

HSBC Holdings plc

Pillar 3 Disclosures at 30 September 2025

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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 3Q25, 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 30 September 2025 comprise both quantitative and qualitative information required under Pillar 3. These disclosures are made in accordance with the Prudential Regulation Authority ('PRA') Rulebook Disclosure (Capital Requirements Regulation). They are supplemented by specific additional requirements of the PRA and discretionary disclosures on our part.

We are supervised on a consolidated basis in the United Kingdom ('UK') by the PRA, which receives information on the capital and liquidity adequacy of, and sets capital and liquidity requirements for, the 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. 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 refer to the regulatory requirements of the Capital Requirements Regulation and Directive, the CRR II regulation and the PRA Rulebook as 'CRR II'.

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 implementations can be found on page 5 within the key changes and regulatory assessments section.

While the frameworks may vary for some of our banking subsidiaries, they do not impact the Group's disclosure requirements. However, the changes to local regulatory frameworks may impact distributions from our subsidiaries and our minimum requirement for own funds and eligible liabilities ('MREL') requirements.

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

Regulatory reporting processes and controls

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

Comparatives and references

To give insight into movements during 2025, we provide comparative figures, commentary on variances and flow tables for capital requirements. In all tables where the term 'capital requirements' is used, this represents the minimum total capital charge set at 8% of risk-weighted assets ('RWAs') by Article 92(1) of CRR II. Narratives are included to explain quantitative disclosures where necessary.

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

In alignment with the PRA Rulebook table requirements, we have shaded cells where no information is required to be disclosed.

Pillar 3 requirements may be met by inclusion in other disclosure media. Where we adopt this approach, references are provided to the relevant pages of the Earnings Release 3Q25 of HSBC Holdings plc or to other documents.

The table below references where disclosures have been enhanced.

Page ref	Table Reference	Activity
4, 6 and 12	Table 1 – KM1/IFRS9-FL Table 2 – Own funds disclosures Table 9i – KM2 European resolution group ('ERG')	Effective 30 June 2025, 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.

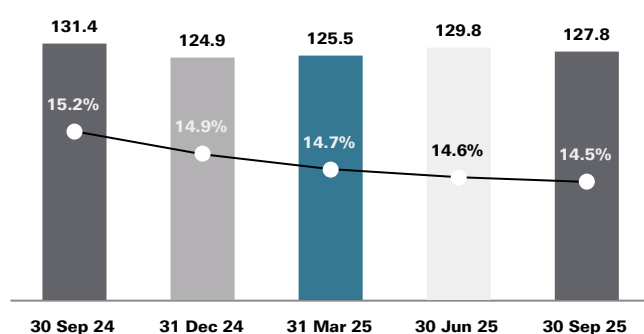
Highlights

CET1 capital and ratio

Our common equity tier 1 ('CET1') capital was \$127.8bn and our ratio was 14.5%, down 0.1 percentage points compared with 30 June 2025, driven by a reduction in CET1 capital, partly offset by a decrease in RWAs. The decrease in RWAs was mainly driven by a reduction in market risk RWAs, and methodology and policy changes in credit risk RWAs.

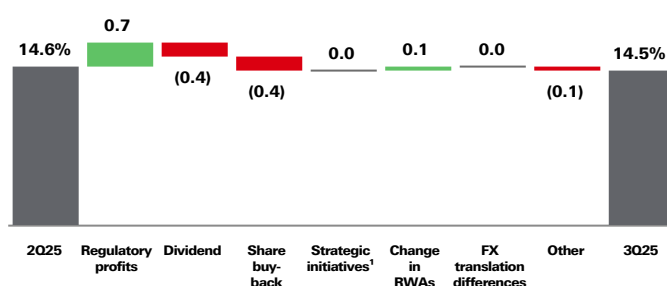
The Board has approved a third interim dividend for 2025 of \$0.10 per share. On 24 October, we completed the \$3bn share buy-back announced at our interim results on 30 July 2025.

CET1 capital and ratio



We maintain our medium-term CET1 capital ratio target range of 14%-14.5%. We maintain our dividend payout ratio target basis of 50% for 2025, excluding material notable items and related impacts.

CET1 ratio movement



¹ Strategic initiatives include various expected business exits following market participation reviews.

RWAs

RWAs of \$878.8bn have decreased by \$8.1bn since 30 June 2025, including a fall of \$2.1bn from foreign currency translation differences. The remaining \$6.0bn decrease was mainly attributable to reductions in stressed value at risk ('SVaR') within market risk RWAs and credit risk parameter refinements, predominantly in Corporate and Institutional Banking ('CIB') and Corporate Centre.

