Liquidity and funding risk in the first half of 2026

Liquidity coverage ratio

At 30 June 2026, we were above regulatory minimum levels. The following table displays the individual LCR levels for the HSBC UK Liquidity Group on PRA rules basis.

HSBC UK Liquidity Group LCR

	As at[2]	
	30 Jun 2026	31 Dec 2025
	%	%
HSBC UK Liquidity Group[1]	**160**	175

1 As at 30 June 2026, the HSBC UK Bank Domestic Liquidity Sub-group comprises: HSBC UK Bank plc, Marks and Spencer Financial Services Limited, HSBC Innovation Bank Limited and HSBC Private Bank (UK) Limited. It reflects the way we manage liquidity as a single operating entity, in line with the application of UK liquidity regulation as agreed with the PRA. The assets and liabilities of Marks and Spencer Financial Services Limited and HSBC Private Bank (UK) Limited have been substantially transferred to HSBC UK Bank plc.

2 The LCR ratios presented in the above table are based on average of the preceding 12 months.

Net stable funding ratio ('NSFR')

At 30 June 2026, we maintained sufficient stable funding relative to the required stable funding assessed using the NSFR.

HSBC UK Liquidity Group NSFR

	As at[1]	
	30 Jun 2026	31 Dec 2025
	%	%
HSBC UK Liquidity Group	**143**	146

1 The NSFR ratios presented in the above table are based on average of the preceding four quarters.

Liquid assets

The table below shows the weighted liquidity value of assets categorised as liquid, which is used for the purposes of calculating the LCR metric. This reflects the stock of unencumbered liquid assets at the reporting date, using the regulatory definition of liquid assets.

HSBC UK Liquidity Group liquid assets

	Estimated liquidity value	
	As at[1]	
	30 Jun 2026	31 Dec 2025
	£m	£m
HSBC UK Liquidity Group		
Cash	**38,885**	42,134
Level 1	**47,567**	48,364
Level 2	**3,686**	3,172
Liquidity pool	**90,138**	93,670

1 The liquid assets presented in the above table are based on average of the preceding 12 months.

Sources of funding

Our primary sources of funding are customer current accounts and customer savings deposits payable on demand or at short notice. The following 'Funding Sources' and 'Funding Uses' disclosures provide a consolidated view of how our balance sheet is funded, and should be read in light of the Liquidity and Funding Risk Management Framework ('LFRF'), which requires HSBC UK Liquidity Group to manage liquidity and funding risk on a stand-alone basis.

The disclosures analyse our consolidated balance sheet according to the assets that primarily arise from operating activities and the sources of funding primarily supporting these activities. Assets and liabilities that do not arise from operating activities are presented as a net balancing source or deployment of funds. In the first six months of 2026, the level of customer accounts exceeded the level of loans and advances to customers. The positive funding gap was predominantly deployed in liquid assets, cash and balances with central banks and financial investments, as required by the LFRF.

Funding Sources

	At	
	30 Jun 2026	31 Dec 2025
	£m	£m
Sources		
Customer accounts	**291,403**	288,756
Deposits by banks	**7,707**	7,709
Repurchase agreements – non-trading	**15,403**	6,276
Debt securities in issue	**2,747**	3,019
Cash collateral, margin, settlement accounts and items in course of transmission to other banks	**587**	411
Subordinated liabilities	**17,680**	16,423
Total equity	**28,561**	28,261
Other balance sheet liabilities	**5,184**	5,075
	369,272	355,930

Funding Uses

	At	
	30 Jun 2026	31 Dec 2025
	£m	£m
Uses		
Loans and advances to customers	**239,853**	231,223
Loans and advances to banks	**5,209**	6,636
Reverse repurchase agreements – non-trading	**21,695**	21,560
Cash collateral, margin, settlement accounts and items in course of collection from other banks	**1,232**	1,136
Financial investments	**44,858**	41,638
Cash and balances with central banks	**42,893**	40,369
Other balance sheet assets	**13,532**	13,368
	369,272	355,930

Market risk

Overview

Market risk is the risk that movements in market risk factors, including foreign exchange rates, commodity prices, interest rates, credit spreads and equity prices, will reduce the group's income or the value of its portfolios.

Market risk is measured using the standardised approach for position risk under CRR. There were no material changes to the policies and practices for the management of market risk in the first half of 2026.

Directors' responsibility statement

The Directors are required to prepare the condensed consolidated interim financial statements (the 'interim financial statements') on a going concern basis unless it is not appropriate. They are satisfied that the group and bank have the resources to continue in business for the foreseeable future and that the interim financial statements continue to be prepared on a going concern basis.

The Directors, the names of whom are set out below, confirm that to the best of their knowledge:

- the interim financial statements have been prepared in accordance with UK adopted IAS 34 'Interim Financial Reporting', IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board ('IASB') and the Disclosure Guidance and Transparency Rules ('DTR') sourcebook of the UK's FCA;
- this Interim Report 2026 gives a true, fair, balanced and understandable view of the assets, liabilities, financial position and profit or loss of the group; and
- this Interim Report 2026 includes a fair review of the information required by:
  - DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year ending 31 December 2026 and their impact on the interim financial statements; and
  - a description of the principal risks and uncertainties for the remaining six months of the financial year.

Dame Carolyn Fairbairn+ (Chairman), David Lindberg (Chief Executive Officer), Jonathan Bingham (Chief Financial Officer), Carolyn Dittmeier+, Oliver Corbett+, Abimbola Afolami+, Simon Calver+, Jenny Goldie-Scot+, Mridul Hegde+, Janet Henry, Zoe Knight.

