

HSBC Bank Australia Limited

**Pillar 3 Disclosures at 31 December 2024
Consolidated Basis**

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Introduction

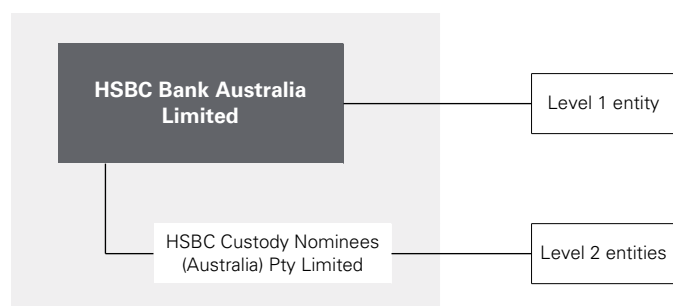
Purpose

This report has been prepared by HSBC Bank Australia Limited to meet its disclosure requirements under the Australian Prudential Regulation Authority's ('APRA') Prudential Standard APS 330: Public Disclosure. Figures contained within this report relate to quarter ended 31 December 2024 (unless otherwise stated).

Scope of application

For regulatory ('APRA') reporting purposes, HSBC Bank Australia Limited ('HBAU') establishes two levels of reporting; Level 1, which is HSBC Bank Australia Limited only, and Level 2, which is the consolidation of HSBC Bank Australia Limited and all its financial subsidiaries.

The Pillar 3 disclosures are based on Level 2 – Consolidated basis.



Verification

The Pillar 3 disclosures are not required to be audited by an external auditor. However, the disclosures have been appropriately verified internally and are consistent with information that is lodged or published elsewhere or that has been already supplied to APRA.

HSBC Bank Australia Limited context

HSBC is one of the world's largest banking and financial services organisations and therefore deals with multiple regulators in multiple jurisdictions around the world. HSBC Holdings plc, regulated by the Prudential Regulation Authority ('PRA') in the UK, operates under the Advanced Internal Ratings Based Approach ('IRB-A') for the majority of its Credit Risk, the Standardised Approach for Operational Risk and a mix of the Internal Models Approach and the Standardised Approach for Market Risk (since 1 January 2008).

The Hongkong and Shanghai Banking Corporation Limited regulated by the Hong Kong Monetary Authority ('HKMA') in Hong Kong, has adopted the IRB-A approach for Credit Risk, the Standardised approach for Operational Risk and both the Internal Models and Standardised approach for Market Risk as of 1 January 2009.

HBAU has adopted the APRA Standardised approach for Credit, Market and Operational Risks as of 1 January 2008.

Regulator	Institution	Credit risk	Operational risk	Market risk
APRA	HBAU	STD	STD (ASA)	STD
HKMA	HBAP	IRB-A	STD	IMA/STD
PRA	HSBC Holdings plc	IRB-A	STD	IMA/STD

IRB-A	= Internal Ratings Based – Advanced Approach for Credit Risk
IMA	= Internal Models Approach for Market Risk
STD	= Standardised Approach for either Credit, Market or Operational Risk
STD (ASA)	= Standardised Approach (Alternative Standardised Approach) for Operational Risk

Frequency

This report comprises of quarterly disclosures on Capital Adequacy (Table 3), Credit Risk (Table 4), Securitisation Exposures (Table 5) and Liquidity Coverage Ratio (Table 20). In addition, annual disclosures for the Regulatory Capital Composition and Reconciliation (Table 1) and the Net Stable Funding Ratio (Table 21) are published as at 31 December balance sheet date.

These disclosures can be viewed on the HSBC website under the 'Financial disclosures' tab using the following link:
<https://www.about.hsbc.com.au/hsbc-in-australia>.

The Bank's main features of capital instruments (Table 2) are updated on an ongoing basis and are available at the Regulatory Disclosures section of the Bank's website at the above address.

Enquiries

Lettina Evans

+61 2 9006 5788

Lettina.evans@hsbc.com.au

Capital

Capital disclosures detailed in the template below represent the post 1 January 2018 Basel III common disclosure requirements. HSBC Bank Australia Limited is applying the Basel III regulatory adjustments in full as implemented by APRA.