RWAs by risk type

	30 Sep 2025	30 Jun 2025
Risk-weighted assets	\$bn	\$bn
Credit risk	698.5	703.6
Counterparty credit risk	42.4	41.4
Market risk	28.9	32.5
Operational risk	109.0	109.4
Total RWAs	878.8	886.9

Leverage

Our leverage ratio was 5.2%, down from 5.4% at 30 June 2025, due to balance sheet growth increasing leverage exposures and a decrease in Tier 1 capital.

Leverage

	30 Sep 2025	30 Jun 2025
Leverage ratio (%)	5.2	5.4

Liquidity

The Group liquidity coverage ratio ('LCR') was 139% or \$192bn at 30 September 2025 and 140% or \$193bn at 30 June 2025. At 30 September 2025, our Group LCR remained above the minimum required regulatory levels. The average high-quality liquid assets ('HQLA') were \$690bn at 30 September 2025 and \$678bn at 30 June 2025.

The Group net stable funding ratio ('NSFR') was 144% at 30 September 2025 and 145% at 30 June 2025. At 30 September 2025, all material operating entities were above regulatory minimum levels.

Liquidity

	30 Sep 2025	30 Jun 2025
LCR (%)	139	140
NSFR (%)	144	145

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. Effective 1 January 2025, the IFRS 9 transitional arrangements came to an end, followed by the end of the CRR II grandfathering provisions on 28 June 2025. Accordingly, our capital figures are the same on both the transitional and end-point basis. The leverage ratio is calculated using the CRR II end-point basis for capital. LCR is reported as the average of the preceding 12 months while NSFR is reported as the average of the preceding four quarter-end values.

Table 1: Key metrics¹ (KM1/IFRS9-FL)

		At				
		30 Sep 2025	30 Jun 2025	31 Mar 2025	31 Dec 2024	30 Sep 2024
Available capital (\$bn)						
1	Common equity tier 1 ('CET1') capital	127.8	129.8	125.5	124.9	131.4
	CET1 capital as if IFRS 9 transitional arrangements had not been applied	127.8	129.8	125.5	124.9	131.4
2	Tier 1 capital	148.6	150.6	144.3	144.1	150.6
	Tier 1 capital as if IFRS 9 transitional arrangements had not been applied	148.6	150.6	144.3	144.1	150.6
3	Total capital	177.7	178.5	169.8	172.4	179.8
	Total capital as if IFRS 9 transitional arrangements had not been applied	177.7	178.5	169.8	172.4	179.8
Risk-weighted assets (\$bn)						
4	Total RWAs	878.8	886.9	853.3	838.3	863.9
	Total RWAs as if IFRS 9 transitional arrangements had not been applied	878.8	886.9	853.3	838.2	863.9
Capital ratios (%)						
5	CET1	14.5	14.6	14.7	14.9	15.2
	CET1 as if IFRS 9 transitional arrangements had not been applied	14.5	14.6	14.7	14.9	15.2
6	Tier 1	16.9	17.0	16.9	17.2	17.4
	Tier 1 as if IFRS 9 transitional arrangements had not been applied	16.9	17.0	16.9	17.2	17.4
7	Total capital	20.2	20.1	19.9	20.6	20.8
	Total capital as if IFRS 9 transitional arrangements had not been applied	20.2	20.1	19.9	20.6	20.8
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	1.5	1.5	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	10.6	10.6	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	0.8
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	5.3
UK-11a	Overall capital requirements	15.7	15.8	15.8	15.8	15.9
12	CET1 available after meeting the total SREP own funds requirements	8.6	8.7	8.7	8.9	9.2
Leverage ratio						
13	Total exposure measure excluding claims on central banks (\$bn)	2,840.5	2,792.9	2,652.0	2,571.1	2,657.8
14	Leverage ratio excluding claims on central banks (%)	5.2	5.4	5.4	5.6	5.7
Additional leverage ratio disclosure requirements						
14a	Fully loaded expected credit losses ('ECL') accounting model leverage ratio excluding claims on central banks (%)	5.2	5.4	5.4	5.6	5.7
14b	Leverage ratio including claims on central banks (%)	4.6	4.8	4.8	4.9	5.0
14c	Average leverage ratio excluding claims on central banks (%)	5.3	5.4	5.5	5.5	5.7
14d	Average leverage ratio including claims on central banks (%)	4.7	4.8	4.8	4.9	5.0
14e	Countercyclical leverage ratio buffer (%)	0.2	0.2	0.2	0.2	0.3
EU-14d	Leverage ratio buffer requirement (%)	0.9	0.9	0.9	0.9	1.0
EU-14e	Overall leverage ratio requirements (%)	4.2	4.2	4.2	4.2	4.3
Liquidity coverage ratio ('LCR') (\$bn)						
15	Total high-quality liquid assets	690.2	678.1	660.7	649.2	649.2
UK-16a	Cash outflows – total weighted value	682.2	669.4	657.3	656.3	657.9
UK-16b	Cash inflows – total weighted value	183.9	183.9	182.1	185.6	184.9
16	Total net cash outflow	498.3	485.5	475.2	470.7	473.0
17	LCR (%)	139	140	139	138	137
Net stable funding ratio ('NSFR') (\$bn)						
18	Total available stable funding	1,588.6	1,572.1	1,539.8	1,523.4	1,538.7
19	Total required stable funding	1,104.1	1,082.7	1,056.7	1,064.5	1,092.7
20	NSFR (%)	144	145	146	143	141

