

HSBC Holdings plc  
Interim Report 2025



# Opening up a world of opportunity

Our ambition is to become the world's most trusted bank globally, putting customers at the heart of everything we do.

This refreshed ambition will help us focus on generating strategic growth and delivering attractive shareholder returns.

► For more details, see the Group CEO's shareholder letter on page 3.

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### A reminder

The currency we report in is US dollars.

### Use of alternative performance measures

We supplement our IFRS Accounting Standards figures with non-IFRS Accounting Standards measures used by management internally that constitute alternative performance measures under European Securities and Markets Authority guidance and non-GAAP financial measures defined in and presented in accordance with US Securities and Exchange Commission rules and regulations. These measures are highlighted with the following symbol: ♦

► Further explanation may be found on pages 5 and 18.

### Segmental reporting

Effective from 1 January 2025, the Group's operating segments comprise four new businesses: Hong Kong, UK, Corporate and Institutional Banking ('CIB') and International Wealth and Premier Banking ('IWPB'), along with Corporate Centre. All segmental comparative data have been re-presented on this basis.

► For further detail on our business segments, see pages 11 and 26.

### Financial targets

For our financial targets, medium term is defined as between three to five years, and long term as five to six years, from 1 January 2025.

► See pages 2 and 5 for further details.

None of the websites referred to in this Interim Report for the half-year ended 30 June 2025, including where a link is provided, nor any of the information contained on such websites, is incorporated by reference in this report.

## Financial performance indicators in 1H25

Return on average tangible equity (annualised) ♦

14.7%

(1H24: 21.4%)

Profit before tax

\$15.8bn

(1H24: \$21.6bn)

Common equity tier 1 capital ratio

14.6%

(31 Dec 2024: 14.9%)

Return on average tangible equity excluding notable items (annualised) ♦

18.2%

(1H24: 17.0%)

Constant currency profit before tax excluding notable items ♦

\$18.9bn

(1H24: \$18.0bn)

Second interim dividend per share

\$0.10

(2Q24 dividend per share: \$0.31, including a second interim dividend of \$0.10 and \$0.21 special dividend)

# Highlights

## Financial performance in 1H25

- **Profit before tax decreased by \$5.7bn to \$15.8bn compared with 1H24**, primarily due to the recognition of dilution and impairment losses of \$2.1bn related to our associate Bank of Communications Co., Limited ('BoCom'). In addition, there was an adverse impact from the non-recurrence of \$3.6bn in net gains in 1H24 relating to the disposals of our banking business in Canada and our business in Argentina. **Profit after tax of \$12.4bn was \$5.2bn or 30% lower compared with 1H24.**
- **Constant currency profit before tax excluding notable items increased by \$0.9bn to \$18.9bn compared with 1H24**, from a strong performance in Wealth in our IWPB and Hong Kong business segments, supported by higher customer activity, and in Foreign Exchange and Debt and Equity Markets driven by volatile market conditions. This was partly offset by higher expected credit losses and other credit impairment charges ('ECL') and a targeted increase in operating expenses, which included higher spend and investment in technology.
- **Annualised return on average tangible equity ('RoTE') in 1H25 was 14.7%, compared with 21.4% in 1H24. Excluding notable items, annualised RoTE in 1H25 was 18.2%**, a rise of 1.2 percentage points compared with 1H24.
- **Revenue decreased by \$3.2bn or 9% to \$34.1bn compared with 1H24.** The reduction reflected the year-on-year impact of notable items, mainly from disposals in Canada and Argentina in 1H24. Excluding notable items, revenue increased primarily due to fee and other income growth in Wealth and in Foreign Exchange and in Debt and Equity Markets. **Constant currency revenue excluding notable items rose by \$1.9bn to \$35.4bn compared with 1H24.**
- **Net interest income ('NII') decreased by \$0.1bn compared with 1H24**, including an adverse impact of \$0.4bn from foreign currency translation differences. On a constant currency basis, NII increased as the benefit of our structural hedge and lower costs of funding offset reductions due to the business disposals in Argentina and Canada and the impact of lower market interest rates on asset re-pricing. The reduction in interest rates reduced the funding costs of the trading book, which led to a **fall in banking net interest income ('banking NII') of \$0.9bn or 4% compared with 1H24.**
- **Net interest margin ('NIM') of 1.57% decreased by 5 basis points ('bps') compared with 1H24**, mainly due to an adverse impact from foreign currency translation differences and the disposal of our business in Argentina, partly offset by the benefit of our structural hedge.
- **ECL of \$1.9bn were \$0.9bn higher than in 1H24.** The charge in 1H25 included charges related to the Hong Kong commercial real estate ('CRE') sector. This reflected updates to our models used for ECL calculations, an increase in allowances for new defaulted exposures, as well as the over-supply of non-residential properties putting continued downward pressure on rental and capital values. The 1H25 period also included allowances to reflect heightened uncertainty and a deterioration in the forward economic outlook due to geopolitical tensions and higher trade tariffs. In 1H24, the ECL charge benefited from allowance releases, mainly in the UK.
- **Operating expenses of \$17.0bn were \$0.7bn or 4% higher than in 1H24.** Growth reflected restructuring and other related costs associated with our organisational simplification of \$0.6bn. It also included higher spend and investment in technology. These increases were partly offset by cost reductions due to our disposals in Canada and Argentina.
- **Target basis operating expenses were \$0.4bn or 3% higher than in 1H24**, primarily due to higher spend and investment in technology and the impacts of inflation.
- **Customer lending balances of \$982bn increased by \$51bn compared with 31 December 2024**, including favourable foreign currency translation differences. On a constant currency basis, lending balances increased by \$7bn, mainly in our UK business.
- **Customer accounts of \$1,719bn increased by \$64bn compared with 31 December 2024**, including favourable foreign currency translation differences. On a constant currency basis, customer accounts decreased by \$8bn, mainly from the classification of deposits to held for sale, notably \$12bn related to our custody business in Germany, and outflows in CIB in the UK, partly offset by an increase in our Hong Kong business.
- **Common equity tier 1 ('CET1') capital ratio of 14.6% decreased by 0.3 percentage points compared with 31 December 2024**, driven by an increase in risk-weighted assets ('RWAs'), partly offset by an increase in CET1 capital through profit generation net of distributions. The increase in RWAs was mainly driven by foreign currency translation differences and asset size movements.
- The Board has approved a **second interim dividend of \$0.10 per share**. We also intend to initiate a **share buy-back of up to \$3bn**, which we expect to complete by our third quarter 2025 results announcement.

► For detailed commentary, see page 7.

## Financial performance in 2Q25

- **Profit before tax decreased by \$2.6bn or 29% to \$6.3bn compared with 2Q24**, primarily due to the recognition of dilution and impairment losses of \$2.1bn in BoCom. Profit after tax of \$4.9bn was \$2.0bn or 29% lower compared with 2Q24. **On a constant currency basis, profit before tax decreased by \$2.7bn or 30%.**
- **Revenue fell by \$0.1bn to \$16.5bn compared with 2Q24.** The reduction included the impact of notable items, as mentioned above. Excluding these, revenue increased primarily due to fee and other income growth in Wealth in our IWPB and Hong Kong business segments, supported by higher customer activity, and in Foreign Exchange and in Debt and Equity Markets, driven by volatile market conditions.
- **Constant currency revenue excluding notable items rose by \$0.8bn to \$17.7bn.**
- **NIM of 1.56% decreased by 3 bps compared with 1Q25**, driven by lower margins in Asia.
- **ECL of \$1.1bn were \$0.7bn higher than in 2Q24.** The charge in 2Q25 included charges related to the Hong Kong CRE sector. This reflected updates to our models used for ECL calculations, an increase in allowances for new defaulted exposures, as well as the over-supply of non-residential properties putting continued downward pressure on rental and capital values. In 2Q24, the ECL charge benefited from a release of allowances in the UK and from a recovery relating to a single CIB client.
- **Operating expenses of \$8.9bn rose by \$0.8bn or 10% compared with 2Q24.** The increase was related to restructuring and other related costs associated with our organisational simplification, and from higher spend and investment in technology. These increases were partly offset by the impact of the disposal of our business in Argentina.
- **Customer lending increased by \$37bn compared with 1Q25 on a reported basis** and by \$5bn on a constant currency basis.
- **Customer accounts increased by \$52bn compared with 1Q25 on a reported basis** and by \$2bn on a constant currency basis.

## Outlook

- **We operate in a global environment characterised by constant change and uncertainty, creating volatility in both economic forecasts and financial markets.** The Group is well positioned to manage the impacts of these challenges and is focused on delivering the best outcomes for our customers.
- **We continue to target a mid-teens RoTE in each of the three years from 2025 to 2027 excluding notable items.** We also continue to expect banking NII of around \$42bn in 2025 based on our latest modelling, recognising the favourable impacts of foreign exchange rates and the adverse effect of the fall in the Hong Kong Interbank Offered Rate ('HIBOR'), particularly during 2Q25.
- The Group is well positioned to manage the changes and uncertainties prevalent within the global environment in which we operate, including in relation to tariffs. **We have modelled a disruptive tariff scenario that includes significant reductions in policy rates, together with broader macroeconomic deterioration.** While we would expect the direct impact from tariffs to have a relatively modest impact on our revenue, the broader macroeconomic deterioration may see RoTE excluding notable items fall outside of our mid-teens targeted range in future years.
- **We now expect ECL charges as a percentage of average gross loans to be around 40bps in 2025** (including loans held for sale balances). This reflects continuing challenging market conditions in the Hong Kong CRE sector.
- **The Group remains on track to deliver on our cost target. Our growth in target basis operating expenses in 2025 compared with 2024 remains approximately 3%.** Our cost target includes the impact of simplification-related saves associated with our announced reorganisation.
- We continue to expect demand for lending to remain muted during 2025. However, **over the medium to long term we expect mid-single digit percentage growth for year-on-year customer lending balances.**
- We continue to expect **double-digit percentage average annual growth in fee and other income in Wealth over the medium term.**
- **We intend to manage the CET1 capital ratio within our medium-term target range of 14% to 14.5%,** with a dividend payout ratio target basis of 50% for 2025, excluding material notable items and related impacts.
  - ▶ Our targets and expectations reflect our current outlook for the global macroeconomic environment and market-dependent factors, such as market-implied interest rates (as of mid-July 2025) and rates of foreign exchange, as well as customer behaviour and activity levels.
  - ▶ We do not reconcile our forward guidance on RoTE excluding the impact of notable items, target basis operating expenses, dividend payout ratio target basis or banking NII to their equivalent reported measures.
  - ▶ See pages 18 to 19 for a further explanation of RoTE excluding notable items, banking NII, target basis operating expenses and dividend payout ratio target basis. For further information on our CET1 ratio, see page 67.

## Reshaping the Group for growth

- At our 2024 full-year results we announced measures to simplify the Group, and **we have committed to deliver an annualised reduction of around \$1.5bn in our cost base**, expected by the end of 2026 from our organisational simplification programme.  
We are on track to deliver on our cost commitments. During 1H25, we incurred \$0.6bn in costs in relation to our organisational simplification. These were primarily related to severance, with an estimated annualised reduction in our cost base of \$0.7bn. By the end of 2025, we expect to have identified and actioned annualised cost saves of approximately \$1bn, which would result in a reduction of around \$0.4bn in operating expenses in the income statement in 2025.
- We are also focused on opportunities where we have a clear competitive advantage and accretive returns, and **we aim to redeploy approximately \$1.5bn of additional costs from non-strategic activities into these areas over the medium term.**
- We continue to make progress on actions previously announced, including the wind-down of our mergers and acquisitions ('M&A') and equity capital markets activities in the UK, Europe and the US, and planned divestments of our private banking business in Germany, our business in South Africa, our France life insurance business and our Bahrain retail banking operations, subject to local legal and other requirements.
- During 2Q25, we announced the planned sale of our custody business in Germany and completed the sale of our stake in Grupo Galicia. In July 2025, we agreed the sale of our UK life insurance business, our fund administration business in Germany, our business in Uruguay, and our retained portfolio of home and certain other loans associated with the disposal of our retail banking operations in France. The portfolio sale will result in the recycling to the income statement of \$1.4bn (as at 30 June 2025) in accumulated fair value losses recognised through other comprehensive income at completion, expected in the second half of 2025.
- Earlier this year, we also commenced targeted strategic reviews of four retail businesses in Asia: Australia, Indonesia and Sri Lanka, where reviews are ongoing and no decisions have been made, and Bangladesh, where we will start to wind down the retail business in the second half of this year. Our CIB business in these markets is unaffected by these reviews. Our business in Malta remains under a strategic review and no decisions have been made.
- **Our disciplined approach to capital allocation allows us to drive investment into priority growth areas. This includes further enhancing our Wholesale Transaction Banking capabilities, expanding our international businesses and building our Wealth business, particularly in Asia.** We also aim to continue to grow in our home markets in Hong Kong and the UK, focusing on small and medium-size enterprises, digital capabilities and improving our product proposition.
- Transaction banking continues to perform well as we leverage our network and capabilities to capture opportunities from changing trade and capital flows. In 1H25, **fee and other income in wholesale transaction banking demonstrated a strong performance with growth of 9% compared with 1H24**, particularly from growth in Global Foreign Exchange.
- In Wealth, we are investing in wealth centres and adding relationship managers. **Wealth balances as at 30 June 2025, across all of our business segments, were \$2.0tn, an increase of 12% compared with the same period last year.** Within this we have attracted net new invested assets of \$44bn in the first six months of 2025, with \$27bn booked in Asia. This compared with net new invested assets in 1H24 of \$32bn, with \$38bn booked in Asia.
- In Hong Kong, **we attracted another 600,000 new to bank customers.** While in the UK, **we are focused on improving the customer experience in Business Banking as we seek to grow our market share.**
  - ▶ For more details on our businesses held for sale and disposal groups, see Note 15 on the Financial Statements on page 100.

# Group CEO's shareholder letter



**Georges Elhedery**  
Group CEO

## RoTE ♦

# 14.7%

(1H24: 21.4%)

## RoTE excluding notable items ♦

# 18.2%

(1H24: 17.0%)

## Profit before tax

# \$15.8bn

(1H24: \$21.6bn)

### Dear fellow shareholders,

In my first letter to you I set out a clear vision to unlock HSBC's full potential. It is built on the principle of becoming a simple, more agile, focused organisation to better serve our customers. This mission has become even more important as the world in which we operate becomes even more uncertain.

By being mission-focused we intend to build on our strong foundations and hallmark financial strength, growing in areas of core competitive advantage while remaining true to our values. This will help us to achieve our refreshed ambition of becoming the most trusted bank globally, putting customers at the heart of everything we do.