Table 1: Capital disclosure template

Ref		\$m	Reference to Appendix I	Reference to Appendix II
	Common equity tier 1 ('CET1') capital: instruments and reserves			
1	Directly issued qualifying ordinary shares (and equivalent for mutually owned entities) capital	811.0		E1
2	Retained earnings	2,047.2	Table A	
3	Accumulated other comprehensive income (and other reserves)	(35.8)	Table B	
4	Directly issued capital subject to phase out from CET1 (only applicable to mutually owned companies)	—		
5	Ordinary share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	—		
6	Common equity tier 1 capital before regulatory adjustments	2,822.4		
	Common equity tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	—		
8	Goodwill (net of related tax liability)	58.7	Table C	
9	Other Intangibles other than mortgage servicing rights (net of related tax liability)	7.0	Table C	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	—		
11	Cash flow hedge reserve	(0.9)		
12	Shortfall of provisions to expected losses	—		
13	Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)	—		
14	Gains and losses due to changes in own credit risk on fair valued liabilities	—		
15	Defined benefit superannuation fund net assets	—		
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	—		
17	Reciprocal cross-holdings in common equity	—		
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	—		
19	Significant investments in the ordinary shares of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	—		
20	Mortgage service rights (amount above 10% threshold)	—		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	—		
22	Amount exceeding the 15% threshold:	—		
23	– of which:			
	significant investments in the ordinary shares of financial entities	—		
24	mortgage servicing rights	—		
25	deferred tax assets arising from temporary differences	—		
26	National specific regulatory adjustments (rows 26a, 26b, 26c, 26d, 26e, 26f, 26g, 26h, 26i, 26j):	234.5		
26a	– of which:			
	treasury shares	—		
26b	offset to dividends declared due to a dividend reinvestment plan ('DRP'), to the extent that the dividends are used to purchase new ordinary shares issued by the ADI	—		
26c	deferred fee income	—		
26d	equity investments in financial institutions not reported in rows 18, 19 and 23	4.0		
26e	deferred tax assets not reported in rows 10, 21 and 25	114.6		A13
26f	capitalised expenses	115.9		
26g	investments in commercial (non-financial) entities that are deducted under APRA prudential requirements	—		
26h	covered bonds in excess of asset cover in pools	—		
26i	undercapitalisation of a non-consolidated subsidiary	—		
26j	other national specific regulatory adjustments not reported in rows 26a to 26i	—		
27	Regulatory adjustments applied to CET1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	—		
28	Total regulatory adjustments to common equity tier 1	299.3		
29	Common equity tier 1 capital ('CET1')	2,523.1		
	Additional tier 1 ('AT1') capital: instruments			
30	Directly issued qualifying additional tier 1 instruments	400.0		
31	– of which:			
	classified as equity under applicable accounting standards	400.0		
32	classified as liabilities under applicable accounting standards	—		
33	Directly issued capital instruments subject to phase out from Additional Tier 1	—		
34	Additional tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	—		
35	– of which: instruments issued by subsidiaries subject to phase out	—		
36	Additional tier 1 capital before regulatory adjustments	400.0		

Table 1: Capital disclosure template (continued)