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

Proposal to privatise Hang Seng Bank Limited

On 9 October 2025, the Group announced that we have put forward a conditional proposal to privatise Hang Seng Bank Limited ('Hang Seng Bank') through a scheme of arrangement. If approved and implemented, this would result in The Hongkong and Shanghai Banking Corporation Limited acquiring all of the remaining shares of Hang Seng Bank held by the minority shareholders and the withdrawal of listing of the Hang Seng Bank shares from the Hong Kong Stock Exchange. The expected day one capital impact of the proposal is a net reduction of approximately 125 basis points, which would be recognised following the approval of the relevant resolutions by the requisite majority at each of the Hang Seng Bank Court Meeting and the Hang Seng Bank General Meeting. Having announced our intention not to initiate any further buy-backs for three quarters following the date of the announcement relating to the transaction, we expect CET1 capital to increase prior to completion of the transaction, which subject to Court procedures and the satisfaction of related conditions, including approval of the relevant resolutions by the requisite shareholder majority, is expected in the first half of 2026. While our CET1 capital ratio may fall below our target operating range of 14.0%–14.5% on recognition of the day one capital impact, we expect to restore our capital to within this range through a combination of organic capital generation and the decision not to initiate buy-backs. A decision to recommence buy-backs will be subject to our normal buy-back considerations and process on a quarterly basis.

Retained portfolio for home and other loans in France

The sale of our French retained portfolio of home and certain other loans is expected to complete in the fourth quarter of 2025. At disposal cumulative fair value losses (amounting to \$1.5bn at 30 September 2025) recognised through other comprehensive income on the remeasurement of the financial instruments would recycle to the income statement, with no incremental impact on CET1 capital.

► For further details of business disposals, see page 14 of the Earnings Release 3Q25.

Basel 3.1

The overall timeline for the implementation of Basel 3.1 in the UK was reconfirmed as 1 January 2027 for the credit risk, operational risk, credit valuation adjustment, and the non-modelled market risk elements; however, a further one-year delay to 1 January 2028 was proposed for the internal models approach ('IMA') for market risk, together with limited amendments to the framework. At the same time, HM Treasury issued a consultation proposing a new overseas recognition regime to replace the equivalence regime onshored following the UK's departure from the EU, together with possible changes to approaches for non-UK covered bonds, exchanges and investment firms, and changes to key definitions within the prudential rules.

We continue to assess the impact of the near final Basel 3.1 standards on our capital and the associated implementation challenges (including data provision). We expect that the impact on our CET 1 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 30 September 2025, capital securities included in the capital base of HSBC have been issued on a fully compliant or grandfathered basis in accordance with the Capital Requirements Regulation. Capital securities are regularly reviewed for compliance with guidelines. A list of the main features of our capital instruments and eligible liabilities, in accordance with Article 437 and Article 437a of CRR II, is also published on our website at www.hsbc.com with reference to our balance sheet on 30 June 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 30 September 2025.

► 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 200 of the Annual Report and Accounts 2024.

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 disclosure¹

		At	
		30 Sep 2025	30 Jun 2025
		\$m	\$m
6	Common equity tier 1 capital before regulatory adjustments	168,512	170,986
28	Total regulatory adjustments to common equity tier 1 capital	(40,747)	(41,167)
29	Common equity tier 1 ('CET1') capital	127,765	129,819
36	Additional tier 1 capital before regulatory adjustments	20,860	20,870
43	Total regulatory adjustments to additional Tier 1 capital	(70)	(70)
44	Additional Tier 1 capital	20,790	20,800
45	Tier 1 capital (T1 = CET1 + AT1)	148,555	150,619
51	Tier 2 capital before regulatory adjustments	30,551	29,220
57	Total regulatory adjustments to tier 2 capital	(1,377)	(1,343)
58	Tier 2 capital	29,174	27,877
59	Total capital (TC = T1 + T2)	177,729	178,496

1 From 30 June 2025, the regulatory valuation of Tier 2 capital includes the associated accrued interest.

At 30 September 2025, our CET1 capital ratio decreased to 14.5% from 14.6% at 30 June 2025:

- CET1 capital generation through regulatory profits in the period was offset by the share buy-back announced with our 2Q25 results, dividends, changes in regulatory deductions and strategic transactions, reducing our CET1 capital ratio by 0.2 percentage points; and
- reductions in RWAs, mainly due to a decline in market risk RWAs and methodology and policy changes in credit risk RWAs, which improved our CET1 capital ratio by 0.1 percentage points.