We are making positive progress.

### Strong performance

We performed strongly in the first half, delivering an annualised return on tangible equity ('RoTE') of 14.7%, or 18.2% excluding the impact of notable items.

Our four businesses performed strongly with revenue growing in each. We are investing in customer experience, accelerating growth in strategic activities and harnessing the power of technology to change the way we work to increase productivity.

In our Hong Kong home market, we attracted a further 600,000 new to bank customers in the first six months. We also grew deposits by 9% over the last twelve months on a constant currency basis.

In our UK home market, our loan book grew by 4% on the same basis. We were particularly encouraged by signs of recovery in lending growth in commercial banking.

IWPB performed strongly. Our Group-wide wealth businesses grew revenue by 22%, on a constant currency basis, in line with our medium-term guidance of growing fee and other income at double-digit rates. In total, we attracted net new invested assets of \$44bn with \$27bn booked in Asia.

In CIB, we grew fee and other income by 18% on a constant currency basis. More than two-fifths of this growth came from our wholesale transaction banking business.

These strong results enable us to announce a second interim dividend of \$0.10 per share and a further share buy-back of up to \$3bn. In total, we have announced \$9.5bn in returns to our shareholders through dividends and share buy-backs in the first half of 2025. We have also reduced our share count by 13% from the first quarter of 2023.

### Economic uncertainties

The global economy is facing structural challenges that are both longstanding and newly unfolding. This is leading to economic uncertainty and market volatility. The main drivers are the unpredictability of broad-based tariffs and rising fiscal vulnerabilities. This is complicating the inflation and interest rate outlook creating greater uncertainty.

Even before tariffs take effect, trade disruptions are reshaping the economic landscape. One consequence is the adjustment of supply chains.

### Differentiated strengths

We are working with our customers to adapt to this operating environment and changes in the global economy.

First, we enter this period of economic unpredictability from a position of strength. We have a strong balance sheet and diverse, recurring earnings. Our highly stable deposit franchise is performing well. This is underpinned by a strong capital position and a high-quality credit portfolio. Second, the complex dynamics of a shifting world emphasise the advantages of our scale and global footprint. That is why customers are turning to us as their trusted partner.

We operate across the world's key trade routes, including the intra-regional corridors that have been growing fast over recent years. We have longstanding experience of facilitating financial flows both globally and through the local expertise we've gained from being so deeply rooted in economies throughout our 160 year history. We have 5,000 trade specialists in more than 50 markets operating on both sides of trade flows. This brings significant expertise and real time insight to our customers.

“We’re making positive progress in becoming a simple, more agile, focused organisation built on our core strengths. In the first half, we continued to execute our strategy with discipline and each of our four businesses sustained momentum in their earnings with each growing revenue. This gives us confidence in our ability to deliver our targets.”

And we continue to invest in innovative products like HSBC TradePay for Import Duties, a targeted financing solution for our US customers which simplifies the payment of import duties whilst helping them optimise working capital.

We are also well placed across many of the world’s fastest-growing wealth markets to help customers navigate greater market volatility as they look to protect and grow their wealth. Our new state-of-the-art wealth centres in our home markets of Hong Kong and the UK, and across Asia, offer premium venues to access personalised wealth management services.

#### **Disciplined delivery of our commitments**

We continue to move with energy and intent in the way we deliver our strategy, the way we find the efficiencies that optimise our resource allocation and the way we actively and dynamically manage our costs, capital and target investments.

This can be seen in the momentum in our earnings, the discipline in our execution, and the confidence we have in our ability to deliver our targets.

The tighter, talented leadership team I have put in place at the Group Operating Committee continue to sharpen the focus of our four businesses with direct influence over strategy and execution, alongside accountability for driving results.

#### **Organisational simplification**

Together, we are making meaningful progress in our mission to deliver \$1.5bn of annualised savings, with actions taken in the first half resulting in \$0.7bn of these cost saves. We remain on track to realise the full \$1.5bn in 2027.

#### **Reallocation from non-strategic activities**

We are also making progress in our efforts to generate incremental investment capacity for our priority growth areas.

We have announced the strategic disposals of our business in Uruguay, Bahrain retail operations, UK life insurance subsidiary, German custody and fund administration businesses and our French portfolio of home and other loans retained following the disposal of our retail operations in France.

We have also taken action to refocus our investment bank, making progress on the winding down of our M&A and equity capital markets activities in Europe, the UK and the Americas to focus on Asia and the Middle East where we have regional market leadership and significant room to grow. We have also expanded our focus on our debt capabilities globally, comprising our Debt Capital Markets and Leveraged and Acquisition Finance franchises, to include our Private Debt activities.

#### **Investing for growth**

By creating this capacity, our priority is investing for growth. In our home markets we will expand the number of wealth centres and enhance our wealth capabilities in Hong Kong, which is expected to become the world’s leading cross-border wealth centre. In the UK, we will enhance our SME coverage and proposition.

In CIB, we will further enhance our transaction banking capabilities, including in global payments, trade solutions and foreign exchange where we have leading global propositions. We will also invest in security services, where we have a leading position in Asia and the Middle East.

In IWPB, we continue to hire new relationship managers across our priority growth markets, launch new wealth products and invest in technology and training to improve customer experience.

We will also modernise the bank by capturing the opportunity of AI and generative AI, and improve customer service through both our mobile apps and contact centres. We will increase productivity with tools such as coding assistants, and improve process efficiency in areas such as onboarding, KYC, credit applications and many others.

#### **High performance culture**

At the same time, we are instilling a culture of excellence, leadership and accountability throughout the bank. This culture prioritises customer centricity and high performance. As part of this, we have launched a bank-wide leadership programme designed to make culture an enabler of our ambition and strategy.

#### **Thank you**

Finally, I want to thank my valued colleagues around the world, whose talent and drive enable us to make a difference daily for our customers.

I also want to thank our customers for their partnership and trust.

Looking ahead, with firm foundations in place, clarity in our strategy, discipline in our execution and dynamism in our culture, momentum continues to build.

We are confident in our ability to deliver against our targets, including a mid-teens RoTE, excluding notable items, for 2025, 2026 and 2027.

We are working towards achieving our ambition of becoming the most trusted bank globally, putting customers at the heart of everything we do.

By doing this, we remain focused on generating strategic growth and delivering attractive returns for you, our shareholders.

**Georges Elhedery**  
Group CEO  
30 July 2025

# Financial overview

## Group financial targets

**Return on average tangible equity  
excluding notable items (annualised) ♦**

# 18.2%

(1H24: 17.0%)

In 1H25, RoTE (annualised) was 14.7%, a decrease of 6.7 percentage points from 1H24.

For the purposes of measuring performance against our Group target, we adjust RoTE to exclude notable items.

RoTE excluding notable items (annualised) was 18.2%, an increase of 1.2 percentage points compared with 1H24.

- ▶ See pages 18 and 39 for further detail on RoTE excluding notable items.
- ▶ See page 18 for further details on notable items.

**Target basis operating expenses ♦**

# \$16.2bn

(1H24: \$15.8bn)

In 1H25, operating expenses of \$17.0bn increased by \$0.7bn or 4%, on a reported basis.

In 1H25, target basis operating expenses grew by 3% compared with 1H24. This primarily reflected higher spend and investment in technology and inflationary pressures.

Our target basis operating expenses exclude the direct cost impact of the business disposals in Canada and Argentina, notable items and the impact of retranslating the prior year results of hyperinflationary economies at constant currency.

Our target basis operating expenses includes the impact of simplification-related savings associated with our reorganisation, which aims to generate approximately \$0.4bn of cost reductions in 2025, with a commitment to an annualised reduction of \$1.5bn in our cost base by the end of 2026. To deliver these reductions, we plan to incur severance and other up-front costs of \$1.8bn over 2025 and 2026, which will be classified as notable items.

- ▶ See page 41 for a reconciliation of target basis operating expenses to reported operating expenses.

**Capital and dividend policy  
CET1 ratio**

# 14.6%

**Second interim dividend per ordinary share in respect of 2025**

# \$0.10

At 30 June 2025, our CET1 capital ratio was 14.6%, down 0.3 percentage points from 31 December 2024. This was driven by an increase in RWAs, partly offset by an increase in our CET1 capital through profit generation net of distributions.

Alongside our 1H25 results, the Board has announced a second interim dividend of \$0.10 per ordinary share.

- ▶ See page 2 for details on our current outlook on our financial targets.

## Basis of presentation

### Constant currency performance

Constant currency performance is computed by adjusting reported results of comparative periods for the effects of foreign currency translation differences, which distort period-on-period comparisons. We consider constant currency performance to provide useful information for investors by aligning internal and external reporting, and reflecting how management assesses period-on-period performance.

### Notable items

We separately disclose 'notable items', which are components of our income statement that management considers as outside the normal course of business and generally non-recurring in nature.

Certain notable items are classified as 'material notable items', a subset of notable items. Categorisation as a material notable item is dependent on the nature of each item in conjunction with the financial impact on the Group's income statement, and are excluded from our target basis dividend payout ratio calculation and earnings per share measure.

Material notable items in 1H25 or relevant comparative periods relate to the following:

- Income statement impacts associated with actions to exit or wind down certain businesses to redeploy costs from non-strategic activities into areas where we have a competitive advantage and accretive returns (reported under 'Disposals, wind-downs, acquisitions and related costs' in notable items).
- Dilution and impairment losses on our investment in BoCom.
- Impacts from transactions that completed in previous periods, including the sale of our retail banking operations in France, the sale of our banking business in Canada and the disposal of our business in Argentina.

### Impact of strategic transactions

To aid the understanding of our results, we separately disclose the impact of strategic transactions classified as material notable items on the results of the Group and our business segments. In 1H25, strategic transactions classified as material notable items in current or relevant comparative periods were the same as the material notable items outlined in the preceding 'Notable items' section. The distorting impact of the operating income statement results related to acquisitions and disposals that affect period-on-period comparisons, related to our disposals in Canada and Argentina.

### Management view of revenue on a constant currency basis

We provide breakdowns of revenue for each of our business segments on a constant currency basis by major product. These reflect the basis on which revenue performance of the businesses is assessed and managed.

We group certain products in a consistent manner across our business segments. Wholesale transaction banking comprises our Global Foreign Exchange, Global Payments Solutions ('GPS'), Global Trade Solutions ('GTS') and Securities Services businesses. Wealth comprises our Investment Distribution, Insurance, Private Bank (formerly Global Private Banking) and Asset Management businesses.

On page 7, we also provide a summarised management view of revenue for the Group's results, on reported foreign exchange rates, to supplement the Group's reported revenue performance using a product grouping, which is used to manage and assess our segmental performance.

- ▶ See page 29 for further details on the impact of strategic transactions.
- ▶ See pages 26 to 27 and pages 34 to 36 for details of notable items in our business segments and legal entities during 1H25 and 1H24.

## Key financial metrics

| Reported results                                                                                                   | Half-year to |             |
|--------------------------------------------------------------------------------------------------------------------|--------------|-------------|
|                                                                                                                    | 30 Jun 2025  | 30 Jun 2024 |
| Profit before tax (\$m)                                                                                            | 15,810       | 21,556      |
| Profit after tax (\$m)                                                                                             | 12,441       | 17,665      |
| Net operating income before change in expected credit losses and other credit impairment charges ('revenue') (\$m) | 34,122       | 37,292      |
| Cost efficiency ratio (%)                                                                                          | 49.9         | 43.7        |
| Net interest margin (%)                                                                                            | 1.57         | 1.62        |
| Basic earnings per share (\$)                                                                                      | 0.65         | 0.89        |
| Diluted earnings per share (\$)                                                                                    | 0.65         | 0.88        |
| Dividend per ordinary share (in respect of the period) (\$)¹                                                       | 0.20         | 0.41        |

### Alternative performance measures ♦

|                                                                                                                                                            |        |        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|
| Constant currency profit before tax (\$m)                                                                                                                  | 15,810 | 21,491 |
| Constant currency revenue (\$m)                                                                                                                            | 34,122 | 37,057 |
| Constant currency cost efficiency ratio (%)                                                                                                                | 49.9   | 43.7   |
| Constant currency profit before tax excluding notable items (\$m)                                                                                          | 18,928 | 18,006 |
| Constant currency revenue excluding notable items (\$m)                                                                                                    | 35,397 | 33,493 |
| Constant currency profit before tax excluding notable items and strategic transactions (\$m)                                                               | 18,928 | 17,676 |
| Constant currency revenue excluding notable items and strategic transactions (\$m)                                                                         | 35,397 | 32,672 |
| Expected credit losses and other credit impairment charges (annualised) as % of average gross loans and advances to customers (%)                          | 0.40   | 0.20   |
| Expected credit losses and other credit impairment charges (annualised) as % of average gross loans and advances to customers, including held for sale (%) | 0.40   | 0.20   |
| Basic earnings per share excluding material notable items and related impacts (\$)                                                                         | 0.78   | 0.68   |
| Return on average ordinary shareholders' equity (annualised) (%)                                                                                           | 13.7   | 19.8   |
| Return on average tangible equity (annualised) (%)                                                                                                         | 14.7   | 21.4   |
| Return on average tangible equity excluding notable items (annualised) (%)                                                                                 | 18.2   | 17.0   |
| Target basis operating expenses (\$m)                                                                                                                      | 16,179 | 15,764 |

| Balance sheet                                                  | At          |             |
|----------------------------------------------------------------|-------------|-------------|
|                                                                | 30 Jun 2025 | 31 Dec 2024 |
| Total assets (\$m)                                             | 3,214,371   | 3,017,048   |
| Net loans and advances to customers (\$m)                      | 981,722     | 930,658     |
| Customer accounts (\$m)                                        | 1,718,604   | 1,654,955   |
| Average interest-earning assets, year to date (\$m)            | 2,159,900   | 2,099,285   |
| Loans and advances to customers as % of customer accounts (%)  | 57.1        | 56.2        |
| Total shareholders' equity (\$m)                               | 192,554     | 184,973     |
| Tangible ordinary shareholders' equity (\$m)                   | 159,557     | 154,295     |
| Net asset value per ordinary share at period end (\$)          | 9.88        | 9.26        |
| Tangible net asset value per ordinary share at period end (\$) | 9.17        | 8.61        |

### Capital, leverage and liquidity

|                                                                |         |         |
|----------------------------------------------------------------|---------|---------|
| Common equity tier 1 capital ratio (%)²,³                      | 14.6    | 14.9    |
| Risk-weighted assets (\$m)²,³                                  | 886,860 | 838,254 |
| Total capital ratio (%)²,³                                     | 20.1    | 20.6    |
| Leverage ratio (%)²,³                                          | 5.4     | 5.6     |
| High-quality liquid assets (liquidity value, average) (\$m)³,⁴ | 678,059 | 649,210 |
| Liquidity coverage ratio (average) (%)³,⁴                      | 140     | 138     |

### Share count

|                                                                                                                                                  |        |        |
|--------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|
| Period end basic number of \$0.50 ordinary shares outstanding, after deducting own shares held (millions)                                        | 17,397 | 17,918 |
| Period end basic number of \$0.50 ordinary shares outstanding and dilutive potential ordinary shares, after deducting own shares held (millions) | 17,529 | 18,062 |
| Average basic number of \$0.50 ordinary shares outstanding, after deducting own shares held (millions)                                           | 17,646 | 18,357 |

► For reconciliations of our reported results to a constant currency basis, including lists of notable items, see page 26. For detail on other alternative performance measures, including definitions and calculations, see 'Reconciliation of alternative performance measures' on pages 38 to 41.