On behalf of the Board

Dame Carolyn Fairbairn

Chairman

3 August 2026

HSBC UK Bank plc

Registered number 9928412

+ Independent non-executive Director

Independent review report to HSBC UK Bank plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed HSBC UK Bank plc's condensed consolidated interim financial statements (the "interim financial statements") in the Interim Report of HSBC UK Bank plc for the 6 month period ended 30 June 2026 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting', International Accounting Standard 34 'Interim Financial Reporting' as issued by the IASB and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the consolidated balance sheet as at 30 June 2026;
- the consolidated income statement and consolidated statement of comprehensive income for the period then ended;
- the consolidated statement of changes in equity for the period then ended;
- the consolidated statement of cash flows for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim Report of HSBC UK Bank plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting', International Accounting Standard 34 'Interim Financial Reporting' as issued by the IASB and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Interim Report, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Interim Report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Interim Report, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Interim Report based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report.

Use of this report

This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

Chartered Accountants
Birmingham
3 August 2026

Interim condensed consolidated financial statements

Contents

Consolidated income statement

		Half-year to	
		30 Jun 2026	30 Jun 2025
	Notes	**£m**	£m
Net interest income		**4,501**	4,203
– interest income		**7,516**	7,346
– interest expense		**(3,015)**	(3,143)
Net fee income	2	**648**	660
– fee income		**822**	812
– fee expense		**(174)**	(152)
Net income from financial instruments held for trading or managed on a fair value basis		**197**	208
Other operating income		**50**	49
Net operating income before change in expected credit losses and other credit impairment charges		**5,396**	5,120
Change in expected credit losses and other credit impairment charges		**(385)**	(263)
Net operating income		**5,011**	4,857
Employee compensation and benefits		**(601)**	(595)
General and administrative expenses		**(1,259)**	(1,245)
Depreciation and impairment of property, plant and equipment and right-of-use assets		**(57)**	(51)
Amortisation and impairment of intangible assets		**(195)**	(180)
Total operating expenses		**(2,112)**	(2,071)
Operating profit		**2,899**	2,786
Profit before tax		**2,899**	2,786
Tax expense	4	**(778)**	(742)
Profit for the period		**2,121**	2,044
Attributable to:			
– ordinary shareholder		**2,120**	2,041
– non-controlling interests		**1**	3
Profit for the period		**2,121**	2,044

The accompanying notes on pages 33 to 38 form an integral part of these condensed financial statements.

Consolidated statement of comprehensive income

	Half-year to	
	30 Jun 2026	30 Jun 2025
	£m	£m
Profit for the period	**2,121**	2,044
Other comprehensive income/(expense)		
Items that will be reclassified subsequently to profit or loss when specific conditions are met:		
Debt instruments at fair value through other comprehensive income	**28**	35
– fair value gains	**39**	65
– fair value gains transferred to the income statement on disposal	**—**	(14)
– income taxes	**(11)**	(16)
Cash flow hedges	**(510)**	580
– fair value (losses)/gain	**(722)**	533
– fair value losses reclassified to the income statement	**13**	273
– income taxes	**199**	(226)
Exchange differences	**1**	5
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit asset/liability	**(11)**	(190)
– before income taxes	**(15)**	(264)
– income taxes	**4**	74
Other comprehensive income/(expense) for the period, net of tax	**(492)**	430
Total comprehensive income for the period	**1,629**	2,474
Attributable to:		
– ordinary shareholder	**1,628**	2,471
– non-controlling interests	**1**	3
Total comprehensive income for the period	**1,629**	2,474

Consolidated balance sheet

		At	
		30 Jun 2026	31 Dec 2025
	Notes	**£m**	£m
Assets			
Cash and balances at central banks		**42,893**	40,369
Financial assets mandatorily measured at fair value through profit or loss	6	**157**	175
Derivatives		**213**	167
Loans and advances to banks		**5,209**	6,636
Loans and advances to customers		**239,853**	231,223
Reverse repurchase agreements – non-trading		**21,695**	21,560
Financial investments		**44,858**	41,638
Prepayments, accrued income and other assets		**9,988**	9,736
Current tax assets		**—**	3
Interests in joint ventures		**10**	10
Goodwill and intangible assets	8	**4,396**	4,413
Total assets		**369,272**	355,930
Liabilities and equity			
Liabilities			
Deposits by banks		**7,707**	7,709
Customer accounts		**291,403**	288,756
Repurchase agreements – non-trading		**15,403**	6,276
Derivatives		**118**	162
Debt securities in issue		**2,747**	3,019
Accruals, deferred income and other liabilities		**3,691**	3,524
Current tax liabilities		**534**	218
Provisions	9	**274**	264
Deferred tax liabilities		**1,154**	1,318
Subordinated liabilities		**17,680**	16,423
Total liabilities		**340,711**	327,669
Equity			
Called up share capital		**—**	—
Share premium account		**—**	—
Other equity instruments		**2,948**	2,691
Other reserves		**1,905**	2,387
Retained earnings		**23,708**	23,163
Total shareholder's equity		**28,561**	28,241
Non-controlling interests		**—**	20
Total equity		**28,561**	28,261
Total liabilities and equity		**369,272**	355,930