Ref		\$m	Reference to Appendix I	Reference to Appendix II
	Additional tier 1 capital: regulatory adjustments	–		
37	Investments in own additional tier 1 instruments	–		
38	Reciprocal cross-holdings in additional tier 1 instruments	–		
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	–		
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–		
41	National specific regulatory adjustments (rows 41a, 41b, 41c)	–		
41a	– of which: holdings of capital instruments in group members by other group members on behalf of third parties	–		
41b	investments in the capital of financial institutions that are outside the scope of regulatory consolidations not reported in rows 39 and 40	–		
41c	other national specific regulatory adjustments not reported in rows 41a and 41b	–		
42	Regulatory adjustments applied to additional tier 1 due to insufficient tier 2 to cover deductions	–		
43	Total regulatory adjustments to additional tier 1 capital	–		
44	Additional tier 1 capital	400.0		
45	Tier 1 capital (T1=CET1+AT1)	2,923.1		
	Tier 2 capital: instruments and provisions			
46	Directly issued qualifying tier 2 instruments	350.0		
47	Directly issued capital instruments subject to phase out from tier 2	–		
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group tier 2)	–		
49	– of which: instruments issued by subsidiaries subject to phase out	–		
50	Provisions	18.7	Table D	
51	Tier 2 capital before regulatory adjustments	368.7		
	Tier 2 capital: regulatory adjustments			
52	Investments in own tier 2 instruments	–		
53	Reciprocal cross-holdings in tier 2 instruments	–		
54	Investments in the tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	–		
55	Significant investments in the tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	–		
56	National specific regulatory adjustments (rows 56a, 56b, 56c)	–		
56a	– of which: holdings of capital instruments in group members by other group members on behalf of third parties	–		
56b	investments in the capital of financial institutions that are outside the scope of regulatory consolidation not reported in rows 54 and 55	–		
56c	other national specific regulatory adjustments not reported in rows 56a and 56b	–		
57	Total regulatory adjustments to tier 2 capital	–		
58	Tier 2 capital (T2)	368.7		
59	Total capital (TC=T1+T2)	3,291.8		
60	Total risk-weighted assets based on APRA standards	21,697.4		
	Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk-weighted assets) (%)	11.6		
62	Tier 1 (as a percentage of risk-weighted assets) (%)	13.5		
63	Total Capital (as a percentage of risk-weighted assets) (%)	15.2		
64	Buffer requirement (minimum CET1 requirement of 4.5% plus capital conservation buffer of 2.5% plus any countercyclical buffer requirements, expressed as a percentage of risk-weighted assets) (%)	7.0		
65	– of which: capital conservation buffer requirement (%)	2.5		
66	ADI-specific countercyclical buffer requirements (%)	1.0	Table E	
67	G-SIB buffer requirement (not applicable)	–		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets) (%)	11.6		
	National minima (if different from Basel III)			
69	National common equity tier 1 minimum ratio (if different from Basel III minimum)	–		
70	National tier 1 minimum ratio (if different from Basel III minimum)	–		
71	National total capital minimum ratio (if different from Basel III minimum)	–		
	Amount below thresholds for deductions (not risk-weighted)			
72	Non-significant investments in the capital of other financial entities	4.0		
73	Significant investments in the ordinary shares of financial entities	–		
74	Mortgage servicing rights (net of related tax liability)	–		
75	Deferred tax assets arising from temporary differences (net of related tax liability)	114.6		A13

Basel III Pillar 3 Disclosures at 31 December 2024

Table 1: Capital disclosure template (continued)

Ref		\$m	Reference to Appendix I	Reference to Appendix II
Applicable caps on the inclusion of provisions in tier 2				
76	Provisions eligible for inclusion in tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	18.7		
77	Cap on inclusion of provisions in tier 2 under standardised approach	245.5		
78	Provisions eligible for inclusion in tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	—		
79	Cap for inclusion of provisions in tier 2 under internal ratings-based approach	—		
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)				
80	Current cap on CET1 instruments subject to phase out arrangements	—		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	—		
82	Current cap on AT1 instruments subject to phase out arrangements	—		
83	Amount excluded from AT1 instruments due to cap (excess over cap after redemptions and maturities)	—		
84	Current cap on T2 instruments subject to phase out arrangements	—		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	—		

Table 3: Capital adequacy (consolidated)

	At 31 Dec 2024 \$m	At 30 Sep 2024 \$m
Capital requirements (in terms of risk-weighted assets) for credit risk by portfolio		
Corporate	6,144.2	5,957.5
Government	—	—
Bank	394.0	348.9
Residential mortgage	11,976.1	11,771.6
Other retail	848.9	845.3
All other	255.6	351.5
Total Credit risk weighted assets (excluding securitisation)	19,618.7	19,274.8
Capital requirements (in terms of risk-weighted assets) for securitisation	25.2	26.5
Capital requirements (in terms of risk-weighted assets) for market risk	112.7	109.5
Capital requirements (in terms of risk-weighted assets) for operational risk	1,940.8	1,940.8
Total risk-weighted assets	21,697.4	21,351.6
Capital ratios (for the consolidated banking group)		
Common equity tier 1 capital ratio (%)	11.6	11.9
Tier 1 capital ratio (%)	13.5	13.8
Total capital ratio (%)	15.2	15.5

Credit risk

Table 4(A): Credit risk by gross credit exposure (consolidated)