Our Pillar 2A requirement at 30 September 2025, 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 3Q25, 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.

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

	At		At	
	30 Sep 2025	30 Sep 2025	30 Jun 2025	30 Jun 2025
	Total own funds requirements		Total own funds requirements	
	RWAs	RWAs	RWAs	RWAs
	\$m	\$m	\$m	\$m
1 Credit risk (excluding counterparty credit risk)	688,591	55,088	692,919	55,434
2 – standardised approach	199,821	15,986	197,698	15,816
3 – foundation IRB approach	93,494	7,480	94,974	7,598
4 – slotting approach	21,994	1,760	22,106	1,768
UK-4a – equities under the simple risk-weighted approach	5,417	433	5,508	441
5 – advanced IRB approach	367,865	29,429	372,633	29,811
6 Counterparty credit risk	42,270	3,381	41,343	3,307
7 – standardised approach	10,052	804	9,978	798
8 – internal model method	14,381	1,150	15,199	1,216
UK-8a – exposures to a central counterparty	2,589	207	2,018	161
UK-8b – credit valuation adjustment	1,709	137	1,704	136
9 – other counterparty credit risk	13,539	1,083	12,444	996
15 Settlement risk	88	7	29	2
16 Securitisation exposures in the non-trading book (after the cap)	9,910	793	10,579	846
17 – internal ratings-based approach ('SEC-IRBA')	2,547	204	2,773	222
18 – external ratings-based approach ('SEC-ERBA') (including internal assessment approach ('IAA'))	1,411	113	1,422	114
19 – standardised approach ('SEC-SA')	5,775	462	4,853	388
UK-19a – 1250%/deduction	177	14	1,531	122
20 Position, foreign exchange and commodities risks (market risk)	28,903	2,312	32,547	2,604
21 – standardised approach	10,086	807	9,509	761
22 – internal models approach	18,817	1,505	23,038	1,843
Operational risk	109,031	8,722	109,443	8,755
UK-23b – standardised approach	109,031	8,722	109,443	8,755
29 Total	878,793	70,303	886,860	70,948
24 – of which: Amounts below the thresholds for deduction (subject to 250% risk weight) ¹	46,278	3,702	45,966	3,677

1 These balances are included in rows 2 and 5 of the table and include thresholds for the recognition of significant investments and deferred tax assets.

The 3Q25 quarter RWA movements in the table above are explained by risk type in the following comments.

Credit risk, including securitisation

Credit risk RWAs, including securitisation, decreased by \$5.0bn. This included a \$1.7bn decrease from foreign currency translation differences and a \$3.3bn fall attributable to:

- a \$1.5bn decrease from model updates primarily driven by recalibration of post-model adjustments to address limitations in wholesale internal-ratings credit risk models, notably in CIB, and retail credit model adjustments in our UK business.
- a \$1.1bn decrease from asset quality movements primarily due to changes in the portfolio mix of our Hong Kong business.
- a \$0.7bn decrease primarily due to credit risk parameter refinements and methodology changes, mainly in our CIB business and Corporate Centre, largely offset by increased lending in our UK business and a rise in SAB corporate exposures in Corporate Centre.

Counterparty credit risk, including settlement risk

Counterparty credit risk RWAs increased by \$0.9bn, primarily due to methodology changes, partly offset by a fall in the derivatives portfolio in our CIB business in Asia and HSBC Bank plc.

Market risk

Market risk RWAs decreased by \$3.6bn, mainly as a result of lower SVaR, due to an improved risk profile in the rates portfolio, coupled with higher data points falling out of the historical period on which SVaR is calculated.

Operational risk

Operational risk RWAs decreased by \$0.4bn, due to foreign currency translation differences.

The table below shows the drivers of the quarterly movements of credit risk RWAs, excluding counterparty credit risk and including free deliveries under the internal ratings-based ('IRB') approach. The table also excludes securitisation positions, equity exposures and non-credit obligation assets.