Consolidated statement of changes in equity

	Called up share capital and share premium	Other equity instruments	Retained earnings	Financial assets at FVOCI reserve	Cash flow hedging reserve	Group re-organisation reserve[1]	Total share-holder's equity	Non-controlling interests	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m	£m
At 1 Jan 2026	**—**	**2,691**	**23,163**	**(132)**	**76**	**2,443**	**28,241**	**20**	**28,261**
Profit for the period	**—**	**—**	**2,120**	**—**	**—**	**—**	**2,120**	**1**	**2,121**
Other comprehensive income (net of tax)	**—**	**—**	**(11)**	**29**	**(510)**	**—**	**(492)**	**—**	**(492)**
– debt instruments at fair value through other comprehensive income	**—**	**—**	**—**	**28**	**—**	**—**	**28**	**—**	**28**
– cash flow hedges	**—**	**—**	**—**	**—**	**(510)**	**—**	**(510)**	**—**	**(510)**
– remeasurement of defined benefit asset/ liability	**—**	**—**	**(11)**	**—**	**—**	**—**	**(11)**	**—**	**(11)**
– exchange differences	**—**	**—**	**—**	**1**	**—**	**—**	**1**	**—**	**1**
Total comprehensive income for the period	**—**	**—**	**2,109**	**29**	**(510)**	**—**	**1,628**	**1**	**1,629**
Issue of other equity instruments[2]	**—**	**257**	**—**	**—**	**—**	**—**	**257**	**—**	**257**
Dividends to shareholder	**—**	**—**	**(1,567)**	**—**	**—**	**—**	**(1,567)**	**(1)**	**(1,568)**
Other movements[3]	**—**	**—**	**3**	**—**	**(1)**	**—**	**2**	**(20)**	**(18)**
At 30 Jun 2026	**—**	**2,948**	**23,708**	**(103)**	**(435)**	**2,443**	**28,561**	**—**	**28,561**
At 1 Jan 2025	—	2,196	22,136	(206)	(658)	2,443	25,911	60	25,971
Profit for the period	—	—	2,041	—	—	—	2,041	3	2,044
Other comprehensive income (net of tax)	—	—	(190)	40	580	—	430	—	430
– debt instruments at fair value through other comprehensive income	—	—	—	35	—	—	35	—	35
– cash flow hedges	—	—	—	—	580	—	580	—	580
– remeasurement of defined benefit asset/ liability	—	—	(190)	—	—	—	(190)	—	(190)
– exchange differences	—	—	—	5	—	—	5	—	5
Total comprehensive income for the period	—	—	1,851	40	580	—	2,471	3	2,474
Issue of other equity instruments[2]	—	495	—	—	—	—	495	—	495
Dividends to shareholder	—	—	(1,502)	—	—	—	(1,502)	(3)	(1,505)
Other movements[3]	—	—	2	—	1	—	3	(40)	(37)
At 30 Jun 2025	—	2,691	22,487	(166)	(77)	2,443	27,378	20	27,398

1 The Group reorganisation reserve is an equity reserve which was used to recognise the contribution of equity reserves associated with the ring-fenced businesses that were notionally transferred from HSBC Bank plc. As at 30 Jun 2026, the balance mainly comprises of the reserve created on consolidation for the goodwill transfer.
2 Other equity instruments were issued net of cost.
3 Relates to £3m of pension assets transferred from HSBC Global Services (UK) Limited and HSBC Bank plc (1H25: £2m) and £(20)m for 1H26 relates to AT1 capital repayment to HSBC Holdings plc.

Consolidated statement of cash flows

	Half-year to	
	30 Jun 2026	30 Jun 2025
	£m	£m
Profit before tax	**2,899**	2,786
Adjustments for non-cash items:		
Depreciation, amortisation and impairment	**252**	231
Net gain from investing activities	**—**	(14)
Change in expected credit losses gross of recoveries and other credit impairment charges	**439**	285
Provisions including pensions	**(112)**	(78)
Share-based payment expense	**18**	13
Other non-cash items included in profit before tax	**(81)**	(152)
Elimination of exchange differences[1]	**14**	365
Changes in operating assets and liabilities		
Changes in loans, deposits and other operating assets and liabilities	**2,350**	(8,389)
Tax (paid)	**(431)**	(815)
Net cash from operating activities	**5,348**	(5,768)
Purchase of financial investments	**(17,463)**	(16,166)
Proceeds from the sale and maturity of financial investments	**13,978**	9,648
Proceeds from sale of property, plant and equipment	**3**	—
Purchase of property, plant and equipment	**(52)**	(28)
Purchase of intangible assets	**(167)**	(190)
Net cash flow on acquisition of subsidiaries, businesses and joint venture	**—**	1
Net cash from investing activities	**(3,701)**	(6,735)
Issue of ordinary share capital and other equity instruments	**257**	495
Subordinated loan capital issued	**1,427**	2,171
Subordinated loan capital repaid	**(79)**	—
Dividends paid to shareholder and non-controlling interests	**(1,568)**	(1,505)
Repayment of other equity instruments to non-controlling interests	**(20)**	—
Net cash from financing activities	**17**	1,161
Net increase/(decrease) in cash and cash equivalents	**1,664**	(11,342)
Cash and cash equivalents at the beginning of the period	**55,299**	63,366
Exchange differences in respect of cash and cash equivalents	**(28)**	35
Cash and cash equivalents at the end of the period	**56,935**	52,059

Interest received was £7,374m (1H25: £7,197m) and interest paid was £3,050m (1H25: £3,119m).

1 Adjustment to bring changes between opening and closing balance sheet amounts to average rates. This is not done on a line-by-line basis, as details cannot be determined without unreasonable expense.

