HSBC UK Bank plc

Pillar 3 Disclosures at 30 June 2026

Contents

Presentation of information

This document comprises the Pillar 3 disclosures as at 30 June 2026 for HSBC UK Bank plc ('the bank') 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.

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

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

A full list of abbreviations is provided on page 46.

These Pillar 3 Disclosures at 30 June 2026 contain 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 judgments may prove to be incorrect and involve known and unknown risks, uncertainties, contingencies and other important factors, many of which are outside the control of the group. HSBC UK 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 bank'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 artificial intelligence), 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.

This document should be read in conjunction with our Annual Report and Accounts 2025 and Interim Report 2026, which have been published on the HSBC Group website at www.hsbc.com/investors.

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 9 of the Interim Report 2026.

Tables

Introduction

Pillar 3 Governance and disclosures

Regulatory framework for disclosures

Our Pillar 3 Disclosures at 30 June 2026 comprise both quantitative and qualitative information required under Pillar 3. These disclosures are made in accordance with the United Kingdom ('UK') Prudential Regulation Authority ('PRA') Rulebook Disclosure (Capital Requirements Regulation). They are supplemented by specific additional requirements of the PRA and discretionary disclosures on our part.

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

We are supervised on a consolidated basis in the UK by the PRA. We have calculated capital for prudential regulatory purposes using the Basel III framework as implemented in the UK. We refer to the UK Capital Requirements Regulation, the PRA Rulebook and any laws, regulations, requirements, rules, guidelines, standards and policies relating to capital adequacy, leverage and liquidity adopted by the PRA as applicable, and which are applicable to HSBC UK as the 'Prudential rules'. Any references to European Union ('EU') regulations and directives (including technical standards) should, as applicable, be read as references to the UK's version of such regulation and/or directive, as onshored into UK law under the European Union (Withdrawal) Act 2018 and as may be subsequently amended under UK law.

We publish our Pillar 3 disclosures quarterly on the Group website www.hsbc.com.

Regulatory reporting processes and controls

We have been advancing our programme aimed at strengthening our global regulatory reporting processes and making them more sustainable, including enhancing data, consistency and controls. While this programme continues, there may be impacts on some of our regulatory ratios as we implement recommended changes and continue to enhance our controls across the process.

Comparatives and references

To give insight into movements during the year, we provide comparative figures, commentary on variances and flow tables for capital requirements. In all tables where the term 'capital requirements' is used, this represents the minimum total capital charge set at 8% of risk-weighted assets ('RWAs') by Article 92(1) of the UK Capital Requirements Regulation. Narratives are included to explain quantitative disclosures where necessary.

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

In accordance with the PRA's disclosure requirements, we have shaded cells where no information is required to be disclosed.

Pillar 3 requirements may be met by inclusion in other disclosure media. Where we adopt this approach, references are provided to the relevant pages of the Annual Report and Accounts 2025, the Interim Report 2026 of HSBC UK Bank plc, or to other documents.

The table below highlights the main tables impacted by disclosure enhancements.

Page ref	Table Reference	Activity
23	Table 20 - CR4	Enhanced to incorporate exposures relating to certain advised facilities previously excluded.
5, 12, 13	Table 1 – KM1 Table 6 – UK LR2-LRCom Table 7 – UK LR1-LRSum	Enhanced leverage exposure calculation relating to securities collateral posted to central banks.

Pillar 3 Governance

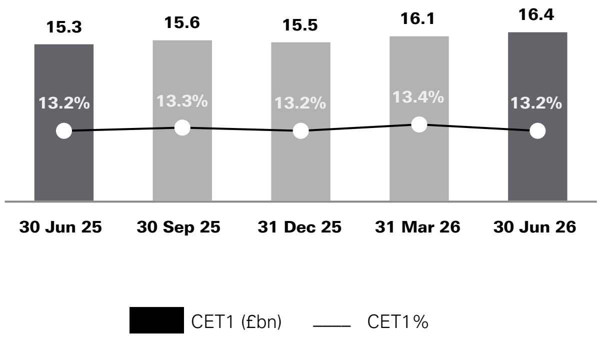
The HSBC UK Pillar 3 disclosures at 30 June 2026 comply with the PRA Rulebook and are governed by the Group's regulatory reporting policy and associated internal controls framework. This document has been approved by the HSBC UK Disclosure Committee as delegated by the HSBC UK Bank plc Board.

Highlights

CET1 capital movement

Common equity tier 1 ('CET1') increased to £16.4bn from £15.5bn at December 2025. During the year, we generated £0.8bn capital from profits net of dividends, together with a £0.1bn reduction in regulatory deductions.

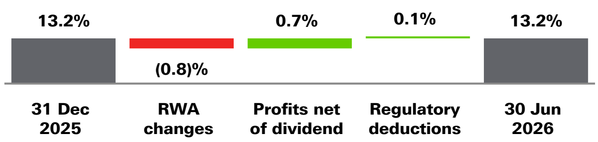
Common equity tier 1: £16.4bn and 13.2%



CET1 ratio movement %

Our CET1 capital ratio was 13.2%, unchanged from 31 December 2025. The increase in RWAs was offset by an increase in capital generation through profits net of dividends together with lower regulatory deductions, mainly due to excess regulatory expected loss.

Common equity tier 1 ratio movement, %



RWAs

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

Risk-weighted assets by risk types
£124,338m (31 December 2025: £117,463m)

Risk-weighted Assets 30 Jun 2026	£m	%
Credit risk	**107,106**	**86.1**
Operational risk	**16,814**	**13.5**
Market risk	**147**	**0.1**
Counterparty credit risk	**271**	**0.2**

Liquidity

The average HSBC UK liquidity coverage ratio ('LCR') was 160% or £34bn above the regulatory requirement for the 12 months to June 2026 and 175% or £40bn for the 12 months to 31 December 2025. The average LCR decreased by 15% as compared to 2025 average, due to customer lending (including facilities) increasing more than deposits.

The average HSBC UK NSFR over the previous four quarters was 143% at 30 June 2026 and 146% at 31 December 2025, which is above the regulatory minimum requirements. The average NSFR reduced by 3% as compared to 2025 average mainly due to an increase in customer lending.

Liquidity

	30 Jun 2026	31 Dec 2025
LCR (%)	**160**	175
NSFR (%)	**143**	146

Leverage

Our leverage ratio was 5.6%, unchanged from 31 December 2025. The increase in Leverage exposure, mainly due to growth in corporate and retail lending combined with an increase in financial investments and reverse repurchase agreements was offset by an increase in Tier 1 capital through profits net of dividends, lower regulatory deductions and Additional Tier 1 capital issuance.

Leverage

	30 Jun 2026	31 Dec 2025
Leverage ratio (%)	**5.6**	5.6

Key metrics

The table below sets out the key regulatory metrics covering the group's available capital (including buffer requirements and ratios), RWAs, leverage ratio,LCR and NSFR. LCR is reported as the average of the preceding 12 months while NSFR is reported as the average of the preceding four quarter-end values.

Table 1: Key metrics (KM1/IFRS9-FL)[1]

		At				
Ref*		**30 Jun 2026**	31 Mar 2026	31 Dec 2025	30 Sep 2025	30 Jun 2025
	Available capital (£m)					
1	Common equity tier 1 ('CET1') capital	**16,395**	16,054	15,509	15,626	15,255
2	Tier 1 capital	**19,343**	18,761	18,218	18,334	17,963
3	Total capital	**23,284**	22,717	21,888	21,978	21,632
	Risk-weighted assets (£m)					
4	Total RWAs	**124,338**	120,226	117,463	117,852	115,402
	Capital ratios (%)					
5	CET1	**13.2**	13.4	13.2	13.3	13.2
6	Tier 1	**15.6**	15.6	15.5	15.6	15.6
7	Total capital	**18.7**	18.9	18.6	18.6	18.7
	Additional own funds requirements based on Supervisory review and evaluation Process ('SREP') as a percentage of RWAs (%)					
UK-7a	Additional CET1 SREP requirements	**2.1**	2.1	2.1	2.1	2.1
UK-7b	Additional additional tier 1 ('AT1') SREP requirements	**0.7**	0.7	0.7	0.7	0.7
UK-7c	Additional tier 2 ('T2') SREP requirements	**1.0**	1.0	1.0	1.0	1.0
UK-7d	Total SREP own funds requirements	**11.8**	11.8	11.8	11.8	11.8
	Combined buffer requirement as a percentage of RWAs (%)					
8	Capital conservation buffer requirement	**2.5**	2.5	2.5	2.5	2.5
9	Institution-specific countercyclical capital buffer	**1.9**	1.9	1.9	1.9	1.9
UK-10a	Other systemically important institution (O-SII) buffer	**1.0**	1.0	1.0	1.0	1.0
11	Combined buffer requirement	**5.4**	5.4	5.4	5.4	5.4
UK-11a	Overall capital requirements	**17.2**	17.2	17.2	17.2	17.2
12	CET1 available after meeting the total SREP own funds requirements	**6.6**	6.7	6.6	6.6	6.6
	Leverage ratio					
13	Total exposure measure excluding claims on central banks (£m)	**344,020**	336,725	325,950	321,229	314,452
14	Leverage ratio excluding claims on central banks (%)	**5.6**	5.6	5.6	5.7	5.7
	Additional leverage ratio disclosure requirements					
14b	Leverage ratio including claims on central banks (%)[2]	**4.9**	4.9	4.8	5.0	5.0
14c	Average leverage ratio excluding claims on central banks (%)	**5.7**	5.7	5.8	5.8	5.8
14d	Average leverage ratio including claims on central banks (%)[2]	**5.1**	5.0	5.0	5.0	5.0
14e	Countercyclical leverage ratio buffer (%)	**0.7**	0.7	0.7	0.7	0.7
EU 14d	Leverage ratio buffer requirement (%)	**1.1**	1.1	1.1	1.1	1.1
EU 14e	Overall leverage ratio requirements (%)	**4.4**	4.4	4.4	4.4	4.4
	Liquidity coverage ratio ('LCR')					
15	Total high-quality liquid assets (£m)	**90,138**	91,598	93,670	94,418	93,913
UK16a	Cash outflows – Total weighted value (£m)	**62,194**	60,323	59,238	57,931	56,152
UK16b	Cash inflows – Total weighted value (£m)	**5,798**	5,845	5,767	5,790	5,785
16	Total net cash outflow (£m)	**56,396**	54,478	53,471	52,141	50,367
17	LCR ratio (%)	**160**	168	175	181	186
	Net Stable Funding Ratio ('NSFR')					
18	Total available stable funding (£m)	**274,438**	272,554	270,620	268,217	266,919
19	Total required stable funding (£m)	**192,473**	189,084	184,732	181,045	176,742
20	NSFR ratio (%)	**143**	144	146	148	151

1 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.
2 In 2Q26, we enhanced the leverage exposure calculation relating to the securities collateral posted to central banks. Comparatives have not been restated.

The group is subject to the basic minimum capital requirements set out in Article 92 (1) of UK Capital Requirements Regulation, namely that it maintains:

- CET1 capital – 4.5% of RWAs;
- Tier 1 capital (CET1 capital plus AT1 capital) – 6% of RWAs; and
- Total capital (Tier 1 capital plus Tier 2 capital) – 8% of RWAs.

Rows UK-7a to UK-7c in the table above show how the group additional capital requirement set by the PRA at 3.8% of RWAs is allocated to each of these tiers of capital. Row UK-7d adds the total of these additional requirements to the UK Capital Requirements Regulation minimum requirements to give a total capital SREP requirement of 11.8%.

Rows 8 to UK-10a set out buffer requirements to which the group is also subject (and which must be satisfied by CET1). The group's overall capital requirement in Row UK-11a, 17.2%, is the sum of these buffer requirements and the minimum capital requirements calculated above in Row UK-7d.

Regulatory developments

Basel 3.1

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

We continue to assess the impact of the final Basel 3.1 standards on our capital and the associated implementation challenges (including data provision). We expect that the impact on our CET1 ratio at 1 January 2027 will be a modest benefit.

Pillar 2A framework review

In May 2026, the PRA published near-final rules for Phase 1 of its review of the Pillar 2A framework ahead of the UK's implementation of Basel 3.1. The changes update how Pillar 2A is calculated, including credit exposures under the standardised approach, and simplifying the related reporting. In addition, the PRA has introduced firm-specific Pillar 2A adjustments for small and medium-sized enterprise and infrastructure lending to help offset the impact of removing existing Pillar 1 capital supporting factors under Basel 3.1.

UK capital framework review

In July 2026, the Bank of England's Financial Policy Committee ('FPC') published initial findings from review of the UK capital framework, proposing to improve the usability and releasability of capital buffers, outlining a longer-term ambition to transition towards a single stress-releasable buffer without automatic distribution restrictions.

On the leverage ratio, the proposals included aligning buffers to Basel's framework by removing the countercyclical leverage buffer and increasing the additional leverage buffer to 50% of the risk weighted systemic buffers, lowering the minimum leverage ratio requirement to 3%, and introducing a new general leverage ratio buffer releasable in stress.

UK liquidity framework review

In March 2026, the PRA consulted on changes to the UK liquidity framework, aiming to strengthen how firms manage liquidity under a rapid withdrawal of deposits. The proposals place greater emphasis on firms being able to convert their liquid assets (such as government bonds and central bank reserves) into cash quickly in stressed conditions.

The PRA also proposed updating firms' internal liquidity stress tests to focus more on severe pressures in the first week of a stress event and on the practical barriers to raising cash and extending these checks to include the most liquid assets. In addition, the consultation covered how firms should reflect central bank facilities in liquidity planning and set clearer expectations for related governance and oversight.

Ring Fencing Reforms

In May 2026, HM Treasury proposed reforms to make the UK ring-fencing regime more proportionate and flexible. These include a new growth allowance to allow banks to provide more products from within the ring-fence, broader permitted risk management services and a review of the interaction with Basel 3.1 capital and leverage requirements.

In July 2026, the PRA published a consultation proposing to simplify elements of the UK ring-fencing regime by removing requirements that currently restrict ring-fenced retail banks from sharing routine operational support services with the wider banking group.

Environmental, social and governance ('ESG') risk

During the first half of 2026, the continued focus was on the implementation and evolution of the International Sustainability Standards Board ('ISSB')-aligned sustainability reporting framework.

In April 2026, the ISSB agreed to develop a proposed IFRS Practice Statement to support companies in identifying and disclosing material nature-related risks and opportunities under IFRS S1. An exposure draft is expected in October 2026.

In February 2026, the UK Government endorsed the UK Sustainability Reporting Standards ('UK SRS'), based on the ISSB's Standards. The FCA consulted on proposals to introduce UK SRS reporting requirements for listed companies, with implementation expected from FY27, subject to final rules. Wider implementation of UK SRS, including any future reporting requirements under the Companies Act 2006, remains subject to the Government's legislative approach.

Linkage to the Interim Report

This section demonstrates the links between the group's financial balance sheet and its regulatory counterpart.

Structure of the regulatory group

The regulatory consolidation is consistent with the accounting consolidation, with the following exceptions:

- the special purpose entities ('SPEs') are excluded where significant risk has been transferred to third parties. Exposures to these SPEs are risk weighted as securitisation positions for regulatory purposes.
- the participating interests in banking associates are proportionally consolidated for regulatory purposes by including our share of assets, liabilities, profit and loss, and RWAs in accordance with the PRA's regulatory requirement.

► For further details of the differences between the accounting and regulatory scope of consolidation and their definition of exposure, see pages 7 to 9 of the Pillar 3 Disclosures at 31 December 2025.

The table below presents the reconciliation between HSBC UK's financial balance sheet and the regulatory scope of consolidation. The regulatory balance sheet value cannot be directly reconciled to other tables showing exposure under the regulatory scope of consolidation as the basis of measurement used in the calculation of RWAs differs.

Table 2: Reconciliation of regulatory own funds to balance sheet in the financial statements (UK CC2)

	Ref †	Accounting balance sheet £m	Deconsolidation of securitisation/ other entities £m	Consolidation of banking associates £m	Regulatory balance sheet £m
Assets					
Cash and balances at central banks		42,893	—	43	42,936
Financial assets designated and otherwise mandatorily measured at fair value through profit or loss		157	—	—	157
Derivatives		213	—	—	213
Loans and advances to banks		5,209	—	—	5,209
Loans and advances to customers		239,853	—	—	239,853
– of which: expected credit losses on internal ratings-based ('IRB') portfolios	f	(1,446)	—	—	(1,446)
Reverse repurchase agreements – non-trading		21,695	—	—	21,695
Financial investments		44,858	(161)	—	44,697
Prepayments, accrued income and other assets		9,988	6	26	10,020
– of which: retirement benefit assets	g	5,324	—	—	5,324
Interests in associates and joint ventures		10	—	(10)	—
Goodwill and intangible assets	d	4,396	—	—	4,396
Total assets at 30 Jun 2026		**369,272**	**(155)**	**59**	**369,176**
Liabilities and equity					
Liabilities					
Deposits by banks		7,707	—	45	7,752
Customer accounts		291,403	570	—	291,973
Repurchase agreements – non-trading		15,403	—	—	15,403
Derivatives		118	—	—	118
Debt securities in issue		2,747	(725)	—	2,022
Accruals, deferred income and other liabilities	o	3,691	—	13	3,704
Current tax liabilities		534	—	—	534
Provisions		274	—	—	274
– of which: credit-related contingent liabilities and contractual commitments on IRB portfolios	f	120	—	—	120
Deferred tax liabilities		1,154	—	—	1,154
Subordinated liabilities		17,680	—	—	17,680
– of which: included in tier 2	i	3,834	—	—	3,834
Total liabilities at 30 Jun 2026		**340,711**	**(155)**	**58**	**340,614**
Equity					
Called up share capital	a	—	—	—	—
Share premium account	a	—	—	—	—
Other equity instruments	h	2,948	—	—	2,948
Other reserves	c,e, g	1,905	—	1	1,906
Retained earnings	b, c	23,708	—	—	23,708
Total shareholders' equity		**28,561**	**—**	**1**	**28,562**
Non-controlling interests		—	—	—	—
Total equity at 30 Jun 2026		**28,561**	**—**	**1**	**28,562**
Total liabilities and equity at 30 Jun 2026		**369,272**	**(155)**	**59**	**369,176**

† The references (a)–(i) identify balance sheet components that are used in the calculation of regulatory capital in 'Table 3: Composition of regulatory own funds (UK CC1)'. This table shows such items at their accounting values, which may be subject to analysis or adjustment in the calculation of regulatory capital shown in Table 3.

Risk Management

Our risk management framework

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. Our Risk and Compliance function, led by the Chief Risk and Compliance Officer, plays an important role in reinforcing our culture and values. We are focused on creating an environment that encourages our people to speak up and do the right thing.

HSBC UK Risk and Compliance is independent from the business segments, including our sales and trading functions, to provide challenge, oversight and appropriate balance of risk and reward in decision-making.

The Risk Management Framework ('RMF') sets out our risk management approach across the organisation and across all risk types, underpinned by our culture and values. This helps us form an enterprise-wide view of the risks we run, informed by both the level of risk and the resources we have available to mitigate these risks. The RMF promotes risk awareness, drives a positive risk culture and lays out the key principles and practices that we employ in managing risks, both financial and non-financial. It encourages sound operational and strategic decision making and escalation, and also supports a consistent approach to identifying, assessing, managing and reporting the risks we accept and incur in our activities, with clear accountabilities. We continue to actively review and develop our risk management framework and enhance our approach to managing risk.

▶ Further information on our current policies and practices regarding the management of risk is set out in the 'Risk management' section on pages 14 to 22 of the Annual Report and Accounts 2025.

Treasury Risk

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 an 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 and insurance risk.

The Chief Risk and Compliance Officer is the accountable risk steward for all treasury risks. The Chief Financial Officer is the risk owner for all treasury risks.

The Treasury function actively manages capital risk, liquidity risk, interest rate risk in the banking book, structural foreign exchange risk and transactional foreign exchange risk on an ongoing basis, supported by the Financial Management Meeting, and overseen by Treasury Risk Management. Pension Risk is overseen by a pension risk management meeting chaired by the accountable risk steward.

We use stress testing to guide management of capital and liquidity required to withstand internal and external shocks, such as a systems failure or an economic downturn.

▶ For further details of our approach to treasury risk management including capital risk, liquidity risk, interest rate in the banking book, non-trading foreign exchange exposure and pension risk, please see pages 53 to 56 of the Annual Report and Accounts 2025.

Capital risk

Our approach to capital management is shaped by our organisational needs and the regulatory, economic and commercial environment. We aim to maintain a strong capital base to manage inherent business risks and invest in accordance with our strategy, seeking to adhere to both consolidated and local regulatory capital requirements at all times.