Exposure type	At 31 Dec 2024		At 30 Sep 2024	
	Total gross credit risk exposures	Average gross exposure over the period	Total gross credit risk exposures	Average gross exposure over the period
	\$m	\$m	\$m	\$m
Cash and liquid assets	843.0	814.3	785.6	723.9
Debt securities	16,317.0	14,766.6	13,216.2	13,380.8
Due from other financial institutions	5,311.0	4,769.9	4,228.8	4,277.7
Loans and advances	36,364.9	36,206.9	36,048.8	35,519.1
Derivatives	165.1	181.6	198.0	176.4
Contingent liabilities, commitments and other off-balance sheet exposures	10,046.6	10,794.7	11,542.8	11,768.5
Other assets	638.0	636.2	634.7	637.9
Total exposures	69,685.6	68,170.2	66,654.9	66,484.3
Portfolio type				
Corporate	7,683.2	7,634.5	7,585.8	7,481.5
Government	15,160.9	13,617.8	12,074.6	12,206.4
Bank	9,293.8	9,659.8	10,025.8	10,269.6
Residential mortgage	36,183.2	35,850.7	35,518.1	35,090.8
Other retail	1,106.4	1,103.3	1,100.3	1,108.6
All other	258.1	304.2	350.3	327.4
Total exposures	69,685.6	68,170.3	66,654.9	66,484.3

Note: Total exposures are based on APRA definitions.

Table 4(B): Credit risk: non-performing exposures (consolidated)

Financial position	At 31 Dec 2024		3 months ended 31 Dec 2024	
	Non-performing loans	Specific provisions ¹	Net charges for specific provisions ³	Net write-offs ²
	\$m	\$m	\$m	\$m
Portfolios subject to standardised approach				
– corporate	57.6	22.9	3.0	2.6
– government	—	—	—	—
– bank	22.9	15.5	0.6	—
– residential mortgage	489.3	6.7	0.7	—
– other retail	22.3	5.9	(0.4)	—
– all other	—	—	—	—
Total	592.1	50.9	3.9	2.6
	At 30 Sep 2024		3 months ended 30 Sep 2024	
	Non-performing loans	Specific provisions ¹	Net charges for specific provisions ³	Net write-offs ²
	\$m	\$m	\$m	\$m
Portfolios subject to standardised approach				
– corporate	80.8	22.5	2.3	2.5
– government	—	—	—	—
– bank	20.5	14.9	(0.3)	—
– residential mortgage	456.3	5.9	0.4	—
– other retail	22.2	6.3	(0.4)	—
– all other	—	—	—	—
Total	579.8	49.6	2.1	2.5

- 1 Specific provisions only include Stage 3 ECL, which is now updated from March 2023 as a result of the transitional APS330 changes to the ARS220 updates which replaces impaired and past due with Non-performing loans that only relates to Stage 3 exposures.
- 2 Net write-offs equal write-offs from individual provisions, write-offs direct from collective provisions less recoveries of amounts previously written off, for the three months.
- 3 Charges for specific provisions other than provisions written off.

Table 4(C): Credit risk: provisions held against performing exposures

	At 31 Dec 2024	At 30 Sep 2024
	\$m	\$m
Provisions held against performing exposures that represent a purely forward looking amount for future losses that are presently unidentified (as reported in Tier 2 capital)	18.7	15.8

Securitisation

Table 5: Securitisation exposure

Exposure type	31 Dec 2024		30 Sep 2024	
	Securitisation activity	Gain or loss on sale	Securitisation activity	Gain or loss on sale
	\$m	\$m	\$m	\$m
Residential mortgages – ADI originated	—	—	—	—
Credit cards – third party originated	—	—	—	—
Total	—	—	—	—

Securitisation exposure	At 31 Dec 2024		At 30 Sep 2024	
	On-balance sheet securitisation exposures retained or purchased	Off-balance sheet securitisation exposures	On-balance sheet securitisation exposures retained or purchased	Off-balance sheet securitisation exposures
	\$m	\$m	\$m	\$m
Securities held in the banking book ¹	3.9	—	4.2	—
Liquidity facilities	—	44.9	—	47.3
Funding facilities ¹	—	—	—	—
Swaps	—	119.3	—	125.2
Other	5.0	—	4.0	—
Total	8.9	164.2	8.2	172.5

1 Reclassification from Funding facilities to Securities held in the banking book for 31 Dec 2024 and comparatives restated accordingly for 30 Sep 2024.