Notes on the interim condensed financial statements

Contents

1 Basis of preparation and material accounting policies

(a) Compliance with International Financial Reporting Standards

The interim condensed consolidated financial statements of HSBC UK have been prepared on the basis of the policies set out in the 2025 annual financial statements except for those related to certain amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' as set out below. They have also been prepared in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the UK's Financial Conduct Authority and IAS 34 'Interim Financial Reporting', as issued by the International Accounting Standards Board ('IASB') and as adopted by the UK. Therefore, they include an explanation of events and transactions that are significant to an understanding of the changes in HSBC UK's financial position and performance since the end of 2025.

These interim condensed consolidated financial statements should be read in conjunction with the Annual Report and Accounts 2025, which was prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. These interim condensed consolidated financial statements were also prepared in accordance with International Financial Reporting Standards ('IFRS Accounting Standards') as issued by the IASB, including interpretations issued by the IFRS Interpretations Committee.

At 30 June 2026, there were no IFRS Accounting Standards effective for the half-year to 30 June 2026 affecting these financial statements that were not approved for adoption in the UK by the UK Endorsement Board.There was no difference between IFRS Accounting Standards as adopted by the UK and IFRS Accounting Standards issued by the IASB in terms of their application to HSBC UK.

Standards applied during the half-year to 30 June 2026

On 1 January 2026 the group adopted 'Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7'. In addition to guidance as to when certain financial liabilities can be deemed settled when using an electronic payment system, the amendments also provide further clarification regarding the classification of financial assets that contain contractual terms that change the timing or amount of contractual cash flows, including those arising from ESG-related contingencies, and financial assets with certain non-recourse features. These amendments had no material effect on the group.

(b) Use of estimates and judgements

Management believes that our critical estimates and judgements are those that relate to impairment of amortised cost and FVOCI debt financial assets, provisions for liabilities and defined benefit pension obligations. There were no material changes in the current period to any of the critical estimates and judgements disclosed in 2025, which are stated on pages 83 to 90 of the Annual Report and Accounts 2025.

(c) Composition of the group

There were no material changes in the composition of the group in the half-year to 30 June 2026.

(d) Future accounting developments

IFRS 18 'Presentation and Disclosure in Financial Statements'

In April 2024, the IASB issued IFRS 18 'Presentation and Disclosure in Financial Statements', effective for annual reporting periods beginning on or after 1 January 2027. The new accounting standard aims to give users of financial statements more transparent and comparable information about an entity's financial performance. It will replace IAS 1 'Presentation of Financial Statements' but carries over many requirements from that IFRS Accounting Standard unchanged. In addition, there are three sets of new requirements relating to the structure of the income statement, management-defined performance measures and the aggregation and disaggregation of financial information.

While IFRS 18 will not change recognition criteria or measurement bases, it will have an impact on presenting information in the financial statements, in particular the income statement and to a lesser extent the cash flow statement. The group is currently evaluating impacts and ensuring data readiness is adequate in anticipation of implementation.

(e) Going concern

The financial statements are prepared on a going concern basis as the Directors are satisfied that the group and bank have the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows, capital requirements and capital resources. These considerations include stressed scenarios as well as considering potential impacts from other top and emerging risks, and the related impact on profitability, capital and liquidity.

(f) Accounting policies

Except as described above, the accounting policies applied by the group for these interim condensed consolidated financial statements are consistent with those described on pages 83 to 90 of the Annual Report and Accounts 2025, as are the methods of computation.

(g) Presentation of information

Certain disclosures have been presented elsewhere in the Interim Report 2026, rather than in the notes to the financial statements. These are marked as '(Reviewed)' as follows:

– Profit/loss before tax and balance sheet data for the period included in the 'Segmental reporting' section on page 5.
– Reconciliation of changes in gross carrying/nominal amount and allowances for loans and advances to banks and customers including loan commitments and financial guarantees included in the 'Risk' section on page 16.
– Distribution of financial instruments to which the impairment requirements in IFRS 9 are applied, by credit quality and stage allocation included in the 'Risk' section on pages 18 to 19.

2 Net fee income

	Half-year to	
	30 Jun 2026	30 Jun 2025
Net fee income by product	**£m**	£m
Account services	**117**	136
Funds under management	**61**	72
Cards	**321**	297
Credit facilities	**93**	87
Imports/exports	**17**	16
Insurance agency commission	**6**	6
Receivables finance	**37**	39
Other	**170**	159
Fee income	**822**	812
Less: fee expense	**(174)**	(152)
Net fee income	**648**	660
Net fee income by global business		
Retail Banking and Wealth	**231**	239
Commercial Banking	**404**	420
Corporate and Institutional Banking	**(44)**	(49)
Private Bank	**57**	50

3 Post-employment benefit plan

We operate a pension plan for our employees called the HSBC Bank (UK) Pension Scheme ('the plan'). Details of the plan are explained on pages 93 to 95 of the Annual Report and Accounts 2025, and details of the policies and practices associated with the plan are explained on page 56 of the Annual Report and Accounts 2025.

