

HSBC Holdings plc

Pillar 3 Disclosures at 31 March 2026

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Unless the context requires otherwise, 'HSBC Holdings' means HSBC Holdings plc and 'HSBC', the 'Group', 'we', 'us' and 'our' refer to HSBC Holdings together with its subsidiaries. Within this document the Hong Kong Special Administrative Region of the People's Republic of China is referred to as 'Hong Kong'. When used in the terms 'shareholders' equity' and 'total shareholders' equity', 'shareholders' means holders of HSBC Holdings ordinary shares and those preference shares and capital securities issued by HSBC Holdings classified as equity. The abbreviations '\$m', '\$bn' and '\$tn' represent millions, billions (thousands of millions) and trillions (millions of millions) of US dollars respectively. This document should be read in conjunction with the Earnings Release 1Q26, which has been published on our website at www.hsbc.com/investors.

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Disclosures and Governance

Regulatory framework for disclosure

Our Pillar 3 Disclosures at 31 March 2026 comprise both quantitative and qualitative information required under Pillar 3. These disclosures are made in accordance with the United Kingdom ('UK') Prudential Regulation Authority ('PRA') Rulebook Disclosure (Capital Requirements Regulation). They are supplemented by specific additional requirements of the PRA and discretionary disclosures on our part.

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

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

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

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

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

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

Regulatory reporting processes and controls

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

Comparatives and references

To give insight into movements during 2026, we provide comparative figures, commentary on variances and flow tables for capital requirements. In all 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 Earnings Release 1Q26 of HSBC Holdings plc or to other documents.

The table below references where disclosures have been enhanced.

Page ref	Table Reference	Activity
4 and 12	Table 1 – KM1 Table 9i – KM2 ERG	Effective 30 June 2025, inclusion of accrued interest in tier 2 and MREL instruments.
12	Table 9ii – KM2 ARG	Effective 31 March 2026, exclusion of own credit standing and inclusion of accrued interest in tier 2 and MREL instruments.

Governance

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

Highlights

CET1 capital and ratio

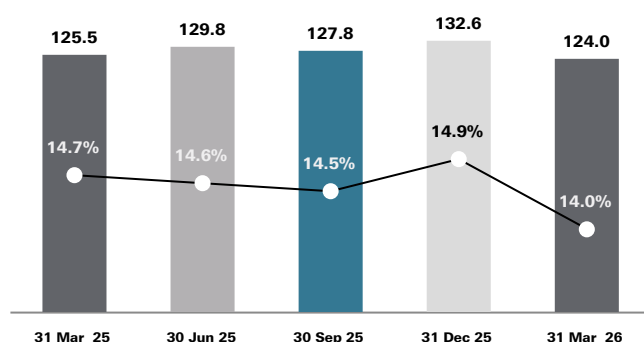
Our common equity tier 1 ('CET1') capital was \$124.0bn and our ratio was 14.0% compared with 14.9% at 31 December 2025. This reflected the impact of the privatisation of Hang Seng Bank, dividends, and an increase in risk-weighted assets ('RWAs'), partly offset by regulatory profit.

We intend to continue to manage the CET1 capital ratio within our medium-term target range of 14%-14.5%. A decision to recommence buy-backs will be subject to our normal buy-back considerations and process on a quarterly basis.

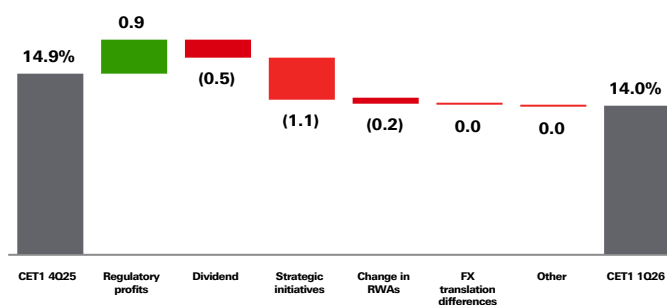
We have established our dividend payout ratio target basis of 50% of earnings per share ('EPS') for 2026, excluding material notable items and related impacts.

The Board has approved a first interim dividend of \$0.10 per share.

CET1 capital and ratio



CET1 ratio movement



RWAs

RWAs of \$883.8bn have decreased by \$4.8bn since 31 December 2025, primarily due to lower market risk RWAs of \$6.3bn, mainly due to a reduction of structural foreign exchange exposures following completion of the privatisation of Hang Seng Bank and a \$5.0bn fall from foreign currency translation differences. Further decreases reflected the \$3.5bn impact from strategic transactions and credit quality improvements of \$3.1bn, mainly in our Hong Kong business. This was offset mainly by higher corporate lending in our CIB and UK businesses, and Saudi Awwal Bank ('SAB') within Corporate Centre.

RWAs by risk type

	31 Mar 2026	31 Dec 2025
Risk-weighted assets	\$bn	\$bn
Credit risk	689.0	687.0
Counterparty credit risk	43.1	42.4
Market risk	32.1	38.5
Operational risk	119.6	120.7
Total RWAs	883.8	888.6

Leverage

Our leverage ratio was 5.0%, down from 5.3% at 31 December 2025. The decrease in tier 1 capital led to a 0.2 percentage points fall in the leverage ratio, which was compounded by a 0.1 percentage point increase in leverage exposures.