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

	30 Sep 2025	Quarter ended		
		30 Jun 2025	31 Mar 2025	31 Dec 2024
	\$m	\$m	\$m	\$m
1 RWAs at the opening period	477,551	467,474	454,249	478,334
2 Asset size	727	7,171	4,744	810
3 Asset quality	(460)	(1,418)	4,779	2,915
4 Model updates	(1,458)	—	49	1,305
5 Methodology and policy	(3,271)	(7,722)	(1,216)	(9,283)
6 Acquisitions and disposals	—	—	—	(4,753)
7 Foreign exchange movements ¹	(1,774)	12,046	4,869	(15,079)
9 RWAs at the closing period	471,315	477,551	467,474	454,249

1 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.

Excluding the \$1.8bn foreign exchange movements, RWAs under the IRB approach decreased by \$4.5bn during 3Q25 primarily as a result of:

- a \$3.3bn decrease mainly due to credit risk parameter refinements mainly in our CIB business and Corporate Centre;
- a \$1.5bn decrease in model updates primarily driven by recalibration of post-model adjustments to address limitations in wholesale internal-ratings credit risk models, notably in CIB, and retail credit model adjustments in our UK business;
- a \$0.5bn decrease from asset quality primarily due to changes in the portfolio mix in our Hong Kong business; and
- a \$0.7bn increase in asset size movements mainly from increased lending in our UK business, across both corporates and mortgages, partly offset by a fall in corporate exposures in HSBC Bank plc within CIB.

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)

	30 Sep 2025	Quarter ended		
		30 Jun 2025	31 Mar 2025	31 Dec 2024
	\$m	\$m	\$m	\$m
1 RWAs at the opening period	15,199	12,429	13,771	13,021
2 Asset size	(720)	2,247	(1,120)	725
3 Credit quality of counterparties	(35)	45	30	(36)
4 Model updates (IMM only)	—	—	—	61
5 Methodology and policy (IMM only)	(63)	478	(252)	—
9 RWAs at the closing period	14,381	15,199	12,429	13,771

RWAs under the internal model method ('IMM') decreased by \$0.8bn in 3Q25, primarily due to a fall in the derivatives portfolio in our CIB business.

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

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

	VaR	Stressed VaR	IRC	Other	Total RWAs	Total own funds requirements
	\$m	\$m	\$m	\$m	\$m	\$m
1 RWAs at 1 Jul 2025	5,147	10,448	5,302	2,141	23,038	1,843
1a Regulatory adjustment	(3,598)	(8,164)	(879)	—	(12,641)	(1,011)
1b RWAs at the previous quarter end (end of day)	1,549	2,284	4,423	2,141	10,397	832
2 Movement in risk levels	441	527	(5)	(371)	592	47
8a RWAs at the end of the reporting period (end of day)	1,990	2,811	4,418	1,770	10,989	879
8b Regulatory adjustment	3,236	4,442	150	—	7,828	626
8 RWAs at 30 Sep 2025	5,226	7,253	4,568	1,770	18,817	1,505
1 RWAs at 1 Apr 2025	5,606	11,906	6,565	1,681	25,758	2,061
1a Regulatory adjustment	(3,807)	(7,697)	(16)	—	(11,520)	(922)
1b RWAs at the previous quarter end (end of day)	1,799	4,209	6,549	1,681	14,238	1,139
2 Movement in risk levels	(250)	(1,925)	(2,126)	460	(3,841)	(307)
8a RWAs at the end of the reporting period (end of day)	1,549	2,284	4,423	2,141	10,397	832
8b Regulatory adjustment	3,598	8,164	879	—	12,641	1,011
8 RWAs at 30 Jun 2025	5,147	10,448	5,302	2,141	23,038	1,843

RWAs under IMA decreased by \$4.2bn during 3Q25, mainly as a result of lower SVaR, due to an improved risk profile in the rates portfolio, coupled with higher data points falling out of the historical period on which SVaR is calculated.

Leverage

The risk of excessive leverage is managed as part of HSBC's global risk appetite framework and monitored using the leverage ratio metric within the risk appetite statement ('RAS').

► For further details of our risk management tools and the management of our risk appetite through our global risk appetite framework, see page 127 of the Annual Report and Accounts 2024.

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

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

		At	
		30 Sep 2025	30 Jun 2025
		\$bn	\$bn
25	Leverage ratio excluding claims on central banks (%)	5.2	5.4
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	5.2	5.4
UK-25c	Leverage ratio including claims on central banks (%)	4.6	4.8
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	2,794.1	2,732.8
UK-33	Average leverage ratio including claims on central banks (%)	4.7	4.8
UK-34	Average leverage ratio excluding claims on central banks (%)	5.3	5.4

Our leverage ratio was 5.2% at 30 September 2025, down from 5.4% at 30 June 2025 due to balance sheet growth increasing leverage exposures and a decrease in Tier 1 capital.