HSBC Holdings plc is the sole provider of equity capital to the group and provides non-equity capital where necessary. Capital generated in excess of the capital needs of the group in the near term is returned to the shareholders in the form of dividends. Capital securities are regularly reviewed for compliance with regulatory requirements and guidelines.

A list of the main features of our capital instruments as at 31 December 2025 is published on our website at www.hsbc.com in accordance with Article 437 of the PRA Rulebook.

Own funds

The table below provides a detailed breakdown of the key components of our CET1, Tier 1 and Tier 2 capital and the regulatory adjustments impacting our capital base.

Table 3: Composition of regulatory own funds (UK CC1)

			At	
			30 Jun 2026	31 Dec 2025
		Ref †	**£m**	£m
	Common equity tier 1 ('CET1') capital: instruments and reserves			
1	Capital instruments and the related share premium accounts[1]		**—**	—
	– ordinary shares[1]	a	**—**	—
2	Retained earnings	b	**22,079**	21,494
3	Accumulated other comprehensive income (and other reserves)	c	**1,905**	2,388
UK-5a	Independently reviewed interim net profits net of any foreseeable charge or dividend	b	**801**	593
6	**Common equity tier 1 capital before regulatory adjustments**		**24,785**	24,475
	Common equity tier 1 capital: regulatory adjustments			
7	Additional value adjustments (negative amount)		**(13)**	(11)
8	Intangible assets (net of related tax liability) (negative amount)	d	**(4,396)**	(4,413)
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	e	**434**	(79)
12	Negative amounts resulting from the calculation of expected loss amounts	f	**(582)**	(675)
15	Defined-benefit pension fund assets (negative amount)	g	**(3,833)**	(3,788)
28	**Total regulatory adjustments to common equity tier 1**		**(8,390)**	(8,966)
29	**Common Equity Tier 1 ('CET1') capital**		**16,395**	15,509
	Additional tier 1 ('AT1') capital: instruments			
30	Capital instruments and the related share premium accounts		**2,948**	2,691
31	– classified as equity under IFRSs	h	**2,948**	2,691
34	Qualifying tier 1 capital included in consolidated AT1 capital (including minority interests not included in CET1) issued by subsidiaries and held by third parties		**—**	18
36	**Additional tier 1 capital before regulatory adjustments**		**2,948**	2,709
44	**Additional tier 1 capital**		**2,948**	2,709
45	**Tier 1 capital (T1 = CET1 + AT1)**		**19,343**	18,218
	Tier 2 capital: instruments and provisions			
46	Capital instruments and the related share premium accounts	i	**3,941**	3,670
51	**Tier 2 capital before regulatory adjustments**		**3,941**	3,670
58	**Tier 2 capital**		**3,941**	3,670
59	**Total capital (TC = T1 + T2)**		**23,284**	21,888
60	**Total risk-weighted assets**		**124,338**	117,463
	Capital ratios and buffers (%)			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)		**13.2**	13.2
62	Tier 1 (as a percentage of total risk exposure amount)		**15.6**	15.5
63	Total capital (as a percentage of total risk exposure amount)		**18.7**	18.6
64	Institution CET1 overall capital requirement (per Article 92 (1) CRR II, plus additional requirement in accordance with point (a) of Article 104(1) CRR II, and combined buffer requirement in accordance with Article 128(6) CRR II as a percentage of risk exposure amount)		**12.0**	12.0
65	– capital conservation buffer requirement		**2.5**	2.5
66	– countercyclical buffer requirement		**1.9**	1.9
67a	– Other systemically important institution ('O-SII') buffer		**1.0**	1.0
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)		**6.6**	6.6
	Amounts below the threshold for deduction (before risk weighting)			
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR II are met)		**166**	183
	Applicable caps on the inclusion of provisions in tier 2			
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach		**166**	161
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach		**555**	516

† The references (a)–(i) identify balance sheet components in 'Table 2: Reconciliation of regulatory own funds to balance sheet in the financial statements (UK CC2)', which is used in the calculation of regulatory capital. This table shows how they contribute to the regulatory capital calculation. Their contribution may differ from their accounting value in Table 2 as a result of adjustment or analysis to apply regulatory definitions of capital.

1 The authorised and paid ordinary share capital of the bank at 30 June 2026 was £50,002 (2025: £50,002) ordinary shares of £1.00 each.

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

- an increase of 0.8% from £0.8bn of capital generation through profits net of dividends combined with a £0.1bn increase 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 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.

Capital buffers

Our geographical breakdown and institution-specific countercyclical capital buffer ('CCyB') disclosure is provided on page 44 of this document.

Pillar 1 minimum capital requirements and RWA flow

Pillar 1 covers the minimum capital resource requirements for credit risk, counterparty credit risk ('CCR'), equity, securitisation, market risk and operational risk. These requirements are expressed in terms of RWAs.

Risk category	Scope of permissible approaches	Our approach
Credit risk	The Basel Committee's framework applies three approaches of increasing sophistication to the calculation of Pillar 1 credit risk capital requirements. The most basic level, the standardised approach, requires banks to use external credit ratings to determine the risk weightings applied to rated counterparties. Other counterparties are grouped into broad categories, and standardised risk weightings are applied to these categories. The next level, the foundation IRB ('FIRB') approach, allows banks to calculate their credit risk capital requirements on the basis of their internal assessment of a counterparty's probability of default ('PD'), but subjects their quantified estimates of exposure at default ('EAD') and loss given default ('LGD') to standard supervisory parameters. Finally, the advanced IRB ('AIRB') approach allows banks to use their own internal assessment in both determining PD and quantifying EAD and LGD.	HSBC UK has adopted the IRB approach for the majority of its business. For Retail, AIRB is primarily used, with FIRB used for most of the Wholesale portfolio. Some portfolios remain on the standardised approach: – following supervisory prescription of a non-advanced approach; or – under exemptions from IRB treatment.
Counterparty credit risk	CCR covers the risk of counterparty default and potential mark-to-market losses in derivatives and SFTs. The potential for mark-to-market losses is known as Credit valuation adjustments ('CVA') risk. The exposure value, for a given netting set, is determined either by the credit risk mitigation ('CRM') approach, Standardised Approach for Counterparty Credit Risk ('SA-CCR'), or by internal model method ('IMM'). For SFTs either the simple or comprehensive approach is applied to recognition of collateral with SFTs or the Value at Risk ('VaR') approach. For CVA, permissible approaches are the Standardised Approach ('SA-CVA') and Advanced Approach ('AA-CVA').	HSBC UK primarily uses the SA-CCR for CCR and for CVA we apply SA-CVA.
Equity	Capital requirements for non-trading book holdings of equity can be assessed under the standardised or IRB approaches.	For HSBC UK, all equity exposures are treated under the standardised approach.
Securitisation	The framework prescribes the following approaches: – internal ratings-based approach ('SEC-IRBA'); – standardised approach ('SEC-SA'); – external ratings-based approach ('SEC-ERBA'); and – internal assessment approach ('IAA').	Under the framework: – Our originated positions are reported under SEC-IRBA. – Where broader approach categorisation is required, 'SEC-IRBA' is mapped to the IRB approach and the remaining three approaches are mapped to the standardised category. – Our investments in third party follows the SEC-SA and the SEC ERBA.
Market risk	Market risk capital requirements can be determined under either the standard rules or the internal models approach. The latter involves the use of internal VaR models to measure market risks and determine the appropriate capital requirement. In addition to the VaR models, other internal models include stressed VaR, incremental risk charge ('IRC') and comprehensive risk measure.	For HSBC UK, the market risk capital requirement is measured using the standardised rules.
Operational risk	The PRA allows firms to calculate their operational risk capital requirement under the basic indicator approach, the standardised approach or the advanced measurement approach.	HSBC UK uses the standardised approach in determining our operational risk capital requirement.

Risk-weighted assets

The table below shows total RWAs and the corresponding total own funds requirement split by risk type. Other counterparty credit risk includes RWAs on securities financing transactions. Amounts below the thresholds for deduction are included in row 2 of the table and include thresholds for the recognition of significant investments and deferred tax assets.

Table 4: Overview of Risk weighted exposure amounts (OV1)

		At					
		30 Jun 2026	**30 Jun 2026**	31 Mar 2026	31 Mar 2026	31 Dec 2025	31 Dec 2025
		RWAs	**Total own funds requirement**	RWAs	Total own funds requirement	RWAs	Total own funds requirement
		£m	**£m**	£m	£m	£m	£m
1	**Credit risk (excluding counterparty credit risk)**	**105,503**	**8,440**	101,475	8,118	98,705	7,896
2	– standardised approach	**13,173**	**1,054**	12,934	1,035	12,796	1,024
3	– foundation IRB approach	**49,714**	**3,977**	46,756	3,740	45,233	3,618
4	– slotting approach	**6,060**	**485**	6,188	495	6,074	486
5	– advanced IRB approach	**36,556**	**2,924**	35,597	2,848	34,602	2,768
6	**Counterparty credit risk**	**271**	**22**	279	22	255	21
7	– standardised approach	**80**	**7**	100	8	99	8
UK-8a	– exposures to a central counterparty	**124**	**10**	126	10	101	8
UK-8b	– credit valuation adjustment	**26**	**2**	23	2	22	2
9	– Other counterparty credit risk	**41**	**3**	30	2	33	3
16	**Securitisation exposures in the non-trading book (after the cap)**	**1,603**	**128**	1,461	117	1,592	127
17	– internal ratings-based approach ('SEC-IRBA')	**1,339**	**107**	1,209	97	1,354	108
19	– standardised approach ('SEC-SA')	**264**	**21**	179	14	183	15
UK-19a	– 1250%/deduction	**—**	**—**	73	6	55	4
20	**Position, foreign exchange and commodities risks (Market risk)**	**147**	**12**	197	16	97	8
21	– standardised approach	**147**	**12**	197	16	97	8
23	**Operational risk**	**16,814**	**1,345**	16,814	1,345	16,814	1,345
UK-23b	– standardised approach	**16,814**	**1,345**	16,814	1,345	16,814	1,345
29	**Total**	**124,338**	**9,947**	120,226	9,618	117,463	9,397
24	– of which: Amounts below the thresholds for deduction (subject to 250% risk weight)	**415**	**33**	439	35	457	37

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

Credit risk, including amounts below the thresholds for deduction

Credit risk RWAs at 30 June 2026, decreased by £4bn compared to 31 March 2026.

Standardised approach RWAs increased by £0.2bn mainly due to growth in HSBC Innovation Bank Limited commercial lending portfolio.

Foundation IRB RWAs increased by £2.9bn mainly due to growth in corporate lending combined with credit risk migrations.

Advanced IRB RWAs increased by £1bn mainly due to growth in retail mortgages.

The table below shows the drivers of the quarterly changes in credit risk RWAs on the IRB approach. These exclude exposure to counterparty credit risk, securitisation positions and non-credit obligation assets.

Table 5: RWA flow statements of credit risk exposures under IRB (CR8)

		Quarter ended			
		30 Jun 2026	31 Mar 2026	31 Dec 2025	30 Sep 2025
		£m	£m	£m	£m
1	**RWAs at the opening period**	**87,527**	84,969	87,612	85,184
2	Asset size	**2,911**	1,692	1,803	2,521
3	Asset quality	**605**	795	629	597
4	Model updates	**183**	100	27	(425)
5	Methodology and policy	**68**	(75)	(5,126)	(417)
7	Foreign exchange movements	**(23)**	46	24	152
9	**RWAs at the closing period**	**91,271**	87,527	84,969	87,612

RWAs under the IRB approach at 30 June 2026 increased by £3.7bn compared to 31 March 2026.

- Asset size movements increased RWAs by £2.9bn mainly due to growth in corporate lending and retail mortgages.
- Asset quality changes led to a £0.6bn increase in RWAs due to credit risk migrations and portfolio mix changes.
- Model updates led to a £0.2bn increase in RWAs due to recalibration of post model adjustments.

Leverage ratio

The risk of excessive leverage is managed as part of the UK risk appetite framework and monitored using a leverage ratio metric within our risk appetite statement.

Our approach to risk appetite is described on page 14 of the Annual Report and Accounts 2025.

In 2Q26, we enhanced the leverage exposure calculation relating to the securities collateral posted to central banks. Comparatives have not been restated.

The table below provides a detailed breakdown of the components of our leverage exposure, including the split of the on and off balance sheet exposures, leverage ratios, minimum requirements and buffers. The components of the leverage ratio on an average basis are also included as per UK's leverage ratio framework.

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

		At	
		30 Jun 2026	31 Dec 2025
		£m	£m
	On-balance sheet exposures (excluding derivatives and securities financing transactions ('SFTs'))		
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	**348,006**	334,259
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	**367**	74
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	**(1,380)**	(990)
6	(Asset amounts deducted in determining tier 1 capital) (leverage)	**(8,811)**	(8,877)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**338,182**	324,466
	Derivative exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	**575**	277
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	**677**	633
13	**Total derivative exposures**	**1,252**	910
	SFT exposures		
14	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	**30,713**	29,465
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	**(5,020)**	(6,871)
16	Counterparty credit risk exposure for SFT assets	**1,739**	4,013
18	**Total securities financing transaction exposures**	**27,432**	26,607
	Other off-balance sheet exposures		
19	Off-balance sheet exposures at gross notional amount	**93,842**	85,939
20	(Adjustments for conversion to credit equivalent amounts)	**(68,909)**	(62,135)
22	**Total off-balance sheet exposures**	**24,933**	23,804
	Capital and total exposures measure		
23	**Tier 1 capital (leverage)**	**19,343**	18,218
24	Total exposure measure including claims on central banks	**391,799**	375,787
UK-24a	(-) Claims on central banks excluded	**(47,779)**	(49,837)
UK-24b	**Total exposure measure excluding claims on central banks**	**344,020**	325,950
	Leverage ratios		
25	**Leverage ratio excluding claims on central banks (%)**	**5.6**	5.6
UK-25b	Leverage ratio excluding central bank reserves as if the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income had not been applied (%)	**5.6**	5.6
UK-25c	Leverage ratio including claims on central banks (%)	**4.9**	4.8
26	Regulatory minimum leverage ratio requirement (%)	**3.3**	3.3
	Additional leverage ratio disclosure requirements – leverage ratio buffers		
27	Leverage ratio buffer (%)	**1.1**	1.1
UK-27a	– of which: G-SII or O-SII additional leverage ratio buffer (%)	**0.4**	0.4
UK-27b	– of which: countercyclical leverage ratio buffer (%)	**0.7**	0.7
	Additional leverage ratio disclosure requirements – disclosure of mean values		
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	**19,177**	19,745
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	**25,693**	22,594
UK-31	Average total exposure measure including claims on central banks	**378,035**	368,838
UK-32	Average total exposure measure excluding claims on central banks	**333,344**	318,781
UK-33	Average leverage ratio including claims on central banks (%)	**5.1**	5.0
UK-34	Average leverage ratio excluding claims on central banks (%)	**5.7**	5.8

The table below provides a reconciliation of the total assets in our published balance sheet under IFRS to the total leverage exposure.

Table 7: LRSum: Summary reconciliation of accounting assets and leverage ratio exposures (UK LR1-LRSum)

		At	
		30 Jun 2026	31 Dec 2025
		£m	£m
1	Total assets as per published financial statements	**369,272**	355,930
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	**(96)**	(104)
4	(Adjustment for exemption of exposures to central banks)	**(47,779)**	(49,837)
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	**(36)**	(50)
7	Adjustment for eligible cash pooling transactions	**1,848**	1,722
8	Adjustment for derivative financial instruments	**26**	(173)
9	Adjustment for securities financing transactions ('SFTs')	**5,738**	5,046
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	**24,933**	23,804
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced tier 1 capital (leverage))	**(8,811)**	(8,877)
12	Other adjustments	**(1,075)**	(1,511)
13	**Total leverage ratio exposure**	**344,020**	325,950

The table below provides the breakdown of on-balance sheet exposures excluding derivatives, SFTs and exempted exposures by asset class.

Table 8: Leverage ratio – split of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures) (UK LR3-LRSpl)

		At	
		30 Jun 2026	31 Dec 2025
		£m	£m
UK-1	Total on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures), of which:	**298,847**	283,432
UK-3	Banking book exposures, of which:	**298,847**	283,432
UK-4	Covered bonds	**1,034**	936
UK-5	Exposures treated as sovereigns	**41,192**	35,364
UK-6	Exposures to regional governments, multilateral development banks, international organisations and public sector entities not treated as sovereigns	**145**	2
UK-7	Institutions	**2,850**	2,353
UK-8	Secured by mortgages of immovable properties	**142,794**	139,274
UK-9	Retail exposures	**16,639**	16,287
UK-10	Corporates	**75,090**	69,602
UK-11	Exposures in default	**2,058**	2,286
UK-12	Other exposures (e.g. equity, securitisations and other non-credit obligation assets)	**17,045**	17,328

At 30 June 2026, our leverage ratio was 5.6%, unchanged from 31 December 2025. The key drivers of the movements within the leverage ratio were:

- 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 AT 1 capital issuance.

At 30 June 2026, UK minimum leverage ratio requirement of 3.25% under the PRA's UK leverage framework was supplemented by a leverage ratio buffer of 1.1%,which consists of an additional leverage ratio buffer of 0.4% and a countercyclical leverage ratio buffer of 0.7%. These buffers translated into capital value of £1.4bn and £2.4bn respectively. We exceeded these leverage requirements.

The average leverage ratio decreased from 5.8% to 5.7%, primarily due to increase in average leverage exposure of £15bn mainly driven by increase in corporate lending, retail mortgages, financial investments and reverse repurchase agreements.

Liquidity risk

Management of liquidity and funding risk

We aim to ensure that management has oversight of our liquidity and funding risks by maintaining comprehensive policies, metrics and controls.

Liquidity coverage ratio

The LCR aims to ensure that a bank has sufficient unencumbered HQLA to meet its liquidity needs in a 30-calendar day liquidity stress scenario. For the disclosure of the LCR, we follow Article 451a of the PRA Rulebook.

The average LCR for the 12 months to 30 June 2026 was 160% or £34bn above the regulatory requirement, and 175% or £40bn for the 12 months to 31 December 2025. The decrease of 15%, is mainly due to customer lending (including facilities) increasing more than deposits.

The average LCR HQLA of £90bn (31 December 2025: £94bn) was mainly comprised of central bank reserves and Level 1 securities.

Cross-currency management

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

Net stable funding ratio

We use the NSFR, alongside other appropriate metrics, as a basis for ensuring operating entities maintain a stable funding profile to support their business activities. The NSFR is defined as the ratio between the amount of stable funding available and the amount of stable funding required.

The average NSFR over the previous four quarters was 143% at 30 June 2026 and 146% at 31 December 2025. The decrease of 3% is mainly due to an increase in customer lending.

Sources of funding

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

▶ More details on the concentration of funding and liquidity sources may be found on page 23 of the Interim Report 2026 and page 58 of the Annual Report and Accounts 2025.

The following table presents liquidity coverage information on a HSBC UK Bank Domestic Liquidity Sub-group basis reflecting the way we manage liquidity within HSBC UK as a single operating entity, in line with the application of UK liquidity regulation as agreed with the PRA.

As at 30 June 2026, the HSBC UK Bank Domestic Liquidity Sub-group comprised: HSBC UK Bank plc, Marks and Spencer Financial Services Limited, HSBC Private Bank (UK) Limited and HSBC Innovation Bank Limited. 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.

The table below sets out the granular split of cash outflows and cash inflows, as well as the available HQLA on both an unweighted and weighted basis, which are used to derive the LCR. All figures are based on the average over the preceding 12 months.