Leverage

	31 Mar 2026	31 Dec 2025
Tier 1 capital (leverage) (\$bn)	146.2	153.4
Total leverage ratio exposure (\$bn)	2,947.0	2,877.1
Leverage ratio (%)	5.0	5.3

Liquidity

The Group liquidity coverage ratio ('LCR') was 135% or \$185bn above the regulatory requirement for the 12 months to 31 March 2026, and 137% or \$190bn at 31 December 2025. The average high-quality liquid assets ('HQLA') were \$711bn for 31 March 2026 and \$702bn for 31 December 2025.

At 31 March 2026, our **Group net stable funding ratio ('NSFR') was 142%** and 143% at 31 December 2025. At 31 March 2026, all material operating entities were above regulatory minimum levels.

Liquidity

	31 Mar 2026	31 Dec 2025
LCR (%)	135	137
NSFR (%)	142	143

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. The leverage ratio is calculated using the UK Capital Requirements Regulation end-point basis for capital. LCR is reported as the average of the preceding 12 months while NSFR is reported as the average of the preceding four quarter-end values.

Table 1: Key metrics (KM1)

		At				
		31 Mar 2026	31 Dec 2025	30 Sep 2025	30 Jun 2025	31 Mar 2025
Available capital (\$bn)						
1	Common equity tier 1 ('CET1') capital	124.0	132.6	127.8	129.8	125.5
2	Tier 1 capital	146.2	153.4	148.6	150.6	144.3
3	Total capital ¹	174.0	182.4	177.7	178.5	169.8
Risk-weighted assets (\$bn)						
4	Total RWAs	883.8	888.6	878.8	886.9	853.3
Capital ratios (%)						
5	CET1	14.0	14.9	14.5	14.6	14.7
6	Tier 1	16.5	17.3	16.9	17.0	16.9
7	Total capital ¹	19.7	20.5	20.2	20.1	19.9
Additional own funds requirements based on Supervisory Review and Evaluation Process ('SREP') as a percentage of RWAs (%)						
UK-7a	Additional CET1 SREP requirements	1.4	1.4	1.4	1.5	1.5
UK-7b	Additional tier 1 ('AT1') SREP requirements	0.5	0.5	0.5	0.5	0.5
UK-7c	Additional tier 2 ('T2') SREP requirements	0.6	0.6	0.6	0.6	0.6
UK-7d	Total SREP own funds requirements	10.5	10.5	10.5	10.6	10.6
Combined buffer requirement as a percentage of RWAs (%)						
8	Capital conservation buffer requirement	2.5	2.5	2.5	2.5	2.5
9	Institution-specific countercyclical capital buffer	0.7	0.7	0.7	0.7	0.7
10	Global systemically important institution buffer	2.0	2.0	2.0	2.0	2.0
11	Combined buffer requirement	5.2	5.2	5.2	5.2	5.2
UK-11a	Overall capital requirements	15.7	15.7	15.7	15.8	15.8
12	CET1 available after meeting the total SREP own funds requirements	8.1	9.0	8.6	8.7	8.7
Leverage ratio						
13	Total exposure measure excluding claims on central banks (\$bn)	2,947.0	2,877.1	2,840.5	2,792.9	2,652.0
14	Leverage ratio excluding claims on central banks (%)	5.0	5.3	5.2	5.4	5.4
Additional leverage ratio disclosure requirements						
14b	Leverage ratio including claims on central banks (%)	4.5	4.7	4.6	4.8	4.8
14c	Average leverage ratio excluding claims on central banks (%)	5.0	5.3	5.3	5.4	5.5
14d	Average leverage ratio including claims on central banks (%)	4.4	4.7	4.7	4.8	4.8
14e	Countercyclical leverage ratio buffer (%)	0.2	0.2	0.2	0.2	0.2
EU-14d	Leverage ratio buffer requirement (%)	0.9	0.9	0.9	0.9	0.9
EU-14e	Overall leverage ratio requirements (%)	4.2	4.2	4.2	4.2	4.2
Liquidity coverage ratio ('LCR') (\$bn)						
15	Total high-quality liquid assets	710.6	702.1	690.2	678.1	660.7
UK-16a	Cash outflows – total weighted value	719.8	697.0	682.2	669.4	657.3
UK-16b	Cash inflows – total weighted value	194.7	184.9	183.9	183.9	182.1
16	Total net cash outflow	525.1	512.1	498.3	485.5	475.2
17	LCR (%)	135	137	139	140	139
Net stable funding ratio ('NSFR') (\$bn)						
18	Total available stable funding	1,645.1	1,621.0	1,588.6	1,572.1	1,539.8
19	Total required stable funding	1,157.1	1,133.3	1,104.1	1,082.7	1,056.7
20	NSFR (%)	142	143	144	145	146

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

Key changes and regulatory assessments

Privatisation of Hang Seng Bank

On 26 January 2026, we completed our privatisation of Hang Seng Bank, following shareholder and Court approval. Hang Seng Bank is now a wholly-owned subsidiary of the HSBC Group and Hang Seng Bank shares have been withdrawn from the Hong Kong Stock Exchange.

The privatisation of Hang Seng Bank, which became effective in January 2026, this had a net impact on the CET1 capital ratio of c.110 bps, during 1Q26. This comprised a day-one reduction of c.120 bps, partly offset by c.10bps impact due to the release of structural foreign exchange RWAs, associated with the related hedging undertaken in 4Q25.

Other disposals

During the first quarter of 2026, we completed the sales of our UK life insurance business and our business in South Africa, which had an immaterial impact on the CET1 and leverage ratios.

In addition, we reclassified to held for sale the assets and liabilities related to the planned sale of our business in Malta and a pre-tax loss on disposal of \$0.3bn was recognised. This had an immaterial impact on the CET1 and leverage ratios.