Net assets/(liabilities) under defined benefit pension plan

	Fair value of plan assets	**Present value of defined benefit obligations**	**Net defined benefit assets/(liabilities)**
	£m	**£m**	**£m**
At 30 Jun 2026	**18,291**	**(12,967)**	**5,324**
At 31 Dec 2025	18,659	(13,397)	5,262

Post-employment defined benefit plan actuarial financial assumptions

Key actuarial assumptions for the plan

	Discount rate	**Inflation rate (RPI)**	**Inflation rate (CPI)**	**Rate of increase for pensions**	**Rate of pay increase**
	%	**%**	**%**	**%**	**%**
At 30 Jun 2026	**5.94**	**3.13**	**2.70**	**3.05**	**3.45**
At 31 Dec 2025	5.51	3.02	2.34	2.96	3.09

Mortality tables and average life expectancy at age 60 for the plan

	Mortality table	**Life expectancy at age 60 for a male member currently:**		**Life expectancy at age 60 for a female member currently:**	
		Aged 60	**Aged 40**	**Aged 60**	**Aged 40**
At 30 Jun 2026	**SAPS S3[1]**	**26.6**	**28.2**	**28.6**	**30.2**
At 31 Dec 2025	SAPS S3[2]	26.4	28.0	28.4	30.0

1 Self-administered pension scheme ('SAPS') S3 table, with different tables and multipliers adopted based on gender, pension amount and member status, reflecting the Scheme's actual mortality experience. Improvements are projected in accordance with the Continuous Mortality Investigation's ('CMI') 2025 core projection model with an initial addition to improvement of 0.25% per annum and a long-term rate of improvement of 1.25% per annum, with the other parameters set in line with the model default values.
2 Self-administered pension scheme ('SAPS') S3 table, with different tables and multipliers adopted based on gender, pension amount and member status, reflecting the Scheme's actual mortality experience. Improvements are projected in accordance with the Continuous Mortality Investigation's ('CMI') 2024 core projection model with an initial addition to improvement of 0.25% per annum and a long-term rate of improvement of 1.25% per annum, with the other parameters set in line with the model default values.

4 Tax

Tax charge

The ETR is 26.8%, materially aligned to the STR of 28.0%, after reflecting tax relief on AT1 coupon payments and a tax charge from prior year adjustments. The ETR for 1H25 was 26.6%, materially aligned to the STR of 28%, and reflected tax relief on AT1 coupon payments and a tax credit from release of provisions.

5 Dividends

On 22 July 2026, the Directors resolved to pay an interim dividend of £828m to the ordinary shareholder in respect of the financial year ending 31 December 2026. No liability is recognised in the financial statements in respect of this dividend.

Dividends to the shareholder

	Half-year to			
	30 Jun 2026		30 Jun 2025	
	£ per share	**£m**	£ per share	£m
Dividends paid on ordinary shares				
Interim dividend in respect of the previous year	**21,519**	**1,076**	11,900	595
Interim dividend in respect of the current year	**7,060**	**353**	15,999	800
Total	**28,579**	**1,429**	27,899	1,395

Total coupons on capital securities classified as equity

		Half-year to	
		30 Jun 2026	30 Jun 2025
	First call date	**£m**	£m
Undated Subordinated Additional Tier 1 instruments			
– £1,096m	Dec 2019	**49**	53
– £1,100m	Dec 2024	**49**	54
– £500m	Jun 2030	**40**	—
– £260m	Jun 2031	**—**	—
Total		**138**	107

6 Fair values of financial instruments carried at fair value

The accounting policies, control framework and the hierarchy used to determine fair values are consistent with those applied for the Annual Report and Accounts 2025.

Financial instruments carried at fair value and bases of valuation

	At 30 Jun 2026				At 31 Dec 2025			
	Valuation techniques				Valuation techniques			
	Quoted market price	**Using observable inputs**	**With significant unobservable input**		Quoted market price	Using observable inputs	With significant unobservable input	
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
	£m	**£m**	**£m**	**£m**	£m	£m	£m	£m
Recurring fair value measurements								
Assets								
Financial assets mandatorily measured at fair value through profit or loss	**—**	**157**	**—**	**157**	175	—	—	175
Derivatives	**2**	**207**	**4**	**213**	6	157	4	167
Financial investments	**20,338**	**1,105**	**1**	**21,444**	21,112	1,414	1	22,527
Liabilities								
Derivatives	**2**	**116**	**—**	**118**	8	154	—	162

Transfers between levels of the fair value hierarchy are deemed to occur at the end of each quarterly reporting period. Transfers into and out of levels of the fair value hierarchy are primarily attributable to observability of valuation inputs and price transparency. There were no transfers between Level 1 and Level 2 during 2026 and 2025.

7 Fair values of financial instruments not carried at fair value

The bases for measuring the fair values of loans and advances to banks and customers, deposits by banks, customer accounts, debt securities in issue, subordinated liabilities, non-trading repurchase and reverse repurchase agreements and financial investments are explained on pages 100 to 101 of the Annual Report and Accounts 2025.

Fair values of financial instruments not carried at fair value and bases of valuation

	At 30 Jun 2026		At 31 Dec 2025	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	£m	**£m**	£m	£m
Assets				
Loans and advances to banks	**5,209**	**5,209**	6,636	6,636
Loans and advances to customers	**239,853**	**239,383**	231,223	231,686
Reverse repurchase agreements – non-trading	**21,695**	**21,695**	21,560	21,560
Financial investments – at amortised cost	**23,414**	**22,956**	19,111	18,801
Liabilities				
Deposits by banks	**7,707**	**7,707**	7,709	7,709
Customer accounts	**291,403**	**291,403**	288,756	288,756
Repurchase agreements – non-trading	**15,403**	**15,403**	6,276	6,276
Debt securities in issue	**2,747**	**2,763**	3,019	3,031
Subordinated liabilities	**17,680**	**18,048**	16,423	16,752

Other financial instruments not carried at fair value are typically short term in nature and repriced to current market rates frequently. Accordingly, their carrying amount is a reasonable approximation of fair value. This includes cash and balances at central banks which is measured at amortised cost.