Liquidity coverage ratio disclosure

The Liquidity Coverage Ratio ('LCR') aims to ensure that a bank has sufficient High Quality Liquid Assets ('HQLA') to meet its liquidity needs in a 30-calendar day severe liquidity stress scenario. HBAU follows guidelines set by APRA and is compliant with the minimum coverage ratio requirement of 100%. HBAU reported a weighted average LCR of 169.2% in the quarter ended 31 December 2024.

HBAU maintains a well-diversified and high-quality liquid asset portfolio to support regulatory and internal requirements. Average liquid assets for the quarter were \$18.6bn. HBAU's mix of liquid assets consist of cash, deposits with the Central Bank, Australian Semi Government and Commonwealth Government Securities.

Funding sources to support business lending are primarily from customer deposits.

LCR Net Cash Outflows ('NCOs') represent the net cash inflows and outflows that could potentially occur from on and off-balance sheet activities within a 30-day severe liquidity stress scenario. The cash flows are calculated by applying APRA prescribed run-off factors to maturing debt, deposits and off-balance sheet exposures offset by inflows from assets based on prescribed run-off factors. Higher run-off factors are applied to sophisticated investors and depositors including long term and short-term debt holders, financial institution,

and corporate depositors. Lower run-off factors are applied to deposits less likely to be withdrawn in a period of severe stress. These include deposits from retail customers and corporate and financial institutions, which are considered to be operational in nature.

Cash outflows arising from business activities that create contingent funding and collateral requirements, such as repo funding and derivatives and the extension of credit and liquidity facilities to customers, are also captured within the LCR calculation along with an allowance for debt buyback requests.

HBAU manages its LCR position on a daily basis, ensuring a buffer is maintained over the minimum regulatory requirement and the Board's risk appetite.

During the period of September 2024 to December 2024, the average LCR ratio has increased by 0.1% from 169.1% to 169.2%. This was mainly driven by increase in high-quality liquid assets of \$1.2bn.

HBAU monitors the LCR for its material currencies. Limits are set to ensure that outflows can be met. This continuous monitoring helps with overall management of currency exposures, in line with our internal framework.

Table 20: Liquidity coverage ratio disclosure

	At 31 Dec 2024		At 30 Sep 2024	
	Total unweighted value (average) \$m	Total weighted value (average) \$m	Total unweighted value (average) \$m	Total weighted value (average) \$m
Liquid assets		18,629.5		17,437.6
1 – of which:				
high-quality liquid assets ('HQLA')		18,629.5		17,437.6
2 alternative liquid assets ('ALA')		—		—
3 Reserve Bank of New Zealand ('RBNZ') securities		—		—
Cash outflows				
4 Retail deposits and deposits from small business customers	20,946.9	1,802.4	21,173.0	1,844.9
5 – of which:				
stable deposits	10,066.1	503.3	10,033.4	501.7
6 less stable deposits	10,880.8	1,299.1	11,139.6	1,343.2
7 Unsecured wholesale funding	19,302.6	8,010.0	18,199.9	7,255.0
8 – of which:				
operational deposits (all counterparties) and deposits in networks for cooperative banks	9,636.3	2,310.1	9,372.5	2,246.2
9 non-operational deposits (all counterparties)	9,666.3	5,699.9	8,762.8	4,944.2
10 unsecured debt	—	—	64.6	64.6
11 Secured wholesale funding		31.7		—
12 Additional requirements	9,166.0	1,226.5	8,953.2	1,148.9
13 – of which:				
outflows related to derivatives exposures and other collateral requirements	445.5	445.5	366.2	366.2
14 outflows related to loss of funding on debt products	0.9	0.9	0.9	0.9
15 credit and liquidity facilities	8,719.6	780.1	8,586.1	781.8
16 Other contractual funding obligations	162.9	157.2	235.1	229.4
17 Other contingent funding obligations	4,606.3	429.5	4,721.5	422.5
18 Total cash outflows		11,657.3		10,900.7
Cash inflows				
19 Secured lending (e.g. reverse repos)	1,494.6	—	2,010.6	—
20 Inflows from fully performing exposures	900.3	542.2	905.3	540.9
21 Other cash inflows	102.6	102.6	50.4	50.4
22 Total cash inflows	2,497.5	644.8	2,966.3	591.3
23 Total liquid assets		18,629.5		17,437.6
24 Total net cash outflows		11,012.5		10,309.4
25 Liquidity coverage ratio (%)		169.2		169.1
Data points		63		65

The LCR Disclosure Template reflects the Basel standards and is calculated based on simple averages of daily observations over the previous quarter excluding weekends and public holidays.