Table 9: UK LIQ1 – Quantitative information of LCR

		Quarter ended							
		30 Jun 2026		31 Mar 2026		31 Dec 2025		30 Sep 2025	
		Total unweighted value	**Total weighted value**	Total unweighted value	Total weighted value	Total unweighted value	Total weighted value	Total unweighted value	Total weighted value
		£m	**£m**	£m	£m	£m	£m	£m	£m
UK 1b	Number of data points used in the calculation of averages		**12**		12		12		12
	High quality liquid assets								
1	Total high quality liquid assets ('HQLA')		**90,138**		91,598		93,670		94,418
	Cash outflows								
2	Retail deposits and small business funding	**198,344**	**16,448**	197,240	16,402	196,476	16,368	195,526	16,255
	– of which:								
3	stable deposits	**129,295**	**6,465**	126,509	6,326	123,944	6,197	122,919	6,146
4	less stable deposits	**69,049**	**9,983**	70,731	10,076	72,532	10,171	72,607	10,109
5	Unsecured wholesale funding	**81,465**	**34,392**	79,011	33,042	77,654	32,648	76,063	32,024
6	– operational deposits (all counterparties) and deposits in networks of cooperative banks	**28,819**	**6,772**	27,423	6,454	26,224	6,186	24,982	5,890
7	– non-operational deposits (all counterparties)	**52,513**	**27,487**	51,434	26,434	51,274	26,306	50,911	25,965
8	– unsecured debt	**133**	**133**	154	154	156	156	170	170
10	Additional requirements	**60,147**	**7,185**	58,791	6,951	57,570	6,738	56,521	6,522
11	– outflows related to derivative exposures and other collateral requirements	**1,044**	**1,044**	903	903	871	871	886	886
13	– credit and liquidity facilities	**59,103**	**6,141**	57,888	6,048	56,698	5,867	55,634	5,636
14	Other contractual funding obligations	**1,237**	**882**	1,195	862	1,021	701	951	654
15	Other contingent funding obligations	**31,603**	**3,287**	30,845	3,066	30,100	2,783	29,280	2,476
	Total cash outflows		**62,194**		60,323		59,238		57,931
	Cash inflows								
17	Secured lending transactions (including reverse repos)	**14,756**	**268**	14,102	253	12,729	208	11,641	192
18	Inflows from fully performing exposures	**3,988**	**3,275**	4,057	3,332	3,964	3,262	4,026	3,339
19	Other cash inflows	**10,685**	**2,255**	10,479	2,260	10,278	2,297	10,057	2,259
20	**Total cash inflows**	**29,429**	**5,798**	28,638	5,845	26,972	5,767	25,724	5,790
UK-20c	Inflows Subject to 75% Cap	**29,429**	**5,798**	28,638	5,845	26,972	5,767	25,724	5,790
UK-21	Liquidity Buffer		**90,138**		91,598		93,670		94,418
22	Total net cash outflows		**56,396**		54,478		53,471		52,141
23	Liquidity coverage ratio (%)		**160**		168		175		181

The table below shows the components of the NSFR for unweighted values by residual maturity and the resultant weighted amounts. The NSFR is the average of the preceding four quarters.

Table 10: UK LIQ2 – Net Stable Funding Ratio

		30 June 2026				
		Unweighted value by residual maturity				
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
		£m	£m	£m	£m	£m
Available stable funding ('ASF') Items						
1	Capital items and instruments	26,648	40	—	3,763	30,411
2	– Own funds	26,648	40	—	3,763	30,411
4	Retail deposits		199,111	—	—	185,789
5	– Stable deposits		131,780	—	—	125,191
6	– Less stable deposits		67,331	—	—	60,598
7	Wholesale funding:		99,626	2,436	18,751	58,238
8	– Operational deposits		29,662	—	—	14,831
9	– Other wholesale funding		69,964	2,436	18,751	43,407
11	Other liabilities:	4	5,474	—	—	—
12	NSFR derivative liabilities	4				
13	– All other liabilities and capital instruments not included in the above categories		5,474	—	—	—
14	**Total available stable funding ('ASF') at 30 Jun 2026**					274,438
Required stable funding ('RSF') Items						
15	**Total high-quality liquid assets ('HQLA')**					639
17	Performing loans and securities:		37,109	15,048	199,983	164,953
18	– Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		16,096	4,124	—	2,062
19	– Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		1,323	—	—	66
20	– Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs		11,856	5,999	52,299	53,232
21	– of which: With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		487	183	748	821
22	– Performing residential mortgages		2,547	2,839	134,189	94,211
23	– of which: With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		2,497	2,783	131,560	91,923
24	– Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		5,287	2,086	13,495	15,382
26	Other assets:	—	4,821	—	14,153	18,321
28	– Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		2,048			1,740
29	– NSFR derivative assets		27			27
30	– NSFR derivative liabilities before deduction of variation margin posted		176			9
31	– All other assets not included in the above categories		2,570	—	14,153	16,545
32	Off-balance sheet items		36,326	9,262	45,854	8,560
33	**Total RSF at 30 Jun 2026**					192,473
34	Net Stable Funding Ratio (%)					143

Table 10: UK LIQ2 – Net Stable Funding Ratio (continued)

		31 December 2025				
		Unweighted value by residual maturity				
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
		£m	£m	£m	£m	£m
Available stable funding ('ASF') Items						
1	Capital items and instruments	26,078	540	40	3,211	29,288
2	– Own funds	26,078	540	40	3,211	29,288
4	Retail deposits		197,162	—	—	183,741
5	– Stable deposits		125,890	—	—	119,595
6	– Less stable deposits		71,273	—	—	64,146
7	Wholesale funding:		90,844	2,110	19,639	57,591
8	– Operational deposits		26,823	—	—	13,411
9	– Other wholesale funding		64,021	2,110	19,639	44,180
11	Other liabilities:	4	5,345	—	—	—
12	NSFR derivative liabilities	4				
13	– All other liabilities and capital instruments not included in the above categories		5,345	—	—	—
14	Total available stable funding ('ASF') at 31 Dec 2025					270,620
Required stable funding ('RSF') Items						
15	Total high-quality liquid assets ('HQLA')					582
17	Performing loans and securities:		34,937	15,529	189,583	158,721
18	– Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		12,865	4,350	—	2,175
19	– Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		747	—	—	37
20	– Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs		13,394	6,211	46,873	49,432
21	– of which: With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		567	345	1,064	1,147
22	– Performing residential mortgages		2,838	2,761	130,690	93,182
23	– of which: With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		2,786	2,711	128,307	91,106
24	– Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		5,093	2,207	12,020	13,895
26	Other assets:	—	4,990	—	13,566	17,834
27	– Physical traded commodities					
28	– Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		1,864	—	—	1,584
29	– NSFR derivative assets		35	—	—	35
30	– NSFR derivative liabilities before deduction of variation margin posted		141	—	—	7
31	– All other assets not included in the above categories		2,949	—	13,566	16,208
32	Off-balance sheet items		31,689	8,431	47,074	7,594
33	Total RSF at 31 Dec 2025					184,732
34	Net Stable Funding Ratio (%)					146

Interest rate risk in the banking book

Interest rate risk in the banking book ('IRRBB') is the risk of an adverse impact on earnings or capital due to changes in market interest rates or changes in expected repricing of client products. It arises from our non-trading assets and liabilities, specifically loans, deposits and financial instruments that are not held for trading.

Risk management and governance

Our IRRBB risk management framework is designed to ensure that all material sources of IRRBB are identified, measured, managed and monitored, supported by robust policies and governance frameworks.

Interest rate risk that can be economically hedged is transferred to Markets Treasury, with some exceptions. Interest rate risk that Markets Treasury cannot economically hedge is not transferred and remains within the business in which the risks originate. Hedging is generally executed using interest rate derivatives or fixed-rate bonds.

The primary driver of IRRBB in HSBC UK is the repricing mismatch between interest rate-sensitive assets and rate-insensitive liabilities and equity. The structural hedge is the key tool used to manage and mitigate earnings variability by smoothing the impact of market rate movements over the medium term. The structural hedge is a portfolio of fixed-rate assets, including bonds, derivatives and customer lending. The size and duration of the structural hedge can be constrained in certain currencies by financial resource availability and market capacity.

Our IRRBB risks are measured and managed using a combination of economic value-based and earnings-based measures to ensure that the balance between stabilising earnings and managing value sensitivity is appropriately maintained. These metrics measure IRRBB across the banking book and support monitoring against risk appetite, including:

- Banking Net Interest Income ('BNII') Sensitivity; and
- Economic Value of Equity ('EVE') Sensitivity.

Banking net interest income sensitivity and Economic value of equity sensitivity

BNII sensitivity is the sensitivity of our banking net interest income to interest rate shocks over a 12-month period. This metric includes sensitivity arising from the use of banking book liabilities to fund trading assets, as well as the impact of vanilla foreign exchange swaps used to optimise cash management. BNII sensitivities are shown in the ΔNII column in the UK IRRBB1 table.

EVE sensitivity is the impact on the present value of banking book assets and liabilities (excluding equity), based on a run-off balance sheet, from movements in interest rates. This includes the assumed term profile of non-maturing deposits ('NMDs') adjusted for stability and price sensitivity. EVE sensitivity is measured and reported as part of HSBC UK's internal risk metrics, regulatory reporting (including the Supervisory Outlier Test) and external Pillar 3 disclosures. HSBC UK monitors EVE sensitivities as a percentage of its capital resources.

BNII sensitivity and EVE sensitivity are measured monthly.

Interest rate shock and stress scenarios applied

BNII sensitivities are indicative and are based on the shocks prescribed by the PRA instructions (Rule 9.7 of the PRA Rulebook: CRR II Firms: Internal Capital Adequacy Assessment) and in accordance with Article 448(1) of the PRA Rulebook.

BNII sensitivity calculations are performed under the following shocks:

– parallel up; and
– parallel down.

These shocks assume an immediate impact of +/-200 basis points for US dollars, euros and Hong Kong dollars, and +/-250 basis points for pounds sterling, applied to the current market-implied path of interest rates across all four currencies (with effects measured over one year). Shocks for other currencies are applied in line with the regulatory guidelines (with effects measured over one year).

EVE sensitivities are based on the six PRA Supervisory Outlier Test shocks:

– parallel up;
– parallel down;
– steepener;
– flattener;
– short rates shock up; and
– short rates shock down.

Key modelling assumptions

The BNII sensitivities shown represent a hypothetical simulation of base case banking NII, assuming a static balance sheet (specifically, no assumed migration from current accounts to term deposits) and no management actions from Treasury. This also incorporates the effect of interest rate behaviouralisation, mortgage prepayments and commercial margins. The sensitivity calculations exclude pensions, insurance exposures and our interests in associates.

All forecast market rates are based on implied forward rates as at the reporting date. Customer pricing includes floors where there are contractual obligations.

As market and policy rates move, the degree to which these changes are passed on to customers will vary based on a number of factors, including the absolute level of market interest rates, regulatory and contractual frameworks, and competitive dynamics. To aid comparability, we have used a 50% pass-on assumption on certain interest-bearing deposits.

For EVE sensitivities, commercial margins and other spread components are excluded from the interest cash flow calculation, and all balance sheet items are discounted at risk-free rates back to the reporting date. As prescribed by the regulator, interest rate floors start at -1.0% for overnight yield curve tenors and increase by five basis points per year to 0.0% at 20-year tenors. Negative values are netted with 50% of positive values by currency, in line with the regulatory guidelines.

NMDs are deposits that have no explicit maturity and no explicit repricing date; therefore, behavioural assumptions are applied.

Pillar 3 disclosures use different assumptions from HSBC UK IRRBB internal model assumptions. These differences include, but are not limited to, the treatment of NMDs, shocks and interest rate floors.

Quantitative information on IRRBB

The most adverse BNII sensitivity scenario over the next 12 months is the parallel down shock, resulting in a decrease in projected BNII of £(1,052)m as at 30 June 2026, compared with £(999)m as at 31 December 2025.

At 30 June 2026, the maximum decline in EVE was under the parallel up shock at £(1,533)m. This translates to 7.9% of Tier 1 capital.

Changes in sensitivities were driven by factors including balance sheet evolution and stabilisation activities.

The average repricing maturity for NMDs as at 30 June 2026 was 27 months, increased from 25 months as at 31 December 2025. The longest repricing maturity for NMDs as at 30 June 2026 was 120 months.

The table below discloses our changes in interest rate risk in the banking book for economic value of equity and banking net interest income, calculated under the supervisory shock scenarios defined in the PRA Rulebook.

Table 11: UK IRRBB1 – Quantitative information on IRRBB

		ΔEVE		ΔNII		Tier 1 capital	
		30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
		£m	£m	**£m**	£m	**£m**	£m
10	Parallel shock up	**(1,533)**	(1,827)	**725**	723		
20	Parallel shock down	**918**	1,078	**(1,052)**	(999)		
30	Steepener shock	**(60)**	(12)				
40	Flattener shock	**(223)**	(326)				
50	Short rates shock up	**(739)**	(933)				
60	Short rates shock down	**396**	498				
70	Maximum	**(1,533)**	(1,827)	**(1,052)**	(999)		
80	Tier 1 capital					**19,343**	18,218

Credit risk

Credit risk is the risk of financial loss if a customer or counterparty fails to meet a payment obligation under a contract. It arises principally from direct lending, trade finance and leasing business, but also from products, such as guarantees or commitments from holding assets in the form of debt securities.

There have been no material changes to our policies and practices, which are described in the Pillar 3 Disclosures at 31 December 2025.

▶ Further details of our approach to credit risk may be found in 'Credit Risk' on page 9 of our Interim Report 2026 and page 23 of the Annual Report and Accounts 2025.

Credit risk linkage to Interim Report 2026

In addition to prudential consolidations differences, financial reporting has scoping treatment differences for acceptance and settlement balances, reverse purchase agreements, other demands deposits, in the below tables 12 to 19.

Credit quality of assets

Our credit risk profile is diversified across a number of asset classes with a credit quality profile concentrated in the higher quality bands.

The IFRS 9 stages have the following characteristics:

- Stage 1: These financial assets are unimpaired and without a significant increase in credit risk. A 12-month allowance for ECL is recognised.
- Stage 2: A significant increase in credit risk has been experienced on these financial assets since initial recognition. 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. A lifetime ECL is recognised.
- Purchased or originated credit-impaired: Financial assets purchased or originated at a deep discount are seen to reflect incurred credit losses and a lifetime ECL is recognised. These exposures are included in Stage 3 in the table below.

The table below breaks down the gross carrying amount of the performing and non-performing exposures and related impairments, and details of the collateral and guarantees received within each of the Financial Reporting ('FINREP') categories and definitions. Gross carrying amount includes reverse repos and settlement accounts, and the on-balance sheet exposures exclude assets held for sale. The staging analysis is non - additive as totals contain instruments not eligible for staging, such as those held at fair value through profit and loss.

Table 12: Performing and non-performing exposures and related provisions (CR1)

		Gross carrying amount/ nominal amount					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Collaterals and financial guarantees received	
		Performing exposures			Non-performing exposures		Performing exposures			Non-performing exposures				
			of which: Stage 1	of which: Stage 2		of which: Stage 3		of which: Stage 1	of which: Stage 2		of which: Stage 3	Accumulated partial write-off	On performing exposures	On non-performing exposures
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
005	**Cash balances at central banks and other demand deposits**	47,067	47,067	—	—	—	—	—	—	—	—	—	—	—
010	**Loans and advances**	261,000	241,115	19,728	3,203	3,203	(872)	(335)	(537)	(748)	(748)	(810)	210,741	1,973
030	General governments	20	20	—	—	—	—	—	—	—	—	—	—	—
040	Credit institutions	10,020	10,011	—	—	—	—	—	—	—	—	—	9,321	—
050	Other financial corporations	21,642	21,087	407	58	58	(22)	(9)	(13)	(53)	(53)	(16)	13,823	1
060	Non-financial corporations	71,480	61,783	9,697	2,281	2,281	(415)	(159)	(257)	(498)	(498)	—	44,290	1,424
070	– of which: SMEs	7,105	5,867	1,238	453	453	(73)	(15)	(58)	(78)	(78)	—	4,764	319
080	Households	157,838	148,214	9,624	864	864	(435)	(167)	(267)	(197)	(197)	(794)	143,307	548
090	**Debt securities**	44,698	44,698	—	—	—	(1)	(1)	—	—	—	—	1,288	—
100	Central banks	900	900	—	—	—	—	—	—	—	—	—	—	—
110	General governments	39,199	39,199	—	—	—	(1)	(1)	—	—	—	—	1,201	—
120	Credit institutions	4,312	4,312	—	—	—	—	—	—	—	—	—	87	—
130	Other financial corporations	287	287	—	—	—	—	—	—	—	—	—	—	—
150	**Off-balance-sheet exposures**	96,059	84,286	3,200	370	259	(51)	(35)	(15)	(85)	(64)		18,932	48
170	General governments	7	1	—	—	—	—	—	—	—	—		—	—
180	Credit institutions	1,821	1,705	—	—	—	—	—	—	—	—		—	—
190	Other financial corporations	9,224	5,910	143	—	—	(1)	(1)	—	—	—		260	—
200	Non-financial corporations	39,219	31,468	2,470	342	231	(36)	(24)	(11)	(85)	(64)		6,183	44
210	Households	45,788	45,202	587	28	28	(14)	(10)	(4)	—	—		12,489	4
220	**Total at 30 Jun 2026**	448,824	417,166	22,928	3,573	3,462	(924)	(371)	(552)	(833)	(812)	(810)	230,961	2,021

Table 12: Performing and non-performing exposures and related provisions (CR1) (continued)

		Gross carrying amount/ nominal amount					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Collaterals and financial guarantees received	
		Performing exposures			Non-performing exposures		Performing exposures			Non-performing exposures		Accum-ulated partial write-off	On perform-ing expo-sures	On non-perform-ing expo-sures
			of which: Stage 1	of which: Stage 2		of which: Stage 3		of which: Stage 1	of which: Stage 2		of which: Stage 3			
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
005	Cash balances at central banks and other demand deposits	46,090	46,090	—	—	—	—	—	—	—	—	—	—	—
010	Loans and advances	251,734	232,917	18,642	3,453	3,453	(761)	(284)	(477)	(752)	(752)	(924)	205,155	1,994
030	General governments	6	6	—	—	—	—	—	—	—	—	—	—	—
040	Credit institutions	9,924	9,919	—	—	—	—	—	—	—	—	—	9,407	—
050	Other financial corporations	21,005	20,649	186	58	58	(10)	(8)	(2)	(53)	(53)	(16)	13,728	1
060	Non-financial corporations	67,025	59,392	7,633	2,500	2,500	(367)	(127)	(240)	(508)	(508)	—	42,317	1,453
070	– of which: SMEs	7,518	6,524	994	489	489	(78)	(14)	(64)	(86)	(86)	—	5,238	222
080	Households	153,774	142,951	10,823	895	895	(384)	(149)	(235)	(191)	(191)	(908)	139,703	540
090	Debt securities	41,477	41,477	—	—	—	(1)	(1)	—	—	—	—	928	—
100	Central banks	849	849	—	—	—	—	—	—	—	—	—	—	—
110	General governments	36,336	36,336	—	—	—	(1)	(1)	—	—	—	—	858	—
120	Credit institutions	4,032	4,032	—	—	—	—	—	—	—	—	—	70	—
130	Other financial corporations	260	260	—	—	—	—	—	—	—	—	—	—	—
150	Off-balance-sheet exposures	85,898	78,216	2,512	327	239	(53)	(34)	(16)	(55)	(31)		15,534	49
170	General governments	7	1	—	—	—	—	—	—	—	—		—	—
180	Credit institutions	62	1	—	—	—	—	—	—	—	—		—	—
190	Other financial corporations	4,733	4,497	117	—	—	(2)	(2)	—	—	—		139	—
200	Non-financial corporations	39,028	32,249	1,795	295	207	(36)	(21)	(12)	(55)	(31)		5,321	44
210	Households	42,068	41,468	600	32	32	(15)	(11)	(4)	—	—		10,074	5
220	Total at 31 Dec 2025	425,199	398,700	21,154	3,780	3,692	(815)	(319)	(493)	(807)	(783)	(924)	221,617	2,043

The table below presents the residual maturity breakdown of on-balance sheet loans and debt securities. This table excludes on-balance sheet assets held for sale, cash balances with central banks, other demand deposits, and off-balance sheet exposures.

Table 13: Maturity of exposures (CR1-A)

		Net exposure value					
		On demand	**<= 1 year**	**> 1 year <= 5 years**	**> 5 years**	**No stated maturity**	**Total**
		£m	**£m**	**£m**	**£m**	**£m**	**£m**
1	Loans and advances	**9,533**	**51,350**	**52,459**	**149,084**	**157**	**262,583**
2	Debt securities	**—**	**11,397**	**18,248**	**15,052**	**—**	**44,697**
3	**Total at 30 Jun 2026**	**9,533**	**62,747**	**70,707**	**164,136**	**157**	**307,280**
1	Loans and advances	8,643	51,811	48,900	144,145	175	253,674
2	Debt securities	—	9,132	18,556	13,788	—	41,476
3	Total at 31 Dec 2025	8,643	60,943	67,456	157,933	175	295,150

The table below shows changes in gross carrying amount of on-balance sheet non-performing loans and advances during the period. 'Outflow due to other situations' include foreign exchange movements, repayments and assets held for sale in default.

Table 14: Changes in the stock of non-performing loans and advances (CR2)

		Jan-Jun 2026	Jul-Dec 2025
		Gross carrying value	Gross carrying value
		£m	£m
010	**Initial stock of non-performing loans and advances**	**3,453**	3,805
020	Inflows to non-performing portfolios	**755**	918
030	Outflows from non-performing portfolios	**(281)**	(249)
040	Outflows due to write-offs	**(310)**	(284)
050	Outflow due to other situations	**(414)**	(737)
060	**Final stock of non-performing loans and advances**	**3,203**	3,453

Non-performing and forborne exposures

The European Banking Authority ('EBA') defines non-performing exposures as exposures with material amounts that are more than 90 days past due or exposures where the debtor is assessed as unlikely to pay its credit obligations in full without the realisation of collateral, regardless of the existence of any past due amounts or number of days past due. For our retail portfolios a past due credit obligation is recognised where any amount of principal, interest or fees has not been paid at the date it was due (or cycle date). Any debtors that are in default for regulatory purposes or impaired under the applicable accounting framework are always considered as non-performing exposures. The Annual Report and Accounts 2025 definition of stage 3 credit-impaired is aligned to the EBA's definition of non-performing exposures. The IFRS 9 accounting standard Expected credit losses are classified as regulatory specific credit risk adjustments.