- For further details of business disposals, see page 14 of the Earnings Release 1Q26.

Basel 3.1

In January 2026, the PRA published its final rules to transpose the Basel Committee's changes to its prudential framework ('Basel 3.1' or 'Basel III reforms') into UK regulation. The PRA has confirmed that the rules for credit risk, operational risk, credit valuation adjustment, and non-modelled market risk will take effect on 1 January 2027. Implementation of the internal models approach for market risk is scheduled for 1 January 2028.

The PRA also released its final rules setting out requirements for the capitalisation of structural foreign exchange positions. The requirements will be implemented in 2027 alongside the Basel 3.1 standards.

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.

Capital

Approach and policy

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

As at 31 March 2026, capital securities included in the capital base of HSBC have been issued in accordance with the Prudential rules. Capital securities are regularly reviewed for compliance with guidelines. Effective 1 January 2025, the IFRS 9 transitional arrangements came to an end, followed by the end of the UK Capital Requirements Regulation grandfathering provisions on 28 June 2025. Our capital figures are therefore the same, for both the transitional and end-point basis. A list of the main features of our capital instruments and eligible liabilities, in accordance with Article 437 and Article 437a of the PRA Rulebook, is also published on our website at

www.hsbc.com with reference to our balance sheet on 31 December 2025. The full terms and conditions of our securities are also available at www.hsbc.com.

HSBC has no current or foreseen practical or legal impediment envisaged with regard to planned dividends or payments from material subsidiaries to the parent. However, the ability of subsidiaries to pay dividends or advance monies to HSBC Holdings depends on, among other things, their respective local regulatory capital and banking requirements, exchange controls, statutory reserves, and financial and operating performance. None of our subsidiaries that are excluded from the regulatory consolidation had capital resources below their minimum regulatory requirement as at 31 March 2026.

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

Own funds

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

Table 2: Own funds disclosure

		At	
		31 Mar 2026	31 Dec 2025
		\$m	\$m
6	Common equity tier 1 capital before regulatory adjustments	164,166	172,987
28	Total regulatory adjustments to common equity tier 1 capital	(40,170)	(40,394)
29	Common equity tier 1 ('CET1') capital	123,996	132,593
36	Additional tier 1 capital before regulatory adjustments	22,225	20,874
43	Total regulatory adjustments to additional Tier 1 capital	(70)	(70)
44	Additional tier 1 capital	22,155	20,804
45	Tier 1 capital (T1 = CET1 + AT1)	146,151	153,397
51	Tier 2 capital before regulatory adjustments	29,503	30,167
57	Total regulatory adjustments to tier 2 capital	(1,690)	(1,193)
58	Tier 2 capital	27,813	28,974
59	Total capital (TC = T1 + T2)	173,964	182,371

At 31 March 2026, our CET1 capital ratio decreased to 14.0% from 14.9% at 31 December 2025, driven by:

- a 1.1 percentage point decrease primarily due to the impact of strategic transactions, mainly the privatisation of Hang Seng Bank;
- a 0.2 percentage point decrease driven by higher RWAs excluding foreign exchange translation differences, mainly from asset size movements, partly offset by asset quality, and methodology and policy changes;
- a 0.1 percentage point decrease mainly due to a fall in the fair value of hold-to-collect-and-sell debt instruments, following higher yields, and the net impact from foreign exchange fluctuations; and
- a 0.5 percentage point increase in CET1 capital generation, mainly through regulatory profits net of dividends.

Our Pillar 2A requirement at 31 March 2026, as per the PRA's Individual Capital Requirement based on a point-in-time assessment, was equivalent to 2.5% of RWAs, of which 1.5% must be met by CET1. Throughout 1Q26, we complied with the PRA's regulatory capital adequacy requirement.

Risk-weighted assets

The table below shows total RWAs including free deliveries, and the corresponding total own funds requirement split by risk type. Equities under the simple risk-weighted approach include off-balance sheet collective investment undertakings ('CIU') equity exposures, calculated as per the PRA Rulebook Article 132(c), and 'Other counterparty credit risk' includes securities financing transactions RWAs. Amounts below the thresholds for deduction are included in rows 2 and 5 of the table and include thresholds for the recognition of significant investments and deferred tax assets.

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

		At		At	
		31 Mar 2026	31 Mar 2026	31 Dec 2025	31 Dec 2025
		Total own funds requirements		Total own funds requirements	
		RWAs	RWAs	RWAs	RWAs
		\$m	\$m	\$m	\$m
1	Credit risk (excluding counterparty credit risk)	677,725	54,219	675,976	54,079
2	– standardised approach	197,483	15,799	198,810	15,905
3	– foundation IRB approach	85,644	6,852	87,373	6,989
4	– slotting approach	20,999	1,680	21,883	1,751
UK-4a	– equities under the simple risk-weighted approach	4,949	396	4,895	392
5	– advanced IRB approach	368,650	29,492	363,015	29,042
6	Counterparty credit risk	42,917	3,434	42,380	3,390
7	– standardised approach	10,508	841	9,641	771
8	– internal model method	14,868	1,189	15,011	1,201
UK-8a	– exposures to a central counterparty	2,148	172	2,293	183
UK-8b	– credit valuation adjustment	1,599	128	1,294	104
9	– other counterparty credit risk	13,794	1,104	14,141	1,131
15	Settlement risk	153	12	54	4
16	Securitisation exposures in the non-trading book (after the cap)	11,322	905	11,031	882
17	– internal ratings-based approach ('SEC-IRBA')	3,393	271	3,836	307
18	– external ratings-based approach ('SEC-ERBA') (including internal assessment approach ('IAA'))	1,455	116	1,436	115
19	– standardised approach ('SEC-SA')	6,286	503	5,541	443
UK-19a	– 1250%/deduction	188	15	218	17
20	Position, foreign exchange and commodities risks (market risk)	32,085	2,567	38,490	3,079
21	– standardised approach	9,712	777	16,182	1,294
22	– internal models approach	22,373	1,790	22,308	1,785
	Operational risk	119,557	9,565	120,716	9,657
UK-23b	– standardised approach	119,557	9,565	120,716	9,657
29	Total	883,759	70,702	888,647	71,091
24	– of which: Amounts below the thresholds for deduction (subject to 250% risk weight)	44,872	3,590	46,665	3,733