Net stable funding ratio disclosure

The net stable funding ratio ('NSFR') is a regulatory metric that requires that Available Stable Funding ('ASF') be sufficient to cover Required Stable Funding ('RSF'). It reflects a bank's long term funding profile (funding with a term of more than a year). It is designed to complement the LCR. The NSFR seeks to encourage Authorised Deposit-Taking Institutions ('ADIs') to fund their business activities with more stable sources of funding on an ongoing basis, and thereby promote greater balance sheet resilience.

HBAU actively manages its NSFR position ensuring a buffer is maintained over the minimum regulatory requirement and the Board's risk appetite.

At 31 December 2024, HBAU's NSFR was 146.8%, up by 6.9% from September 2024. This was mainly attributable to increased Available

Stable Funding of \$1.7bn whilst Required Stable Funding was largely unchanged.

The main sources of ASF at December 2024 were deposits from Retail and SME customers at 60%, wholesale funding at 32% and capital at 8% of the total ASF.

The majority of HBAU's RSF at December 2024 was driven by mortgages at 74% and lending to non-financial customers at 12% of the total RSF.

The tables below display the NSFR for HBAU as at 31 December 2024 and 30 September 2024.

Table 21: Net stable funding ratio disclosure

		At 31 Dec 2024				
		Un-weighted value by residual maturity				Weighted value \$m
		No maturity \$m	<6 months \$m	6 months to <1yr \$m	>=1yr \$m	
Available Stable Funding ('ASF') Item						
1	Capital	3,591.1	—	—	—	3,591.1
2	Regulatory capital	3,591.1	—	—	—	3,591.1
3	Other capital instruments	—	—	—	—	—
4	Retail deposits and deposits from small business customers	—	29,013.5	—	—	26,759.1
5	Stable deposits	—	12,939.7	—	—	12,292.7
6	Less stable deposits	—	16,073.8	—	—	14,466.5
7	Wholesale funding	—	24,200.2	2,312.8	4,206.6	14,320.7
8	Operational deposits	—	10,553.0	—	—	5,276.5
9	Other wholesale funding	—	13,647.2	2,312.8	4,206.6	9,044.2
10	Liabilities with matching interdependent assets	—	—	—	—	—
11	Other liabilities	718.8	196.8	—	—	170.2
12	NSFR derivative liabilities	—	—	—	—	—
13	All other liabilities and equity not included in the above categories	718.8	196.8	—	—	170.2
14	Total ASF					44,841.2
Required Stable Funding ('RSF') Item						
15(a)	Total NSFR ('HQLA')					751.4
15(b)	ALA					—
15(c)	RBNZ securities					—
16	Deposits held at other financial institutions for operational purposes					—
17	Performing loans and securities	1,032.7	4,724.5	629.0	36,487.8	27,896.0
18	Performing loans to financial institutions secured by Level 1 HQLA	—	2,359.2	—	—	235.9
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	154.3	420.0	95.8	226.1	491.4
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities ('PSEs'), of which:	878.3	1,686.0	303.8	2,432.0	3,809.3
21	With a risk weight of less than or equal to 35% under APS 112	—	—	—	—	—
22	Performing residential property loans, of which:	—	2.1	0.3	33,342.2	22,701.9
23	Are standard loans to individuals with a LVR of 80 per cent or below	—	2.1	0.3	33,342.2	22,701.9
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	—	257.2	229.2	487.5	657.5
25	Assets with matching interdependent liabilities	—	—	—	—	—
26	Other assets:	390.3	—	0.5	979.5	1,369.2
27	Physical traded commodities, including gold					—
28	Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties ('CCPs')			7.7		6.5
29	NSFR derivative assets			198.7		198.7
30	NSFR derivative liabilities before deduction of variation margin posted			25.4		25.4
31	All other assets not included in the above categories	390.3	—	0.5	747.8	1,138.6
32	Off-balance sheet items			13,714.5		525.9
33	Total RSF					30,542.6
34	Net Stable Funding Ratio (%)					146.8