Forborne exposures are defined by the EBA as exposures where the bank has made concessions to a debtor that is experiencing or about to experience financial difficulties in meeting its financial commitments. Our definition of forborne captures non-payment related concessions.

In the Annual Report and Accounts 2025, forborne exposures are reported within the table 'Forborne loans and advances to customers at amortised cost by stage allocation'. Forbearance measures consist of concessions towards a debtor that is experiencing or about to experience difficulties in meeting its financial commitments ('financial difficulties').

Under the EBA's definition, exposures cease to be reported as forborne if they pass three tests:

- the forborne exposure must have been considered to be performing for a 'probation period' of at least two years;
- regular payments of more than an insignificant aggregate amount of principal or interest have been made during at least half of the probation period; and
- no exposure to the debtor is more than 30 days past due during or at the end of the probation period.

The PRA has acknowledged that, whilst the EBA's guidelines relating to the management of non-performing exposures and forborne exposures are not applicable in the UK, the prudential aspects of these guidelines broadly represent good credit risk management standards.

The table below breaks down performing and non-performing forborne exposures by FINREP counterparty sector and shows the gross carrying amount, accumulated impairments and collateral and financial guarantees received against these exposures. The on-balance sheet exposures exclude assets held for sale.

Table 15: Credit quality of forborne exposures (CQ1)

		Gross carrying amount/ nominal amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
			Non-performing forborne						
		Performing forborne	Total	of which: defaulted	of which: impaired	On performing forborne exposures	On non-performing forborne exposures	Total	of which: forborne non-performing exposures
		£m	£m	£m	£m	£m	£m	£m	£m
010	**Loans and advances**	**1,017**	**1,517**	**1,517**	**1,517**	**(65)**	**(333)**	**1,774**	**1,027**
050	Other financial corporations	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
060	Non-financial corporations	**873**	**1,139**	**1,139**	**1,139**	**(53)**	**(245)**	**1,478**	**780**
070	Households	**144**	**378**	**378**	**378**	**(12)**	**(88)**	**296**	**247**
090	**Loan commitments given**	**114**	**92**	**92**	**92**	**—**	**(1)**	**84**	**38**
100	**Total at 30 Jun 2026**	**1,131**	**1,609**	**1,609**	**1,609**	**(65)**	**(334)**	**1,858**	**1,065**
010	Loans and advances	967	1,515	1,515	1,515	(70)	(282)	1,715	1,026
050	Other financial corporations	—	—	—	—	—	—	—	—
060	Non-financial corporations	823	1,152	1,152	1,152	(59)	(195)	1,435	793
070	Households	144	363	363	363	(11)	(87)	280	233
090	Loan commitments given	96	147	147	147	—	(3)	89	58
100	Total at 31 Dec 2025	1,063	1,662	1,662	1,662	(70)	(285)	1,804	1,084

The table below provides information on the instruments that were cancelled in exchange for collateral obtained by taking possession and on the value of the collateral. The value at initial recognition represents the gross carrying amount of the collateral obtained by taking possession at initial recognition on the balance sheet, whilst the accumulated negative change is the accumulated impairment or negative change in the value of the collateral since initial recognition, including amortisation in the case of property, plant and equipment and investment properties.

Table 16: Collateral obtained by taking possession and execution processes (CQ7)

		At 30 Jun 2026		At 31 Dec 2025	
		Collateral obtained by taking possession		Collateral obtained by taking possession	
		Value at initial recognition	**Accumulated negative changes**	Value at initial recognition	Accumulated negative changes
		£m	**£m**	£m	£m
020	Other than property, plant and equipment	**11**	**—**	10	—
030	– Residential immovable property	**11**	**—**	10	—
080	**Total**	**11**	**—**	10	—

Concentration risk

Concentration of credit risk occurs when multiple counterparties share similar economic traits or operate in the same sectors or regions, making them collectively vulnerable to changes in economic or political conditions. To mitigate this risk, the bank uses various controls such as portfolio and counterparty limits, approval and review processes, and stress testing across industries, countries and businesses.

The table below shows the credit quality of on- and off-balance sheet exposures by geography. The geographical breakdown is based on the country or territory of residence of the immediate counterparty. The table has been updated to only disclose countries that are contributing 1% or more of the total on-balance sheet and off-balance sheet exposures separately, with the remaining exposure aggregated within 'other countries'. The on-balance sheet exposures exclude cash and balances at central banks and assets held for sale.

Table 17: Quality of non-performing exposures by geography (CQ4)

		Gross carrying/ Nominal amount					
		Total	of which: non- performing	of which: defaulted	of which:subject to impairment	Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantee given
		£m	£m	£m	£m	£m	£m
010	**On balance sheet exposures**	**308,901**	**3,203**	**3,203**	**308,743**	**(1,621)**	
020	– United Kingdom	**266,792**	**3,030**	**3,030**	**266,645**	**(1,523)**	
030	– United States	**12,021**	**18**	**18**	**12,021**	**(21)**	
040	– France	**7,095**	**—**	**—**	**7,086**	**—**	
070	– Other countries	**22,993**	**155**	**155**	**22,991**	**(77)**	
080	**Off balance sheet exposures**	**96,429**	**370**	**370**			**(136)**
090	– United Kingdom	**85,919**	**367**	**367**			**(133)**
100	– Luxembourg	**2,477**	**—**	**—**			**—**
110	– United States	**1,699**	**—**	**—**			**(1)**
120	– France	**1,357**	**—**	**—**			**—**
130	– Jersey	**977**	**—**	**—**			**—**
140	– Other countries	**4,000**	**3**	**3**			**(2)**
150	**Total at 30 Jun 2026**	**405,330**	**3,573**	**3,573**	**308,743**	**(1,621)**	**(136)**
010	On balance sheet exposures	296,664	3,453	3,453	296,489	(1,514)	
020	– United Kingdom	256,592	3,294	3,294	256,421	(1,420)	
030	– United States	11,651	19	19	11,651	(20)	
040	– France	6,937	—	—	6,933	—	
070	– Other countries	21,484	140	140	21,484	(74)	
080	Off balance sheet exposures	86,225	327	327			(108)
090	– United Kingdom	80,982	326	326			(105)
100	– Luxembourg	1,203	—	—			—
140	– Other countries	4,040	1	1			(3)
150	Total at 31 Dec 2025	382,889	3,780	3,780	296,489	(1,514)	(108)

The table below shows the gross carrying amount of loans and advances to non-financial corporations and the related accumulated impairment, and the accumulated changes in fair value to credit risk by industry types. The on-balance sheet exposures exclude assets held for sale.

Table 18: Credit quality of loans and advances to non-financial corporations by industry (CQ5)

		Gross carrying amount				
		Total	of which: non-performing	of which: defaulted	of which: subject to impairment	Accumulated impairment
		£m	£m	£m	£m	£m
010	Agriculture, forestry and fishing	**4,763**	**215**	**215**	**4,763**	**(48)**
020	Mining and quarrying	**498**	**88**	**88**	**498**	**(25)**
030	Manufacturing	**9,470**	**409**	**409**	**9,470**	**(94)**
040	Electricity, gas, steam and air conditioning supply	**1,952**	**7**	**7**	**1,952**	**(9)**
050	Water supply	**1,064**	**29**	**29**	**1,064**	**(13)**
060	Construction	**3,416**	**175**	**175**	**3,416**	**(109)**
070	Wholesale and retail trade	**11,414**	**442**	**442**	**11,414**	**(194)**
080	Transport and storage	**2,719**	**37**	**37**	**2,719**	**(15)**
090	Accommodation and food service activities	**5,870**	**218**	**218**	**5,870**	**(67)**
100	Information and communication	**3,829**	**204**	**204**	**3,829**	**(92)**
120	Real estate activities	**13,033**	**209**	**209**	**13,033**	**(106)**
130	Professional, scientific and technical activities	**5,168**	**76**	**76**	**5,168**	**(45)**
140	Administrative and support service activities	**5,412**	**75**	**75**	**5,412**	**(46)**
160	Education	**1,077**	**14**	**14**	**1,077**	**(17)**
170	Human health services and social work activities	**1,869**	**37**	**37**	**1,869**	**(12)**
180	Arts, entertainment and recreation	**924**	**23**	**23**	**924**	**(11)**
190	Other services	**1,283**	**23**	**23**	**1,283**	**(10)**
200	**Total at 30 Jun 2026**	**73,761**	**2,281**	**2,281**	**73,761**	**(913)**

Table 18: Credit quality of loans and advances to non-financial corporations by industry (CQ5) (continued)

		Gross carrying amount				
		Total	of which: non- performing	of which: defaulted	of which: subject to impairment	Accumulated impairment
		£m	£m	£m	£m	£m
010	Agriculture, forestry and fishing	4,446	194	194	4,446	(51)
020	Mining and quarrying	487	83	83	487	(44)
030	Manufacturing	8,889	506	506	8,889	(99)
040	Electricity, gas, steam and air conditioning supply	1,733	6	6	1,733	(10)
050	Water supply	921	32	32	921	(12)
060	Construction	2,948	159	159	2,948	(81)
070	Wholesale and retail trade	11,071	463	463	11,071	(166)
080	Transport and storage	2,505	41	41	2,505	(11)
090	Accommodation and food service activities	5,827	282	282	5,827	(70)
100	Information and communication	3,759	200	200	3,759	(93)
120	Real estate activities	12,048	253	253	12,048	(108)
130	Professional, scientific and technical activities	4,730	79	79	4,730	(47)
140	Administrative and support service activities	5,225	59	59	5,225	(33)
160	Education	1,124	26	26	1,124	(16)
170	Human health services and social work activities	1,745	40	40	1,745	(13)
180	Arts, entertainment and recreation	986	28	28	986	(9)
190	Other services	1,081	49	49	1,081	(12)
200	Total at 31 Dec 2025	69,525	2,500	2,500	69,525	(875)

Risk mitigation

Our approach to granting credit facilities is on the basis of capacity to repay, rather than placing primary reliance on credit risk mitigants. Depending on a customer's standing and the type of product, facilities may be provided unsecured.

Mitigation of credit risk is a key aspect of effective risk management and takes many forms. Our general policy is to promote the use of credit risk mitigation, justified by commercial prudence and capital efficiency. Detailed policies cover the acceptability, structuring and terms relating to the availability of credit risk mitigation such as in the form of collateral security. These policies, together with the setting of suitable valuation parameters, are subject to regular review to ensure that they are supported by empirical evidence and continue to fulfil their intended purpose.

The table below provides a breakdown of loans and advances and debt securities by different credit risk mitigation techniques. The on-balance sheet exposures exclude assets held for sale. HSBC UK does not have any exposures secured by credit derivatives.

Table 19: Credit risk mitigation techniques – overview (CR3)

		Total Exposure: secured and unsecured	**Exposures unsecured: carrying amount**	**Exposures secured: carrying amount**	**of which: Exposures secured by collateral**	**of which: Exposures secured by financial guarantees**	**of which: Exposures secured by credit derivatives**
		£m	**£m**	**£m**	**£m**	**£m**	**£m**
1	Loans and advances	**309,650**	**96,936**	**212,714**	**196,209**	**16,505**	**—**
2	Debt securities	**44,697**	**43,409**	**1,288**	**—**	**1,288**	
3	**Total at 30 Jun 2026**	**354,347**	**140,345**	**214,002**	**196,209**	**17,793**	**—**
4	– of which: non-performing exposures	**2,455**	**482**	**1,973**	**1,478**	**495**	**—**
5	– of which: defaulted	**2,455**	**482**	**1,973**			
1	Loans and advances	299,764	92,616	207,148	191,267	15,881	—
2	Debt securities	41,476	40,548	928	—	928	
3	Total at 31 Dec 2025	341,240	133,164	208,076	191,267	16,809	—
4	– of which: non-performing exposures	2,700	706	1,994	1,449	545	—
5	– of which: defaulted	2,700	706	1,994			

The table below shows the split of credit risk exposures under the standardised approach, reflecting the EAD before and after the impact of CRM techniques and credit conversion factors ('CCF'). Securitisation positions are not included in this table.

Table 20: Standardised approach – CRM and CCF effects (CR4)

		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWAs and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWAs	RWA density
		£m	£m	£m	£m	£m	%
	Asset classes						
1	Central governments or central banks	**73,809**	**1**	**76,319**	**114**	**414**	**1**
2	Regional governments or local authorities	**274**	**—**	**485**	**—**	**31**	**6**
3	Public sector entities	**796**	**—**	**—**	**—**	**—**	**—**
4	Multilateral development banks	**1,623**	**—**	**1,623**	**—**	**—**	**—**
5	International organisations	**625**	**—**	**625**	**—**	**—**	**—**
6	Institutions	**1,077**	**42**	**1,076**	**9**	**326**	**30**
7	Corporates[1]	**9,303**	**7,642**	**9,288**	**1,655**	**10,398**	**95**
8	Retail	**2,481**	**97**	**2,472**	**8**	**1,830**	**74**
9	Secured by mortgages on immovable property	**109**	**—**	**109**	**—**	**38**	**35**
10	Exposures in default	**40**	**2**	**37**	**—**	**51**	**137**
15	Equity	**1**	**—**	**1**	**—**	**1**	**143**
16	Other items	**230**	**—**	**230**	**—**	**84**	**36**
17	**Total at 30 Jun 2026**	**90,368**	**7,784**	**92,265**	**1,786**	**13,173**	**14**
1	Central governments or central banks	70,486	1	72,988	106	487	1
2	Regional governments or local authorities	193	—	454	—	—	—
3	Public sector entities	371	—	—	—	—	—
4	Multilateral development banks	1,743	—	1,743	—	—	—
5	International organisations	506	—	506	—	—	—
6	Institutions	878	—	878	—	270	31
7	Corporates	9,403	4,701	9,051	1,750	10,101	94
8	Retail	2,410	130	2,391	8	1,740	73
9	Secured by mortgages on immovable property	120	—	120	—	42	35
10	Exposures in default	65	3	60	—	78	131
15	Equity	1	—	1	—	1	100
16	Other items	213	—	213	—	77	36
17	Total at 31 Dec 2025	86,389	4,835	88,405	1,864	12,796	14

1 The reporting process has been enhanced in 2026 to incorporate exposures relating to certain advised facilities that were previously excluded. Comparatives have not been restated.

The table below discloses percentage of exposures secured by various CRM techniques, separately for each exposure class in AIRB and FIRB approaches.

Table 21: IRB approach – Disclosure of the extent of the use of CRM techniques (CR7-A)

			Funded credit Protection							
				Part of exposures covered by Other eligible collaterals				Unfunded credit Protection	Credit risk Mitigation methods in the calculation of RWAs	
		Total exposures	Part of exposures covered by Financial Collaterals	Total	Part of exposures covered by Immovable property Collaterals	Part of exposures covered by Receivables	Part of exposures covered by Other physical collateral	Part of exposures covered by Guarantees	RWA post-all CRM assigned to the obligor exposure class	RWA with substitution effects
AIRB		**£m**	**%**	**%**	**%**	**%**	**%**	**%**	**£m**	**£m**
1	Central governments and central banks	**11,844**	**—**	**—**	**—**	**—**	**—**	**—**	**1,010**	**1,010**
2	Institutions	**3,009**	**—**	**—**	**—**	**—**	**—**	**—**	**299**	**299**
3	Corporates	**3,541**	**18.3**	**6.5**	**6.4**	**—**	**0.1**	**19.9**	**1,667**	**1,667**
3.2	Corporates – Specialised lending	**2,100**	**—**	**—**	**—**	**—**	**—**	**18.4**	**1,090**	**1,090**
3.3	Corporates – Other	**1,441**	**44.9**	**16.0**	**15.7**	**—**	**0.3**	**22.0**	**577**	**577**
4	Retail	**190,192**	**0.8**	**80.2**	**80.2**	**—**	**—**	**—**	**32,521**	**32,521**
4.1	– of which: Retail – Immovable property SMEs	**1**	**—**	**71.6**	**71.6**	**—**	**—**	**4.5**	**2**	**2**
4.2	Retail – Immovable property non-SMEs	**152,630**	**—**	**99.9**	**99.9**	**—**	**—**	**—**	**19,212**	**19,212**
4.3	Retail – Qualifying revolving	**27,978**	**—**	**—**	**—**	**—**	**—**	**—**	**6,221**	**6,221**
4.4	Retail – Other SMEs	**2,841**	**—**	**—**	**—**	**—**	**—**	**—**	**2,038**	**2,038**
4.5	Retail – Other non-SMEs	**6,742**	**21.1**	**—**	**—**	**—**	**—**	**—**	**5,048**	**5,048**
5	**Total at 30 Jun 2026**	**208,586**	**1.0**	**73.2**	**73.2**	**—**	**—**	**0.3**	**35,497**	**35,497**
FIRB										
1	Central governments and central banks	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**14**
3	Corporates	**68,436**	**9.8**	**23.0**	**16.5**	**6.5**	**—**	**—**	**49,714**	**49,700**
3.1	– of which: Corporates – SMEs	**5,067**	**0.2**	**48.9**	**39.2**	**9.7**	**—**	**—**	**3,071**	**3,071**
3.3	Corporates – Other	**63,369**	**10.5**	**21.0**	**14.7**	**6.3**	**—**	**—**	**46,643**	**46,629**
4	**Total at 30 Jun 2026**	**68,436**	**9.8**	**23.0**	**16.5**	**6.5**	**—**	**—**	**49,714**	**49,714**
IRB										
	Specialised lending under the slotting approach at 30 Jun 2026	**9,349**	**—**	**—**	**—**	**—**	**—**	**—**	**6,060**	**6,060**

Table 21: IRB approach – Disclosure of the extent of the use of CRM techniques (CR7-A) (continued)

			Funded credit Protection							
				Part of exposures covered by Other eligible collaterals				Unfunded credit Protection	Credit risk Mitigation methods in the calculation of RWAs	
		Total exposures	Part of exposures covered by Financial Collaterals	Total	Part of exposures covered by Immovable property Collaterals	Part of exposures covered by Receivables	Part of exposures covered by Other physical collateral	Part of exposures covered by Guarantees	RWA post-all CRM assigned to the obligor exposure class	RWA with substitution effects
	AIRB	£m	%	%	%	%	%	%	£m	£m
1	Central governments and central banks	11,902	—	—	—	—	—	—	978	978
2	Institutions	2,425	—	—	—	—	—	—	200	200
3	Corporates	3,199	13.5	6.7	6.6	—	0.2	23.3	1,658	1,658
3.2	Corporates – Specialised lending	1,945	—	—	—	—	—	20.9	1,075	1,075
3.3	Corporates – Other	1,254	34.5	17.1	16.7	—	0.4	27.0	583	583
4	Retail	183,818	0.8	79.5	79.5	—	—	—	30,826	30,826
4.1	– of which: Retail – Immovable property SMEs	1	—	84.2	84.2	—	—	2.8	3	3
4.2	Retail – Immovable property non-SMEs	146,611	—	99.7	99.7	—	—	—	17,979	17,979
4.3	Retail – Qualifying revolving	27,386	—	—	—	—	—	—	6,028	6,028
4.4	Retail – Other SMEs	3,169	—	—	—	—	—	—	1,975	1,975
4.5	Retail – Other non-SMEs	6,651	20.7	—	—	—	—	—	4,841	4,841
5	Total at 31 Dec 2025	201,344	0.9	72.7	72.7	—	—	0.4	33,662	33,662
FIRB										
1	Central governments and central banks	—	—	—	—	—	—	—	—	14
3	Corporates	62,978	9.4	29.2	18.8	6.5	3.9	—	45,233	45,220
3.1	– of which: Corporates – SMEs	4,914	0.1	56.0	41.7	9.6	4.7	—	2,916	2,916
3.3	Corporates – Other	58,064	10.2	26.9	16.9	6.2	3.8	—	42,317	42,304
4	Total at 31 Dec 2025	62,978	9.4	29.2	18.8	6.5	3.9	—	45,233	45,234
IRB										
	Specialised lending under the slotting approach at 31 Dec 2025	9,046	—	—	—	—	—	—	6,074	6,074

The table below discloses credit risk exposures under the standardised approach by risk weights, split into exposure class. Securitisation positions are not included in this table.