At 30 September 2025, our UK minimum leverage ratio requirement of 3.25% was supplemented by a leverage ratio buffer of 0.9%, consisting of an additional leverage ratio buffer of 0.7% and a countercyclical leverage ratio buffer of 0.2%.

These buffers translated into capital of \$19.9bn and \$5.7bn respectively. We exceeded these leverage requirements throughout 3Q25.

The average leverage ratio was 5.3% at 30 September 2025, down from 5.4% at 30 June 2025, primarily reflecting an increase in average leverage exposure driven by growth in the average balance sheet, mainly in trading assets, financial investments and customer advances, partly offset by an increase in average Tier 1 capital.

Liquidity

Management of liquidity and funding risk

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

Liquidity coverage ratio

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

The average Group LCR for the 12 months to 30 September 2025 was 139% or \$192bn and 140% or \$193bn at 30 June 2025. At 30 September 2025, 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 \$6bn to LCR inflows on an average basis.

The average Group LCR HQLA of \$690bn (30 June 2025: \$678bn) 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.

Currency mismatch in the LCR

The Group's internal liquidity and funding risk management framework requires all operating entities to monitor the LCR for material currencies. Limits are set to ensure that outflows can be met, given assumptions on 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 raise sufficient stable funding 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 144% at 30 September 2025 and 145% at 30 June 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.

- ▶ For further details of our approach to treasury risk management, see page 200 of the Annual Report and Accounts 2024.
- ▶ More details on the concentration of funding and liquidity sources may be found on page 70 of the Interim Report 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. The LCR, HQLA and net outflows are based on the average over the preceding 12 months.

Table 8: Quantitative information of LCR (UK LIQ1)

		Quarter ended 30 Sep 2025		Quarter ended 30 Jun 2025		Quarter ended 31 Mar 2025		Quarter ended 31 Dec 2024	
		Total unweighted value \$m	Total weighted value \$m	Total unweighted value \$m	Total weighted value \$m	Total unweighted value \$m	Total weighted value \$m	Total unweighted value \$m	Total weighted value \$m
UK-1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
High quality liquid assets									
1	Total high quality liquid assets ('HQLA')		690,157		678,059		660,704		649,210
Cash outflows									
2	Retail deposits and small business funding	869,479	93,823	858,824	92,919	841,474	91,377	838,008	91,064
	– of which:								
3	– stable deposits	380,105	19,005	369,514	18,476	356,188	17,809	348,397	17,420
4	– less stable deposits	489,374	74,818	489,310	74,443	485,286	73,568	489,611	73,644
5	Unsecured wholesale funding	822,617	377,597	811,908	370,670	797,686	363,636	793,848	360,467
6	– operational deposits (all counterparties) and deposits in networks of cooperative banks	252,512	61,565	251,183	61,280	247,716	60,465	250,089	61,088
7	– non-operational deposits (all counterparties)	558,161	304,088	549,061	297,726	538,213	291,414	532,596	288,216
8	– unsecured debt	11,944	11,944	11,664	11,664	11,757	11,757	11,163	11,163
9	Secured wholesale funding		35,283		34,283		33,373		31,688
10	Additional requirements	362,110	102,302	355,419	100,118	349,090	97,266	345,860	96,645
11	– outflows related to derivative exposures and other collateral requirements	52,655	43,828	52,198	43,038	50,502	41,311	50,057	41,153
13	– credit and liquidity facilities	309,455	58,474	303,221	57,080	298,588	55,955	295,803	55,492
14	Other contractual funding obligations	88,439	47,481	87,620	47,300	88,801	48,859	92,734	54,431
15	Other contingent funding obligations	657,033	25,713	650,477	24,138	642,402	22,796	643,283	21,983
16	Total cash outflows		682,199		669,428		657,307		656,278
Cash inflows									
17	Secured lending transactions (including reverse repos)	424,841	55,385	409,611	53,108	389,140	50,119	376,767	48,548
18	Inflows from fully performing exposures	95,654	70,797	97,982	73,092	100,148	75,459	104,474	79,173
19	Other cash inflows	97,671	57,737	103,266	57,710	107,002	56,495	113,504	57,907
20	Total cash inflows	618,166	183,919	610,859	183,910	596,290	182,073	594,745	185,628
UK-20c	Inflows subject to 75% Cap	618,166	183,919	610,859	183,910	596,290	182,073	594,745	185,628
Liquidity coverage ratio (Adjusted value)									
UK-21	Liquidity Buffer		690,157		678,059		660,704		649,210
22	Total net cash outflows		498,280		485,518		475,234		470,650
23	Liquidity coverage ratio (%)		139		140		139		138

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 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').

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

The Group and the ERG report in accordance with CRR II, while reporting for the ARG and URG follow the Hong Kong Monetary Authority ('HKMA') regulatory rules and US regulatory rules respectively.