Table 21: Net stable funding ratio disclosure (continued)

		At 30 Sep 2024				
		Un-weighted value by residual maturity				Weighted value
		No maturity	<6 months	6 months to <1yr	>=1yr	
		\$m	\$m	\$m	\$m	\$m
Available Stable Funding ('ASF') Item						
1	Capital	3,594.3	—	—	—	3,594.3
2	Regulatory capital	3,594.3	—	—	—	3,594.3
3	Other capital instruments	—	—	—	—	—
4	Retail deposits and deposits from small business customers	—	28,103.2	—	—	25,919.4
5	Stable deposits	—	12,530.9	—	—	11,904.4
6	Less stable deposits	—	15,572.2	—	—	14,015.0
7	Wholesale funding	—	21,790.6	1,681.3	4,282.7	13,417.1
8	Operational deposits	—	9,803.1	—	—	4,901.6
9	Other wholesale funding	—	11,987.5	1,681.3	4,282.7	8,515.6
10	Liabilities with matching interdependent assets	—	—	—	—	—
11	Other liabilities	652.3	167.6	—	—	219.9
12	NSFR derivative liabilities	—	—	—	—	—
13	All other liabilities and equity not included in the above categories	652.3	167.6	—	—	219.9
14	Total ASF	—	—	—	—	43,150.7
Required Stable Funding ('RSF') Item						
15(a)	Total NSFR ('HQLA')	—	—	—	—	1,127.0
15(b)	ALA	—	—	—	—	—
15(c)	RBNZ securities	—	—	—	—	—
16	Deposits held at other financial institutions for operational purposes	—	—	—	—	—
17	Performing loans and securities	1,149.3	4,572.6	764.9	36,457.6	27,966.6
18	Performing loans to financial institutions secured by Level 1 HQLA	—	2,891.2	—	—	289.1
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	217.5	205.7	58.4	316.1	593.7
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities ('PSEs'), of which:	931.8	1,474.1	329.4	2,519.2	3,835.7
21	With a risk weight of less than or equal to 35% under APS 112	—	—	—	—	—
22	Performing residential property loans, of which:	—	1.6	0.9	33,024.2	22,551.5
23	Are standard loans to individuals with a LVR of 80 per cent or below	—	1.6	0.9	33,024.2	22,551.5
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	—	—	376.2	598.1	696.5
25	Assets with matching interdependent liabilities	—	—	—	—	—
26	Other assets:	366.0	—	—	877.7	1,242.6
27	Physical traded commodities, including gold	—	—	—	—	—
28	Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties ('CCPs')	—	—	7.0	—	5.9
29	NSFR derivative assets	—	—	23.0	—	23.0
30	NSFR derivative liabilities before deduction of variation margin posted	—	—	24.8	—	24.8
31	All other assets not included in the above categories	366.0	—	—	822.9	1,188.9
32	Off-balance sheet items	—	—	13,063.0	—	496.5
33	Total RSF	—	—	—	—	30,832.6
34	Net Stable Funding Ratio (%)	—	—	—	—	140.0

Appendix I

Reconciliation between detailed capital template and regulatory balance sheet

	\$m	Template reference
Table A		
Retained earnings		
Total per balance sheet	2,039.6	
Less increments in general reserve for credit losses deducted from retained earnings	—	
Add eligible deferred fee income recognised in regulatory capital	7.6	
Total common disclosure template – retained earnings	2,047.2	row 2
Table B		
Reserves		
Total per balance sheet	357.7	
Less additional tier 1 capital loan	(400.0)	
Less capital contribution reserve and other reserves	6.5	
Total common disclosure template – other comprehensive income	(35.8)	row 3
Table C		
Goodwill & other intangibles		
Total per balance sheet	65.7	
Less capitalised software and other intangibles separately disclosed in template	(7.0)	
Total common disclosure template – goodwill	58.7	row 8
Other intangibles including capitalised software	7.0	
Less deferred tax liability associated with other intangibles	—	
Total common disclosure template – other intangibles	7.0	row 9
Table D		
Tier 2 eligible provisions		
Total included in balance sheet	18.7	
Exclude non-eligible provision per APS 220	—	
Add increments in general reserve for credit losses deducted from retained earnings	—	
Total common disclosure template – tier 2 eligible provisions	18.7	row 50

Table E: Countercyclical Capital Buffer

The countercyclical capital buffer represents an extension to the capital conservation buffer and may require an ADI to hold additional CET1 capital of up to 3.5% of RWA. It is calculated in accordance with APS 110. Its primary objective is to use a buffer of capital to achieve the broader macroprudential goal of protecting the banking sector from periods of excess aggregate credit growth that have often been associated with the build-up of system-wide risk.