8 Goodwill

Impairment testing

As described on pages 106 to 107 of the Annual Report and Accounts 2025, we test goodwill for impairment at 1 October each year and whenever there is an indication that goodwill may be impaired. At 30 June 2026, we reviewed the inputs used in our most recent impairment test in the light of current economic and market conditions and there was no indication of goodwill impairment.

9 Provisions

	Restructuring costs	**Legal proceedings and regulatory matters**	**Customer remediation**	**Other provisions**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**
Provisions (excluding contractual commitments)					
At 1 Jan 2026	29	1	41	85	156
Additions	**18**	**1**	**10**	**13**	**42**
Amounts utilised	**(15)**	**(1)**	**(11)**	**(13)**	**(40)**
Unused amounts reversed	**(8)**	**—**	**(3)**	**(11)**	**(22)**
Exchange and other movements	**—**	**—**	**—**	**2**	**2**
At 30 Jun 2026	**24**	**1**	**37**	**76**	**138**
Contractual commitments[1]					
At 1 Jan 2026					108
Net change in expected credit loss provision					**28**
At 30 Jun 2026					**136**
Total provisions					
At 1 Jan 2026					264
At 30 Jun 2026					**274**

1 Contractual commitments include the provision for contingent liabilities measured under IFRS 9 Financial Instruments in respect of financial guarantees and the expected credit loss provision on off-balance sheet guarantees and commitments.

Customer remediation

Customer remediation refers to HSBC UK's activities to compensate customers for losses or damages associated with a failure to comply with regulations or to treat customers fairly. Customer remediation is often initiated by HSBC UK in response to customer complaints and/or industry developments in sales practices, and is not necessarily initiated by regulatory action.

Restructuring costs

The restructuring costs provision is for costs associated with the group's transformation programmes.

Legal proceedings and regulatory matters

Further details of 'Legal proceedings and regulatory matters' are set out in Note 11. Legal proceedings include civil court, arbitration or tribunal proceedings brought against the group (whether by way of claim or counterclaim), or civil disputes that may, if not settled, result in court, arbitration or tribunal proceedings. Regulatory matters refer to investigations, reviews and other actions carried out by, or in response to the actions of, regulatory or law enforcement agencies in connection with alleged wrongdoing.

10 Contingent liabilities, contractual commitments, guarantees and contingent assets

	At	
	30 Jun 2026	31 Dec 2025
	£m	£m
Guarantees and other contingent liabilities:		
– financial guarantees:[1]	**1,416**	1,197
– performance and other guarantees	**3,059**	2,822
At the end of the period	**4,475**	4,019
Commitments:[2]		
– documentary credits and short-term trade-related transactions	**32**	17
– forward asset purchases and forward deposits placed	**2,852**	574
– standby facilities, credit lines and other commitments to lend	**89,071**	81,615
At the end of the period	**91,955**	82,206

1 Financial guarantees contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss incurred because a specified debtor fails to make payment when due, in accordance with the original or modified terms of a debt instrument. The amounts in the above table are nominal principal amounts.
2 Includes £86bn of commitments at 30 June 2026 (31 December 2025: £80bn), to which the impairment requirements in IFRS 9 are applied where HSBC UK has become party to an irrevocable commitment.

The preceding table discloses the nominal principal amounts of off-balance sheet liabilities and commitments for the group, which represents the maximum amounts at risk should the contracts be fully drawn upon and clients default. As a significant portion of guarantees and commitments are expected to expire without being drawn upon, the total of the nominal principal amounts is not indicative of future liquidity requirements. The expected credit loss provision relating to guarantees and commitments under IFRS 9 is disclosed in Note 9. The majority of the guarantees have a term of less than one year, while guarantees with terms of more than one year are subject to the group's annual credit review process.

Contingent liabilities arising from legal proceedings, regulatory and other matters against group companies are excluded from this note but are disclosed in Note 11.

Financial Services Compensation Scheme ('FSCS')

The FSCS provides compensation, up to certain limits, to eligible customers of financial services firms that are unable, or likely to be unable, to pay claims against them. The FSCS may impose a further levy on HSBC UK to the extent the industry levies imposed to date are not sufficient to cover the compensation due to customers in any future possible collapse. The ultimate FSCS levy to the industry as a result of a collapse cannot be estimated reliably. It is dependent on various uncertain factors including the potential recovery of assets by the FSCS, changes in the level of protected products (including deposits and investments) and the population of FSCS members at the time.

11 Legal proceedings and regulatory matters

The group is party to legal proceedings and regulatory matters arising out of its normal business operations. Apart from the matters described below, the group considers that none of these matters are material. The recognition of provisions is determined in accordance with the accounting policies set out in Note 1 of the Annual Report and Accounts 2025. While the outcomes of legal proceedings and regulatory matters are inherently uncertain, management believes that, based on the information available to it, appropriate provisions have been made in respect of these matters as at 30 June 2026. Where an individual provision is material, the fact that a provision has been made is stated and quantified. Any provision recognised does not constitute an admission of wrongdoing or legal liability. It is not practicable to provide an aggregate estimate of potential liability for our legal proceedings and regulatory matters as a class of contingent liabilities.

Payment Protection Insurance ('PPI')

Although the FCA deadline for bringing PPI complaints has passed, court cases are being brought alleging historic PPI mis-selling.