- Dividend per ordinary share for the half-year to 30 June 2024 includes the special dividend of \$0.21 per ordinary share arising from the proceeds of the sale of our banking business in Canada to Royal Bank of Canada.
- References to EU regulations and directives (including technical standards) should, as applicable, be read as references to the UK's version of such regulation or directive, as onshored into UK law under the European Union (Withdrawal) Act 2018, and as may be subsequently amended under UK law. Regulatory capital ratios and requirements are based on the transitional arrangements of the Capital Requirements Regulation in force at the time. 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.
- Regulatory numbers and ratios are as presented at the date of reporting. Small changes may exist between these numbers and ratios and those subsequently submitted in regulatory filings. Where differences are significant, we may restate in subsequent periods.
- The liquidity coverage ratio is based on the average value of the preceding 12 months.

## Income statement results

### 1H25 compared with 1H24 – reported results

#### Movement in reported profit before tax compared with 1H24

|                                                                  | Half-year to  |             | Variance      |          |                                              |
|------------------------------------------------------------------|---------------|-------------|---------------|----------|----------------------------------------------|
|                                                                  | 30 Jun 2025   | 30 Jun 2024 | 1H25 vs. 1H24 |          |                                              |
|                                                                  |               |             |               |          | of which strategic transactions <sup>1</sup> |
| Reported results                                                 | \$m           | \$m         | \$m           | %        | \$m                                          |
| <b>Revenue</b>                                                   | <b>34,122</b> | 37,292      | (3,170)       | (9)      | (4,653)                                      |
| – of which: net interest income ('NII')                          | <b>16,821</b> | 16,911      | (90)          | (1)      | (1,222)                                      |
| ECL                                                              | (1,941)       | (1,066)     | (875)         | (82)     | 96                                           |
| <b>Net operating income</b>                                      | <b>32,181</b> | 36,226      | (4,045)       | (11)     | (4,557)                                      |
| Total operating expenses                                         | (17,022)      | (16,296)    | (726)         | (4)      | 311                                          |
| <b>Operating profit/(loss)</b>                                   | <b>15,159</b> | 19,930      | (4,771)       | (24)     | (4,246)                                      |
| Share of profit in associates and joint ventures less impairment | 651           | 1,626       | (975)         | (60)     | –                                            |
| <b>Profit before tax</b>                                         | <b>15,810</b> | 21,556      | (5,746)       | (27)     | (4,246)                                      |
| Tax income/(expense)                                             | (3,369)       | (3,891)     | 522           | 13       | –                                            |
| <b>Profit/(loss) after tax</b>                                   | <b>12,441</b> | 17,665      | (5,224)       | (30)     | –                                            |
| <b>Revenue excluding notable items</b>                           | <b>35,397</b> | 33,721      | <b>1,676</b>  | <b>5</b> | –                                            |
| <b>Profit before tax excluding notable items</b>                 | <b>18,928</b> | 18,067      | <b>861</b>    | <b>5</b> | –                                            |

1 For details, see 'Impact of strategic transactions' on page 29.

#### Notable items

|                                                          | Half-year to |             |
|----------------------------------------------------------|--------------|-------------|
|                                                          | 30 Jun 2025  | 30 Jun 2024 |
|                                                          | \$m          | \$m         |
| <b>Revenue</b>                                           |              |             |
| Disposals, wind-downs, acquisitions and related costs    | (139)        | 3,571       |
| Dilution loss of interest in BoCom associate             | (1,136)      | –           |
| Currency translation on revenue notable items            | –            | (7)         |
| <b>Operating expenses</b>                                |              |             |
| Disposals, wind-downs, acquisitions and related costs    | (227)        | (101)       |
| Restructuring and other related costs                    | (616)        | 19          |
| Currency translation on operating expenses notable items | –            | 2           |
| <b>Associates and joint ventures</b>                     |              |             |
| Impairment losses of interest in BoCom associate         | (1,000)      | –           |

#### Supplementary management view of revenue

|                                 | Half-year to  |             | 1H25 vs. 1H24                                |        |         |
|---------------------------------|---------------|-------------|----------------------------------------------|--------|---------|
|                                 | 30 Jun 2025   | 30 Jun 2024 | of which strategic transactions <sup>1</sup> |        |         |
|                                 |               |             | \$m                                          | %      | \$m     |
| <b>Revenue</b>                  | <b>34,122</b> | 37,292      | (3,170)                                      | (9)    | (4,653) |
| <b>Banking NII<sup>2</sup></b>  | <b>21,313</b> | 22,204      | (891)                                        | (4)    | (1,264) |
| <b>Fee and other income</b>     | <b>12,809</b> | 15,088      | (2,279)                                      | (15)   | (3,389) |
| – Notable items                 | (1,275)       | 3,571       | (4,846)                                      | >(100) | (3,873) |
| – Wealth                        | 4,564         | 3,741       | 823                                          | 22     | (85)    |
| – Wholesale Transaction Banking | 5,637         | 5,226       | 411                                          | 8      | (136)   |
| – Other                         | 3,883         | 2,550       | 1,333                                        | 52     | 705     |

1 For details, see 'Impact of strategic transactions' on page 29.

2 For a reconciliation of banking NII to reported NII, see page 21.

### 1H25 compared with 1H24 – constant currency basis

#### Movement in profit before tax compared with 1H24 – on a constant currency basis

|                                                                  | Half-year to  |             | 1H25 vs. 1H24                                |      |         |
|------------------------------------------------------------------|---------------|-------------|----------------------------------------------|------|---------|
|                                                                  | 30 Jun 2025   | 30 Jun 2024 | of which strategic transactions <sup>1</sup> |      |         |
|                                                                  |               |             | \$m                                          | %    | \$m     |
| <b>Results – on a constant currency basis ♦</b>                  | <b>\$m</b>    | <b>\$m</b>  |                                              |      |         |
| Revenue                                                          | 34,122        | 37,057      | (2,935)                                      | (8)  | (4,695) |
| ECL                                                              | (1,941)       | (993)       | (948)                                        | (95) | 64      |
| Total operating expenses                                         | (17,022)      | (16,192)    | (830)                                        | (5)  | 300     |
| <b>Operating profit</b>                                          | <b>15,159</b> | 19,872      | (4,713)                                      | (24) | (4,331) |
| Share of profit in associates and joint ventures less impairment | 651           | 1,619       | (968)                                        | (60) | –       |
| <b>Profit before tax</b>                                         | <b>15,810</b> | 21,491      | (5,681)                                      | (26) | (4,331) |

1 For details, see 'Impact of strategic transactions' on page 29.

## 1H25 compared with 1H24 – performance commentary

### Profit before tax

Reported profit before tax of \$15.8bn was \$5.7bn lower than in 1H24, primarily reflecting the impact of notable items. These included a dilution loss of \$1.1bn and the recognition of an impairment of \$1.0bn relating to our associate BoCom in 1H25. In addition, there was an adverse impact from the non-recurrence of a \$4.8bn gain in 1H24 on the disposal of our banking business in Canada, partly offset by a loss of \$1.2bn in 1H24 on classification of our business in Argentina as held for sale.

On a constant currency basis, profit before tax of \$15.8bn was \$5.7bn lower than in 1H24, and excluding notable items it increased by \$0.9bn or 5%.

Reported profit after tax of \$12.4bn was \$5.2bn or 30% lower compared with 1H24.

### Revenue

Reported revenue of \$34.1bn was \$3.2bn or 9% lower, reflecting a net adverse movement in notable items of \$4.8bn, primarily relating to the non-recurrence of net gains in 1H24 related to our disposals in Canada and Argentina. It also included a dilution loss of \$1.1bn following the completion of BoCom's capital issuance, which reduced our interest from 19.03% to 16.00%.

Revenue excluding notable items increased, reflecting higher fee and other income in Wealth. There were strong performances in Insurance, due to a higher contractual service margin ('CSM') release, as well as growth in our Private Bank and investment distribution from higher customer activity. Fee and other income rose in Wholesale Transaction Banking, particularly in Global Foreign Exchange from elevated market volatility, as well as in Debt and Equity Markets.

NII fell by \$0.1bn compared with 1H24, including an adverse impact of foreign currency translation differences of \$0.4bn

and an adverse impact of \$1.3bn from business disposals in Canada and Argentina. Excluding these factors, NII increased as the benefit of our structural hedge and lower costs of funding offset the impact of lower market interest rates on asset re-pricing. The fall in interest rates reduced the funding costs of the trading book, which resulted in a fall in banking NII of \$0.9bn to \$21.3bn.

On a constant currency basis, revenue decreased by \$2.9bn or 8% and banking NII fell by \$0.5bn.

### ECL

Reported ECL of \$1.9bn were \$0.9bn or 82% higher than in 1H24. The charge in 1H25 included charges of \$0.5bn related to the Hong Kong CRE sector. This reflected updates to our models used for ECL calculations, which had an impact of \$0.1bn, an increase in allowances for new defaulted exposures, as well as the over-supply of non-residential properties putting continued downward pressure on rental and capital values. The 1H25 period also included allowances to reflect heightened uncertainty and a deterioration in the forward economic outlook due to geopolitical tensions and higher trade tariffs. In 1H24, the ECL charge benefited from allowance releases, mainly in the UK and from a recovery relating to a single CIB client. On a constant currency basis, ECL charges were \$0.9bn higher than in 1H24.

### Operating expenses

Reported operating expenses of \$17.0bn were \$0.7bn or 4% higher. The increase was driven by \$0.6bn of restructuring and other related costs in 1H25 related to our organisational simplification, mainly severance costs that are classified as notable items. It also included an increase of \$0.1bn related to strategic transactions, including asset impairments in Europe. In addition, growth included higher spend and investment in technology and the impacts of

inflation. These increases were partly offset by reductions following the completion of business disposals in Canada and Argentina, the impact of our restructuring activities, and a favourable impact from foreign currency translation differences of \$0.1bn.

On a constant currency basis, operating expenses increased by \$0.8bn or 5%. Target basis operating expenses were \$0.4bn or 3% higher than in 1H24 due to higher spend and investment in technology and the impacts of inflation.

### Share of profit from associates and JVs less impairment

Reported share of profit from associates and joint ventures less impairment of \$0.7bn was \$1.0bn or 60% lower, due to an impairment loss of \$1.0bn recognised on BoCom following our value-in-use assessment made at 30 June 2025, more details of which can be found in Note 10 on the interim condensed consolidated financial statements. This was partly offset by an increase in the share of profit from Saudi Awwal Bank ('SAB').

### Tax expense

Tax in 1H25 was a charge of \$3.4bn, representing an effective tax rate of 21.3%, which compared with a charge of \$3.9bn in 1H24, representing an effective tax rate of 18.1%. Both periods included certain material notable items that were not subject to tax, excluding which the effective rate for 1H25 was 19.7%, compared with 21.4% for 1H24.

► For further details on tax notable items, see page 22.

### Second interim dividend for 2025

On 30 July 2025, the Board announced a second interim dividend for 2025 of \$0.10 per ordinary share. For further details, see page 107.

## 2Q25 compared with 2Q24 – reported results

### Movement in reported profit before tax compared with 2Q24

|                                                                  | Quarter ended  |             |             | 2025 vs. 2024  |                  |                                              |
|------------------------------------------------------------------|----------------|-------------|-------------|----------------|------------------|----------------------------------------------|
|                                                                  | 30 Jun 2025    | 30 Jun 2024 | 31 Mar 2025 |                |                  | of which strategic transactions <sup>1</sup> |
| Reported results                                                 | \$m            | \$m         | \$m         | \$m            | %                | \$m                                          |
| <b>Revenue</b>                                                   | <b>16,473</b>  | 16,540      | 17,649      | <b>(67)</b>    | —                | <b>(165)</b>                                 |
| – of which: net interest income ('NII')                          | <b>8,519</b>   | 8,258       | 8,302       | <b>261</b>     | <b>3</b>         | <b>(434)</b>                                 |
| ECL                                                              | <b>(1,065)</b> | (346)       | (876)       | <b>(719)</b>   | <b>&gt;(100)</b> | <b>(5)</b>                                   |
| <b>Net operating income</b>                                      | <b>15,408</b>  | 16,194      | 16,773      | <b>(786)</b>   | <b>(5)</b>       | <b>(170)</b>                                 |
| Total operating expenses                                         | <b>(8,920)</b> | (8,145)     | (8,102)     | <b>(775)</b>   | <b>(10)</b>      | <b>(73)</b>                                  |
| <b>Operating profit/(loss)</b>                                   | <b>6,488</b>   | 8,049       | 8,671       | <b>(1,561)</b> | <b>(19)</b>      | <b>(243)</b>                                 |
| Share of profit in associates and joint ventures less impairment | <b>(162)</b>   | 857         | 813         | <b>(1,019)</b> | <b>&gt;(100)</b> | —                                            |
| <b>Profit before tax</b>                                         | <b>6,326</b>   | 8,906       | 9,484       | <b>(2,580)</b> | <b>(29)</b>      | <b>(243)</b>                                 |
| Tax income/(expense)                                             | <b>(1,455)</b> | (2,078)     | (1,914)     | <b>623</b>     | <b>30</b>        |                                              |
| <b>Profit/(loss) after tax</b>                                   | <b>4,871</b>   | 6,828       | 7,570       | <b>(1,957)</b> | <b>(29)</b>      |                                              |