IFRS9 transitional arrangements, and those in the US accounting standard corresponding to IFRS 9, ceased to apply after 31 December 2024. Accordingly, our current period capital numbers are the same on both the transitional and end-point basis. No such arrangements applied in HKMA reporting.

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.

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

		At				
		30 Sep 2025	30 Jun 2025	31 Mar 2025	31 Dec 2024	30 Sep 2024
		\$bn	\$bn	\$bn	\$bn	\$bn
1	Total loss absorbing capacity ('TLAC') available	111.0	114.7	102.2	107.1	108.6
1a	Fully loaded ECL accounting model TLAC available	111.0	114.7	102.2	107.0	108.6
2	Total RWAs at the level of the resolution group	319.4	322.6	298.1	290.9	293.9
3	TLAC as a percentage of RWA (row1/row2) (%)	34.7	35.6	34.3	36.8	37.0
3a	Fully loaded ECL accounting model TLAC as a percentage of fully loaded ECL accounting model RWA (%)	34.7	35.6	34.3	36.8	37.0
4	Leverage exposure measure at the level of the resolution group	1,144.6	1,123.6	1,026.1	966.8	1,037.0
5	TLAC as a percentage of leverage exposure measure (row1/row4) (%)	9.7	10.2	10.0	11.1	10.5
5a	Fully loaded ECL accounting model TLAC as a percentage of fully loaded ECL accounting model leverage exposure measure (%)	9.7	10.2	10.0	11.1	10.5
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

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 group (KM2)

		At				
		30 Sep 2025	30 Jun 2025	31 Mar 2025	31 Dec 2024	30 Sep 2024
		\$bn	\$bn	\$bn	\$bn	\$bn
1	Total loss absorbing capacity ('TLAC') available	116.4	116.8	113.3	111.3	118.7
1a	Fully loaded ECL accounting model TLAC available	116.4	116.8	113.3	111.3	118.7
2	Total RWAs at the level of the resolution group	388.7	383.4	383.8	407.8	424.2
3	TLAC as a percentage of RWA (row1/row2) (%)	29.9	30.5	29.5	27.3	28.0
3a	Fully loaded ECL accounting model TLAC as a percentage of fully loaded ECL accounting model RWA (%)	29.9	30.5	29.5	27.3	28.0
4	Leverage exposure measure at the level of the resolution group	1,379.9	1,354.3	1,306.1	1,292.1	1,332.1
5	TLAC as a percentage of leverage exposure measure (row1/row4) (%)	8.4	8.6	8.7	8.6	8.9
5a	Fully loaded ECL accounting model TLAC as a percentage of fully loaded ECL accounting model leverage exposure measure (%)	8.4	8.6	8.7	8.6	8.9
6a	Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	No	No	No	No	No
6b	Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	No	No	No	No	No
6c	If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised as external TLAC, divided by funding issued that ranks pari passu with excluded liabilities and that would be recognised as external TLAC if no cap was applied (%)	N/A	N/A	N/A	N/A	N/A

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

		At				
		30 Sep 2025	30 Jun 2025	31 Mar 2025	31 Dec 2024	30 Sep 2024
		\$bn	\$bn	\$bn	\$bn	\$bn
1	Total loss absorbing capacity ('TLAC') available	24.2	26.1	26.9	23.8	23.6
1a	Fully loaded ECL accounting model TLAC available	24.2	26.1	26.9	23.8	23.6
2	Total RWAs at the level of the resolution group	110.9	110.8	109.0	106.4	109.4
3	TLAC as a percentage of RWA (row1/row2) (%)	21.8	23.6	24.7	22.3	21.6
3a	Fully loaded ECL accounting model TLAC as a percentage of fully loaded ECL accounting model RWA (%)	21.8	23.6	24.7	22.3	21.6
4	Leverage exposure measure at the level of the resolution group	238.4	237.5	233.3	233.4	230.4
5	TLAC as a percentage of leverage exposure measure (row1/row4) (%)	10.1	11.0	11.5	10.2	10.2
5a	Fully loaded ECL accounting model TLAC as a percentage of fully loaded ECL accounting model leverage exposure measure (%)	10.1	11.0	11.5	10.2	10.2
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
1Q25	First quarter of 2025
2Q25	Second quarter of 2025
3Q25	Third quarter of 2025
AIRB ¹	Advanced internal ratings-based approach
Apr	April
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
CRR II	The regulatory requirements of the PRA Rulebook, Capital Requirements Regulation and Directive, and the CRR II regulation (EU 2019/876)
Dec	December
ECL ¹	Expected credit losses. In the income statement, ECL is recorded as a change in expected credit losses and other credit impairment charges. In the balance sheet, ECL is recorded as an allowance for financial instruments to which only the impairment requirements in IFRS 9 are applied
ERG	European resolution group
EU	European Union
Feb	February
FIRB ¹	Foundation internal ratings-based approach
FSB	Financial Stability Board
FVOCI ¹	Fair value through other comprehensive income
GDC	Group Disclosure Committee
Group	HSBC Holdings together with its subsidiary undertakings
Hong Kong	The Hong Kong Special Administrative Region of the People's Republic of China
HQLA	High-quality liquid assets
HSBC	HSBC Holdings together with its subsidiary undertakings
IAA	Internal assessment approach
IFRSs	International Financial Reporting Standards
IMA ¹	Internal models approach
IMM ¹	Internal model method
IRB ¹	Internal ratings-based approach
IRC	Incremental risk charge
Jan	January
Jul	July
Jun	June
LCR ¹	Liquidity coverage ratio
LREQ firm	A firm or CRR consolidation entity to which the minimum requirements of the Leverage Ratio – Capital Requirements and Buffers Part of the PRA Rulebook applies
Mar	March
MREL	Minimum requirements for own funds and eligible liabilities
Nov	November
NSFR ¹	Net stable funding ratio
Oct	October
PRA ¹	Prudential Regulation Authority (UK)
RAS	Risk appetite statement
RWA	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
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