The following table provides a geographic breakdown of RWA associated with private sector credit exposures that are used to calculate the Level 2 Group's countercyclical capital buffer requirement.

Country ³	RWA ¹ \$m	Jurisdictional Buffer %	ADI Specific Buffer ² %	Template Reference
Australia	18,313.77	1.00	0.9329	
France	22.00	1.00	0.0011	
Hong Kong	4.97	1.00	0.0003	
United Kingdom	225.31	2.00	0.0115	
Netherlands	6.87	2.00	0.0004	
Luxembourg	0.53	0.50	0.0000	
Germany	6.74	0.75	0.0003	
Korea, Rep of (South)	1.33	1.00	0.0001	
Belgium	0.80	0.50	0.0000	
Ireland	2.00	1.50	0.0001	
Denmark	58.47	2.50	0.0030	
Others	650.23			
Total	19,293.02		0.9828	row 66

1 Represents total private sector (excludes Banks and Sovereigns) credit and specific market risk RWA.

2 Calculated as each country share of total private sector credit and specific market RWA multiplied by the Countercyclical Capital Buffer applicable in each country.

3 Represents country of ultimate risk as at 31 December 2024.

Appendix II

Regulatory capital reconciliation

The following table disclosure relates to the consolidated balance sheet of HSBC Bank Australia Limited and its subsidiaries, as published in its audited 31 December 2024 financial statements, and the balance sheet under level 2 regulatory scope of consolidation per APS 111.

	Statutory balance sheet \$m	Adjustments \$m	Level 2 regulatory balance sheet \$m	Reconciliation table, common disclosure reference	
Assets					
A1	Cash and liquid assets	4,992.4	—	4,992.4	
A2	Receivables due from other financial institutions	84.6	—	84.6	
A3	Trading securities	—	—	—	
A4	Derivative assets	427.3	—	427.3	
A5	Investment securities	16,007.5	—	16,007.5	
A6	Loans, bills discounted and other receivables	39,638.7	—	39,638.7	
A8	Investment in regulatory non-consolidated subsidiaries	—	—	—	
A10	Property, plant and equipment	44.6	—	44.6	
A11	Investment in associates	—	—	—	
A12	Intangible assets	65.6	—	65.6	Table C
	– of which: other intangibles	7.0	—	7.0	row 9, Table C
A13	Deferred tax assets	114.8	—	114.8	row 26e
A14	Other assets	3,944.8	—	3,944.8	
	Total assets	65,320.3	—	65,320.3	
Liabilities					
L1	Deposits and other borrowings	54,349.7	—	54,349.7	
L2	Payables due to other financial institutions	556.0	—	556.0	
L3	Derivative liabilities	228.6	—	228.6	
L6	Income tax liabilities	—	—	—	
L7	Provisions	132.5	—	132.5	
L9	Payables and other liabilities	6,495.2	—	6,495.2	
L10	Loan capital	350.0	—	350.0	
	– of which: Qualifying Tier 2 instruments	350.0	—	350.0	row 46
	Total liabilities	62,112.0	—	62,112.0	
	Net assets	3,208.3	—	3,208.3	
Equity					
	Share capital				
E1	Ordinary share capital	811.0	—	811.0	row 1
E2	Other equity instruments	—	—	—	
E3	Reserves	357.7	—	357.7	Table B
	– of which:				
	Qualifying Additional Tier 1 instruments	400.0	—	400.0	row 30
	Other reserves	(42.3)	—	(42.3)	row 3
E4	Retained profits	2,039.6	—	2,039.6	Table A
	Total equity	3,208.3	—	3,208.3	

HSBC Bank Australia Limited

ABN 48 006 434 162 AFSL 232595

Head Office:

Level 36, Tower 1 - International Towers Sydney

100 Barangaroo Avenue,

Sydney, NSW Australia 2000

www.hsbc.com.au