1 For details, see 'Impact of strategic transactions' on page 29.

## Notable items

|                                                          | Quarter ended |             |             |
|----------------------------------------------------------|---------------|-------------|-------------|
|                                                          | 30 Jun 2025   | 30 Jun 2024 | 31 Mar 2025 |
|                                                          | \$m           | \$m         | \$m         |
| <b>Revenue</b>                                           |               |             |             |
| Disposals, wind-downs, acquisitions and related costs    | (48)          | (161)       | (91)        |
| Dilution loss of interest in BoCom associate             | (1,136)       | —           | —           |
| Currency translation on revenue notable items            | —             | —           | (1)         |
| <b>Operating expenses</b>                                |               |             |             |
| Disposals, wind-downs, acquisitions and related costs    | (177)         | (38)        | (50)        |
| Restructuring and other related costs                    | (475)         | 6           | (141)       |
| Currency translation on operating expenses notable items | —             | 2           | —           |
| <b>Associates and joint ventures</b>                     |               |             |             |
| Impairment losses of interest in BoCom associate         | (1,000)       | —           | —           |

## Supplementary management view of revenue

|                                 | Quarter ended |             |             | 2025 vs. 2024 |        |                                              |
|---------------------------------|---------------|-------------|-------------|---------------|--------|----------------------------------------------|
|                                 | 30 Jun 2025   | 30 Jun 2024 | 31 Mar 2025 |               |        | of which strategic transactions <sup>1</sup> |
|                                 | \$m           | \$m         | \$m         | \$m           | %      | \$m                                          |
| <b>Revenue</b>                  | <b>16,473</b> | 16,540      | 17,649      | (67)          | —      | (165)                                        |
| <b>Banking NII<sup>2</sup></b>  | <b>10,714</b> | 10,938      | 10,599      | (224)         | (2)    | (448)                                        |
| <b>Fee and other income</b>     | <b>5,759</b>  | 5,602       | 7,050       | 157           | 3      | 283                                          |
| – Notable items                 | (1,184)       | (161)       | (91)        | (1,023)       | >(100) | (43)                                         |
| – Wealth                        | 2,274         | 1,848       | 2,290       | 426           | 23     | (23)                                         |
| – Wholesale Transaction Banking | 2,786         | 2,629       | 2,851       | 157           | 6      | (65)                                         |
| – Other                         | 1,883         | 1,286       | 2,000       | 597           | 46     | 414                                          |

1 For details, see 'Impact of strategic transactions' on page 29.

2 For a reconciliation of banking NII to reported NII, see page 21.

## 2Q25 compared with 2Q24 – constant currency basis

## Movement in profit before tax compared with 2Q24 – constant currency basis

|                                                                  | Quarter ended |             |             | 2025 vs. 2024 |        |                                              |
|------------------------------------------------------------------|---------------|-------------|-------------|---------------|--------|----------------------------------------------|
|                                                                  | 30 Jun 2025   | 30 Jun 2024 | 31 Mar 2025 |               |        | of which strategic transactions <sup>1</sup> |
|                                                                  | \$m           | \$m         | \$m         | \$m           | %      | \$m                                          |
| <b>Results – on a constant currency basis ♦</b>                  |               |             |             |               |        |                                              |
| Revenue                                                          | 16,472        | 16,698      | 18,132      | (226)         | (1)    | (276)                                        |
| ECL                                                              | (1,064)       | (320)       | (899)       | (744)         | >(100) | (21)                                         |
| Total operating expenses                                         | (8,920)       | (8,247)     | (8,355)     | (673)         | (8)    | (38)                                         |
| <b>Operating profit</b>                                          | <b>6,488</b>  | 8,131       | 8,878       | (1,643)       | (20)   | (335)                                        |
| Share of profit in associates and joint ventures less impairment | (162)         | 858         | 817         | (1,020)       | >(100) | —                                            |
| <b>Profit before tax</b>                                         | <b>6,326</b>  | 8,989       | 9,695       | (2,663)       | (30)   | (335)                                        |

1 For details, see 'Impact of strategic transactions' on page 29.

## 2Q25 compared with 2Q24 – performance commentary

## Profit before tax

Reported profit before tax of \$6.3bn was \$2.6bn, or 29%, lower than in 2Q24, primarily reflecting a dilution loss of \$1.1bn and the recognition of an impairment of \$1.0bn on our associate BoCom.

On a constant currency basis, profit before tax was \$2.7bn lower than in 2Q24, and excluding notable items it was broadly stable.

## Revenue

Reported revenue decreased by \$0.1bn to \$16.5bn, which included an adverse impact following the disposal of our business in Argentina and a \$1.1bn dilution loss following the completion of BoCom's capital issuance. The reduction was partly offset by higher fee and other income in Wealth. There were strong performances in Insurance, due to a higher CSM release, as well as growth in our Private Bank and investment distribution from higher customer activity. Fee and other income also increased in Wholesale Transaction Banking, particularly in Global Foreign Exchange from elevated market

volatility, as well as in Debt and Equity Markets.

NII increased by \$0.3bn compared with 2Q24. The rise reflected the benefit of our structural hedge, and lower costs of funding, partly offset by reductions due to our business disposal in Argentina and the impact of lower market interest rates on asset re-pricing, particularly due to the fall in HIBOR in 2Q25. The fall in interest rates reduced the funding costs of the trading book by \$0.5bn, resulting in a fall of \$0.2bn in banking NII to \$10.7bn.

On a constant currency basis, revenue decreased by \$0.2bn or 1%. Banking NII fell by \$0.2bn on a constant currency basis.

## ECL

Reported ECL in 2Q25 of \$1.1bn increased by \$0.7bn compared with 2Q24. The charge in 2Q25 included charges of \$0.4bn related to the Hong Kong CRE sector. This reflected updates to our models used for ECL calculations, which had an impact of \$0.1bn, an increase in allowances for new defaulted

exposures, as well as the over-supply of non-residential properties putting continued downward pressure on rental and capital values. In 2Q24, the ECL charge benefited from a release of allowances in the UK and from a recovery relating to a single CIB client.

## Operating expenses

Reported operating expenses of \$8.9bn were \$0.8bn or 10% higher. There were \$0.5bn of costs in 2Q25 related to our organisational simplification, mainly severance costs, and \$0.2bn related to strategic disposals and activities to redeploy costs into areas of strategic focus, including asset impairments in Europe. In addition, growth included higher spend and investment in technology, the impacts of inflation and an adverse impact from foreign currency translation differences. These increases were partly offset by a favourable impact from the disposal of our business in Argentina.

On a constant currency basis, operating expenses increased by \$0.7bn or 8%. Target basis operating expenses were \$0.1bn or 2% higher than in 2Q24, primarily due to higher spend and investment in technology and the impacts of inflation.

#### Share of profit from associates and JVs less impairment

Reported share of profit from associates and joint ventures less impairment of \$0.2bn was \$1.0bn lower, due to the recognition of an

impairment of \$1.0bn following an impairment test on the carrying value of the Group's investment in BoCom.

#### Tax expense

Tax in 2Q25 was a charge of \$1.5bn, representing an effective tax rate of 23.0%, which compared with a charge of \$2.1bn in 2Q24, representing an effective tax rate of 23.3%. Both periods included certain material notable items that were not subject to tax, excluding which the effective rate for 2Q25

was 19.2%. The effective tax rate for 2Q24 was increased by 2.5% by charges in respect of prior periods.

► For further details on tax notable items, see page 22.

## Balance sheet and capital

### Balance sheet strength

Total assets of \$3.2tn were \$197bn higher than at 31 December 2024 on a reported basis, and included a favourable impact of foreign currency translation differences of \$136bn. On a constant currency basis, total assets increased by \$62bn, driven by growth in financial investments balances, higher reverse repurchase agreements and higher other asset balances. These were partly offset by lower cash and balances at central banks and a decrease in derivative assets.

Loans and advances to customers as a percentage of customer accounts were 57%, compared with 56% at 31 December 2024.

► For detailed balance sheet commentary, see page 24.

### Distributable reserves

The distributable reserves of HSBC Holdings at 30 June 2025 were \$14.1bn compared with \$28.3bn at 31 December 2024. The decrease was primarily driven by dividends on ordinary shares and additional tier 1 coupon distributions of \$8.7bn and share buy-back payments of \$5.0bn. The profits generated in HSBC Holdings of \$9.2bn in 1H25 will be reflected in the distributable reserves at the next relevant accounts. On 24 June 2025, court approval was obtained for HSBC Holdings to increase its distributable reserves by way of the cancellation of \$16.6bn standing to the credit of its share premium and capital redemption reserves, which took effect on 10 July 2025. This will also increase our distributable reserves at the next relevant accounts, giving us further flexibility to deliver shareholder returns over the coming years.

### Capital and liquidity position

Our CET1 ratio at 30 June 2025 was 14.6%, down from 14.9% at 31 December 2024.

The average high-quality liquid assets ('HQLA') we held was \$678.1bn. This excludes HQLA in legal entities that are not transferable due to local restrictions. For further details, see page 70.

► For further details, see 'Capital overview' on page 67.

# ESG overview

## Our approach

Our approach to ESG is focused on creating long-term value for our customers and wider stakeholders. We focus our efforts on three areas: the transition to net zero, building inclusion and resilience, and acting responsibly.

### Transition to net zero

Supporting the transition to net zero is a key priority for HSBC. In 2020, we set an ambition to become a net zero bank by 2050. We are committed to supporting our customers to help address their transition needs, pursuing opportunities in the transition that help enable value creation for our shareholders, and leveraging our expertise to support the transition and clean energy growth at scale. We seek to do this against a backdrop of increasing global demand for energy and increasing focus on energy security, resilience and affordability, alongside diverging national agendas and the more complex regulatory environment in which we operate.

As mentioned in our Annual Report and Accounts 2024, we are conducting a review of our 2030 interim financed emission targets and associated policies as part of the ongoing review of our net zero transition plan. While

this is complex analysis that will take time, we are aiming to finalise our review in the second half of 2025.

As part of our ambition to support customers in their transition to net zero and a sustainable future, we aim to provide and facilitate \$750bn to \$1tn of sustainable finance and investments by 2030. In 1H25, we provided and facilitated \$54.1bn of sustainable finance and investments, bringing our cumulative amount since 1 January 2020 to \$447.7bn.

### Build inclusion and resilience

Our global inclusion strategy is aimed at enabling HSBC to be an organisation that reflects the communities we serve, and encourages colleagues to embrace diverse perspectives.

We continue to offer colleagues the opportunity to develop their skills while ensuring we build a pipeline of talent to support our strategic priorities. In 1H25, we delivered targeted risk leadership training for our senior leaders and continued to provide specialised learning for high-risk roles in areas such as anti-money laundering, sanctions, bribery and corruption.

We seek to equip our colleagues with the knowledge and skills to understand and use artificial intelligence ('AI') technologies responsibly. As the landscape evolves, our AI Academy, which helps to support beginner to advanced skills development for colleagues, is expected to grow.

We seek to provide an inclusive and accessible banking experience for our customers. We do so by providing tools to help them manage their finances and make the most of their money. We engage with the communities we serve through philanthropic giving, disaster relief and volunteering.

### Act responsibly

Our conduct approach guides us to do the right thing and focus on the impact we have on our customers and the financial markets in which we operate. It complements our purpose and values and, together with our policies and procedures, provides an enterprise-wide, outcome-focused framework.

# Business segments

## Hong Kong

Our Hong Kong business has a leading market position in our home market of Hong Kong. It comprises Retail Banking and Wealth and Commercial Banking of HSBC Hong Kong and Hang Seng Bank.

### Contribution to Group profit before tax ♦

### Divisional highlights



## 45%

Growth in Wealth fee and other income compared with 1H24, on a constant currency basis.

## 9%

Growth in deposits compared with 30 June 2024, on a constant currency basis.

Calculation is based on profit before tax of our business segments excluding Corporate Centre.

### Management view of revenue – on a constant currency basis

|                                         | Half-year to |              | 1H25 vs. 1H24                                |            |     |
|-----------------------------------------|--------------|--------------|----------------------------------------------|------------|-----|
|                                         | 30 Jun 2025  | 30 Jun 2024  | of which strategic transactions <sup>5</sup> |            |     |
|                                         | \$m          | \$m          | \$m                                          | %          | \$m |
| <b>Banking NII<sup>1</sup></b>          | <b>5,875</b> | <b>5,929</b> | <b>(54)</b>                                  | <b>(1)</b> | —   |
| <b>Fee and other income<sup>2</sup></b> | <b>1,973</b> | <b>1,503</b> | <b>470</b>                                   | <b>31</b>  | —   |
| – <b>Retail Banking and Wealth</b>      | <b>1,362</b> | <b>939</b>   | <b>423</b>                                   | <b>45</b>  | —   |
| – Retail Banking                        | 176          | 155          | 21                                           | 14         | —   |
| – Wealth                                | 1,101        | 760          | 341                                          | 45         | —   |
| – Other <sup>3</sup>                    | 85           | 24           | 61                                           | >100       | —   |
| – <b>Commercial Banking</b>             | <b>611</b>   | <b>564</b>   | <b>47</b>                                    | <b>8</b>   | —   |
| – Wholesale Transaction Banking         | 361          | 346          | 15                                           | 4          | —   |
| – Credit and Lending                    | 43           | 44           | (1)                                          | (2)        | —   |
| – Other <sup>3</sup>                    | 207          | 174          | 33                                           | 19         | —   |
| <b>Revenue excluding notable items</b>  | <b>7,848</b> | <b>7,432</b> | <b>416</b>                                   | <b>6</b>   | —   |
| Notable items                           | —            | —            | —                                            | N/A        | —   |
| <b>Revenue</b>                          | <b>7,848</b> | <b>7,432</b> | <b>416</b>                                   | <b>6</b>   | —   |
| <b>RoTE (annualised)<sup>4</sup> %</b>  | <b>34.9</b>  | <b>38.4</b>  |                                              |            |     |

1 For a description of how we derive banking NII, see page 21. In the Hong Kong business, there are no adjustments to NII to derive banking NII.

2 For supplementary analysis of fee and other income, see page 28.

3 Includes revenue from Markets Treasury. It also includes other non-product-specific income and notional tax credits.

4 For details of our RoTE calculation by business segment, see page 40.

5 Impact of strategic transactions classified as material notable items. For further details, see 'Strategic transactions supplementary analysis' on page 29.

### Financial performance

Profit before tax of \$4.7bn was \$0.1bn or 2% lower than in 1H24 on a constant currency basis.

Revenue of \$7.8bn was \$0.4bn or 6% higher on a constant currency basis.

Banking NII of \$5.9bn decreased by \$0.1bn or 1%. The decrease was due to the impact of lower margins, particularly following the reduction in HIBOR during the period, and from lower lending balances. This was partly offset by deposit balance growth of \$43bn or 9% since 30 June 2024 and a lower cost of funding as interest rates fell.

Fee and other income of \$2.0bn was up by \$0.5bn or 31%. The growth was mainly driven by an increase of \$0.3bn or 45% in Wealth from a strong performance in investment distribution due to higher client activity in the context of market volatility.