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

Credit risk, including securitisation

Credit risk RWAs at 31 March 2026, including securitisation, increased by \$2.0bn compared with 31 December 2025. This included a \$3.8bn decrease from foreign currency translation differences and a \$5.8bn increase mainly attributable to:

- a \$13.2bn increase largely driven by higher corporate lending in our CIB and UK businesses, and in SAB within Corporate Centre;
- a \$3.5bn decrease as a result of increased threshold deductions from CET1 capital due to the privatisation of Hang Seng Bank and the sale of our business in South Africa;
- a \$2.9bn decrease mainly due to credit quality improvements and portfolio mix changes in our Hong Kong business, partly offset by credit risk migrations and portfolio mix changes in our UK business;

Counterparty credit risk, including settlement risk

Counterparty credit risk RWAs increased by \$0.6bn, mainly due to a rise in the derivatives portfolio, partly offset by credit risk parameter refinements in our CIB business.

Market risk

Market risk RWAs decreased by \$6.3bn, largely driven by approximately \$7bn from the reversal of foreign exchange ('FX') hedges associated with the privatisation of Hang Seng Bank, partly offset by other movements in FX positions.

Operational risk

Operational risk RWAs decreased by \$1.2bn, due to foreign currency translation differences.

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

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

	31 Mar 2026 \$m	Quarter ended		
		31 Dec 2025 \$m	30 Sep 2025 \$m	30 Jun 2025 \$m
1 RWAs at the opening period	460,105	471,315	477,551	467,474
2 Asset size	9,556	2,389	727	7,171
3 Asset quality	(3,122)	(3,387)	(460)	(1,418)
4 Model updates	(390)	(17)	(1,458)	—
5 Methodology and policy	(432)	(10,538)	(3,271)	(7,722)
6 Acquisitions and disposals	(835)	(36)	—	—
7 Foreign exchange movements	(2,982)	379	(1,774)	12,046
9 RWAs at the closing period	461,900	460,105	471,315	477,551

Excluding the \$3.0bn foreign exchange movements, RWAs under the IRB approach increased by \$4.8bn during 1Q26, primarily due to higher corporate lending in our CIB and UK businesses. The reduction in RWAs due to asset quality changes was driven by credit quality improvements and portfolio mix changes in our Hong Kong business, partly offset by downward credit risk migrations and portfolio mix in our UK business.

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

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

	31 Mar 2026 \$m	Quarter ended		
		31 Dec 2025 \$m	30 Sep 2025 \$m	30 Jun 2025 \$m
1 RWAs at the opening period	15,011	14,381	15,199	12,429
2 Asset size	187	410	(720)	2,247
3 Credit quality of counterparties	(216)	(28)	(35)	45
5 Methodology and policy (IMM only)	(114)	248	(63)	478
9 RWAs at the closing period	14,868	15,011	14,381	15,199

RWAs under the internal model method ('IMM') decreased by \$0.1bn in 1Q26, mainly due to credit quality improvements and credit risk parameter refinements, partly offset by a rise in the derivatives portfolio, in our CIB business.

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

Table 6: RWA flow statements of market risk exposures under IMA (MR2-B)

	VaR \$m	Stressed VaR \$m	IRC \$m	Other \$m	Total RWAs \$m	Total own funds requirements \$m
1 RWAs at 1 Jan 2026	5,697	9,461	5,156	1,994	22,308	1,785
1a Regulatory adjustment	(4,011)	(6,492)	(962)	—	(11,465)	(918)
1b RWAs at the previous quarter end (end of day)	1,686	2,969	4,194	1,994	10,843	867
2 Movement in risk levels	86	(361)	1,020	(299)	446	36
4 Methodology and policy	—	—	—	(67)	(67)	(5)
8a RWAs at the end of the reporting period (end of day)	1,772	2,608	5,214	1,628	11,222	898
8b Regulatory adjustment	4,038	7,103	10	—	11,151	892
8 RWAs at 31 Mar 2026	5,810	9,711	5,224	1,628	22,373	1,790
1 RWAs at 1 Oct 2025	5,226	7,253	4,568	1,770	18,817	1,505
1a Regulatory adjustment	(3,236)	(4,442)	(150)	—	(7,828)	(626)
1b RWAs at the previous quarter end (end of day)	1,990	2,811	4,418	1,770	10,989	879
2 Movement in risk levels	(304)	158	(224)	173	(197)	(16)
4 Methodology and policy	—	—	—	51	51	4
8a RWAs at the end of the reporting period (end of day)	1,686	2,969	4,194	1,994	10,843	867
8b Regulatory adjustment	4,011	6,492	962	—	11,465	918
8 RWAs at 31 Dec 2025	5,697	9,461	5,156	1,994	22,308	1,785

RWAs under IMA increased by \$0.1bn during 1Q26, mainly due to an uplift from Risk not in VaR ('RNIV') driven by an increase in sensitivities over the period, partly offset by a reduction in VaR and SVaR due to averaging effects and holding fewer risk trading positions due to increased market volatility.