Table 22: Standardised approach – exposures by asset classes and risk weights (CR5)

	Risk weight ('RW%')	0%	20%	35%	50%	75%	100%	150%	250%	Total credit exposure amount (post-CCF and CRM)	of which: unrated
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
	Asset classes										
1	Central governments or central banks	**76,267**	**—**	**—**	**—**	**—**	**—**	**—**	**166**	**76,433**	**—**
2	Regional governments or local authorities	**377**	**77**	**—**	**31**	**—**	**—**	**—**	**—**	**485**	**—**
4	Multilateral development banks	**1,623**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**1,623**	**—**
5	International organisations	**625**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**625**	**—**
6	Institutions	**—**	**755**	**—**	**310**	**—**	**20**	**—**	**—**	**1,085**	**20**
7	Corporates	**—**	**571**	**—**	**127**	**—**	**10,245**	**—**	**—**	**10,943**	**10,240**
8	Retail	**—**	**—**	**—**	**—**	**2,480**	**—**	**—**	**—**	**2,480**	**2,480**
9	Secured by mortgages on immovable property	**—**	**—**	**109**	**—**	**—**	**—**	**—**	**—**	**109**	**109**
10	Exposures in default	**—**	**—**	**—**	**—**	**—**	**10**	**27**	**—**	**37**	**37**
15	Equity	**—**	**—**	**—**	**—**	**—**	**1**	**—**	**—**	**1**	**1**
16	Other items	**—**	**183**	**—**	**—**	**—**	**47**	**—**	**—**	**230**	**230**
17	**Total at 30 Jun 2026**	**78,892**	**1,586**	**109**	**468**	**2,480**	**10,323**	**27**	**166**	**94,051**	**13,117**
1	Central governments or central banks	72,851	—	—	60	—	—	—	183	73,094	
2	Regional governments or local authorities	454	—	—	—	—	—	—	—	454	
4	Multilateral development banks	1,743	—	—	—	—	—	—	—	1,743	
5	International organisations	506	—	—	—	—	—	—	—	506	
6	Institutions	—	609	—	242	—	27	—	—	878	27
7	Corporates	—	556	—	464	—	9,781	—	—	10,801	9,734
8	Retail	—	—	—	—	2,399	—	—	—	2,399	2,399
9	Secured by mortgages on immovable property	—	—	120	—	—	—	—	—	120	120
10	Exposures in default	—	—	—	—	—	23	37	—	60	60
15	Equity	—	—	—	—	—	1	—	—	1	1
16	Other items	—	171	—	—	—	42	—	—	213	213
17	Total at 31 Dec 2025	75,554	1,336	120	766	2,399	9,874	37	183	90,269	12,554

The table below discloses the detailed key parameters used for the calculation of capital requirements of credit risk exposure under the IRB approach, broken down by exposure class and PD range. The risk parameters within this table do not reflect the application of Post model adjustments ('PMAs'). The table excludes securitisation positions and non-credit obligation assets. The number of obligors disclose the single obligor with multiple PD ratings counted separately for every PD band. We count these on the basis of our exposure to the original counterparty, reported in the first two columns of this table. The disclosures across all PD ranges are modelled LGD. Deferred tax RWAs reported on IRB approach are not included in this table. Slotting exposures are disclosed in table 24, Specialised lending and equity exposures under the simple risk-weight approach (CR10).

Table 23: IRB – Credit risk exposures by portfolio and PD range (CR6)

PD scale	On-balance sheet expo-sures £m	Off-balance-sheet exposures pre-CCF £m	Exposure weighted average CCF %	Exposure post-CCF and post-CRM £m	Exposure weighted average PD %	Number of obligors	Exposure weighted average LGD %	Exposure weighted average maturity years	Risk weighted exposure amount after support-ing factors £m	Density of risk weighted exposure amount %	Expected loss amount £m	Value adjust-ments and provi-sions £m
AIRB – Central government and central banks												
0.00 to <0.15	11,844	40	0.1	11,845	0.01	64	45.0	2.8	1,010	8.5	1	—
0.00 to <0.10	11,844	—	—	11,845	0.01	8	45.0	2.8	1,010	8.5	1	—
0.10 to <0.15	—	40	0.1	—	0.13	56	45.0	1.0	—	23.8	—	—
Sub-total	**11,844**	**40**	**0.1**	**11,845**	**0.01**	**64**	**45.0**	**2.8**	**1,010**	**8.5**	**1**	**—**
AIRB – Institutions												
0.00 to <0.15	2,939	100	52.4	2,859	0.05	273	21.4	2.1	290	10.1	—	—
0.00 to <0.10	2,598	96	52.9	2,517	0.04	132	21.2	2.2	224	8.9	—	—
0.10 to <0.15	341	4	39.8	342	0.13	141	22.7	1.9	66	19.4	—	—
0.15 to <0.25	14	9	56.4	18	0.22	6	45.0	2.0	9	51.0	—	—
0.25 to <0.50	—	2	1.1	—	0.37	148	45.0	1.3	—	50.8	—	—
Sub-total	**2,953**	**111**	**51.2**	**2,877**	**0.05**	**427**	**21.6**	**2.1**	**299**	**10.4**	**—**	**—**
AIRB – Corporate – specialised lending (excluding slotting)												
0.00 to <0.15	7	16	57.0	16	0.13	1	18.0	1.7	1	9.3	—	—
0.10 to <0.15	7	16	57.0	16	0.13	1	18.0	1.7	1	9.3	—	—
0.15 to <0.25	256	271	72.6	453	0.22	6	30.5	4.2	202	44.5	—	—
0.25 to <0.50	473	170	67.9	550	0.37	11	23.1	3.6	190	34.6	1	3
0.50 to <0.75	185	77	62.1	186	0.63	6	28.0	4.5	118	63.8	—	—
0.75 to <2.50	556	186	69.5	583	1.06	11	31.8	4.3	449	76.8	2	3
0.75 to <1.75	530	182	69.7	554	1.00	10	31.5	4.2	402	72.4	2	2
1.75 to <2.5	26	4	57.0	29	2.25	1	36.8	4.7	47	161.7	—	1
2.50 to <10.00	99	42	64.8	80	5.75	3	41.6	4.1	130	162.6	2	3
5 to <10	99	42	64.8	80	5.75	3	41.6	4.1	130	162.6	2	3
Sub-total	**1,576**	**762**	**69.0**	**1,868**	**0.80**	**38**	**28.8**	**4.0**	**1,090**	**58.4**	**5**	**9**

Table 23: IRB – Credit risk exposures by portfolio and PD range (CR6) (continued)

PD scale	On-balance sheet expo-sures £m	Off-balance-sheet exposures pre-CCF £m	Exposure weighted average CCF %	Exposure post-CCF and post-CRM £m	Exposure weighted average PD %	Number of obligors	Exposure weighted average LGD %	Exposure weighted average maturity years	Risk weighted exposure amount after support-ing factors £m	Density of risk weighted exposure amount %	Expected loss amount £m	Value adjust-ments and provi-sions £m
AIRB – Corporate – Other												
0.00 to <0.15	**372**	**747**	**—**	**371**	**0.07**	**245**	**25.6**	**2.3**	**57**	**15.3**	**—**	**—**
0.00 to <0.10	**258**	**732**	**—**	**258**	**0.04**	**116**	**30.7**	**2.5**	**39**	**15.1**	**—**	**—**
0.10 to <0.15	**114**	**15**	**0.7**	**113**	**0.12**	**129**	**14.0**	**2.0**	**18**	**15.9**	**—**	**—**
0.15 to <0.25	**55**	**5**	**1.5**	**63**	**0.22**	**47**	**18.1**	**2.8**	**16**	**25.9**	**—**	**—**
0.25 to <0.50	**206**	**61**	**7.1**	**211**	**0.35**	**177**	**13.7**	**2.7**	**58**	**27.6**	**—**	**—**
0.50 to <0.75	**163**	**59**	**1.1**	**162**	**0.60**	**567**	**25.2**	**1.8**	**80**	**48.9**	**—**	**—**
0.75 to <2.50	**496**	**256**	**3.9**	**500**	**1.68**	**5,965**	**11.9**	**1.9**	**141**	**28.2**	**1**	**1**
0.75 to <1.75	**215**	**50**	**19.3**	**218**	**1.07**	**5,003**	**21.4**	**2.9**	**113**	**51.8**	**1**	**1**
1.75 to <2.5	**281**	**206**	**0.3**	**282**	**2.16**	**962**	**4.5**	**1.0**	**28**	**10.0**	**—**	**—**
2.50 to <10.00	**81**	**7**	**13.9**	**81**	**3.26**	**847**	**30.4**	**3.4**	**90**	**111.9**	**1**	**1**
2.5 to <5	**78**	**6**	**13.0**	**78**	**3.13**	**656**	**29.8**	**3.5**	**85**	**109.1**	**1**	**1**
5 to <10	**3**	**1**	**18.5**	**3**	**7.04**	**191**	**48.2**	**1.6**	**5**	**195.0**	**—**	**—**
10.00 to <100.00	**20**	**10**	**1.7**	**20**	**90.55**	**367**	**14.8**	**1.1**	**8**	**38.2**	**2**	**—**
10 to <20	**2**	**—**	**41.6**	**2**	**10.86**	**255**	**62.3**	**2.5**	**5**	**275.5**	**—**	**—**
30.00 to <100.00	**18**	**10**	**0.2**	**18**	**97.98**	**112**	**9.9**	**1.0**	**2**	**13.1**	**2**	**—**
100.00 (Default)	**27**	**—**	**—**	**31**	**100.00**	**997**	**41.8**	**1.5**	**127**	**410.4**	**3**	**4**
Sub-total	**1,420**	**1,145**	**1.6**	**1,439**	**4.32**	**9,212**	**19.2**	**2.2**	**577**	**40.1**	**7**	**6**
Wholesale AIRB – Total at 30 Jun 2026	**17,793**	**2,058**	**29.0**	**18,029**		**9,742**		**2.7**	**2,976**	**16.5**	**13**	**15**
AIRB – Secured by mortgages on immovable property SME												
100.00 (Default)	**1**	**—**	**—**	**1**	**100.00**	**25**	**69.9**	**—**	**1**	**203.8**	**—**	**—**
Sub-total	**1**	**—**	**—**	**1**	**100.00**	**25**	**69.9**	**—**	**1**	**203.8**	**—**	**—**

Table 23: IRB – Credit risk exposures by portfolio and PD range (CR6) (continued)

PD scale	On-balance sheet expo-sures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post-CCF and post-CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity	Risk weighted exposure amount after support-ing factors	Density of risk weighted exposure amount	Expected loss amount	Value adjust-ments and provi-sions
	£m	£m	%	£m	%		%	years	£m	%	£m	£m
AIRB – Secured by mortgages on immovable property non-SME												
0.00 to <0.15	12,715	7,956	85.6	19,531	0.11	119,324	15.1	—	1,385	7.1	8	—
0.00 to <0.10	138	4,377	100.1	4,521	0.05	33	19.8	—	485	10.7	3	—
0.10 to <0.15	12,577	3,579	67.8	15,010	0.12	119,291	13.7	—	900	6.0	5	—
0.15 to <0.25	11,674	1,744	59.8	12,726	0.18	96,302	13.1	—	858	6.7	5	1
0.25 to <0.50	61,500	1,619	43.0	62,205	0.31	446,664	15.0	—	5,631	9.1	30	6
0.50 to <0.75	26,305	245	81.4	26,541	0.51	184,017	15.9	—	3,582	13.5	22	5
0.75 to <2.50	28,601	323	77.2	29,045	1.02	185,685	14.8	—	5,800	20.0	44	17
0.75 to <1.75	26,216	247	87.9	26,617	0.94	159,697	14.7	—	4,978	18.7	36	11
1.75 to <2.5	2,385	76	42.6	2,428	1.96	25,988	16.6	—	822	33.9	8	6
2.50 to <10.00	1,625	270	26.3	1,702	4.21	15,225	16.7	—	900	52.8	12	5
2.5 to <5	1,474	230	27.1	1,542	3.85	13,632	16.9	—	798	51.7	10	4
5 to <10	151	40	21.4	160	7.59	1,593	14.4	—	102	63.4	2	1
10.00 to <100.00	304	25	42.6	317	35.01	2,999	9.4	—	170	53.5	13	5
10 to <20	112	20	28.3	117	14.92	1,584	7.8	—	54	45.5	2	1
20 to <30	4	—	100.0	4	22.97	106	8.1	—	2	49.4	—	—
30.00 to <100.00	188	5	95.5	196	47.34	1,309	10.4	—	114	58.4	11	4
100.00 (Default)	563	—	91.9	563	100.00	5,029	16.6	—	886	157.5	32	53
Sub-total	**143,287**	**12,182**	**74.5**	**152,630**	**0.93**	**1,055,245**	**15.0**	**—**	**19,212**	**12.6**	**166**	**92**
AIRB – Qualifying revolving retail exposures												
0.00 to <0.15	1,690	21,076	75.0	17,492	0.06	12,636,124	75.6	—	693	4.0	10	19
0.00 to <0.10	1,209	17,012	79.5	14,744	0.05	10,576,197	74.5	—	479	3.3	7	12
0.10 to <0.15	481	4,064	55.8	2,748	0.12	2,059,927	81.3	—	214	7.8	3	7
0.15 to <0.25	624	4,309	50.9	2,816	0.19	1,669,403	85.0	—	360	12.8	6	11
0.25 to <0.50	873	2,652	50.1	2,205	0.35	1,237,578	81.7	—	430	19.5	8	11
0.50 to <0.75	547	1,031	48.7	1,050	0.62	510,412	83.2	—	331	31.5	7	7
0.75 to <2.50	1,801	1,261	61.5	2,517	1.39	998,020	84.1	—	1,484	58.9	39	47
0.75 to <1.75	1,328	1,051	59.4	1,887	1.15	761,449	83.7	—	956	50.6	24	33
1.75 to <2.5	473	210	71.9	630	2.08	236,571	85.2	—	528	83.8	15	14
2.50 to <10.00	1,088	493	68.4	1,436	4.47	561,813	82.0	—	1,828	127.3	66	77
2.5 to <5	728	407	62.1	989	3.39	377,535	83.4	—	1,108	112.0	36	31
5 to <10	360	86	97.8	447	6.85	184,278	78.9	—	720	161.1	30	46
10.00 to <100.00	308	111	75.9	401	25.77	184,207	80.5	—	997	248.5	109	75
10 to <20	198	102	73.5	276	14.17	118,109	79.3	—	668	242.6	38	42
20 to <30	38	5	94.4	46	23.88	33,667	81.5	—	144	309.9	11	6
30.00 to <100.00	72	4	111.1	79	67.19	32,431	84.3	—	185	233.3	60	27
100.00 (Default)	60	8	14.4	61	100.00	45,584	81.8	—	98	162.5	27	107
Sub-total	**6,991**	**30,941**	**67.9**	**27,978**	**1.05**	**17,843,141**	**78.5**	**—**	**6,221**	**22.2**	**272**	**354**

Table 23: IRB – Credit risk exposures by portfolio and PD range (CR6) (continued)

PD scale	On-balance sheet exposures £m	Off-balance-sheet exposures pre-CCF £m	Exposure weighted average CCF %	Exposure post-CCF and post-CRM £m	Exposure weighted average PD %	Number of obligors	Exposure weighted average LGD %	Exposure weighted average maturity years	Risk weighted exposure amount after supporting factors £m	Density of risk weighted exposure amount %	Expected loss amount £m	Value adjustments and provisions £m
AIRB – Other SME												
0.00 to <0.15	4	18	86.3	18	0.11	29,467	94.9	—	4	20.6	—	—
0.00 to <0.10	1	5	96.8	6	0.08	9,741	94.6	—	1	17.7	—	—
0.10 to <0.15	3	13	82.1	12	0.13	19,726	95.1	—	3	21.9	—	—
0.15 to <0.25	11	49	53.2	36	0.20	34,180	95.8	—	11	31.3	—	—
0.25 to <0.50	32	159	57.7	121	0.38	90,438	95.4	—	64	52.9	1	1
0.50 to <0.75	28	124	61.7	102	0.62	74,904	95.2	—	70	68.8	1	3
0.75 to <2.50	884	698	50.5	934	1.58	339,806	95.6	—	854	91.5	18	14
0.75 to <1.75	714	583	50.1	781	1.47	261,356	96.4	—	635	81.4	11	12
1.75 to <2.5	170	115	52.4	153	2.12	78,450	91.4	—	219	142.8	7	2
2.50 to <10.00	609	204	50.0	468	5.07	170,860	88.7	—	564	120.6	30	16
2.5 to <5	330	130	49.8	262	3.62	102,264	89.4	—	314	120.0	13	5
5 to <10	279	74	50.4	206	6.93	68,596	87.8	—	250	121.4	17	11
10.00 to <100.00	442	56	53.0	224	20.38	89,024	88.1	—	382	170.8	59	23
10 to <20	314	40	52.1	141	13.84	61,697	87.6	—	206	146.7	22	12
20 to <30	76	11	55.8	49	24.22	15,676	89.0	—	96	197.1	15	5
30.00 to <100.00	52	5	53.1	34	41.81	11,651	89.0	—	80	232.1	22	6
100.00 (Default)	178	4	76.5	29	100.00	8,124	65.7	—	89	295.7	53	48
Sub-total	2,188	1,312	53.2	1,932	5.97	836,803	92.5	—	2,038	105.5	162	105
AIRB – Other non-SME												
0.00 to <0.15	503	1,694	21.4	866	0.11	19,594	13.8	—	34	3.9	—	—
0.00 to <0.10	153	1,254	0.1	155	0.05	9,866	22.0	—	7	4.5	—	—
0.10 to <0.15	350	440	82.1	711	0.13	9,728	12.0	—	27	3.8	—	—
0.15 to <0.25	258	37	28.4	268	0.21	41,044	69.0	—	81	30.3	—	2
0.25 to <0.50	1,107	193	0.6	1,104	0.37	137,978	73.6	—	525	47.6	3	8
0.50 to <0.75	1,304	178	1.6	1,303	0.64	107,990	82.4	—	932	71.5	7	14
0.75 to <2.50	2,418	370	8.1	2,439	1.44	245,623	81.3	—	2,412	98.9	29	26
0.75 to <1.75	1,570	182	0.7	1,564	1.14	142,881	81.6	—	1,427	91.2	15	8
1.75 to <2.5	848	188	15.3	875	1.97	102,742	80.8	—	985	112.6	14	18
2.50 to <10.00	589	5	72.7	590	4.59	112,964	86.3	—	786	133.2	24	19
2.5 to <5	415	5	72.7	417	3.55	88,461	86.3	—	542	129.8	13	13
5 to <10	174	—	72.7	173	7.09	24,503	86.3	—	244	141.5	11	6
10.00 to <100.00	123	—	23.5	121	38.52	17,775	86.6	—	206	169.3	41	36
10 to <20	62	—	94.8	61	13.64	9,095	86.2	—	106	172.3	7	6
20 to <30	10	—	95.1	10	24.35	1,624	86.2	—	22	218.7	2	2
30.00 to <100.00	51	—	10.3	50	71.80	7,056	87.1	—	78	155.8	32	28
100.00 (Default)	50	—	43.1	51	100.00	4,033	71.9	—	72	142.2	39	22
Sub-total	6,352	2,477	16.6	6,742	2.58	687,001	71.6	—	5,048	74.9	143	127
Retail AIRB Total at 30 Jun 2026	158,819	46,912	66.5	189,283		20,422,215		—	32,521	17.2	743	678

Table 23: IRB – Credit risk exposures by portfolio and PD range (CR6) (continued)