ECL of \$0.9bn in 1H25 increased by \$0.5bn compared with 1H24 on a constant currency basis. The 1H25 period included charges related to the Hong Kong CRE sector. This reflected updates to our models used for ECL calculations, which had an impact of \$0.1bn, an increase in allowances for new defaulted exposures, as well as the over-supply of non-

residential properties putting continued downward pressure on rental and capital values. There were also charges due to a deterioration in the forward economic outlook due to geopolitical tensions and higher trade tariffs.

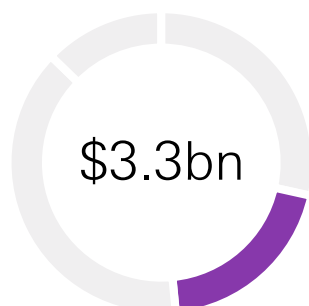
Operating expenses of \$2.3bn were \$30m lower on a constant currency basis, reflecting the impact of lower operations costs. This was broadly offset by increases reflecting higher spend on technology, and the impact of inflation.

## UK

Our UK business has a leading market position in our home market of the UK. It comprises UK Retail Banking and Wealth (including first direct and M&S Bank) and UK Commercial Banking, including HSBC Innovation Bank.

### Contribution to Group profit before tax ♦

### Divisional highlights



# 4%

Growth in loans and advances to customers compared with 1H24, on a constant currency basis.

# 6%

Growth in banking NII compared with 1H24, on a constant currency basis.<sup>1</sup> ♦

Calculation is based on profit before tax of our business segments excluding Corporate Centre.

### Management view of revenue – on a constant currency basis

|                                         | Half-year to |             | 1H25 vs. 1H24                                |             |     |
|-----------------------------------------|--------------|-------------|----------------------------------------------|-------------|-----|
|                                         | 30 Jun 2025  | 30 Jun 2024 | of which strategic transactions <sup>5</sup> |             |     |
|                                         | \$m          | \$m         | \$m                                          | %           | \$m |
| <b>Banking NII<sup>1</sup></b>          | <b>5,306</b> | 5,026       | <b>280</b>                                   | <b>6</b>    | —   |
| <b>Fee and other income<sup>2</sup></b> | <b>922</b>   | 968         | <b>(46)</b>                                  | <b>(5)</b>  | —   |
| – <b>Retail Banking and Wealth</b>      | <b>316</b>   | 355         | <b>(39)</b>                                  | <b>(11)</b> | —   |
| – Retail Banking                        | 134          | 120         | 14                                           | 12          | —   |
| – Wealth                                | 175          | 205         | (30)                                         | (15)        | —   |
| – Other <sup>3</sup>                    | 7            | 30          | (23)                                         | (77)        | —   |
| – <b>Commercial Banking</b>             | <b>606</b>   | 613         | <b>(7)</b>                                   | <b>(1)</b>  | —   |
| – Wholesale Transaction Banking         | 444          | 450         | (6)                                          | (1)         | —   |
| – Credit and Lending                    | 111          | 103         | 8                                            | 8           | —   |
| – Other <sup>3</sup>                    | 51           | 60          | (9)                                          | (15)        | —   |
| <b>Revenue excluding notable items</b>  | <b>6,228</b> | 5,994       | <b>234</b>                                   | <b>4</b>    | —   |
| Notable items                           | —            | —           | —                                            | N/A         | —   |
| <b>Revenue</b>                          | <b>6,228</b> | 5,994       | <b>234</b>                                   | <b>4</b>    | —   |
| <b>RoTE (annualised)<sup>4</sup> %</b>  | <b>23.4</b>  | 27.1        |                                              |             |     |

1 For a description of how we derive banking NII, see page 21. In the UK business, there are no adjustments to NII to derive banking NII.

2 For supplementary analysis of fee and other income, see page 28.

3 Includes revenue from Markets Treasury. It also includes other non-product-specific income, gains/(losses) on property disposals and notional tax credits.

4 For details of our RoTE calculation by business segment, see page 40.

5 Impact of strategic transactions classified as material notable items. For further details, see 'Strategic transactions supplementary analysis' on page 29.

### Financial performance

Profit before tax of \$3.3bn was \$0.3bn or 7% lower than in 1H24 on a constant currency basis.

Revenue of \$6.2bn was \$0.2bn or 4% higher on a constant currency basis.

Banking NII of \$5.3bn increased by \$0.3bn or 6%, despite reductions in interest rates. This increase was driven by the continued benefit of our structural hedge, as well as higher lending balances across mortgages and corporate lending and from growth in deposit balances, in line with the increase in the overall market size. These increases were

partly offset by margin compression on mortgages, while customer migration to interest-bearing deposit accounts continued to stabilise.

Fee and other income of \$0.9bn fell by 5%. In Retail Banking and Wealth, fee and other income decreased due to lower fees on foreign exchange transactions in Wealth.

ECL of \$0.3bn in 1H25 increased by \$0.3bn compared with 1H24 on a constant currency basis. The increase mainly reflected a more normalised level of ECL in 1H25 and the non-recurrence of releases against retail exposures in 1H24.

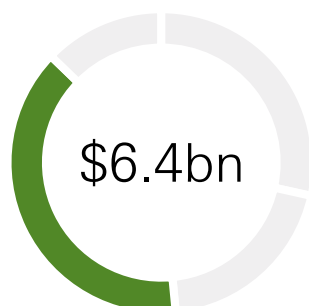
Operating expenses of \$2.6bn increased by \$0.2bn or 9% on a constant currency basis. The increase primarily reflected higher investment spend in technology, including on operational resilience, partly mitigated by continued cost discipline.

## Corporate and Institutional Banking

Our CIB business is a market leader in cross-border transaction banking and capital markets. It integrates our Commercial Banking business (outside of the UK and Hong Kong) with our Global Banking and Markets business.

### Contribution to Group profit before tax ♦

### Divisional highlights



# 18%

Growth in fees and other income compared with 1H24, on a constant currency basis.

# 16.9%

RoTE up 1.3 percentage points compared with 1H24. ♦

Calculation is based on profit before tax of our business segments excluding Corporate Centre.

### Management view of revenue – on a constant currency basis

|                                         | Half-year to  |             | 1H25 vs. 1H24                                |            |              |
|-----------------------------------------|---------------|-------------|----------------------------------------------|------------|--------------|
|                                         | 30 Jun 2025   | 30 Jun 2024 | of which strategic transactions <sup>5</sup> |            |              |
|                                         | \$m           | \$m         | \$m                                          | %          | \$m          |
| <b>Banking NII<sup>1</sup></b>          | <b>7,014</b>  | 7,314       | <b>(300)</b>                                 | <b>(4)</b> | <b>(602)</b> |
| <b>Fee and other income<sup>2</sup></b> | <b>7,103</b>  | 6,033       | <b>1,070</b>                                 | <b>18</b>  | <b>106</b>   |
| – Wholesale Transaction Banking         | <b>4,831</b>  | 4,390       | <b>441</b>                                   | <b>10</b>  | <b>(112)</b> |
| – Investment Banking                    | <b>542</b>    | 472         | <b>70</b>                                    | <b>15</b>  | <b>(3)</b>   |
| – Debt and Equity Markets               | <b>1,522</b>  | 1,153       | <b>369</b>                                   | <b>32</b>  | <b>30</b>    |
| – Wholesale Credit and Lending          | <b>278</b>    | 304         | <b>(26)</b>                                  | <b>(9)</b> | <b>(51)</b>  |
| – Other <sup>3</sup>                    | <b>(70)</b>   | (286)       | <b>216</b>                                   | <b>76</b>  | <b>241</b>   |
| <b>Revenue excluding notable items</b>  | <b>14,117</b> | 13,347      | <b>770</b>                                   | <b>6</b>   | <b>(496)</b> |
| Notable items                           | –             | (14)        | <b>14</b>                                    | <b>1</b>   | –            |
| <b>Revenue</b>                          | <b>14,117</b> | 13,333      | <b>784</b>                                   | <b>6</b>   | <b>(496)</b> |
| <b>RoTE (annualised)<sup>4</sup> %</b>  | <b>16.9</b>   | 15.6        |                                              |            |              |

1 For a description of how we derive banking NII, see page 21. In CIB, there are no adjustments to NII to derive banking NII. The internal funding costs of trading and fair value net assets are recorded in 'fee and other income'. On consolidation, this funding is eliminated in Corporate Centre. In 1H25, this funding cost was \$4.7bn (1H24: \$5.5bn).

2 For supplementary analysis of fee and other income, see page 28.

3 Includes allocated revenue from Markets Treasury and hyperinflationary impacts. It also includes notional tax credits.

4 For details of our RoTE calculation by business segment, see page 40.

5 Impact of strategic transactions classified as material notable items. For further details, see 'Strategic transactions supplementary analysis' on page 29.

### Financial performance

Profit before tax of \$6.4bn was \$0.2bn or 4% higher than in 1H24 on a constant currency basis.

Revenue of \$14.1bn was \$0.8bn or 6% higher on a constant currency basis, including the adverse impact of the disposals of our businesses in Canada and Argentina.

Banking NII of \$7.0bn decreased by \$0.3bn or 4%, mainly due to a reduction of \$0.6bn from business disposals. Banking NII reflected the impact of lower interest rates in GPS, partly offset by a 5% growth in average balances. Banking NII increased in GTS due to an increase of 10% in average balances, mainly in our legal entities in Asia following growth in client demand. There was also a rise in other NII, in part from the benefit of our structural hedge on capital held in the business.

Fee and other income of \$7.1bn increased by \$1.1bn or 18%.

- In Wholesale Transaction Banking, fee and other income increased by \$0.4bn or 10%, mainly due to higher income in Global Foreign Exchange from elevated market volatility in 1H25.
- In Debt and Equity Markets, fee and other income was up \$0.4bn or 32%. Growth in Debt Markets was driven by US dollar structured note issuance due to higher interest rates. Equities benefited from new client onboarding in prime finance and robust institutional financing demand. Equity derivatives benefited from the rise in market volatility due to macroeconomic uncertainty.
- In Other, fee and other income increased by \$0.2bn, largely due to the non-recurrence of adverse hyperinflationary impacts in Argentina.

ECL of \$0.3bn in 1H25 increased by \$0.1bn compared with 1H24 on a constant currency basis. The increase included charges in Europe compared with releases in 1H24 relating to a single client.

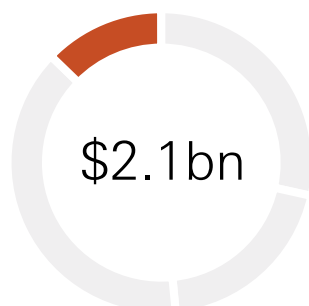
Operating expenses of \$7.5bn were \$0.4bn or 6% higher than in 1H24 on a constant currency basis. The increase included restructuring and other related costs, mainly the wind-down of M&A and equity capital markets activities in the UK, Europe and the US, and related impairments in Germany. It also reflected higher spend and investment in technology, and inflationary impacts. These increases were partly mitigated by cost reductions from our organisational simplification and the impact of business disposals in Canada and Argentina.

## International Wealth and Premier Banking

Our IWPB business comprises Premier banking outside of Hong Kong and the UK, our Private Bank, Asset Management and Insurance businesses.

### Contribution to Group profit before tax ♦

### Divisional highlights



# 19%

Growth in wealth fees and other income compared with 1H24, on a constant currency basis.

# 54%

Growth in Insurance manufacturing new business CSM compared with 1H24, up \$0.7bn.

Calculation is based on profit before tax of our business segments excluding Corporate Centre.

### Management view of revenue – on a constant currency basis

|                                        | Half-year to |             | 1H25 vs. 1H24                                |             |              |
|----------------------------------------|--------------|-------------|----------------------------------------------|-------------|--------------|
|                                        | 30 Jun 2025  | 30 Jun 2024 | of which strategic transactions <sup>4</sup> |             |              |
|                                        | \$m          | \$m         | \$m                                          | %           | \$m          |
| <b>Banking NII<sup>1</sup></b>         | <b>3,440</b> | 3,913       | <b>(473)</b>                                 | <b>(12)</b> | <b>(420)</b> |
| <b>Fee and other income</b>            | <b>3,628</b> | 2,965       | <b>663</b>                                   | <b>22</b>   | <b>95</b>    |
| – Retail Banking                       | 314          | 383         | (69)                                         | (18)        | (24)         |
| – Wealth                               | 3,288        | 2,766       | 522                                          | 19          | (74)         |
| – Other <sup>2</sup>                   | 26           | (184)       | 210                                          | >100        | 193          |
| <b>Revenue excluding notable items</b> | <b>7,068</b> | 6,878       | <b>190</b>                                   | <b>3</b>    | <b>(325)</b> |
| Notable items                          | (57)         | 55          | (112)                                        | >(100)      | (113)        |
| <b>Revenue</b>                         | <b>7,011</b> | 6,933       | <b>78</b>                                    | <b>1</b>    | <b>(438)</b> |
| <b>RoTE (annualised)<sup>3</sup> %</b> | <b>16.8</b>  | 17.6        |                                              |             |              |

1 For a description of how we derive banking NII, see page 21. Banking NII in IWPB is computed by deducting third-party NII in our insurance business from total IWPB NII, which was \$0.2bn in 1H25 (1H24: \$0.2bn). Total Insurance NII is presented in 'fee and other income' in Wealth.

2 Includes allocated revenue from Markets Treasury and hyperinflationary impacts. It also includes other non-product-specific income.

3 1H25 Included a 1.1 percentage point adverse impact from notable items. For details of our RoTE calculation by business segment, see page 40.

4 Impact of strategic transactions classified as material notable items. For further details, see 'Strategic transactions supplementary analysis' on page 29.

### Financial performance

Profit before tax of \$2.1bn was \$0.2bn lower than in 1H24 on a constant currency basis, mainly due to the impact of strategic transactions of \$0.2bn.

Revenue of \$7.0bn was \$0.1bn or 1% higher on a constant currency basis. This included an adverse impact of \$0.4bn from strategic transactions.

Banking NII of \$3.4bn decreased by \$0.5bn or 12%, primarily driven by the impact of disposals in Canada and Argentina of \$0.4bn, and the effects of lower interest rates on deposits. This reduction was partly offset by balance sheet growth.

Fee and other income of \$3.6bn was up by \$0.7bn or 22%, driven by Wealth due to broad-based growth across all products and in multiple markets, including Hong Kong, mainland China, Singapore and Taiwan.

In Wealth, fee and other income of \$3.3bn was up \$0.5bn or 19%.