Leverage

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

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

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

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

		At	
		31 Mar 2026	31 Dec 2025
		\$bn	\$bn
25	Leverage ratio excluding claims on central banks (%)	5.0	5.3
UK-25c	Leverage ratio including claims on central banks (%)	4.5	4.7
27	Leverage ratio buffer (%)	0.9	0.9
UK-27a	– of which: G-SII or O-SII additional leverage ratio buffer (%)	0.7	0.7
UK-27b	– of which: countercyclical leverage ratio buffer (%)	0.2	0.2
UK-32	Average total exposure measure excluding claims on central banks	2,950.3	2,862.2
UK-33	Average leverage ratio including claims on central banks (%)	4.4	4.7
UK-34	Average leverage ratio excluding claims on central banks (%)	5.0	5.3

Our leverage ratio was 5.0% at 31 March 2026, down from 5.3% at 31 December 2025. The decrease in tier 1 capital led to a 0.2 percentage points fall in the leverage ratio, which was compounded by a 0.1 percentage point increase in leverage exposures, primarily due to growth in the balance sheet.

Balance sheet growth was mainly due to increased customer advances within our CIB and UK businesses, higher investments in debt securities and treasury bills in our CIB and Hong Kong businesses, and higher secured financing transactions in our CIB business.

At 31 March 2026, our UK minimum leverage ratio requirement was 3.25%, with an additional buffer of 0.9% – comprising a 0.7% additional leverage ratio buffer and a 0.2% countercyclical leverage

ratio buffer. These buffers translated into capital values of \$20.6bn and \$5.9bn, respectively. We exceeded these leverage requirements throughout 1Q26.

The average leverage ratio was 5.0% at 31 March 2026, down from 5.3% at 31 December 2025. The decrease in average tier 1 capital led to a 0.2 percentage points fall in the average leverage ratio, which was compounded by a 0.1 percentage point increase in average leverage exposure, primarily driven by growth in the average balance sheet.

Liquidity

Management of liquidity and funding risk

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

Liquidity coverage ratio

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

The average Group LCR for the 12 months to 31 March 2026 was 135% or \$185bn above the regulatory requirement and 137% or \$190bn for the 12 months to 31 December 2025. At 31 March 2026, our Group LCR and all of the material operating entities remained above their minimum required regulatory levels. The Group consolidation methodology includes a deduction to reflect the impact of limitations in the transferability of entity liquidity around the Group. The result was an adjustment of \$161bn to LCR HQLA and \$5bn to LCR inflows on an average basis.

The average Group LCR HQLA of \$711bn (31 December 2025: \$702bn) was held in a range of asset classes and currencies.

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

Cross-currency management

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

Net stable funding ratio

We use the NSFR or other appropriate metrics as a basis for ensuring operating entities maintain a stable funding profile to support their business activities. The NSFR is defined as the ratio between the amount of stable funding available and the amount of stable funding required. The average Group NSFR over the previous four quarters was 142% at 31 March 2026 and 143% at 31 December 2025.

Sources of funding

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

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

- ▶ For further details of our approach to treasury risk management, see page 156 of the Annual Report and Accounts 2025.
- ▶ More details on the concentration of funding and liquidity sources may be found on page 161 of the Annual Report and Accounts 2025.

The table below sets out the granular split of cash outflows and cash inflows, as well as the available HQLA on both an unweighted and weighted basis, which are used to derive the LCR. All figures are based on the average over the preceding 12 months. The unsecured wholesale funding in the below table includes excess operational deposits of \$185bn for the period ended 31 March 2026 (\$178bn for the period ended 31 December 2025).

Table 8: Quantitative information of LCR (UK LIQ1)

		Quarter ended 31 Mar 2026		Quarter ended 31 Dec 2025		Quarter ended 30 Sep 2025		Quarter ended 30 Jun 2025	
		Total unweighted value \$m	Total weighted value \$m	Total unweighted value \$m	Total weighted value \$m	Total unweighted value \$m	Total weighted value \$m	Total unweighted value \$m	Total weighted value \$m
UK-1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
High quality liquid assets									
1	Total high quality liquid assets ('HQLA')		710,604		702,123		690,157		678,059
Cash outflows									
2	Retail deposits and small business funding	895,966	96,447	880,824	95,013	869,479	93,823	858,824	92,919
	– of which:								
3	stable deposits	395,407	19,770	385,826	19,291	380,105	19,005	369,514	18,476
4	less stable deposits	500,559	76,677	494,998	75,722	489,374	74,818	489,310	74,443
5	Unsecured wholesale funding	859,158	393,877	836,769	384,384	822,617	377,597	811,908	370,670
6	– operational deposits (all counterparties) and deposits in networks of cooperative banks	266,616	64,958	256,413	62,495	252,512	61,565	251,183	61,280
7	– non-operational deposits (all counterparties)	581,544	317,921	568,558	310,091	558,161	304,088	549,061	297,726
8	– unsecured debt	10,998	10,998	11,798	11,798	11,944	11,944	11,664	11,664
9	Secured wholesale funding		41,145		37,536		35,283		34,283
10	Additional requirements	386,785	110,253	372,458	104,840	362,110	102,302	355,419	100,118
11	– outflows related to derivative exposures and other collateral requirements	55,763	47,178	52,608	44,140	52,655	43,828	52,198	43,038
13	– credit and liquidity facilities	331,022	63,075	319,850	60,700	309,455	58,474	303,221	57,080
14	Other contractual funding obligations	93,712	49,703	90,722	48,016	88,439	47,481	87,620	47,300
15	Other contingent funding obligations	674,080	28,407	664,016	27,232	657,033	25,713	650,477	24,138
16	Total cash outflows		719,832		697,021		682,199		669,428
Cash inflows									
17	Secured lending transactions (including reverse repos)	475,918	62,681	447,356	57,670	424,841	55,385	409,611	53,108
18	Inflows from fully performing exposures	97,281	70,907	95,474	70,108	95,654	70,797	97,982	73,092
19	Other cash inflows	99,806	61,122	94,592	57,151	97,671	57,737	103,266	57,710
20	Total cash inflows	673,005	194,710	637,422	184,929	618,166	183,919	610,859	183,910
UK-20c	Inflows subject to 75% Cap	673,005	194,710	637,422	184,929	618,166	183,919	610,859	183,910
Liquidity coverage ratio (Adjusted value)									
UK-21	Liquidity Buffer		710,604		702,123		690,157		678,059
22	Total net cash outflows		525,122		512,092		498,280		485,518
23	Liquidity coverage ratio (%)		135		137		139		140