This Pillar 3 Disclosures at 30 September 2025 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 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 ongoing Russia-Ukraine war and developments in relation to the conflict in the Middle East and their impact on global economies and the markets where 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 ongoing Russia-Ukraine war and developments in relation to the conflict in the Middle East, inflationary pressures, commodity price changes, and ongoing developments in the commercial real estate sectors 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; 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 ongoing Russia-Ukraine war or developments in relation to the conflict in the Middle East and the related imposition of sanctions, export-control and trade restrictions, supply chain restrictions and disruptions, sustained increases in energy prices and key commodity prices, claims of human rights violations, diplomatic tensions between China and the US, which may extend to and involve other countries and territories, and developments in Hong Kong and Taiwan, 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 environmental, social and governance ('ESG') risks, in particular climate risk, nature-related risks and human rights risks, and in supporting the global transition to net zero carbon emissions, each of which can impact 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; 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; the discontinuation of certain key lbors and the transition of the remaining legacy lbors to near risk-free benchmark rates, which continues to expose HSBC to some financial and non-financial risks; and price competition in the market segments we serve;
- changes in government policy and regulation, including trade and tariff policies, as well as monetary, interest rate and other policies of central banks and other regulatory authorities in the principal markets in which we operate and the consequences thereof (including, without limitation, actions taken as a result of changes in government following national elections and the trade policies announced by the US and potential countermeasures that may be adopted by several countries, including in the markets where the Group operates); initiatives to change the size, scope of activities and interconnectedness of financial institutions in connection with the implementation of stricter regulation of financial institutions in key markets worldwide; revised capital and liquidity benchmarks, which could serve to deleverage bank balance sheets and lower returns available from the current business model and portfolio mix; changes to tax laws and tax rates applicable to 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; evolving regulatory requirements and the development of new technologies, including artificial intelligence, affecting how we manage 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 40 of the Earnings Release 3Q25.

Additional detailed information concerning important factors, including but not limited to ESG-related factors, that could cause actual results to differ materially from those anticipated or implied in any forward-looking statement in these Pillar 3 Disclosures at 30 September 2025 is available in our Annual Report and Accounts for the fiscal year ended 31 December 2024, which was filed with the SEC on Form 20-F on 20 February 2025; our 1Q25 Earnings Release, furnished to the SEC on Form 6-K on 29 April 2025; and our Interim Report for the six months ended 30 June 2025, furnished to the SEC on Form 6-K on 30 July 2025.

Contacts

Enquiries relating to HSBC's strategy or operations may be directed to:

Alastair Ryan
Global Head of Investor Relations
HSBC Holdings plc
8 Canada Square
London E14 5HQ
United Kingdom

Telephone: +44 (0) 7468 703 010

Email: investorrelations@hsbc.com

Greg Case
Head of Fixed Income Investor Relations
HSBC Holdings plc
8 Canada Square
London E14 5HQ
United Kingdom

Telephone: +44 (0) 20 7992 3825

Email: investorrelations@hsbc.com

Yafei Tian
Head of Asia Pacific Investor Relations
The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

Telephone: +852 2899 8909

Email: investorrelations@hsbc.com.hk

HSBC Holdings plc

8 Canada Square
London E14 5HQ
United Kingdom
Telephone: 44 020 7991 8888
www.hsbc.com

Incorporated in England and Wales with limited liability
Registration number 617987