- Private Bank increased by \$0.2bn or 23%, as increased customer activity led to strong performances in brokerage and trading, and from higher annuity fees, driven by growth in invested asset balances.
- Insurance increased by \$0.2bn or 23%, reflecting a higher CSM release given continued year-on-year growth in our CSM balance. The 1H25 Insurance manufacturing CSM balance was \$13.5bn, up \$1.2bn or 10%, primarily reflecting new business CSM growth, which included a reduction of \$0.9bn from the reclassification of our life insurance business in France to held for sale.

ECL of \$0.5bn in 1H25 increased by \$37m compared with 1H24 on a constant currency basis.

Operating expenses of \$4.5bn were \$0.2bn or 4% higher than in 1H24 on a constant currency basis, primarily reflecting continued investments in Wealth, higher spend and investment in technology, the impact of inflation and an increase in restructuring and other related costs. These increases were partly offset by a reduction in costs following our business disposals in Canada and Argentina.

## Corporate Centre

The results of Corporate Centre primarily comprise the financial impact of certain acquisitions and disposals, and the share of profit, dilution and impairment loss impacts from interests in our associates and joint ventures. It also includes Central Treasury, stewardship costs and consolidation adjustments.

### Financial performance

Profit before tax of \$0.6bn was \$5.4bn lower than in 1H24 on a constant currency basis.

This included a \$1.1bn loss from the dilution of our shareholding and a \$1.0bn impairment to the carrying value of the Group's interest in BoCom.

The Group's interest in BoCom reduced from 19.03% to 16.00% following the completion of a capital issuance by BoCom on 17 June 2025. The dilution of the Group's interest resulted in a pre-tax loss of \$1.1bn, recognised in other operating expense in the Group's consolidated income statement. The loss is not deductible for tax purposes as a consequence of our shareholding in BoCom being held for long-term investment purposes. The Group's investment in BoCom continues to be classified as an associate.

In addition, the Group performed an impairment test on the carrying amount at 30 June 2025, which resulted in an impairment of \$1.0bn, as the recoverable amount as determined by a value-in-use calculation was lower than the carrying value, recognised within impairment of interest in

associates. Consistent with prior periods, our value-in-use calculation uses both historical experience and market participant views to estimate future cash flows, relevant discount rates and associated capital assumptions.

Neither the dilution loss nor the impairment loss had a material impact on HSBC's capital ratios or distribution capacity. Both amounts are treated as a material notable item, and therefore are excluded from our dividend payout ratio.

We remain strategically committed to mainland China and continue our valued, strategic partnership with BoCom.

The reduction in profit before tax also included an adverse impact from the non-recurrence of 1H24 notable items in revenue of \$3.5bn related to business disposals in Canada and Argentina.

Revenue was \$4.4bn lower on a constant currency basis. This primarily reflected the impact of notable items.

Banking NII was stable compared with 1H24 on a constant currency basis. Banking NII in

1H25 removes from NII the internal cost to fund trading and fair value net assets, predominantly in CIB, of \$4.7bn (1H24: \$5.5bn).

Fee and other income of \$0.5bn was \$0.3bn higher, primarily due to fair value movements on financial instruments in Central Treasury and structural foreign exchange hedges. The increase also included fair value gains on non-qualifying hedges related to our retained French portfolio of home and certain other loans.

Operating expenses of \$0.2bn were broadly stable on a constant currency basis.

Share of profit from associates and joint ventures less impairment of \$0.6bn decreased by \$0.9bn or 59% on a constant currency basis, due to the impairment loss of \$1.0bn referred to above, partly offset by an increase in the share of profit from SAB.

|                                         | Half-year to   |              | 1H25 vs. 1H24                                |                  |                |
|-----------------------------------------|----------------|--------------|----------------------------------------------|------------------|----------------|
|                                         | 30 Jun 2025    | 30 Jun 2024  | of which strategic transactions <sup>5</sup> |                  |                |
|                                         | \$m            | \$m          | \$m                                          | %                | \$m            |
| <b>Management view of revenue</b> ♦     |                |              |                                              |                  |                |
| <b>Banking NII<sup>1</sup></b>          | <b>(322)</b>   | <b>(333)</b> | <b>11</b>                                    | <b>3</b>         | <b>—</b>       |
| <b>Fee and other income<sup>2</sup></b> | <b>458</b>     | <b>175</b>   | <b>283</b>                                   | <b>&gt;100</b>   | <b>—</b>       |
| <b>Revenue excluding notable items</b>  | <b>136</b>     | <b>(158)</b> | <b>294</b>                                   | <b>186</b>       | <b>—</b>       |
| Notable items                           | <b>(1,218)</b> | <b>3,523</b> | <b>(4,741)</b>                               | <b>&gt;(100)</b> | <b>(3,761)</b> |
| <b>Revenue<sup>3</sup></b>              | <b>(1,082)</b> | <b>3,365</b> | <b>(4,447)</b>                               | <b>&gt;(100)</b> | <b>(3,761)</b> |
| <b>RoTE (annualised)<sup>4</sup> %</b>  | <b>(2.8)</b>   | <b>20.6</b>  |                                              |                  |                |

- For a description of how we derive banking NII, see page 21. Banking NII in Corporate Centre is computed by deducting the internal cost to fund trading and fair value net assets for which associated revenue is reported in 'Net income from financial instruments held for trading or managed on a fair value basis'. Corporate Centre banking net interest expense includes funding charges on property and technology assets, and the banking NII of the retained portfolio of home and other loans associated with the disposal of our retail banking operations in France.
- 'Fee and other income' includes gains and losses on certain transactions, valuation differences on issued long-term debt and associated swaps, fair value movements on financial instruments, revaluation gains and losses on investment properties and property disposals, as well as consolidation adjustments and other revenue items not allocated to business segments. For supplementary analysis of fee and other income, see page 28.
- Revenue from Markets Treasury, HSBC Holdings net interest expense and hyperinflation are allocated out to the business segments, to align them better with their revenue and expense. The total Markets Treasury revenue component of this allocation for 1H25 was \$1,212m (1H24: \$843m).
- For details of our RoTE calculation by business segment, see page 40.
- Impact of strategic transactions classified as material notable items. For further details, see 'Strategic transactions supplementary analysis' on page 29.

# Risk overview

## Managing risk

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

### Geopolitical and macroeconomic risk

The global economy continued to grow during the first half of 2025, but developments were distorted by the acceleration of consumption and investment spending in anticipation of tariffs being imposed. The interpretation of US economic data has been complicated by a surge in imports and business inventory accumulation. In mainland China and Hong Kong, supportive fiscal and monetary policies continued to underpin growth. Over the remainder of 2025, tariffs may become an increasing headwind to global growth, and economic forecasts and economic expectations have been lowered accordingly.

Risks to the global economy remain elevated due to the uncertainty over trade policies. High uncertainty may impact financial markets and further erode confidence, while higher tariffs could disrupt supply chains and reduce global trade. HSBC operates in several of the most affected markets, and such developments may adversely affect the Group and our customers.

Tariffs, supply chain disruptions and reduced trade may also negatively impact fee income and demand for financing, although the reconfiguration of supply chains may also present new opportunities for investment and growth.

We remain subject to interest rate risk, which can affect net interest income, the fair value of our assets and liabilities, and overall financial performance.

In Hong Kong, our operations have been and continue to be exposed to fluctuations in HIBOR, which has experienced heightened volatility due to recent capital market activity and changing investor risk appetite.

Major central banks have also adjusted their policy approach in light of recent economic uncertainty. The US Federal Reserve paused its cycle of interest rate cuts to assess the impact of tariff policies on consumer prices and inflation expectations. The Federal Funds Rate was left unchanged during the first half of 2025, at 4.25 to 4.5%. The Bank of England ('BoE') cut interest rates by a cumulative 50bps to 4.25%, amid concern that the weaker global backdrop may affect UK growth and employment, despite continued domestic inflation risk.

Policy interest rates are expected to remain higher than prior to the Covid-19 pandemic. Higher rates may reduce loan demand across key consumer and business segments, which could lead to a deterioration in credit quality and weigh on real estate and other asset prices.

In a number of developed markets, government debt levels are rising amid spending pressure from rising social welfare costs and increased expenditure on defence and climate transition. Our risk profile may be influenced by fiscal policies, public deficits and levels of indebtedness. For example, recent changes to US long-term interest rates and US dollar volatility could adversely impact the fiscal capacity and debt sustainability of highly-indebted sovereigns. In addition, a sharp rise in funding costs in our key markets could raise the credit and refinancing risks for our customers and counterparties.

The geopolitical environment has continued to increase in complexity and tensions could impact the Group's operations and its risk profile. The ongoing conflict in the Middle East and the Russia-Ukraine war remain key sources of uncertainty, which may impact HSBC and our customers, including through increased market volatility and supply chain disruptions. During the second quarter of 2025, the war between Israel and Iran illustrated the threat of energy supply disruption to the global economy. Heightened strategic competition between the US and China is also affecting the configuration of global supply chains, which may in turn affect the Group's operations.

Existing and additional sanctions, trade restrictions, counter-sanctions and other retaliatory measures relating to geopolitical tensions may adversely affect the Group, its customers and the markets in which the Group operates.

Commercial real estate conditions remain challenging in Hong Kong and mainland China. In Hong Kong, the over-supply of non-residential properties continued putting downward pressure on rental and capital values. In mainland China, government stimulus has yet to trigger material improvement in buyer sentiment. For further details on market conditions, see page 62.

In the first half of 2025, management adjustments to ECL were applied to reflect sector or portfolio risks that are not fully captured by our models. We continue to monitor, and seek to manage, the potential implications of all the above developments on our customers and our business.

### Our risk appetite

At 30 June 2025, our CET1 ratio and ECL charges were within their defined risk appetite thresholds. At 30 June 2025 our CET1 ratio decreased to 14.6% from 14.9% at 31 December 2024 driven by an increase in risk-weighted assets ('RWAs'), partly offset by an increase in CET1 capital. Wholesale and Retail ECL charges were within appetite at 0.45% and 0.35% of loans and advances respectively.

### Our operations

We remain committed to investing in the reliability and resilience of our technology systems and critical services, including our ability to withstand and respond to cyber-attacks. We assess our third parties to help ensure they deliver the standard of services we require to provide resilient services to our customers. We do so to help protect our customers and counterparties, and to help ensure that we minimise any disruption to our services. In our approach to defending against these threats, we invest in business and technical controls to help us detect, prevent, manage and recover from issues in a timely manner within our risk appetite.

HSBC is committed to using AI responsibly. We are working to balance the opportunity AI presents to accelerate delivery of our strategy with the need for appropriate controls to help mitigate the associated risks. To help meet the Group's needs and regulatory expectations for AI, whether developed internally or facilitated through third parties, we have refreshed our Group-wide AI oversight committee and refined our AI lifecycle management, aligning with our company values and taking into account best practice. HSBC's Principles for the Ethical Use of Data and AI are available at [www.hsbc.com/ai](http://www.hsbc.com/ai).

We continue to focus on improving the quality and timeliness of the data used to inform management decisions, and we are progressing with the implementation of our strategic and regulatory change initiatives to help deliver the right outcomes for our customers, people, investors and communities.

- ▶ For further details of our Central and other economic scenarios, see page 47.
- ▶ For further details on our CET1 ratio, see page 67.
- ▶ For further details of our risk management framework, see page 128 of our Annual Report and Accounts 2024.

## Top and emerging risks

Our top and emerging risks report identifies forward-looking risks so that they can be considered in determining whether any incremental action is needed to either prevent them from materialising, or to limit their effect. Top risks are those that have the potential to have a material adverse impact on the financial results, reputation or business model of the Group. We actively

manage and take actions to mitigate our top risks. Emerging risks are those that, while they could have a material impact on our risk profile were they to occur, are not considered immediate and are not under active management. Our suite of top and emerging risks is subject to regular review by senior governance forums. We continue to monitor closely the identified risks and agree

management actions to remediate and/or reduce them to acceptable levels, as required.

► For further details on our top and emerging risks see pages 131 to 136 of our Annual Report and Accounts 2024.

| Risk                                                                                                           | Trend | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------------|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Externally driven</b>                                                                                       |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Geopolitical and macroeconomic risks                                                                           | ▲     | Our operations and portfolios are subject to risks arising from political instability, civil unrest and military conflict, which may lead to disruption of our operations, physical risk to our staff, and/or physical damage to our assets. We are also subject to macroeconomic risks, which may drive changes to our income growth and asset quality. Heightened geopolitical and macroeconomic risk globally, including uncertainty in international trade policy, is subject to close monitoring and review.                                                                                                     |
| Technology and cybersecurity risk                                                                              | ▲     | There is an increased risk of service disruption or loss of data resulting from technology failures or malicious activities from internal or external threats. We continue to monitor changes to the technology and threat landscape, including those arising from ongoing geopolitical and macroeconomic events alongside third-party breaches and the impact this may have on risk management. We operate a continuous improvement programme to help support the resilience and stability of our technology operations and counter a fast-evolving and heightened cyber threat environment.                         |
| Environmental, social and governance ('ESG') risks                                                             | ▲     | We are subject to ESG risks, including in relation to climate change, nature and human rights. These risks have increased due to the increasing frequency of severe weather events, diverging national agendas and a more complex regulatory environment. Financial institutions' actions and investment decisions in respect of ESG matters continue to be subject to heightened scrutiny by stakeholders. Failure to meet these evolving expectations may have financial and non-financial impacts, including reputational, legal and regulatory compliance risks.                                                  |
| Financial crime risk                                                                                           | ▲     | We are exposed to financial crime risk from our customers, staff and third parties engaging in criminal activity. The financial crime risk environment is heightened due to increasingly complex geopolitical challenges, the macroeconomic outlook, the complex and dynamic nature of sanctions and export control compliance, evolving financial crime regulations, rapid technological developments, an increasing number of national data privacy requirements and the increasing sophistication of fraud. As a result, we will continue to face the possibility of regulatory enforcement and reputational risk. |
| Digitalisation and technological advances                                                                      | ▲     | Developments in technology and changes in regulations continue to enable new entrants to the banking industry as well as new products and services offered by competitors. This challenges us to continue to innovate with new digital capabilities and evolve our products, to attract, retain and best serve our customers. Along with opportunities, new technology, including generative AI, can introduce risks and disruption. We seek to manage technology developments with appropriate controls and oversight.                                                                                               |
| Evolving regulatory environment risk                                                                           | ►     | The regulatory and compliance risks are set against continued geopolitical risk and regulatory focus on models, data, regulatory reporting, financial resilience, ESG, technology and generative AI, financial crime and risk management practices, including operational/cyber resilience and controls. Multiple jurisdictions are progressing the implementation of Basel 3.1 standards, to various timescales, some of which are being delayed. The UK government's focus on improving business growth is also driving legislative and regulatory change.                                                          |
| <b>Internally driven</b>                                                                                       |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Data risk                                                                                                      | ►     | We use data to serve our customers and run our operations, often in real-time within digital experiences and processes. If our data is not accurate and timely, our ability to serve customers, operate with resilience or meet regulatory requirements could be impacted. We seek to ensure that non-public data is kept confidential, and that we comply with the growing number of regulations that govern data privacy and cross-border movement of data.                                                                                                                                                         |
| Risks arising from the receipt of services from third parties                                                  | ►     | We procure goods and services from a range of third parties. In line with the macroeconomic and geopolitical climate, the risk of service disruption in our supply chain remains high. We continue to strengthen our controls, oversight and risk management policies and processes to select and manage third parties, including our third parties' own supply chains, particularly for key activities that could affect our operational resilience.                                                                                                                                                                 |
| Model risk                                                                                                     | ▲     | Model risk arises whenever business decision making includes reliance on models. We use models in both financial and non-financial contexts, as well as in a range of business applications. Evolving regulatory requirements and enhanced expectations continue to drive changes to the way model risk is managed across the banking industry, with a particular focus on capital and credit loss models. New technologies, including generative AI, are driving a need for enhanced model risk controls.                                                                                                            |
| Change execution risk                                                                                          | ▲     | Delivering change effectively is critical to achieving our strategy and enables us to meet rapidly-evolving customer and stakeholder needs. We seek to prioritise and deliver complex change in line with established risk management processes, to achieve sustainable outcomes, to meet industry and regulatory expectations and to fulfil our obligations to customers and clients. The impact of the ongoing reorganisation of the Group on the level of change execution risk in the near to medium term is being monitored.                                                                                     |
| Risks associated with workforce capability, capacity and environmental factors with potential impact on growth | ▲     | Our businesses, functions and geographies are exposed to risks associated with employee retention and talent availability, changing skills requirements of our workforce, and compliance with employment laws and regulations. Attrition across the Group remains stable, but failure to manage these risks may impact the delivery of our strategic objectives or lead to regulatory sanctions or legal claims, and the risks are heightened during the current period of fundamental organisational change.                                                                                                         |