Minimum requirement for own funds and eligible liabilities

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

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

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

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

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

Key metrics of the resolution groups

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

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

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

Table 9.i: Key metrics of the European resolution group¹ (KM2)

		At				
		31 Mar 2026	31 Dec 2025	30 Sep 2025	30 Jun 2025	31 Mar 2025
		\$bn	\$bn	\$bn	\$bn	\$bn
1	Total loss absorbing capacity ('TLAC') available	113.0	116.5	111.0	114.7	102.2
2	Total RWAs at the level of the resolution group	324.3	327.7	319.4	322.6	298.1
3	TLAC as a percentage of RWA (row1/row2) (%)	34.8	35.5	34.7	35.6	34.3
4	Leverage exposure measure at the level of the resolution group	1,189.3	1,163.3	1,144.6	1,123.6	1,026.1
5	TLAC as a percentage of leverage exposure measure (row1/row4) (%)	9.5	10.0	9.7	10.2	10.0
6a	Does the subordination exemption in the antepenultimate paragraph of section 11 of the FSB TLAC term sheet apply?	No	No	No	No	No
6b	Does the subordination exemption in the penultimate paragraph of section 11 of the FSB TLAC term sheet apply?	No	No	No	No	No
6c	If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised as external TLAC, divided by funding issued that ranks pari passu with excluded liabilities and that would be recognised as external TLAC if no cap was applied (%)	N/A	N/A	N/A	N/A	N/A

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

Table 9.ii: Key metrics of the Asian resolution group¹ (KM2)

		At				
		31 Mar 2026	31 Dec 2025	30 Sep 2025	30 Jun 2025	31 Mar 2025
		\$bn	\$bn	\$bn	\$bn	\$bn
1	Total loss absorbing capacity ('TLAC') available	119.5	120.6	116.4	116.8	113.3
2	Total RWAs at the level of the resolution group	385.6	380.0	388.7	383.4	383.6
3	TLAC as a percentage of RWA (row1/row2) (%)	31.0	31.7	29.9	30.5	29.5
4	Leverage exposure measure at the level of the resolution group	1,432.5	1,384.6	1,379.9	1,354.3	1,306.1
5	TLAC as a percentage of leverage exposure measure (row1/row4) (%)	8.3	8.7	8.4	8.6	8.7
6a	Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	No	No	No	No	No
6b	Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	No	No	No	No	No
6c	If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised as external TLAC, divided by funding issued that ranks pari passu with excluded liabilities and that would be recognised as external TLAC if no cap was applied (%)	N/A	N/A	N/A	N/A	N/A

1 From 31 March 2026, the regulatory valuation of tier 2 capital and TLAC decreased due to the exclusion of own credit standing, partly offset by the inclusion of accrued interest. Prior periods have not been restated.

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

		At				
		31 Mar 2026	31 Dec 2025	30 Sep 2025	30 Jun 2025	31 Mar 2025
		\$bn	\$bn	\$bn	\$bn	\$bn
1	Total loss absorbing capacity ('TLAC') available	24.8	24.0	24.2	26.1	26.9
2	Total RWAs at the level of the resolution group	110.5	109.7	110.9	110.8	109.0
3	TLAC as a percentage of RWA (row1/row2) (%)	22.4	21.9	21.8	23.6	24.7
4	Leverage exposure measure at the level of the resolution group	236.9	237.6	238.4	237.5	233.3
5	TLAC as a percentage of leverage exposure measure (row1/row4) (%)	10.5	10.1	10.1	11.0	11.5
6a	Does the subordination exemption in the antepenultimate paragraph of section 11 of the FSB TLAC term sheet apply?	No	No	No	No	No
6b	Does the subordination exemption in the penultimate paragraph of section 11 of the FSB TLAC term sheet apply?	No	No	No	No	No
6c	If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised as external TLAC, divided by funding issued that ranks pari passu with excluded liabilities and that would be recognised as external TLAC if no cap was applied (%)	N/A	N/A	N/A	N/A	N/A