First Citizens litigation

In May 2023, First-Citizens Bank & Trust Company ('First Citizens') brought a lawsuit in the US District Court for the Northern District of California against HSBC UK and HINV, certain other HSBC companies and seven US-based HSBC employees who had previously worked for Silicon Valley Bank ('SVB'). The lawsuit seeks $1bn in damages and alleges, among other things, that the various HSBC companies conspired with the individual defendants to solicit employees from First Citizens and that the individual defendants took confidential information belonging to SVB and/or First Citizens. In May 2026, the court dismissed claims that First-Citizens had purportedly acquired from the Federal Deposit Insurance Corporation ('FDIC'), and claims against defendants that First Citizens had sought to bring back into the litigation following their dismissal by the court in July 2024, including HSBC UK. First Citizens' remaining claims are proceeding against two HSBC companies, including HINV and one of the individuals.

Based on the facts currently known, it is not practicable at this time to predict the resolution of this matter, including the timing or any possible impact on HSBC UK, which could be significant.

Other regulatory reviews and litigation

HSBC UK and/or certain of its affiliates are also subject to enquiries, requests for information, reviews by various regulators, competition and law enforcement authorities, as well as litigation, in connection with various matters arising out of their businesses and operations. At the present time, HSBC UK does not expect the ultimate resolution of any of these matters to be material to the group's financial position; however, given the uncertainties involved in legal proceedings and regulatory matters, there can be no assurance regarding the eventual outcome of a particular matter or matters.

12 Transactions with related parties

There were no changes to the related party transactions described in the Annual Report and Accounts 2025 that have had a material effect on the financial position or performance of the group in the half-year to 30 June 2026. All other related party transactions that took place in the half-year to 30 June 2026 were similar in nature to those disclosed in the Annual Report and Accounts 2025.

13 Events after the balance sheet date

In its assessment of events after the balance sheet date, HSBC UK has considered and concluded that no material events have occurred resulting in adjustments to the financial statements.

On 22 July 2026, the Directors resolved to pay an interim dividend to the ordinary shareholder of £828m in respect of the financial year ending 31 December 2026. No liability is recognised in the financial statements in respect of this dividend as described in Note 5.

14 Interim Report 2026 and statutory accounts

The information in this Interim Report 2026 is unaudited and does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The Interim Report 2026 was approved by the Board of Directors on 3 August 2026. The statutory accounts of HSBC UK Bank plc for the year ended 31 December 2025 have been delivered to the Registrar of Companies in England and Wales in accordance with section 447 of the Companies Act 2006. The group's auditor, PricewaterhouseCoopers LLP ('PwC'), has reported on those accounts. Its report was unqualified, did not include a reference to any matters to which PwC drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

Reconciliation of alternative performance measures

Return on average ordinary shareholder's equity and return on average tangible equity

RoTE is measured as reported profit attributable to the ordinary shareholder, excluding impairment of goodwill and other intangible assets for the period, divided by average reported equity adjusted for goodwill and intangibles. The adjustment to reported results and reported equity excludes amounts attributable to non-controlling interests. We provide RoTE in addition to Return on average ordinary shareholder's equity ('RoE') as a way of assessing our performance, which is closely aligned to our capital position. The measures are calculated in US dollars in line with the standard HSBC Group-wide calculation methodology.

The following table details the adjustments made to the reported results and equity:

Return on average ordinary shareholders' equity and return on average tangible equity

	Half-year to	
	30 Jun 2026	30 Jun 2025
	$m	$m
Profit		
Profit attributable to the ordinary shareholder	**2,666**	2,512
Profit attributable to the ordinary shareholder, excluding goodwill and other intangible assets impairment	**2,666**	2,512
Equity		
Average total shareholder's equity	**37,264**	34,702
Effect of average preference shares, additional Tier 1 and other equity instruments	**(3,693)**	(3,091)
Average ordinary shareholder's equity	**33,571**	31,611
Effect of goodwill and other intangibles (net of deferred tax)	**(5,836)**	(5,692)
Average tangible ordinary shareholder's equity	**27,735**	25,919
Ratio	**%**	%
Return on average ordinary shareholder's equity (annualised)	**16.0**	16.0
Return on average tangible equity (annualised)[1]	**19.4**	19.5

1 Under IAS 19, HSBC UK holds a pension fund surplus, and records pension income in the Income Statement. The IAS 19 pension fund surplus increases Tangible Equity but not CET1. In the event that the IAS 19 Pension fund surplus was zero, RoTE would be 20.7% (1H25: 21.8%).

Cautionary statement regarding forward-looking statements

The Interim Report 2026 contains certain forward-looking statements with respect to the group's financial condition; results of operations and business, including the strategic priorities; financial, investment and capital targets; and ability to contribute to the HSBC Group's environmental, social and governance ('ESG') ambitions, targets and commitments.

Statements that are not historical facts, including statements about the group'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 of these words 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 judgements 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 the group. The group makes no commitment to revise or update any forward-looking statements to reflect events or circumstances occurring or existing after the date of any forward-looking statements.

Forward-looking statements can be made in writing but may also be made verbally by the Directors, officers and employees of the group (including during management presentations) in connection with this document.