▲ Risk heightened during the first half of 2025

► Risk remained at the same level as at 31 December 2024

# Financial summary

## Basis of presentation

### Constant currency performance

Constant currency performance is computed by adjusting reported results for the effects of foreign currency translation differences, which reflect the movements of the US dollar against most major currencies during 2025. Excluding these differences allows us to assess balance sheet and income statement performance on a like-for-like basis and to better understand the underlying trends in the business. Foreign currency translation differences at 30 June 2025 are computed by retranslating into US dollars for non-US dollar branches, subsidiaries, joint ventures and associates:

- the income statement for the half-year to 30 June 2024 at the average rate of exchange for the half-year to 30 June 2025; and
- the balance sheets at 30 June 2024 and 31 December 2024 at the prevailing rates of exchange on 30 June 2025.

No adjustment has been made to the exchange rates used to translate foreign currency-denominated assets and liabilities into the functional currencies of any HSBC branches, subsidiaries, joint ventures or associates. The constant currency data of our operations in Türkiye has not been adjusted further for the impacts of hyperinflation. When reference is made to foreign currency translation differences in tables or commentaries, comparative data reported in the functional currencies of HSBC's operations has been translated at the appropriate exchange rates applied in the current period on the basis described above.

### Notable items and material notable items

We separately disclose 'notable items', which are components of our income statement that management would consider as outside the normal course of business and generally non-recurring in nature.

Certain notable items are classified as 'material notable items', which are a subset of notable items. Categorisation as a material notable item is dependent on the nature of each item in conjunction with the financial impact on the Group's income statement, and are excluded from our target basis dividend payout ratio calculation and earnings per share measure. Material notable items in 1H25 or relevant comparative periods relate to the operating expenses associated with actions to exit or wind down non-strategic businesses. They also include a dilution loss and the recognition of an impairment of our investment in BoCom, as well as the impacts of transactions completed in previous periods, including the sale of our retail banking operations in France, the sale of our banking business in Canada and the disposal of our business in Argentina.

- ▶ The tables on pages 26 to 27 and pages 34 to 36 detail the effects of notable items on each of our business segments, legal entities and selected countries/territories in 1H25 and 1H24.

### Impact of strategic transactions

In addition to the items categorised as material notable items, the impacts of strategic transactions include the distorting impact observed between the periods of the operating income statement results related to acquisitions and disposals that affect period-on-period comparisons. Once a transaction has completed, the impact will include the operating income statement results of each business, which are not classified as notable items, in any comparative period if there are no results in the current period. We consider the monthly impact of distorting income statement results when calculating the impact of strategic transactions.

### Impact of hyperinflationary accounting

The sale of our business in Argentina, previously treated as a hyperinflationary economy for accounting purposes, was completed in 2024. We continue to treat Türkiye as a hyperinflationary economy for accounting purposes. The impact of applying International Accounting

Standard ('IAS') 29 'Financial Reporting in Hyperinflationary Economies' and the hyperinflation provisions of IAS 21 'The Effects of Changes in Foreign Exchange Rates' in the current period for our operations in Türkiye was a decrease in the Group's profit before tax of \$78m (1H24: \$89m), comprising a decrease in revenue, including loss on net monetary position, of \$79m (1H24: \$85m) and a decrease in ECL and operating expenses of \$1m (1H24: increase of \$4m). The consumer price index at 30 June 2025 for Türkiye was 3,132, with an increase in the period of 448 (1H24: 460 increase).

## Use of alternative performance measures

Our reported results are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IFRS Accounting Standards'), as detailed in the interim condensed consolidated financial statements starting on page 77.

To measure our performance, we supplement our IFRS Accounting Standards figures with non-IFRS Accounting Standards measures, which constitute alternative performance measures under European Securities and Markets Authority guidance and non-GAAP financial measures defined in and presented in accordance with the US Securities and Exchange Commission rules and regulations. These measures include those derived from our reported results that eliminate factors distorting period-on-period comparisons. The 'constant currency performance' measure used throughout this report is described above. Definitions and calculations of other alternative performance measures are included in 'Alternative performance measures' on page 38. Additionally, the insurance-specific non-GAAP measure 'Insurance equity plus CSM net of tax' is provided on page 30, along with its definition and reconciliation to the GAAP measure. All alternative performance measures are reconciled to the closest reported performance measure.

## Return on average tangible equity excluding notable items

The calculation for RoTE excluding notable items adjusts the 'profit attributable to the ordinary shareholders, excluding goodwill and other intangible assets impairment' for the post-tax impact of notable items. It also adjusts the 'average tangible equity' for the post-tax impact of notable items in each period, which remain as adjusting items for all relevant periods within that calendar year.

- ▶ See page 38 for the definition of return on average tangible equity excluding notable items and page 39 for the reconciliation to the GAAP measure.

## Banking net interest income

Banking net interest income ('banking NII') adjusts our NII primarily for the impact of funding trading and fair value activities reported in interest expense. It represents the Group's banking revenue that is directly impacted by changes in interest rates. We use this measure to determine the deployment of our surplus funding, and to help optimise our structural hedging and risk management actions. For more information on banking NII, see page 21.

## Constant currency revenue and profit before tax excluding notable items and the impact of strategic transactions

To aid the understanding of our results, we separately report 'constant currency revenue excluding notable items' and 'constant currency profit before tax excluding notable items', which exclude the impact of notable items and the impact of foreign exchange translation. We also separately disclose 'constant currency revenue excluding notable items and the impact of strategic transactions' and 'constant currency profit before tax excluding notable items and the impact of strategic transactions', which also exclude the impact of strategic transactions classified as material notable items as described above. We consider these measures to provide useful information to investors as they remove items that distort period-on-period comparisons.

The impact of strategic transactions also includes the distorting impact between the periods of the operating income statement results related to acquisitions and disposals and that affect period-on-period comparisons. These impacts are not included in our notable or material notable items. The impact of strategic transactions is computed by including the operating income statement results of each business in any period for which there are no results in the comparative period.

► See page 38 for the reconciliation to the GAAP measure.

## Target basis operating expenses

Target basis operating expenses is computed by excluding the direct cost impact of the disposals of our banking business in Canada and our business in Argentina from the 2024 baseline. It is measured on a constant currency basis and excludes notable items and the impact of retranslating the prior year results of hyperinflationary economies at constant currency, which we consider to be outside of our control. We consider target basis operating expenses to provide useful information to investors by quantifying and excluding the notable items that management considered when setting and assessing cost-related targets.

► See page 41 for the reconciliation to the GAAP measure.

## Basic earnings per share excluding material notable items and related impacts

We have established a dividend payout ratio target basis of 50% for 2025. For the purposes of computing our dividend payout ratio target basis, we exclude from earnings per share material notable items and related impacts. Material notable items for the 'basic earnings per share excluding material notable items and related impacts' measure in 2025 and comparative periods are described above.

Related impacts include those items that do not qualify for designation as notable items but whose adjustment is considered by management to be appropriate for the purposes of determining the basis for our dividend payout ratio target basis calculation, for which we exclude from earnings per share material notable items and related impacts.

- See page 29 for the supplementary analysis of the impact of strategic transactions.
- See page 38 for the definition of basic earnings per share excluding material notable items and related impacts and page 41 for the reconciliation to the GAAP measure.

## Summary consolidated income statement

|                                                                                                                                              | Half-year to  |               |
|----------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
|                                                                                                                                              | 30 Jun 2025   | 30 Jun 2024   |
|                                                                                                                                              | \$m           | \$m           |
| Net interest income                                                                                                                          | 16,821        | 16,911        |
| Net fee income                                                                                                                               | 6,643         | 6,200         |
| Net income from financial instruments held for trading or managed on a fair value basis <sup>1</sup>                                         | 10,547        | 10,516        |
| Net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss | 5,113         | 2,376         |
| Insurance finance expense                                                                                                                    | (5,329)       | (2,486)       |
| Insurance service result                                                                                                                     | 785           | 662           |
| Gain less impairment relating to sale of business operations <sup>2</sup>                                                                    | (34)          | 3,256         |
| Other operating (expense)/income <sup>3</sup>                                                                                                | (424)         | (143)         |
| <b>Net operating income before change in expected credit losses and other credit impairment charges<sup>4</sup></b>                          | <b>34,122</b> | <b>37,292</b> |
| Change in expected credit losses and other credit impairment charges                                                                         | (1,941)       | (1,066)       |
| <b>Net operating income</b>                                                                                                                  | <b>32,181</b> | <b>36,226</b> |
| Total operating expenses excluding amortisation and impairment of intangible assets                                                          | (15,752)      | (15,194)      |
| Amortisation and impairment of intangible assets                                                                                             | (1,270)       | (1,102)       |
| <b>Operating profit</b>                                                                                                                      | <b>15,159</b> | <b>19,930</b> |
| Share of profit in associates and joint ventures                                                                                             | 1,651         | 1,626         |
| Impairment of interest in associate <sup>3</sup>                                                                                             | (1,000)       | –             |
| <b>Profit before tax</b>                                                                                                                     | <b>15,810</b> | <b>21,556</b> |
| Tax expense                                                                                                                                  | (3,369)       | (3,891)       |
| <b>Profit after tax</b>                                                                                                                      | <b>12,441</b> | <b>17,665</b> |
| Attributable to:                                                                                                                             |               |               |
| – ordinary shareholders of the parent company                                                                                                | 11,510        | 16,586        |
| – other equity holders                                                                                                                       | 547           | 526           |
| – non-controlling interests                                                                                                                  | 384           | 553           |
| <b>Profit after tax</b>                                                                                                                      | <b>12,441</b> | <b>17,665</b> |
|                                                                                                                                              | \$            | \$            |
| Basic earnings per share                                                                                                                     | 0.65          | 0.89          |
| Diluted earnings per share                                                                                                                   | 0.65          | 0.88          |
| Dividend per ordinary share (paid in the period) <sup>5</sup>                                                                                | 0.46          | 0.62          |
|                                                                                                                                              | %             | %             |
| Post-tax return on average total assets (annualised)                                                                                         | 0.8           | 1.2           |
| Return on average ordinary shareholders' equity (annualised)                                                                                 | 13.7          | 19.8          |
| Return on average tangible equity (annualised)                                                                                               | 14.7          | 21.4          |

- 1 The amount in 1H25 includes a \$0.1bn mark-to-market gain on interest rate hedging of the portfolio of retained loans post sale of our retail banking operations in France and a \$0.1bn fair value loss on Grupo Financiero Galicia's ('Galicia') American Depositary Receipts ('ADRs') received as purchase consideration from the sale of our business in Argentina, which were disposed of in 2Q25. Amount in 1H24 includes a \$255m gain on the foreign exchange hedging of the proceeds from the sale of our banking business in Canada.
- 2 Includes amounts from 'Other operating income' relating to the execution of all sales of business operations. In 1H24, a gain of \$4.6bn inclusive of the recycling of \$0.6bn in foreign currency translation reserve losses and \$0.4bn of other reserves recycling losses on the sale of our banking business in Canada, and an impairment loss of \$1.2bn relating to the sale of our business in Argentina was recognised.
- 3 The amount in 1H25 'Other operating (expense)/income' includes a loss of \$1.1bn inclusive of reserves recycling as a result of the dilution of our shareholding in BoCom. We have also recognised a \$1.0bn impairment loss following an impairment test on the carrying value of the Group's investment in BoCom in 'Impairment of interest in associate'. See Note 10 on page 95.
- 4 Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.
- 5 The \$0.46 dividend paid during the period consisted of a fourth interim dividend of \$0.36 per ordinary share in respect of the financial year ended 31 December 2024 paid in April 2025 and a first interim dividend of \$0.10 per ordinary share in respect of the financial year ending 31 December 2025 paid in June 2025.

## Income statement commentary

The below tables and commentary compare Group financial performance for the half-year to 30 June 2025 with the half-year to 30 June 2024, unless otherwise stated. For further financial performance data of our global business segments, see pages 26 to 27. For further financial performance data by major legal entity, see pages 32 to 37.