PD scale	On-balance sheet exposures £m	Off-balance-sheet exposures pre-CCF £m	Exposure weighted average CCF %	Exposure post-CCF and post-CRM £m	Exposure weighted average PD %	Number of obligors	Exposure weighted average LGD %	Exposure weighted average maturity years	Risk weighted exposure amount after supporting factors £m	Density of risk weighted exposure amount %	Expected loss amount £m	Value adjustments and provisions £m
FIRB – Central government and central banks												
0.00 to <0.15	—	—	—	59	0.02	—	45.0	5.0	14	23.4	—	—
0.00 to <0.10	—	—	—	59	0.02	—	45.0	5.0	14	23.4	—	—
Sub-total	—	—	—	59	0.02	—	45.0	5.0	14	23.4	—	—
FIRB – Corporate – SME												
0.00 to <0.15	217	107	19.1	236	0.13	483	41.3	2.5	63	26.6	—	—
0.10 to <0.15	217	107	19.1	236	0.13	483	41.3	2.5	63	26.6	—	—
0.15 to <0.25	684	252	9.9	703	0.22	1,416	40.4	2.7	256	36.5	1	—
0.25 to <0.50	916	240	7.5	927	0.37	1,440	39.5	2.8	431	46.5	2	1
0.50 to <0.75	727	140	3.5	723	0.63	1,025	39.9	2.9	430	59.5	2	1
0.75 to <2.50	1,511	303	12.0	1,523	1.37	2,204	39.8	2.7	1,154	75.7	11	7
0.75 to <1.75	1,244	220	6.7	1,241	1.17	1,813	39.7	2.7	900	72.5	8	5
1.75 to <2.5	267	83	26.3	282	2.25	391	40.5	2.7	254	90.0	3	2
2.50 to <10.00	451	70	8.2	449	4.49	677	39.6	2.5	459	102.2	11	6
2.5 to <5	310	48	10.5	310	3.64	471	40.0	2.5	305	98.5	6	3
5 to <10	141	22	3.0	139	6.38	206	38.7	2.3	154	110.3	5	3
10.00 to <100.00	192	14	5.3	190	19.61	206	39.7	2.4	278	146.3	20	9
10 to <20	157	12	3.9	156	11.76	174	39.8	2.6	230	147.5	10	6
30.00 to <100.00	35	2	12.6	34	55.36	32	38.9	1.9	48	140.9	10	3
100.00 (Default)	254	22	12.2	248	100.00	267	41.2	2.8	—	—	102	44
Sub-total	4,952	1,148	9.9	4,999	6.74	7,718	40.0	2.7	3,071	61.4	149	68

Table 23: IRB – Credit risk exposures by portfolio and PD range (CR6) (continued) (continued)

PD scale	On-balance sheet expo-sures £m	Off-balance-sheet exposures pre-CCF £m	Exposure weighted average CCF %	Exposure post-CCF and post-CRM £m	Exposure weighted average PD %	Number of obligors	Exposure weighted average LGD %	Exposure weighted average maturity years	Risk weighted exposure amount after support-ing factors £m	Density of risk weighted exposure amount %	Expected loss amount £m	Value adjust-ments and provi-sions £m
FIRB – Corporate – Other												
0.00 to <0.15	**7,133**	**9,366**	**44.6**	**11,961**	**0.09**	**6,170**	**39.0**	**2.8**	**3,504**	**29.3**	**9**	**6**
0.00 to <0.10	**3,951**	**5,805**	**48.3**	**6,884**	**0.06**	**1,115**	**39.1**	**3.0**	**1,716**	**24.9**	**4**	**3**
0.10 to <0.15	**3,182**	**3,561**	**38.8**	**5,077**	**0.13**	**5,055**	**38.8**	**2.5**	**1,788**	**35.2**	**5**	**3**
0.15 to <0.25	**6,201**	**5,203**	**35.0**	**8,226**	**0.22**	**5,377**	**36.3**	**2.0**	**3,343**	**40.6**	**11**	**6**
0.25 to <0.50	**6,342**	**3,127**	**32.3**	**7,319**	**0.37**	**4,806**	**37.9**	**2.0**	**4,019**	**54.9**	**15**	**9**
0.50 to <0.75	**5,812**	**2,715**	**29.7**	**6,565**	**0.63**	**3,963**	**36.5**	**2.0**	**4,568**	**69.6**	**22**	**6**
0.75 to <2.50	**16,337**	**8,050**	**32.5**	**18,116**	**1.43**	**34,710**	**38.5**	**2.1**	**18,279**	**100.9**	**135**	**104**
0.75 to <1.75	**11,919**	**5,920**	**30.4**	**13,844**	**1.17**	**31,585**	**38.2**	**2.1**	**13,347**	**96.4**	**87**	**77**
1.75 to <2.5	**4,418**	**2,130**	**39.8**	**4,272**	**2.25**	**3,125**	**39.4**	**2.0**	**4,932**	**115.5**	**48**	**27**
2.50 to <10.00	**6,871**	**3,106**	**40.1**	**7,590**	**4.10**	**5,506**	**38.2**	**2.2**	**10,334**	**136.2**	**151**	**90**
2.5 to <5	**5,529**	**2,596**	**41.2**	**6,132**	**3.56**	**4,227**	**37.8**	**2.3**	**8,026**	**130.9**	**104**	**49**
5 to <10	**1,342**	**510**	**33.6**	**1,458**	**6.40**	**1,279**	**40.0**	**1.9**	**2,308**	**158.4**	**47**	**41**
10.00 to <100.00	**1,161**	**259**	**40.5**	**1,252**	**16.79**	**847**	**42.2**	**1.6**	**2,582**	**206.2**	**112**	**49**
10 to <20	**1,050**	**245**	**41.9**	**1,139**	**12.35**	**756**	**42.3**	**1.7**	**2,385**	**209.3**	**73**	**43**
30.00 to <100.00	**111**	**14**	**17.3**	**113**	**61.66**	**91**	**41.6**	**1.2**	**197**	**174.6**	**39**	**6**
100.00 (Default)	**1,535**	**303**	**39.7**	**1,606**	**100.00**	**1,432**	**41.9**	**1.7**	**—**	**—**	**672**	**464**
Sub-total	**51,392**	**32,129**	**37.2**	**62,635**	**3.96**	**62,811**	**38.2**	**2.2**	**46,629**	**74.4**	**1,127**	**734**
FIRB – Total at 30 Jun 2026	**56,344**	**33,277**	**36.3**	**67,693**		**70,529**		**2.2**	**49,714**	**73.4**	**1,276**	**802**

Table 23: IRB – Credit risk exposures by portfolio and PD range (CR6) (continued)

PD scale	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post-CCF and post-CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	£m	£m	%	£m	%		%	years	£m	%	£m	£m
AIRB – Central government and central banks												
0.00 to <0.15	11,901	—	—	11,901	0.01	62	45.0	2.6	978	8.2	1	—
0.00 to <0.10	11,901	—	—	11,901	0.01	62	45.0	2.6	978	8.2	1	—
Sub-total	11,901	—	—	11,901	0.01	62	45.0	2.6	978	8.2	1	—
AIRB – Institutions												
0.00 to <0.15	2,412	62	20.4	2,336	0.05	240	20.0	1.8	199	8.5	—	—
0.00 to <0.10	1,999	18	16.8	1,914	0.04	73	19.9	1.8	136	7.1	—	—
0.10 to <0.15	413	44	21.9	422	0.13	167	20.7	1.6	63	15.0	—	—
0.25 to <0.50	1	1	2.6	1	0.37	198	45.0	1.1	—	54.6	—	—
2.50 to <10.00	—	2	0.0	—	3.05	8	45.1	1.0	1	142.3	—	—
2.5 to <5	—	2	0.0	—	3.05	8	45.1	1.0	1	142.3	—	—
Sub-total	2,413	65	19.5	2,337	0.05	446	20.0	1.8	200	8.5	—	—
AIRB – Corporate – specialised lending (excluding slotting)												
0.00 to <0.15	1	21	57.0	13	0.13	1	18.0	1.0	1	7.3	—	—
0.10 to <0.15	1	21	57.0	13	0.13	1	18.0	1.0	1	7.3	—	—
0.15 to <0.25	281	254	72.4	465	0.22	5	31.3	4.1	201	43.2	—	—
0.25 to <0.50	383	140	66.5	477	0.37	10	27.4	3.8	207	43.5	1	—
0.50 to <0.75	135	15	56.9	94	0.63	3	18.7	4.1	32	33.8	—	—
0.75 to <2.50	557	295	70.1	650	1.25	13	33.2	4.4	531	81.7	3	5
0.75 to <1.75	422	275	70.6	520	1.00	9	35.0	4.4	434	83.6	2	1
1.75 to <2.5	135	20	63.4	130	2.25	4	25.7	4.6	97	74.4	1	4
2.50 to <10.00	63	37	75.0	43	5.75	1	53.5	4.8	102	238.9	1	1
5 to <10	63	37	75.0	43	5.75	1	53.5	4.8	102	238.9	1	1
Sub-total	1,420	762	69.7	1,742	0.80	33	30.7	4.1	1,074	61.7	5	6
AIRB – Corporate – Other												
0.00 to <0.15	298	606	1.1	304	0.05	242	31.2	2.6	56	18.5	—	2
0.00 to <0.10	260	592	0.0	260	0.04	105	30.3	2.7	42	16.3	—	2
0.10 to <0.15	38	14	47.1	44	0.13	137	36.5	2.3	14	31.3	—	—
0.15 to <0.25	108	3	26.8	109	0.22	34	30.6	2.6	43	39.6	—	—
0.25 to <0.50	152	49	2.5	153	0.34	83	12.2	1.8	27	17.7	—	—
0.50 to <0.75	143	32	1.9	143	0.61	356	20.8	2.4	67	46.4	—	—
0.75 to <2.50	413	265	15.2	444	1.88	5,418	64.0	1.5	235	53.0	2	—
0.75 to <1.75	123	54	61.2	147	1.32	3,873	36.5	1.4	112	76.0	1	—
1.75 to <2.5	290	211	3.4	297	2.15	1,545	77.7	1.6	123	41.6	1	—
2.50 to <10.00	58	2	55.6	58	3.27	707	40.0	2.1	79	135.8	1	—
2.5 to <5	57	1	84.8	58	3.21	599	39.4	2.1	76	132.9	1	—
5 to <10	1	1	17.8	—	8.44	108	91.6	2.5	3	388.4	—	—
10.00 to <100.00	25	5	3.1	25	16.10	282	40.2	1.8	48	194.9	2	1
10 to <20	25	—	0.0	25	15.92	240	39.3	1.8	46	189.4	2	1
20 to <30	—	—	0.0	—	22.80	0	92.4	2.0	2	520.0	—	—
30.00 to <100.00	—	5	0.1	—	38.07	42	88.2	1.0	—	477.2	—	—
100.00 (Default)	9	—	—	11	100.00	958	28.8	1.2	28	247.3	1	1
Sub-total	1,206	962	5.3	1,247	2.20	8,080	39.9	2.0	583	46.8	6	4
Wholesale AIRB – Total at 31 Dec 2025	16,940	1,789	32.6	17,227		8,623		2.6	2,835	16.5	12	10

Table 23: IRB – Credit risk exposures by portfolio and PD range (CR6) (continued)

PD scale	On-balance sheet expo-sures £m	Off-balance-sheet expo-sures pre-CCF £m	Expo-sure weight-ed average CCF %	Exposure post-CCF and post-CRM £m	Expo-sure weight-ed average PD %	Number of obligor	Exposure weighted average LGD %	Exposure weighted average maturity years	Risk weighted exposure amount after supporting factors £m	Density of risk weighted exposure amount %	Expected loss amount £m	Value adjust-ments and provisions £m
AIRB – Secured by mortgages on immovable property SME												
100.00 (Default)	1	—	—	1	100.00	24	63.6	—	2	215.0	—	1
Sub-total	1	—	—	1	77.80	24	68.4	—	2	235.2	—	1
AIRB – Secured by mortgages on immovable property non-SME												
0.00 to <0.15	12,308	6,000	79.6	17,091	0.11	115,557	14.3	—	971	5.7	5	—
0.00 to <0.10	170	2,912	100.1	3,087	0.06	28	19.5	—	284	9.2	2	—
0.10 to <0.15	12,138	3,088	60.3	14,004	0.12	115,529	13.1	—	687	4.9	3	—
0.15 to <0.25	11,557	1,504	51.2	12,336	0.18	93,323	12.6	—	721	5.8	4	1
0.25 to <0.50	59,258	1,530	38.8	59,859	0.31	435,285	14.7	—	5,284	8.8	28	6
0.50 to <0.75	25,961	211	73.4	26,152	0.51	181,944	15.6	—	3,447	13.2	21	6
0.75 to <2.50	28,277	314	71.1	28,691	1.02	181,995	14.7	—	5,692	19.8	43	22
0.75 to <1.75	25,870	240	80.0	26,242	0.94	157,182	14.5	—	4,850	18.5	35	17
1.75 to <2.5	2,407	74	42.0	2,449	1.96	24,813	16.8	—	842	34.4	8	5
2.50 to <10.00	1,532	263	24.0	1,602	4.19	14,861	16.6	—	851	53.1	12	4
2.5 to <5	1,395	225	24.6	1,457	3.83	13,335	16.3	—	726	49.9	10	3
5 to <10	137	38	20.7	145	7.78	1,526	19.8	—	125	85.8	2	1
10.00 to <100.00	305	20	35.8	315	34.45	3,018	9.9	—	167	53.1	11	4
10 to <20	121	17	23.7	125	14.08	1,603	10.0	—	68	54.5	2	1
20 to <30	4	—	—	4	22.52	92	13.1	—	3	79.0	—	—
30.00 to <100.00	180	3	99.0	186	48.46	1,323	9.8	—	96	51.6	9	3
100.00 (Default)	564	2	99.0	565	100.00	5,170	16.2	—	846	149.6	33	55
Sub-total	139,762	9,844	67.0	146,611	0.95	1,031,153	14.6	—	17,979	12.3	157	98
AIRB – Qualifying revolving retail exposures												
0.00 to <0.15	1,764	20,755	74.7	17,271	0.06	12,437,040	75.6	—	684	4.0	10	16
0.00 to <0.10	1,271	16,885	78.9	14,598	0.05	10,431,307	74.6	—	473	3.2	7	10
0.10 to <0.15	493	3,870	56.3	2,673	0.12	2,005,733	81.5	—	211	7.9	3	6
0.15 to <0.25	591	3,918	52.2	2,639	0.19	1,657,537	84.6	—	333	12.6	6	9
0.25 to <0.50	781	2,427	52.3	2,052	0.35	1,221,052	81.2	—	393	19.2	8	10
0.50 to <0.75	544	1,006	49.7	1,047	0.61	502,088	83.1	—	327	31.3	7	9
0.75 to <2.50	1,805	1,209	65.3	2,543	1.37	1,007,885	84.0	—	1,498	58.9	39	51
0.75 to <1.75	1,373	1,024	63.1	1,962	1.16	778,478	83.9	—	1,014	51.7	25	38
1.75 to <2.5	432	185	77.7	581	2.09	229,407	84.6	—	484	83.2	14	13
2.50 to <10.00	1,058	516	65.3	1,406	4.40	563,157	81.7	—	1,751	124.5	63	70
2.5 to <5	721	433	58.4	982	3.37	380,069	83.2	—	1,092	111.2	36	37
5 to <10	337	83	101.0	424	6.78	183,088	78.0	—	659	155.3	27	33
10.00 to <100.00	281	112	72.4	369	25.92	173,855	80.5	—	950	257.1	103	43
10 to <20	177	96	72.8	250	14.12	112,693	79.2	—	633	253.1	35	19
20 to <30	36	6	85.5	43	23.84	28,087	81.3	—	134	309.5	11	5
30.00 to <100.00	68	10	60.6	76	65.65	33,075	84.1	—	183	240.1	57	19
100.00 (Default)	58	8	17.8	59	100.00	54,244	81.8	—	92	155.8	26	89
Sub-total	6,882	29,951	68.6	27,386	1.02	17,616,858	78.4	—	6,028	22.0	262	297

Table 23: IRB – Credit risk exposures by portfolio and PD range (CR6) (continued)

PD scale	On-balance sheet exposures £m	Off-balance-sheet exposures pre-CCF £m	Exposure weighted average CCF %	Exposure post-CCF and post-CRM £m	Exposure weighted average PD %	Number of obligor	Exposure weighted average LGD %	Exposure weighted average maturity years	Risk weighted exposure amount after supporting factors £m	Density of risk weighted exposure amount %	Expected loss amount £m	Value adjustments and provisions £m
AIRB – Other SME												
0.00 to <0.15	3	15	80.5	15	0.11	22,305	95.2	—	3	20.8	—	—
0.00 to <0.10	1	4	87.8	4	0.08	6,075	94.7	—	1	17.8	—	—
0.10 to <0.15	2	11	77.9	11	0.13	16,230	95.3	—	2	21.9	—	—
0.15 to <0.25	12	43	57.5	34	0.21	36,129	95.8	—	11	31.5	—	—
0.25 to <0.50	27	112	59.6	89	0.37	75,738	95.6	—	47	52.7	—	—
0.50 to <0.75	27	107	66.0	93	0.60	69,045	95.2	—	63	68.0	1	1
0.75 to <2.50	1,009	765	50.3	926	1.58	371,956	89.6	—	847	91.4	17	18
0.75 to <1.75	796	623	49.7	761	1.47	281,693	89.2	—	621	81.6	10	16
1.75 to <2.5	213	142	52.7	165	2.10	90,263	91.1	—	226	137.1	7	2
2.50 to <10.00	684	217	51.3	456	5.08	187,143	88.4	—	551	121.0	30	17
2.5 to <5	367	137	50.3	253	3.61	106,581	89.1	—	306	120.9	13	5
5 to <10	317	80	53.0	203	6.91	80,562	87.6	—	245	121.0	17	12
10.00 to <100.00	536	54	56.9	213	20.50	98,155	87.5	—	367	172.1	57	27
10 to <20	394	41	54.8	137	14.00	70,310	87.1	—	204	148.2	22	14
20 to <30	78	8	64.7	40	24.32	15,249	87.9	—	80	202.2	13	6
30.00 to <100.00	64	5	60.1	36	41.15	12,596	88.5	—	83	229.9	22	7
100.00 (Default)	221	5	72.8	32	100.00	10,011	65.6	—	86	271.8	55	55
Sub-total	2,519	1,318	53.5	1,858	6.14	870,482	89.4	—	1,975	106.3	160	118
AIRB – Other non-SME												
0.00 to <0.15	496	1,524	24.0	862	0.11	23,068	17.3	—	44	5.1	—	1
0.00 to <0.10	152	1,085	0.2	154	0.04	7,992	18.1	—	6	3.7	—	—
0.10 to <0.15	344	439	82.9	708	0.13	15,076	17.2	—	38	5.4	—	1
0.15 to <0.25	339	50	7.1	342	0.21	59,885	75.5	—	113	33.2	1	2
0.25 to <0.50	1,260	192	4.0	1,264	0.37	138,788	71.3	—	573	45.4	3	8
0.50 to <0.75	1,332	44	7.6	1,331	0.63	110,871	83.5	—	959	72.1	7	11
0.75 to <2.50	1,937	353	30.4	2,037	1.49	212,087	80.2	—	1,996	98.0	24	30
0.75 to <1.75	1,219	171	9.3	1,229	1.18	122,012	80.9	—	1,132	92.1	12	14
1.75 to <2.5	718	182	50.2	808	1.96	90,075	79.1	—	864	107.0	12	16
2.50 to <10.00	648	3	34.9	646	4.62	111,631	88.0	—	879	136.0	27	30
2.5 to <5	475	3	34.0	474	3.71	86,970	88.6	—	635	133.9	16	21
5 to <10	173	—	—	172	7.13	24,661	86.3	—	244	141.6	11	9
10.00 to <100.00	125	5	1.4	123	38.31	17,643	86.5	—	211	170.6	40	26
10 to <20	62	—	—	61	13.60	8,905	86.1	—	106	171.9	7	7
20 to <30	12	—	—	12	24.14	1,724	86.2	—	25	218.0	2	2
30.00 to <100.00	51	5	0.3	50	71.62	7,014	87.0	—	80	157.9	31	17
100.00 (Default)	45	—	—	45	100.00	3,648	69.6	—	66	143.3	35	33
Sub-total	6,182	2,171	22.5	6,650	2.53	677,621	71.6	—	4,841	72.8	137	141
Retail AIRB – Total at 31 Dec 2025	155,346	43,283	65.4	182,507		20,196,137		—	30,826	16.9	717	654

Table 23: IRB – Credit risk exposures by portfolio and PD range (CR6) (continued)