Forward-looking statements involve inherent risks and uncertainties. Readers are cautioned that a number of factors, including ESG-related factors, could cause actual results, performance or other future events to differ, in some instances materially, from those anticipated or implied in any forward-looking statement. This may be due to a variety of risks, uncertainties and other factors including, without limitation, those which relate to general market or economic conditions, regulatory and government policy changes, continued volatility in trade and tariff policies, increased volatility in interest rates and inflation levels and other macroeconomic risks, geopolitical tensions such as the Russia-Ukraine war, the conflict in the Middle East, or any potential military action or conflict elsewhere, the efficacy of the Company's and the HSBC Group's actions in managing and mitigating ESG-related risks, and in progressing towards the HSBC Group's ESG ambitions, targets and commitments, technology and cybersecurity risks (including risks relating to deployment of AI), sanctions compliance risks, and regulatory enforcement actions. For these reasons, recipients should not place reliance on, and are cautioned about relying on, any forward-looking statements. Additional risks and factors which may impact the group's future financial condition and performance are identified in 'Risk overview – Managing risk' and 'Risk overview – Top and emerging risks' on pages 7 to 8 of the Interim Report 2026.

This Interim Report 2026 contains a number of graphics, text boxes and credentials which aim to give a high-level overview of certain elements of our disclosures and to improve accessibility for readers. These graphics, text boxes and credentials are designed to be read within the context of the Interim Report 2026 as a whole.

Abbreviations

Currencies	
£	British pound sterling
€	Euro
$	United States dollar
Abbreviations	
1H26	First half of 2026
1H25	First half of 2025
3Q25	Third Quarter of 2025
1Q25	First Quarter of 2025
2Q25	Second Quarter of 2025
4Q25	Fourth Quarter of 2025
1Q26	First Quarter of 2026
2Q26	Second Quarter of 2026
3Q26	Third Quarter of 2026
4Q26	Fourth Quarter of 2026
1Q27	First Quarter of 2027
2Q27	Second Quarter of 2027
3Q27	Third Quarter of 2027
1Q28	First Quarter of 2028
A	
AI	Artificial Intelligence
AIEA	Average interest-earning assets
AT1	Additional tier 1
B	
BoE	Bank of England
bps	Basis points. One basis point is equal to one hundredth of a percentage point
BNII	Banking Net Interest Income
C	
CBDC	Central Bank Digital Currency
CEO	Chief Executive Officer
CET1	Common equity tier 1
CFO	Chief Financial Officer
CIB	Corporate and Institutional Banking
CMI	Continuous Mortality Investigation
CMB	Commercial Banking
CODM	Chief Operating Decision Maker
CPI	Consumer Price Index
CRR	Customer risk rating
D	
Dec	December
DPD	Days Past Due
DTR	Disclosure Guidance and Transparency Rules
E	
ECL	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	Environmental, social and governance
EU	European Union
EVE	Economic value of equity
ETR	Effective Tax Rate
F	
FCA	Financial Conduct Authority (UK)
FDIC	Federal Deposit Insurance Corporation
FSCS	Financial Services Compensation Scheme
FTE	Full-time equivalent staff
FVOCI	Fair value through other comprehensive income
FY	Full Year
FY25	Full Year 2025
G	
GBM	Global Banking and Markets
GDP	Gross domestic product
GNB	Global Network Banking
group	HSBC UK Bank plc together with its subsidiary undertakings
Group	HSBC Holdings together with its subsidiary undertakings
GTRF	Global Trade and Receivables Finance
H	
HINV	HSBC Innovation Bank Limited
HMRC	HM Revenue & Customs

HMT	His Majesty's Treasury
HR	Human Resources
HSBC Group	HSBC Holdings together with its subsidiary undertakings
HSBC Holdings	HSBC Holdings plc
HSBC UK	HSBC UK Bank plc together with its subsidiary undertakings
I	
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ICAAP	Internal capital adequacy assessment process
IFRS Accounting Standards	International Financial Reporting Standards as issued by the IASB
ILAAP	Internal liquidity adequacy assessment process
IRRBB	Interest Rate Risk in the Banking Book
ISRE	International Standard on Review Engagements
IT	Information technology
J	
Jan	January
Jun	June
K	
KPI	Key Performance Indicator
L	
LCR	Liquidity coverage ratio
LFRF	Liquidity and Funding Risk Management Framework
LTV	Loan to value
M	
MREL	Minimum requirements for own funds and eligible liabilities
M&S	Marks and Spencer
N	
NII	Net interest income
NIM	Net interest margin
NPS	Net Promoter Score
NSFR	Net stable funding ratio
O	
OCI	Other comprehensive income
P	
PB	Private Bank
PBT	Profit Before Tax
PD	Probability of default
POCI	Purchased or originated credit impaired
PPI	Payment protection insurance
PRA	Prudential Regulation Authority
PSR	Payment Systems Regulator
PwC	PricewaterhouseCoopers LLP and its network of firms
R	
Revenue	Net operating income before change in expected credit losses and other credit impairment charges/Loan impairment charges and other credit provisions, also referred to as revenue
RBW	Retail Banking and Wealth
RoE	Return on average ordinary shareholders' equity
RMF	Risk Management Framework
RoTE	Return on average tangible equity
RPI	Retail Price Index
RWA	Risk-weighted asset
S	
SAPS	Self-administered pension scheme
SME	Small and medium-sized enterprise
SICR	Significant increase in credit risk
SVB	Silicon Valley Bank
STR	Statutory Tax Rate
U	
UCB	UK- Corporate Banking
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
US	United States of America
Y	
YoY	Year-on-year

HSBC UK Bank plc

1 Centenary Square
Birmingham B1 1HQ
United Kingdom
Telephone: 03455 873 444
www.hsbc.co.uk