Abbreviations

\$	United States dollar
1Q26	First quarter of 2026
4Q25	Fourth quarter of 2025
AIRB ¹	Advanced internal ratings-based approach
ARG	Asian resolution group
AT1 capital	Additional tier 1 capital
Basel	Basel Committee on Banking Supervision
Basel III	Basel Committee's reforms to strengthen global capital and liquidity rules
Basel 3.1	Outstanding measures to be implemented from the Basel III reforms
CCR ¹	Counterparty credit risk
CET1 ¹	Common equity tier 1
CIB	Corporate and Institutional Banking, a business segment
CIU	Collective investment undertakings
Dec	December
ECL ¹	Expected credit losses
ERG	European resolution group
EU	European Union
FIRB ¹	Foundation internal ratings-based approach
FSB	Financial Stability Board
FVOCI ¹	Fair value through other comprehensive income
FX	Foreign exchange
GDC	Group Disclosure Committee
Group	HSBC Holdings together with its subsidiary undertakings
Hang Seng Bank	Hang Seng Bank Limited
Hong Kong	The Hong Kong Special Administrative Region of the People's Republic of China
HQLA	High-quality liquid assets
HSBC	HSBC Holdings together with its subsidiary undertakings
IAA	Internal assessment approach
IFRSs	International Financial Reporting Standards as issued by the International Accounting Standards Board
IMA	Internal models approach
IMM ¹	Internal model method
IRB ¹	Internal ratings-based approach
IRC	Incremental risk charge
Jan	January
Jun	June
LCR ¹	Liquidity coverage ratio
Mar	March
MREL	Minimum requirement for own funds and eligible liabilities
NSFR ¹	Net stable funding ratio
Oct	October
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
RAS	Risk appetite statement
RWA ¹	Risk-weighted asset
SAB	Saudi Awwal Bank, which was formed from the merger between The Saudi British Bank and Alawwal Bank
SEC-ERBA	Securitisation external rating-based approach
SEC-IRBA	Securitisation internal rating-based approach
SEC-SA	Securitisation standardised approach
Sep	September
SREP	Supervisory review and evaluation process
STD	Standardised approach
SVaR	Stressed value at risk
TLAC ¹	Total loss-absorbing capacity
T1 capital ¹	Tier 1 capital
T2 capital ¹	Tier 2 capital
UK	United Kingdom
UK Capital Requirements Regulation	Refers to Regulation (EU) No. 575/2013, as amended or supplemented, as it forms part of domestic law in the UK by virtue of the European Union (Withdrawal) Act 2018, as amended
US	United States of America
URG	US resolution group
VaR ¹	Value at risk

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

Cautionary statement regarding forward-looking statements

These Pillar 3 Disclosures at 31 March 2026 contains certain forward-looking statements with respect to HSBC's financial condition; results of operations and business, including the strategic priorities; financial, investment and capital targets; and environmental, social and governance ('ESG') ambitions, targets and commitments described herein.

Statements that are not historical facts, including statements about HSBC's beliefs and expectations, are forward-looking statements. Words such as 'may', 'will', 'should', 'expects', 'targets', 'anticipates', 'intends', 'plans', 'believes', 'seeks', 'estimates', 'potential' and 'reasonably possible', or the negative thereof, other variations thereon or similar expressions are intended to identify forward-looking statements. These statements are based on current plans, information, data, 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. HSBC makes no commitment to revise or update any forward-looking statements to reflect events or circumstances occurring or existing after the date of any forward-looking statements. Written and/or oral forward-looking statements may also be made in the periodic reports to the US Securities and Exchange Commission, summary financial statements to shareholders, offering circulars and prospectuses, press releases and other written materials, and in oral statements made by HSBC's directors, officers or employees to third parties, including financial analysts. Forward-looking statements involve inherent risks and uncertainties. Readers are cautioned that a number of factors could cause actual results to differ, in some instances materially, from those anticipated or implied in any forward-looking statement. These include, but are not limited to:

- changes in general economic conditions in the markets in which we operate, such as new, continuing or deepening recessions, prolonged inflationary pressures and fluctuations in employment levels and the creditworthiness of customers beyond those factored into consensus forecasts; the Russia-Ukraine war, the conflict in the Middle East that began on 28 February 2026, or any potential military action or conflict elsewhere, and their impact on global economies and the markets where HSBC operates, which could have a material adverse effect on (among other things) our financial condition, results of operations, prospects, liquidity, capital position and credit ratings; deviations from the market and economic assumptions that form the basis for our ECL measurements (including, without limitation, as a result of the Russia-Ukraine war, the conflict in the Middle East, or any potential military action or conflict elsewhere, inflationary pressures, commodity price changes, and ongoing developments in the commercial real estate sector and the residential property sector in mainland China and Hong Kong); potential changes in HSBC's dividend policy; changes and volatility in foreign exchange rates and interest rates levels, including fluctuations in Hibor and the accounting impact resulting from financial reporting in respect of hyperinflationary economies; volatility in equity markets and the risk of disruptive correction stemming from high company valuations; lack of liquidity in wholesale funding or capital markets, which may affect our ability to meet our obligations under financing facilities or to fund new loans, investments and businesses; geopolitical tensions or diplomatic developments producing social instability or legal uncertainty, such as the Russia-Ukraine war, the conflict in the Middle East, or any potential military action or conflict elsewhere, and the related imposition of sanctions, export-control and trade and investment restrictions, as well as increased market volatility, supply chain restrictions and disruptions, sustained increases in energy prices and key commodity prices, claims of human rights violations, diplomatic tensions between China and the US, which may extend to and involve other countries and territories, and developments in Hong Kong and Taiwan and the surrounding maritime region, alongside other potential areas of tension, which may adversely affect HSBC by creating regulatory, reputational and market risks; the efficacy of government, customer, and HSBC's actions in managing and mitigating ESG-related risks, in particular climate risk, nature-related risks and human rights risks, and in supporting the global transition to net zero carbon emissions, each of which can impact