PD scale	On-balance sheet expo-sures £m	Off-balance-sheet expo-sures pre-CCF £m	Exposure weighted average CCF %	Exposure post-CCF and post CRM £m	Exposure weighted average PD %	Number of obligors	Exposure weighted average LGD %	Exposure weighted average maturity years	Risk weighted exposure amount after support-ing factors £m	Density of risk weighted exposure amount %	Expected loss amount £m	Value adjustments and provisions £m
FIRB – Corporate – SME												
0.00 to <0.15	253	112	8.2	264	0.13	573	40.4	2.8	74	28.2	—	—
0.10 to <0.15	253	112	8.2	264	0.13	573	40.4	2.8	74	28.2	—	—
0.15 to <0.25	668	241	8.1	680	0.22	1,384	39.4	2.8	242	35.6	1	1
0.25 to <0.50	886	241	7.7	891	0.37	1,405	39.5	2.8	421	47.1	2	1
0.50 to <0.75	729	137	9.7	733	0.63	1,006	39.2	2.9	439	60.0	2	1
0.75 to <2.50	1,486	321	10.4	1,490	1.35	2,079	39.2	2.7	1,111	74.6	11	5
0.75 to <1.75	1,241	255	8.7	1,242	1.17	1,709	39.3	2.7	896	72.1	8	4
1.75 to <2.5	245	66	17.4	248	2.25	370	39.2	2.7	215	87.0	3	1
2.50 to <10.00	381	60	7.5	377	4.47	681	39.2	2.6	388	103.1	9	6
2.5 to <5	276	45	9.2	277	3.70	431	39.5	2.7	276	99.8	6	4
5 to <10	105	15	2.3	100	6.58	250	38.5	2.5	112	112.0	3	2
10.00 to <100.00	164	15	5.0	161	18.67	192	39.5	2.2	241	149.1	16	8
10 to <20	141	13	3.0	138	12.74	166	39.2	2.2	206	148.5	9	6
30.00 to <100.00	23	2	16.9	23	54.78	26	41.5	2.5	35	153.2	7	2
100.00 (Default)	241	19	27.3	233	100.00	274	41.4	2.6	—	—	96	40
Sub-total	4,808	1,146	9.1	4,829	6.42	7,594	39.5	2.7	2,916	60.4	137	62
FIRB – Corporate – Other												
0.00 to <0.15	7,788	8,169	45.2	11,687	0.10	6,287	36.8	2.5	3,360	28.8	10	4
0.00 to <0.10	3,892	3,985	48.6	5,978	0.06	1,208	38.3	2.8	1,590	26.6	4	2
0.10 to <0.15	3,896	4,184	41.8	5,709	0.13	5,079	35.2	2.2	1,770	31.0	6	2
0.15 to <0.25	5,423	4,739	34.7	7,060	0.22	5,453	38.4	2.0	3,033	43.0	10	5
0.25 to <0.50	5,256	3,029	27.6	6,029	0.37	4,674	36.4	1.9	3,201	53.1	13	5
0.50 to <0.75	4,815	2,506	30.0	5,702	0.63	4,093	37.3	2.2	4,192	73.5	19	8
0.75 to <2.50	15,139	7,317	33.8	17,049	1.41	32,703	38.4	2.1	16,859	98.9	123	106
0.75 to <1.75	11,322	5,494	32.3	13,145	1.16	29,727	39.0	2.1	12,605	96.0	82	84
1.75 to <2.5	3,817	1,823	39.3	3,904	2.25	2,976	36.3	2.1	4,254	109.0	41	22
2.50 to <10.00	5,755	3,294	42.9	6,819	4.24	5,147	38.3	2.2	9,255	135.7	135	63
2.5 to <5	4,290	2,698	44.3	5,358	3.60	3,857	38.7	2.4	7,108	132.6	92	38
5 to <10	1,465	596	35.6	1,461	6.61	1,290	37.2	1.7	2,147	147.0	43	25
10.00 to <100.00	1,127	232	41.3	1,145	18.14	808	41.4	1.9	2,404	210.1	109	41
10 to <20	989	214	42.6	1,012	12.92	716	41.3	2.0	2,157	213.1	67	37
30.00 to <100.00	138	18	8.5	133	57.99	92	42.2	1.4	247	186.6	42	4
100.00 (Default)	1,725	258	39.9	1,745	100.00	1,466	40.9	1.8	—	—	714	413
Sub-total	47,028	29,544	37.3	57,236	4.49	60,631	37.9	2.2	42,304	73.9	1,133	645
FIRB – Total at 31 Dec 2025	51,836	30,690	36.2	62,124		68,227		2.2	45,233	72.8	1,270	707

The table 24 sets out the specialised lending exposures by different regulatory slotting categories split by remaining maturity.

Table 24: Specialised lending and equity exposures under the simple risk weighted approach (CR10)

Specialised lending: Income-producing real estate and high volatility commercial real estate (Slotting approach)		**On-balance sheet amount**	**Off-balance sheet amount**	**Risk weight**	**Exposure amount**	**RWAs**	**Expected loss**
Regulatory categories	**Remaining maturity**	**£m**	**£m**	**%**	**£m**	**£m**	**£m**
Category 1	Less than 2.5 years	**4,654**	**477**	**50**	**4,944**	**2,472**	**—**
	Equal to or more than 2.5 years	**1,873**	**183**	**70**	**2,008**	**1,405**	**8**
Category 2	Less than 2.5 years	**1,243**	**79**	**70**	**1,292**	**904**	**5**
	Equal to or more than 2.5 years	**489**	**81**	**90**	**548**	**493**	**4**
Category 3	Less than 2.5 years	**109**	**—**	**115**	**109**	**125**	**3**
	Equal to or more than 2.5 years	**19**	**—**	**115**	**19**	**23**	**1**
Category 4	Less than 2.5 years	**255**	**—**	**250**	**255**	**636**	**20**
	Equal to or more than 2.5 years	**1**	**—**	**250**	**1**	**2**	**—**
Category 5	Less than 2.5 years	**170**	**6**	**—**	**173**	**—**	**87**
	Equal to or more than 2.5 years	**—**	**—**	**—**	**—**	**—**	**—**
Total at 30 Jun 2026	Less than 2.5 years	**6,431**	**562**	**—**	**6,773**	**4,137**	**115**
	Equal to or more than 2.5 years	**2,382**	**264**	**—**	**2,576**	**1,923**	**13**
Category 1	Less than 2.5 years	3,830	419	50	4,082	2,055	—
	Equal to or more than 2.5 years	2,060	404	70	2,343	1,630	10
Category 2	Less than 2.5 years	1,078	161	70	1,197	838	5
	Equal to or more than 2.5 years	692	145	90	797	718	6
Category 3	Less than 2.5 years	130	13	115	138	159	4
	Equal to or more than 2.5 years	23	—	115	23	26	1
Category 4	Less than 2.5 years	255	6	250	258	648	20
	Equal to or more than 2.5 years	—	—	250	—	—	—
Category 5	Less than 2.5 years	196	3	—	198	—	99
	Equal to or more than 2.5 years	5	7	—	10	—	5
Total at 31 Dec 2025	Less than 2.5 years	5,489	602	—	5,873	3,700	128
	Equal to or more than 2.5 years	2,780	556	—	3,173	2,374	22

Counterparty credit risk

Counterparty credit risk ('CCR') is the risk that a counterparty may default before completing the satisfactory settlement of the transaction. It arises on derivatives, securities financing transactions and exposures to central counterparties ('CCPs') in both the trading and non trading books. Limits for CCR exposures, including to central counterparties, are assigned within the overall credit risk management process. The credit risk function assigns a limit against each counterparty to cover exposure which may arise as a result of a counterparty default. Banks are permitted to apply the following methods to determine exposure values for CCR:

- the Internal Model Method ('IMM');
- the Standardised Approach ('SA-CCR') – for derivatives and long settlement transactions; and
- the simple/comprehensive approach to recognition of collateral with SFTs; and
- the VaR approach, applicable for SFTs

HSBC UK uses the standardised approach to determine CCR exposures. Under the SA-CCR approach, the EAD is calculated as the sum of Replacement Cost and Potential Future Exposures multiplied by an alpha factor of 1.4.

The table below analyses CCR exposures by approach for derivatives and securities financing transactions, excluding the CVA charge, failed settlements, free deliveries and exposures to CCPs.

Table 25: Analysis of counterparty credit risk exposure by approach (excluding centrally cleared exposures) (CCR1)

		Replacement cost	**Potential future exposure**	**Effective expected positive exposure[1]**	**Multiplier**	**EAD pre-CRM**	**EAD post-CRM**	**Exposure Value**	**RWAs**
		£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
1	SA-CCR (for derivatives)	**10**	**155**	**—**	**1.40**	**493**	**231**	**231**	**80**
4	Financial collateral comprehensive method (for SFTs)					**35,241**	**3,488**	**3,488**	**41**
6	**Total at 30 Jun 2026**					**35,734**	**3,719**	**3,719**	**121**
1	SA-CCR (for derivatives)	17	150	—	1.40	290	233	233	99
4	Financial collateral comprehensive method (for SFTs)					28,043	4,006	4,006	33
6	Total at 31 Dec 2025					28,333	4,239	4,239	132

1 Effective expected positive exposure column is not relevant for HSBC UK, as the exposures are calculated under SA-CCR.

Credit valuation adjustment

CVA represent the risk of mark-to-market losses on the expected counterparty risk to over-the counter derivatives and SFTs which are subject to fair-value accounting. Certain qualifying central counterparties are exempt from CVA.

The table below sets out Exposure and RWAs related to CVA regulatory calculations with the break down by standardised and advanced approaches. HSBC UK applies the standardised approach for CVA.

Table 26: Credit valuation adjustment capital charge (CCR2)

		At 30 Jun 2026		At 31 Dec 2025	
		Exposure value	**RWAs**	Exposure value	RWAs
		£m	**£m**	£m	£m
4	Transactions subject to the Standardised method	**178**	**26**	116	22
5	**Total transactions subject to own funds requirements for CVA risk**	**178**	**26**	116	22

The table below presents information on the risk weighting of CCR exposures under the standardised approach by regulatory portfolio. It excludes the failed settlements, free deliveries, default fund contributions, CVA charge and exposure to CCPs.

Table 27: Standardised approach – CCR exposures by regulatory exposure class and risk weights (CCR3)

		0%	20%	50%	75%	100%	150%	Others	Total exposure value
	Risk weight	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
1	Central governments and central banks	**3,160**	**—**	**—**	**—**	**—**	**—**	**—**	**3,160**
6	Institutions	**—**	**111**	**8**	**—**	**—**	**—**	**—**	**119**
	Total at 30 Jun 2026	**3,160**	**111**	**8**	**—**	**—**	**—**	**—**	**3,279**
1	Central governments and central banks	3,756	—	—	—	—	—		3,756
6	Institutions	—	62	21	—	—	—	—	83
	Total at 31 Dec 2025	3,756	62	21	—	—	—	—	3,839

The table below discloses detailed key parameters used for the calculation of capital requirements of counterparty credit risk exposure under the IRB approach split by exposure class and PD range.

Table 28: IRB – CCR exposures by portfolio and PD scale (CCR4)

	Exposure value	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity	RWAs	Density of risk weighted exposure amounts density
PD scale	**£m**	**%**		**%**	**years**	**£m**	**%**
AIRB – Institutions							
0.00 to <0.15	**225**	**0.05**	**18**	**45.0**	**0.48**	**30**	**14**
0.15 to <0.25	**1**	**0.22**	**2**	**45.0**	**1.00**	**—**	**47**
0.75 to <2.50	**—**	**0.87**	**1**	**45.0**	**1.00**	**—**	**73**
Sub-total	**226**	**0.05**	**21**	**45.0**	**0.48**	**31**	**14**
AIRB – Corporates							
0.00 to <0.15	**57**	**0.04**	**1**	**45.0**	**0.50**	**6**	**10**
Sub-total	**57**	**0.04**	**1**	**45.0**	**0.50**	**6**	**10**
AIRB – Total at 30 Jun 2026	**283**	**0.05**	**22**	**45.0**	**0.49**	**37**	**13**
FIRB – Corporates							
0.00 to <0.15	**107**	**0.08**	**149**	**45.0**	**0.29**	**16**	**15**
0.15 to <0.25	**10**	**0.22**	**152**	**45.0**	**1.06**	**4**	**39**
0.25 to <0.50	**7**	**0.37**	**105**	**45.0**	**1.01**	**4**	**54**
0.50 to <0.75	**9**	**0.63**	**83**	**45.0**	**1.00**	**6**	**71**
0.75 to <2.50	**17**	**1.42**	**265**	**45.0**	**1.02**	**17**	**101**
2.50 to <10.00	**5**	**4.20**	**41**	**45.0**	**0.95**	**7**	**145**
10.00 to <100.00	**1**	**12.42**	**13**	**45.0**	**1.15**	**3**	**229**
100.00 (Default)	**—**	**100.00**	**11**	**45.0**	**1.00**	**—**	**—**
FIRB – Total at 30 Jun 2026	**157**	**0.62**	**819**	**45.0**	**0.52**	**58**	**37**
Total (all portfolios) at 30 Jun 2026	**440**	**0.25**	**841**	**45.0**	**0.50**	**95**	**22**

Table 28: IRB – CCR exposures by portfolio and PD scale (CCR4) (continued)

PD scale	Exposure value £m	Exposure weighted average PD %	Number of obligors	Exposure weighted average LGD %	Exposure weighted average maturity years	RWAs £m	Density of risk weighted exposure amounts density %
AIRB – Institutions							
0.00 to <0.15	274	0.04	31	45.0	0.57	43	16
0.15 to <0.25	—	0.22	2	45.0	1.00	—	45
AIRB – Total at 31 Dec 2025	274	0.04	33	45.0	0.57	43	16
FIRB – Corporates							
0.00 to <0.15	54	0.08	119	45.0	0.36	8	16
0.15 to <0.25	16	0.22	142	45.0	1.06	6	39
0.25 to <0.50	8	0.37	103	45.0	1.01	4	52
0.50 to <0.75	8	0.63	76	45.0	1.03	6	70
0.75 to <2.50	35	1.50	193	45.0	0.98	36	104
2.50 to <10.00	2	4.34	35	45.0	1.00	3	149
10.00 to <100.00	1	17.02	16	45.0	1.01	2	226
100.00 (Default)	—	100.00	10	45.0	1.00	—	—
FIRB – Total at 31 Dec 2025	125	0.89	694	45.0	0.72	66	53
Total (all portfolios) at 31 Dec 2025	399	0.31	727	45.0	0.62	109	27

Collateral arrangements

Our policy is to revalue all traded transactions and associated collateral positions on a daily basis. An independent collateral management function manages the collateral process, including pledging and receiving collateral and investigating disputes and non-receipts.

Collateral types are controlled under a policy to help ensure price transparency, price stability, liquidity, enforceability, independence, reusability and eligibility for regulatory purposes.

A valuation 'haircut' policy reflects the fact that collateral may fail in value between the date the collateral was called and the date of liquidation or enforcement. A very high proportion of collateral held as variation margin under credit support annex ('CSA') agreements is composed of either cash or liquid government securities.

▶ Further information on gross fair value exposure and the offset due to legally enforceable netting and collateral is set out on page 116 of the Annual Report and Accounts 2025.

The table below analyses collateral used in derivatives and SFT transactions. Collateral is presented on a post-haircut basis.

Table 29: Composition of collateral for CCR exposure (CCR5)

		Collateral used in derivative transactions				Collateral used in SFTs	
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
		Segregated £m	Unsegregated £m	Segregated £m	Unsegregated £m	£m	£m
1	Cash	**—**	**640**	**—**	**1,286**	**—**	**—**
2	Debt	**5**	**—**	**2,109**	**—**	**29,207**	**26,553**
5	**Total at 30 Jun 2026**	**5**	**640**	**2,109**	**1,286**	**29,207**	**26,553**
1	Cash	—	292	—	252	—	—
2	Debt	7	—	2,271	—	28,786	18,247
5	Total at 31 Dec 2025	7	292	2,271	252	28,786	18,247

Central counterparties

While exchange traded derivatives have been cleared through central counterparties ('CCPs') for many years, regulatory initiatives designed to reduce systemic risk in the banking system are directing increasing volumes of over-the-counter ('OTC') derivatives to be cleared through CCPs.

To manage the significant concentration of risk in CCPs that results from this, we have developed a risk appetite framework to manage risk accordingly, at the level of individual CCPs and globally. A dedicated CCP risk team has been established to manage the interface with CCPs and undertake in-depth due diligence of the unique risks associated with these organisations.

The table below provides exposures and RWAs breakdown related to CCPs.

Table 30: Exposures to central counterparties (CCR8)

		At 30 Jun 2026		At 31 Dec 2025	
		Exposure value	RWAs	Exposure value	RWAs
		£m	£m	£m	£m
1	**Exposures to qualifying central counterparties ('QCCPs') (total)**		**124**		101
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions)	**2,650**	**53**	1,525	31
3	– OTC derivatives	**1,011**	**20**	659	13
5	– securities financing transactions	**1,639**	**33**	866	18
7	Segregated initial margin	**2,078**		2,224	
9	Pre-funded default fund contributions	**157**	**71**	175	70
10	Unfunded default fund contributions	**471**	**—**	524	—

Wrong-way risk

Wrong-way risk occurs when a counterparty's exposures are adversely correlated with its credit quality.

There are two types of wrong-way risk:

– general wrong-way risk occurs when the probability of counterparty default is positively correlated with general risk factors, for example, where a counterparty is resident and/or incorporated in a higher-risk country and seeks to sell a non-domestic currency in exchange for its home currency; and

– specific wrong-way risk occurs in self-referencing transactions. These are transactions in which exposure is driven by capital or financing instruments issued by the counterparty and occurs where exposure from HSBC's perspective materially increases as the value of the counterparty's capital or financing instruments referenced in the contract decreases. It is HSBC policy that specific wrong-way transactions are approved on a case-by-case basis.

We use a range of tools to monitor and control wrong-way risk, including requiring the business to obtain prior approval before undertaking wrong-way risk transactions outside pre-agreed guidelines.

The regional Traded Risk functions are responsible for the control and monitoring process within an overarching Group framework and limit framework.

Credit rating downgrade

A credit rating downgrade clause in a Master Agreement or a credit rating downgrade threshold clause in a CSA is designed to trigger an action if the credit rating of the affected party falls below a specified level. These actions may include the requirement to pay or increase collateral, the termination of transactions by the non-affected party or the assignment of transactions by the affected party.

There were no credit rating downgrade trigger events impacting HSBC UK Bank plc for the period.

Securitisation

Securitisation strategy

HSBC UK acts as originator and investor to securitisation positions. Our strategy is to use securitisation to meet our needs for aggregate funding or capital management, to the extent that market, regulatory treatments and other conditions are suitable, and for customer facilitation.

Securitisations on the banking book follow a detailed due diligence framework in accordance with the securitisation framework. Wholesale Credit Risk conducts the credit approval process in line with HSBC policies and procedures.

HSBC UK does not provide support to its originated securitisation transactions as a policy other than through any interest it has retained in the securitised exposures.

Securitisation activity

Our roles in the securitisation process are as follows:

– originator: where we originate the assets being securitised, either directly or indirectly; and

– investor: where we invest in securitisation tranche directly or provide liquidity facilities to a securitisation.

The below table presents the securitisations positions where HSBC UK is acting as an originator

Region	Special purpose entity ('SPE')	Underlying assets	Start date	Maturity date	EAD (£m)	Capital requirement before securitisation (£m)	Capital requirement after securitisation (£m)
HBUK	Neon Portfolio Distribution DAC	Corporate loans	Dec-23	Dec-30	1,787	159	39
HBUK	Neon Portfolio Distribution DAC	Corporate loans	Dec-25	Dec-32	4,515	315	68

HSBC UK as originator

We are originator of two securitisation programmes outstanding as at 30 June 2026. We have used SPE (Neon Portfolio Distribution) to securitise customer loans and advances and other debt that we have originated to diversify our sources of funding for asset origination and for capital efficiency purposes.

We have followed an approach commonly known as synthetic securitisation, using credit derivatives and financial guarantees to transfer the credit risk associated with such customer loans and advances.

In order to recognise capital benefit under synthetic securitisation, we satisfy the regulatory requirements for significant risk transfer ('SRT') and monitor our compliance periodically.

HSBC UK maintains a unhedged holding of at least 5% in each reference obligation. These transactions are not categorised as simple transparent and standardised ('STS').

HSBC UK as investor

We have exposure to third-party securitisations across sectors in the form of investments and liquidity facilities.

Monitoring of securitisation positions

Securitisation positions are managed by dedicated teams that use a combination of market standard systems and third-party data providers to monitor performance data and manage market and credit risks.

The liquidity risk of securitised assets is consistently managed as part of the group's liquidity and funding risk management framework.

Securitisation accounting treatment

For accounting purposes, we consolidate structured entities (including SPEs) when the substance of the relationship indicates that we control them, that is, we are exposed, or have rights, to variable returns from our involvement with the structured entity and have the ability to affect those returns through our power over the entity.

We reassess the need to consolidate whenever there is a change in the substance of the relationship between HSBC UK and a structured entity.

Valuation of securitisation positions

The process of valuing our investments in securitisation exposures primarily focuses on quotations from third parties, observed trade levels and calibrated valuations from market standard models.

Our hedging and credit risk mitigation strategy, with regard to retained securitisation and re-securitisation exposures, is to continually review our positions.

Regulatory treatment

For regulatory purposes, any reduction in RWAs that would be achieved by our own originated securitisations must receive the PRA's permission and be justified by a commensurate transfer of credit risk to third parties. If achieved, the underlying assets are de-recognised for regulatory purposes and any retained exposures to the securitisation, including derivatives or liquidity facilities, are risk weighted as securitisation positions.

For all securitisation positions, we follow the hierarchy of RWA calculation approaches described in the securitisation framework. Our originated positions are all reported under the SEC-IRBA.