HSBC both directly and indirectly through our customers and which may result in potential financial and non-financial impacts; illiquidity and downward price pressure in national real estate markets; adverse changes in central banks' policies with respect to the provision of liquidity support to financial markets; heightened market concerns over sovereign creditworthiness in over-indebted countries; adverse changes in the funding status of public or private defined benefit pensions; the significant depreciation of the US dollar through 2025, with volatility expected to persist; societal shifts in customer financing and investment needs, including consumer perception as to the continuing availability of credit; exposure to counterparty risk, including third parties using us as a conduit for illegal activities without our knowledge; and price competition in the market segments we serve;

- changes in government policy and regulation, as well as monetary, fiscal, interest rate and other policies of central banks and other regulatory authorities in the major markets in which we operate and the consequences thereof (including, without limitation, actions taken as a result of changes in government following national elections, higher social welfare commitments and increased government expenditure on defence, energy security and climate transition in the markets where the Group operates); continued volatility in trade and tariff policies, changes in tariff rates, including sector-specific levies imposed by various nations, including the US, which could further disrupt supply chains and reduce global trade growth; initiatives to change the size, scope of activities and interconnectedness of financial institutions in connection with the implementation of stricter regulation of financial institutions in key markets worldwide; revised capital and liquidity benchmarks, which could serve to deleverage bank balance sheets and lower returns available from the current business model and portfolio mix; changes to tax laws and tax rates applicable to HSBC, including the imposition of levies or taxes designed to change business mix and risk appetite; the practices, pricing or responsibilities of financial institutions serving their consumer markets; expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership; the UK's relationship with the EU, particularly with respect to the potential divergence of UK and EU law on the regulation of financial services; changes in government approach and regulatory treatment in relation to ESG disclosures and reporting requirements, and the current lack of a single standardised regulatory approach to ESG across all sectors and markets; changes in UK macroeconomic and fiscal policy, which may result in fluctuations in the value of the pound sterling; general changes in government policy (including, without limitation, actions taken as a result of changes in government following national elections in the markets where the Group operates) that may significantly influence investor decisions; the costs, effects and outcomes of regulatory reviews, actions or litigation, including any additional compliance requirements; and the effects of competition in the markets where we operate including increased competition from non-bank financial services companies; and
- factors specific to HSBC, including our success in adequately identifying the risks we face, such as the incidence of loan losses or delinquency, and managing those risks (through account management, hedging and other techniques); our ability to achieve our financial, investment, capital and ESG ambitions, targets and commitments (including the positions set forth in our thermal coal phase-out policy and our energy policy and our targets to reduce our on-balance sheet financed emissions and, where applicable, facilitated emissions in our portfolio of selected high-emitting sectors), which may result in our failure to achieve any of the expected outcomes of our strategic priorities and may result in reputational risks; evolving regulatory requirements and the development of new technologies, including AI, affecting how we manage risk, including model risk; model limitations or failure, including, without limitation, the impact that high inflationary pressures and interest rates have had on the performance and usage of financial models, which may require us to hold additional capital, incur losses and/or use compensating controls, such as judgemental post-model adjustments, to address model

limitations; changes to the judgements, estimates and assumptions we base our financial statements on; changes in our ability to meet the requirements of regulatory stress tests; a reduction in the credit ratings assigned to us or any of our subsidiaries, which could increase the cost or decrease the availability of our funding and affect our liquidity position and net interest margin; changes to the reliability and security of our data management, data privacy, information and technology infrastructure, including threats from cyber-attacks, which may impact our ability to service clients and may result in financial loss, business disruption and/or loss of customer services and data; the accuracy and effective use of data, including internal management information that may not have been independently verified; changes in insurance customer behaviour and insurance claim rates; our dependence on loan payments and dividends from subsidiaries to meet our obligations; changes in our reporting frameworks and accounting standards, which have had and may continue to have a material impact on the way we prepare our financial statements; our ability to successfully execute planned strategic acquisitions and disposals; our success in adequately integrating acquired businesses into our business; our ability to successfully execute and implement the announced strategic reorganisation of the Group; changes in our ability to manage third-party, fraud, financial crime and reputational risks inherent in our operations; employee misconduct, which may result in regulatory sanctions and/or reputational or financial harm; changes in skill requirements, ways of working and talent shortages, which may

affect our ability to recruit and retain senior management and an inclusive and skilled workforce; and changes in our ability to develop sustainable finance and ESG-related products consistent with the evolving expectations of our regulators, and our capacity to measure the environmental and social impacts from our financing activity (including as a result of data limitations and changes in methodologies), which may affect our ability to achieve our ESG ambitions, targets and commitments, including our net zero ambition, our targets to reduce on-balance sheet financed emissions and, where applicable, facilitated emissions in our portfolio of selected high-emitting sectors and the positions set forth in our thermal coal phase-out policy and our energy policy, and increase the risk of greenwashing. Effective risk management depends on, among other things, our ability through stress testing and other techniques to prepare for events that cannot be captured by the statistical models it uses; our success in addressing operational, legal and regulatory, and litigation challenges; and other risks and uncertainties we identify in 'Risk - Managing risk' on page 34 of the Earnings Release 1Q26.

Additional detailed information concerning important factors, including but not limited to ESG-related factors, that could cause actual results to differ materially from those anticipated or implied in any forward-looking statement in these Pillar 3 Disclosures at 31 March 2026 is available in our Annual Report and Accounts for the fiscal year ended 31 December 2025, which was filed with the SEC on Form 20-F on 26 February 2026.

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