Analysis of securitisation positions

In 1H26, our involvement in securitisation activities reflected the following:

- £6.3bn positions held as synthetic transactions (31 December 2025: £6.5bn). The reduction primarily reflects the exercise of the contractual call option on a securitisation transaction originated by the bank;
- off-balance sheet exposure of £1.4bn (31 December 2025: £1.5bn), mainly related to contingent liquidity lines provided to securitisation vehicles. The exposures types are spread across multiple products.

The table below provides carrying amount of non-trading securitisation exposures, separately for traditional and synthetic securitisations where the bank acts as originator, sponsor or investor.

Table 31: Securitisation exposures in the non-trading book (SEC1)

		Bank acts as originator							Bank acts as sponsor				Bank acts as investor			
		Traditional				Synthetic			Traditional				Traditional			
		STS		Non-STS												
		Total	of which: SRT	Total	of which: SRT	Total	of which: SRT	Sub-total	STS	Non-STS	Syn-thetic	Sub-total	STS	Non-STS	Syn-thetic	Sub-total
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1	**Total at 30 Jun 2026**	**—**	**—**	**—**	**—**	**6,302**	**6,302**	**6,302**	**—**	**—**	**—**	**—**	**287**	**870**	**—**	**1,157**
2	Retail (total)	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**287**	**750**	**—**	**1,037**
3	– residential mortgage	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**287**	**—**	**—**	**287**
5	– other retail exposures	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**750**	**—**	**750**
7	Wholesale (total)	**—**	**—**	**—**	**—**	**6,302**	**6,302**	**6,302**	**—**	**—**	**—**	**—**	**—**	**120**	**—**	**120**
8	– loans to corporates	**—**	**—**	**—**	**—**	**6,302**	**6,302**	**6,302**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
10	– lease and receivables	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**120**	**—**	**120**
11	– other wholesale	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
1	Total at 31 Dec 2025	—	—	—	—	6,480	6,480	6,480	—	—	—	—	260	927	—	1,187
2	Retail (total)	—	—	—	—	—	—	—	—	—	—	—	260	386	—	646
3	– residential mortgage	—	—	—	—	—	—	—	—	—	—	—	260	—	—	260
5	– other retail exposures	—	—	—	—	—	—	—	—	—	—	—	—	386	—	386
7	Wholesale (total)	—	—	—	—	6,480	6,480	6,480	—	—	—	—	—	541	—	541
8	– loans to corporates	—	—	—	—	6,480	6,480	6,480	—	—	—	—	—	300	—	300
10	– lease and receivables	—	—	—	—	—	—	—	—	—	—	—	—	75	—	75
11	– other wholesale	—	—	—	—	—	—	—	—	—	—	—	—	166	—	166

The table below shows RWAs and exposures by type, risk-weight bands and regulatory approach for non-trading securitisation exposures and associated regulatory capital requirements where the bank acts as originator or sponsor.

Table 32: Securitisation exposures in the non-trading book and associated regulatory capital requirements – bank acting as originator or as sponsor (SEC3)

		Exposure values (by risk weight bands/deductions)					Exposure values (by regulatory approach)				RWAs (by regulatory approach)				Capital charge after cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1,250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/deductions
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1	**Total at 30 Jun 2026**	**4,500**	**1,780**	**—**	**16**	**6**	**6,302**	**—**	**—**	**—**	**1,339**	**—**	**—**	**—**	**107**	**—**	**—**	**—**
9	Synthetic transactions	**4,500**	**1,780**	**—**	**16**	**6**	**6,302**	**—**	**—**	**—**	**1,339**	**—**	**—**	**—**	**107**	**—**	**—**	**—**
10	Securitisation	**4,500**	**1,780**	**—**	**16**	**6**	**6,302**	**—**	**—**	**—**	**1,339**	**—**	**—**	**—**	**107**	**—**	**—**	**—**
12	– wholesale	**4,500**	**1,780**	**—**	**16**	**6**	**6,302**	**—**	**—**	**—**	**1,339**	**—**	**—**	**—**	**107**	**—**	**—**	**—**
1	Total at 31 Dec 2025	6,453	—	—	23	4	6,476	—	—	4	1,354	—	—	55	108	—	—	4
9	Synthetic transactions	6,453	—	—	23	4	6,476	—	—	4	1,354	—	—	55	108	—	—	4
10	Securitisation	6,453	—	—	23	4	6,476	—	—	4	1,354	—	—	55	108	—	—	4
12	– wholesale	6,453	—	—	23	4	6,476	—	—	4	1,354	—	—	55	108	—	—	4

The table below shows RWAs and exposures by type, risk-weight bands and regulatory approach for non-trading securitisation exposures where the bank acts as investor.

Table 33: Securitisation exposures in the non-trading book and associated capital requirements – bank acting as investor (SEC4)

		Exposure values (by risk weight bands)					Exposure values (by regulatory approach)				RWAs (by regulatory approach)				Capital charge after cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1,250% RW	1250%/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/deductions
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1	**Total at 30 Jun 2026**	**646**	**300**	**211**	**—**	**—**	**—**	**—**	**1,157**	**—**	**—**	**—**	**264**	**—**	**—**	**—**	**21**	**—**
2	Traditional securitisation	**646**	**300**	**211**	**—**	**—**	**—**	**—**	**1,157**	**—**	**—**	**—**	**264**	**—**	**—**	**—**	**21**	**—**
3	Securitisation	**646**	**300**	**211**	**—**	**—**	**—**	**—**	**1,157**	**—**	**—**	**—**	**264**	**—**	**—**	**—**	**21**	**—**
4	– retail underlying	**526**	**300**	**211**	**—**	**—**	**—**	**—**	**1,037**	**—**	**—**	**—**	**246**	**—**	**—**	**—**	**20**	**—**
5	– of which: STS	**287**	**—**	**—**	**—**	**—**	**—**	**—**	**287**	**—**	**—**	**—**	**30**	**—**	**—**	**—**	**2**	**—**
6	– wholesale	**120**	**—**	**—**	**—**	**—**	**—**	**—**	**120**	**—**	**—**	**—**	**18**	**—**	**—**	**—**	**1**	**—**
1	Total at 31 Dec 2025	841	300	—	46	—	—	—	1,187	—	—	—	183	—	—	—	15	—
2	Traditional securitisation	841	300	—	46	—	—	—	1,187	—	—	—	183	—	—	—	15	—
3	Securitisation	841	300	—	46	—	—	—	1,187	—	—	—	183	—	—	—	15	—
4	– retail underlying	646	—	—	—	—	—	—	646	—	—	—	85	—	—	—	7	—
5	– of which: STS	260	—	—	—	—	—	—	260	—	—	—	27	—	—	—	2	—
6	– wholesale	195	300	—	46	—	—	—	541	—	—	—	98	—	—	—	8	—

The table below sets out the outstanding nominal amount, exposures in default and specific credit risk adjustments by exposure type where the institution acts as originator or sponsor.

Table 34: Exposures securitised by the institution – Institution acts as originator or as sponsor (SEC5)

		Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period
			of which: exposures in default	
		£m	£m	£m
1	**Total exposures at 30 Jun 2026**	**6,605**	**49**	**22**
7	Wholesale (total)	**6,605**	**49**	**22**
8	– loans to corporates	**6,605**	**49**	**22**
1	Total exposures at 31 Dec 2025	6,980	40	18
7	Wholesale (total)	6,980	40	18
8	– loans to corporates	6,980	40	18

Market risk

Market risk is the risk that movements in market risk factors, such as foreign exchange rates, interest rates, credit spreads, equity prices and commodity prices, will reduce our income or the value of our portfolios.

► Further explanation of the group's approach to managing market risk can be found from page 58 of the Annual Report and Accounts 2025.

The table below reflect the components of capital requirements under the standardised approach for market risk.

Table 35: Market risk under standardised approach (MR1)

		At	
		30 Jun 2026	31 Dec 2025
		RWAs	RWAs
		£m	£m
	Outright products		
1	Interest rate risk (general and specific)	**85**	29
3	Foreign exchange risk	**62**	68
9	**Total**	**147**	97

The increase in market risk RWAs was mainly driven by the higher interest rate risk add-on arising from FX forward positions.

Countercyclical capital buffer

The table below discloses the geographical distribution of credit exposures relevant to the calculation of the countercyclical capital buffer ('CCyB') under Article 440 of the PRA rulebook. Exposures to central governments/banks, regional governments, local authorities, public sector entities, multilateral development banks, international organisations and institutions are excluded and therefore differ from those presented in the credit and counterparty credit risk sections. Countries or territories that have a CCyB requirement, or have an own funds requirement of greater than 0.1%, or that are material in nature are disclosed below.

Table 36: UK CCyB1 – Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

	General credit exposures		Relevant credit exposures – Market risk		Securi-tisation expo-sures		Own funds requirements						
	SA	IRB	Sum of long/ short posi-tions for SA	Internal models	Total Expo-sure value for non-trading book	Total expo-sure value	Relevant credit risk expo-sures – Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securi-tisation positions in the non-trading book	Total	Risk weighted exposure amounts	Own funds require-ments weights	CCyB rate
Country	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**%**	**%**
Albania	—	—	—	—	—	—	—	—	—	—	—	—	0.50
Armenia	—	1	—	—	—	1	—	—	—	—	—	—	1.75
Australia	22	304	—	—	—	326	4	—	—	4	56	0.05	1.00
Belgium	23	8	—	—	—	31	2	—	—	2	23	0.02	1.00
Bulgaria	—	3	—	—	—	3	—	—	—	—	1	—	2.00
Canada	1	301	—	—	—	302	15	—	—	15	193	0.18	—
Cayman Islands	135	9	—	—	—	144	12	—	—	12	145	0.14	—
Chile	—	1	—	—	—	1	—	—	—	—	—	—	0.50
Croatia	—	1	—	—	—	1	—	—	—	—	—	—	1.50
Cyprus	—	11	—	—	—	11	—	—	—	—	1	—	1.50
Czech Republic	2	4	—	—	—	6	—	—	—	—	3	—	1.25
Denmark	241	8	—	—	—	249	16	—	—	16	206	0.20	2.50
Estonia	—	1	—	—	—	1	—	—	—	—	—	—	1.50
France	—	85	—	—	—	85	1	—	—	1	12	0.01	1.00
Germany	314	53	—	—	—	367	27	—	—	27	337	0.32	0.75
Greece	—	14	—	—	—	14	—	—	—	—	2	—	0.25
Guernsey	422	103	—	—	—	525	39	—	—	39	494	0.47	—
Hong Kong	—	925	—	—	—	925	16	—	—	16	205	0.19	0.50
Hungary	—	14	—	—	—	14	—	—	—	—	3	—	1.00
Iceland	—	—	—	—	—	—	—	—	—	—	—	—	2.50
Ireland	215	239	—	—	—	454	27	—	—	27	340	0.32	1.50
Jersey	840	397	—	—	—	1,237	91	—	—	91	1,132	1.08	—
Korea, Republic Of	—	3	—	—	—	3	—	—	—	—	—	—	1.00
Latvia	—	1	—	—	—	1	—	—	—	—	—	—	1.00
Lithuania	—	1	—	—	—	1	—	—	—	—	—	—	1.00
Luxembourg	3,256	229	—	—	—	3,485	281	—	—	281	3,513	3.34	0.50
Macedonia, The Former Yugoslav Republic Of	—	—	—	—	—	—	—	—	—	—	—	—	1.75
Montenegro	—	—	—	—	—	—	—	—	—	—	—	—	1.00
Netherlands	96	756	—	—	—	852	34	—	—	34	421	0.40	2.00
Norway	13	43	—	—	—	56	3	—	—	3	38	0.04	2.50
Poland	65	81	—	—	—	146	6	—	—	6	78	0.07	1.00
Portugal	—	16	—	—	—	16	—	—	—	—	3	—	0.75
Romania	—	10	—	—	—	10	—	—	—	—	1	—	1.00
Russian Federation	—	—	—	—	—	—	—	—	—	—	—	—	0.50
Saudi Arabia	—	302	—	—	—	302	6	—	—	6	76	0.07	1.00
Slovakia	8	2	—	—	—	10	1	—	—	1	8	0.01	1.50
Slovenia	—	—	—	—	—	—	—	—	—	—	—	—	1.00
South Africa	—	14	—	—	—	14	—	—	—	—	2	—	1.00
Spain	—	58	—	—	—	58	1	—	—	1	7	0.01	0.50
Sweden	485	12	—	—	—	497	39	—	—	39	487	0.46	2.00
Switzerland	—	378	—	—	—	378	11	—	—	11	136	0.13	—
United Arab Emirates	1	564	—	—	—	565	10	—	—	10	129	0.12	—
United Kingdom	7,242	265,226	—	—	7,459	279,927	7,522	—	128	7,650	95,624	90.90	2.00
United States	384	2,482	—	—	—	2,866	92	—	—	92	1,144	1.09	—
Uruguay	—	—	—	—	—	—	—	—	—	—	—	—	1.00
Other Countries	51	1,591	—	—	—	1,642	31	—	—	31	372	0.35	
Total	**13,816**	**274,251**	**—**	**—**	**7,459**	**295,526**	**8,287**	**—**	**128**	**8,415**	**105,192**	**100.00**	

Table 36: UK CCyB1 – Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (continued)

	General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures		Own funds requirements						
	SA	IRB	Sum of long/short positions for SA	Internal models	Total Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures – Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk weighted exposure amounts	Own funds requirements weights	CCyB rate
Country	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	%
Albania	—	—	—	—	—	—	—	—	—	—	—	—	0.05
Armenia	—	1	—	—	—	1	—	—	—	—	—	—	1.75
Australia	21	316	—	—	—	336	6	—	—	6	78	0.08	1.00
Belgium	22	8	—	—	—	31	2	—	—	2	23	0.02	1.00
Bulgaria	—	3	—	—	—	3	—	—	—	—	1	—	2.00
Canada	—	231	—	—	—	231	14	—	—	14	172	0.17	—
Chile	—	1	—	—	—	1	—	—	—	—	—	—	0.50
Croatia	—	1	—	—	—	1	—	—	—	—	—	—	1.50
Cyprus	—	12	—	—	—	12	—	—	—	—	3	—	1.00
Czech Republic	4	4	—	—	—	8	—	—	—	—	5	—	1.25
Denmark	213	9	—	—	—	222	14	—	—	14	177	0.18	2.50
Estonia	—	—	—	—	—	—	—	—	—	—	—	—	1.50
France	—	85	—	—	—	85	1	—	—	1	11	0.01	1.00
Germany	338	46	—	—	—	384	28	—	—	28	352	0.36	0.75
Greece	—	14	—	—	—	14	—	—	—	—	2	—	0.25
Guernsey	426	87	—	—	—	514	36	—	—	36	455	0.46	—
Hong Kong	—	949	—	—	—	949	17	—	—	17	217	0.22	0.50
Hungary	—	14	—	—	—	14	—	—	—	—	4	—	1.00
Iceland	—	—	—	—	—	—	—	—	—	—	—	—	2.50
Ireland	181	201	—	—	—	382	22	—	—	22	279	0.28	1.50
Jersey	967	550	—	—	—	1,516	112	—	—	112	1,395	1.42	—
Korea, Republic Of	—	3	—	—	—	3	—	—	—	—	—	—	1.00
Latvia	—	1	—	—	—	1	—	—	—	—	—	—	1.00
Lithuania	—	1	—	—	—	1	—	—	—	—	—	—	1.00
Luxembourg	2,940	228	—	—	—	3,168	252	—	—	252	3,154	3.20	0.50
Macedonia, The Former Yugoslav Republic Of	—	—	—	—	—	—	—	—	—	—	—	—	1.75
Montenegro	—	—	—	—	—	—	—	—	—	—	—	—	0.50
Netherlands	106	851	—	—	—	957	36	—	—	36	451	0.46	2.00
Norway	28	38	—	—	—	66	3	—	—	3	35	0.04	2.50
Poland	14	46	—	—	—	60	2	—	—	2	21	0.02	1.00
Romania	—	6	—	—	—	6	—	—	—	—	1	—	1.00
Russian Federation	—	1	—	—	—	1	—	—	—	—	—	—	0.50
Slovakia	8	2	—	—	—	11	1	—	—	1	8	0.01	1.50
Slovenia	—	—	—	—	—	—	—	—	—	—	—	—	1.00
Spain	—	57	—	—	—	57	1	—	—	1	8	0.01	0.50
Sweden	466	11	—	—	—	477	38	—	—	38	470	0.48	2.00
Switzerland	—	358	—	—	—	358	11	—	—	11	141	0.14	—
United Arab Emirates	4	547	—	—	—	551	11	—	—	11	132	0.13	—
United Kingdom	7,448	253,142	—	—	7,621	268,210	7,031	—	127	7,158	89,474	90.82	2.00
United States	362	2,006	—	—	—	2,368	83	—	—	83	1,034	1.05	—
Other Countries	78	1,680	—	—	—	1,758	33	—	—	33	411	0.42	
Total 31 Dec 2025	13,626	261,510	—	—	7,621	282,757	7,754	—	127	7,881	98,514	100.00	

The table below shows the total RWA calculated in accordance with Article 92(3) of the PRA rulebook and provides an overview of institution-specific countercyclical capital exposure and buffer requirement.

Table 37: UK CCyB2 – Amount of institution-specific countercyclical capital buffer

	At	
	30 Jun 2026	31 Dec 2025
Total Risk Exposure Amount (£m)	**124,338**	117,463
Institution specific countercyclical capital buffer rate (%)	**1.87**	1.87
Institution specific countercyclical capital buffer requirement (£m)	**2,323**	2,192

Other information

Abbreviations

The following abbreviated terms are used throughout this document.

Currencies	
£	British pound sterling
A	
AIRB[1]	Advanced internal ratings based approach
ASF	Available stable funding
AT1 capital	Additional tier 1 capital
B	
Basel	Basel Committee on Banking Supervision
Basel III	Basel Committee's reforms to strengthen global capital and liquidity rules
Basel 3.1	Outstanding measures to be implemented from the Basel III reforms
BNII	Banking net interest income
Board	Board of directors
C	
CCF	Credit conversion factor
CCP[1]	Central counterparty
CCR[1]	Counterparty credit risk
CCyB[1]	Countercyclical capital buffer
CET1[1]	Common equity tier 1
CRM[1]	Credit risk mitigation/mitigant
CSA	Credit support annex
CVA[1]	Credit valuation adjustment
D	
Dec	December
E	
EAD[1]	Exposure at default
EBA	European Banking Authority
ECL[1]	Expected credit loss
ESG	Environmental, Social and Governance
EU	European Union
EVE	Economic Value of Equity
F	
FCA	Financial Conduct Authority
FINREP	Financial Reporting templates submitted to Bank of England
FIRB[1]	Foundation IRB
G	
G-SII	Global systemically important institution
H	
HQLA	High-quality liquid assets
I	
IAA	Internal assessment approach
IFRSs	International Financial Reporting Standards
IMA	Internal models approach
IMM[1]	Internal model method
IRB[1]	Internal ratings-based approach
IRC	Incremental risk charge
IRRBB	Interest Rate Risk in the Banking Book
ISSB	International Sustainability Standards Board
J	
Jan	January
Jun	June
L	
LCR[1]	Liquidity coverage ratio
LGD[1]	Loss given default
M	
Mar	March
N	
NII[1]	Net Interest Income
NMD	Non-maturing deposits
NSFR[1]	Net stable funding ratio
O	
OCI	Other comprehensive income
O-SII	Other Systemically Important Institutions
OTC[1]	Over-the-counter
P	
PD[1]	Probability of default
PMA	Post model adjustments
PRA[1]	Prudential Regulation Authority (UK)
Prudential rules	Refers to the UK Capital Requirements Regulation, the PRA Rulebook and any laws, regulations, requirements, rules, guidelines, standards and policies relating to capital adequacy, leverage and liquidity adopted by the relevant regulators, as applicable, and which are applicable to HSBC
Q	
QCCPs	Qualifying central counterparties
R	
RMF	Risk Management Framework
RSF	Required stable funding
RWA[1]	Risk-weighted asset
S	
SA/STD[1]	Standardised approach
SA-CCR	Standardised approach for counterparty credit risk
SEC-ERBA	Securitisation external rating-based approach
SEC-IRBA	Securitisation internal rating-based approach
SEC-SA	Securitisation standardised approach
Sep	September
SFT	Securities financing transactions
SME	Small and medium-sized enterprise
SPE[1]	Special purpose entity
SREP	Supervisory Review and Evaluation Process
SRS	Sustainability reporting standards
SRT	Significant Risk Transfer
STS	Simple, Transparent and Standardised
T	
T1 capital[1]	Tier 1 capital
T2 capital[1]	Tier 2 capital
U	
UCC	Unconditionally cancellable commitments
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
V	
VaR[1]	Value at risk

1 Full definition included in the Glossary published on HSBC website www.hsbc.com/investor-relations/group-results-and-reporting.

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