### Net interest income

|                                           | Half-year to  |               | Quarter to   |              |
|-------------------------------------------|---------------|---------------|--------------|--------------|
|                                           | 30 Jun 2025   | 30 Jun 2024   | 30 Jun 2025  | 31 Mar 2025  |
|                                           | \$m           | \$m           | \$m          | \$m          |
| Interest income                           | 49,008        | 55,372        | 24,595       | 24,413       |
| Interest expense                          | (32,187)      | (38,461)      | (16,076)     | (16,111)     |
| <b>Net interest income</b>                | <b>16,821</b> | <b>16,911</b> | <b>8,519</b> | <b>8,302</b> |
| Average interest-earning assets           | 2,159,900     | 2,097,866     | 2,195,244    | 2,124,161    |
|                                           | %             | %             | %            | %            |
| Gross interest yield <sup>1</sup>         | 4.58          | 5.31          | 4.49         | 4.66         |
| Less: gross interest payable <sup>1</sup> | (3.26)        | (4.08)        | (3.18)       | (3.34)       |
| Net interest spread <sup>2</sup>          | 1.32          | 1.23          | 1.31         | 1.32         |
| Net interest margin <sup>3</sup>          | 1.57          | 1.62          | 1.56         | 1.59         |

- Gross interest yield is the average annualised interest rate earned on average interest-earning assets ('AIEA'). Gross interest payable is the average annualised interest cost as a percentage of average interest-bearing liabilities.
- Net interest spread is the difference between the average annualised interest rate earned on AIEA, net of amortised premiums and loan fees, and the average annualised interest rate payable on average interest-bearing liabilities.
- Net interest margin is net interest income expressed as an annualised percentage of AIEA.

### Summary of interest income by type of asset

|                                                          | Half-year to     |                 |             | Full-year to     |                 |             |
|----------------------------------------------------------|------------------|-----------------|-------------|------------------|-----------------|-------------|
|                                                          | 30 Jun 2025      |                 |             | 31 Dec 2024      |                 |             |
|                                                          | Average balance  | Interest income | Yield       | Average balance  | Interest income | Yield       |
|                                                          | \$m              | \$m             | %           | \$m              | \$m             | %           |
| Short-term funds and loans and advances to banks         | 334,336          | 6,042           | 3.64        | 354,570          | 7,611           | 4.32        |
| Loans and advances to customers                          | 957,084          | 23,066          | 4.86        | 943,836          | 25,059          | 5.34        |
| Reverse repurchase agreements – non-trading <sup>1</sup> | 263,723          | 8,034           | 6.14        | 234,712          | 9,022           | 7.73        |
| Financial investments                                    | 524,043          | 10,407          | 4.00        | 455,723          | 10,209          | 4.50        |
| Other interest-earning assets                            | 80,714           | 1,459           | 3.65        | 109,025          | 3,471           | 6.40        |
| <b>Total interest-earning assets</b>                     | <b>2,159,900</b> | <b>49,008</b>   | <b>4.58</b> | <b>2,097,866</b> | <b>55,372</b>   | <b>5.31</b> |

### Summary of interest expense by type of liability

|                                                  | Half-year to     |                  |             | Full-year to     |                  |             |
|--------------------------------------------------|------------------|------------------|-------------|------------------|------------------|-------------|
|                                                  | 30 Jun 2025      |                  |             | 31 Dec 2024      |                  |             |
|                                                  | Average balance  | Interest expense | Cost        | Average balance  | Interest expense | Cost        |
|                                                  | \$m              | \$m              | %           | \$m              | \$m              | %           |
| Deposits by banks <sup>2</sup>                   | 74,321           | 1,318            | 3.58        | 63,100           | 1,422            | 4.53        |
| Customer accounts <sup>3</sup>                   | 1,464,045        | 17,301           | 2.38        | 1,353,221        | 20,153           | 2.99        |
| Repurchase agreements – non-trading <sup>1</sup> | 183,938          | 6,605            | 7.24        | 187,931          | 7,872            | 8.42        |
| Debt securities in issue – non-trading           | 196,936          | 5,556            | 5.69        | 195,038          | 6,378            | 6.58        |
| Other interest-bearing liabilities               | 71,294           | 1,407            | 3.98        | 98,359           | 2,636            | 5.39        |
| <b>Total interest-bearing liabilities</b>        | <b>1,990,534</b> | <b>32,187</b>    | <b>3.26</b> | <b>1,897,649</b> | <b>38,461</b>    | <b>4.08</b> |

- The average balances for repurchase and reverse repurchase agreements include net amounts where the criteria for offsetting are met, resulting in a lower net balance reported for repurchase agreements and thus higher cost.
- Including interest-bearing bank deposits only.
- Including interest-bearing customer accounts only.

**Net interest income ('NII')** for 1H25 was \$16.8bn, a decrease of \$0.1bn or 1% compared with 1H24. On a constant currency basis, NII increased by \$0.3bn or 2% compared with 1H24, as lower costs of funding the trading book reflecting a reduction in market interest rates and the benefit of our structural hedge offset decreases due to the business disposals in Argentina and Canada, and the impact of lower market interest rates on asset re-pricing.

NII for 2Q25 was \$8.5bn, up 3% compared with 1Q25. On a constant currency basis, NII was stable compared with 1Q25, as the benefit of our structural hedge, higher NII in Markets Treasury and a lower funding cost associated with our trading book were partly offset by the impact of lower market interest rates on asset repricing, particularly in Asia due to the reduction in HIBOR.

**Net interest margin ('NIM')** for 1H25 of 1.57% was 5 basis points ('bps') lower compared with 1H24, mainly due to an adverse impact of foreign currency translation differences and the disposal of our business in Argentina, partly offset by the benefit of our structural hedge.

The decrease in NIM in 1H25 included a 4bps unfavourable impact of foreign currency translation differences.

NIM for 2Q25 was 1.56%, down 3bps compared with 1Q25, as growth in NII was lower than the increase in average interest-earning assets, mainly in Asia.

**Interest income** for 1H25 of \$49.0bn decreased by \$6.4bn compared with 1H24. This was primarily due to business disposals in Argentina and Canada, lower market interest rates and a \$0.4bn adverse impact from foreign currency translation differences.

Interest income of \$24.6bn in 2Q25 was \$0.2bn higher compared with 1Q25. On a constant currency basis, it decreased by \$0.5bn due to the fall in market interest rates.

**Interest expense** for 1H25 of \$32.2bn decreased by \$6.3bn or 16% compared with 1H24. On a constant currency basis, interest expense decreased by \$6.2bn, driven by business disposals in Argentina and Canada, and a fall in market interest rates.

Interest expense of \$16.1bn in 2Q25 was broadly stable compared with 1Q25. On a constant currency basis, it decreased by \$0.5bn predominantly due to lower market interest rates.

## Banking net interest income ♦

### Banking net interest income

|                                                                                                                                       | Half-year to  |             | Quarter to    |             |             |
|---------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------|---------------|-------------|-------------|
|                                                                                                                                       | 30 Jun 2025   | 30 Jun 2024 | 30 Jun 2025   | 31 Mar 2025 | 30 Jun 2024 |
|                                                                                                                                       | \$m           | \$m         | \$m           | \$m         | \$m         |
| <b>Net interest income</b>                                                                                                            | <b>16,821</b> | 16,911      | <b>8,519</b>  | 8,302       | 8,258       |
| Banking book funding costs used to generate 'net income from financial instruments held for trading or managed on a fair value basis' | <b>4,710</b>  | 5,509       | <b>2,307</b>  | 2,403       | 2,787       |
| Third-party net interest income from insurance                                                                                        | <b>(218)</b>  | (216)       | <b>(112)</b>  | (106)       | (107)       |
| <b>Banking net interest income</b>                                                                                                    | <b>21,313</b> | 22,204      | <b>10,714</b> | 10,599      | 10,938      |
| Currency translation                                                                                                                  | —             | (352)       | —             | 274         | 16          |
| <b>Banking net interest income – on a constant currency basis</b>                                                                     | <b>21,313</b> | 21,852      | <b>10,714</b> | 10,873      | 10,954      |
| <b>Banking net interest income – on a reported basis</b>                                                                              | <b>21,313</b> | 22,204      | <b>10,714</b> | 10,599      | 10,938      |
| – of which:                                                                                                                           |               |             |               |             |             |
| The Hongkong and Shanghai Banking Corporation Limited                                                                                 | <b>10,615</b> | 10,752      | <b>5,176</b>  | 5,439       | 5,317       |
| HSBC UK Bank plc                                                                                                                      | <b>5,508</b>  | 5,062       | <b>2,846</b>  | 2,662       | 2,532       |
| HSBC Bank plc                                                                                                                         | <b>2,429</b>  | 2,296       | <b>1,325</b>  | 1,104       | 1,187       |

**Banking net interest income ('banking NII')** adjusts our NII, primarily for the impact of funding trading and fair value activities reported in interest expense. It represents the Group's banking revenue that is directly impacted by changes in interest rates. It is defined as Group net interest income after deducting:

- the internal cost to fund trading and fair value net assets for which associated revenue is reported in 'Net income from financial instruments held for trading or managed on a fair value basis', also referred to as 'trading and fair value income'. These funding costs reflect proxy overnight or term interest rates as applied by internal funds transfer pricing;
- the funding cost of foreign exchange swaps in Markets Treasury, where an offsetting income or loss is recorded in trading and fair value income. These instruments are used to manage foreign currency deployment and funding in our entities; and
- third-party net interest income in our insurance business.

In our segmental disclosures, the funding costs of trading and fair value net assets are predominantly recorded in CIB in 'net income from financial instruments held for trading or managed on a fair value basis'. On consolidation, this funding is eliminated in Corporate Centre, resulting in an increase in the funding cost reported in net interest income with an equivalent offsetting increase in 'net income from financial instruments held for trading or managed on a fair value basis' in this segment. In the consolidated Group results, the cost to fund these trading and fair value net assets is reported in net interest income.

Banking NII was \$21.3bn in 1H25, a reduction of \$0.9bn compared with 1H24, and included an adverse impact of foreign currency translation differences of \$0.4bn. The funding costs associated with generating trading and fair value income were \$4.7bn, a decrease of \$0.8bn compared with 1H24.

The reduction in banking NII included a \$1.3bn impact of business disposals in Argentina and Canada, and an adverse impact of lower market interest rates on asset re-pricing, including the fall in HIBOR during 2Q25. These reductions were partly offset by the benefit of our structural hedge and from higher NII from Markets Treasury. Banking NII also deducts third-party NII related to our insurance business, which was \$0.2bn, broadly stable compared with 1H24.

The internally allocated funding to generate trading and fair value income was approximately \$208bn at 30 June 2025, broadly in line with the balances at 30 June 2024. This relates to trading, fair value and associated net asset balances predominantly in CIB.

To supplement banking NII, we also provide banking NII sensitivity to demonstrate our revenue sensitivity to interest rate movements. Management uses these measures to determine the deployment of our surplus funding, and to help optimise our structural hedging and risk management actions.

► For further details on banking NII sensitivity, see page 71.

**Net fee income** of \$6.6bn was \$0.4bn higher than in 1H24, including an adverse impact of \$0.2bn due to the impact of the disposal of our banking business in Canada and business in Argentina. On a constant currency basis, net fee income was \$0.5bn higher, driven by growth in fees from Wealth products in our Hong Kong business and in IWPB in Hong Kong, mainland China, Taiwan and Singapore. Net fee income was broadly stable in our other segments.

**Net income from financial instruments held for trading or managed on a fair value basis** of \$10.5bn was stable compared with 1H24. This reflected higher income in CIB, notably as higher market volatility benefited Global Foreign Exchange and Debt and Equity Markets. The funding costs associated with generating this income fell as a result of lower interest rates, which resulted in a corresponding increase in net interest income.

The reduction of trading income in Corporate Centre also included an adverse movement of \$0.1bn in 1H25 on American Depositary Receipts received as purchase consideration from the sale of our business in Argentina, which we disposed of in 2Q25. It also included the non-recurrence of favourable fair value movements of \$0.3bn in 1H24 on the foreign exchange hedging of the proceeds of the sale of our banking business in Canada until the completion of the sale.

**Net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss** of \$5.1bn was \$2.7bn higher than in 1H24. This increase was mainly in Hong Kong, reflecting favourable fair value movements on debt securities due to movements in interest rates.

This favourable movement resulted in a corresponding movement in insurance finance expense, which has an offsetting impact for the related liabilities to policyholders.

**Insurance finance expense** of \$5.3bn was \$2.8bn higher than in 1H24, reflecting the impact of investment returns on underlying assets on the value of liabilities to policyholders, which moves inversely with 'net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss'.

**Insurance service result** of \$0.8bn increased by \$0.1bn compared with 1H24, primarily due to an increase in the release of the contractual service margin ('CSM') of \$0.1bn. This primarily reflected a higher CSM balance from higher new business written.

**Gains less impairment relating to sale of business operations** were \$34m compared with \$3.3bn in 1H24. The 1H24 period included a gain of \$4.6bn inclusive of the recycling of \$0.6bn in foreign currency translation reserve losses and \$0.4bn of other reserves recycling losses on the sale of our banking business in Canada. This was partly offset by an impairment loss of \$1.2bn relating to the sale of our business in Argentina.

**Other operating income/(expense)** was an expense of \$0.4bn in 1H25, which was \$0.3bn higher than the expense of \$0.1bn in 1H24. The 1H25 period included a dilution loss of \$1.1bn on BoCom following the completion of its capital issuance. This was partly offset by the non-recurrence of adverse hyperinflationary impacts in Argentina in 1H24 of \$0.7bn.

**Change in expected credit losses and other credit impairment charges ('ECL')** of \$1.9bn was \$0.9bn higher than in 1H24. The charge in 1H25 included charges of \$0.5bn related to the Hong Kong commercial real estate sector. This reflected updates to our models used for ECL calculations, which had an impact of \$0.1bn, an increase in allowances for new defaulted exposures, as well as the over-supply of non-residential properties putting continued downward pressure on rental and capital values. The 1H25 period also included allowances to reflect heightened uncertainty and a deterioration in the forward economic outlook due to geopolitical tensions and higher trade tariffs. In 1H24, the ECL charge benefited from allowance releases, mainly in the UK and from a recovery relating to a single CIB client.

► For further details on the calculation of ECL, including the measurement uncertainties and significant judgements applied to such calculations, the impact of economic scenarios and management judgemental adjustments, see pages 47 to 55.

### Staff numbers (full-time equivalents)<sup>1</sup>

|                                          | At             |             |             |
|------------------------------------------|----------------|-------------|-------------|
|                                          | 30 Jun 2025    | 30 Jun 2024 | 31 Dec 2024 |
| <b>Business segment</b>                  |                |             |             |
| Hong Kong                                | 33,144         | 34,836      | 34,578      |
| UK                                       | 31,511         | 30,653      | 30,783      |
| Corporate and Institutional Banking      | 73,171         | 72,674      | 71,935      |
| International Wealth and Premier Banking | 73,019         | 75,451      | 73,668      |
| Corporate Centre                         | 285            | 364         | 340         |
| <b>Total staff numbers</b>               | <b>211,130</b> | 213,978     | 211,304     |

1 Represents the number of full-time equivalent people with contracts of service with the Group who are being paid at the reporting date.

**Operating expenses** of \$17.0bn were \$0.7bn or 4% higher than in 1H24, driven by \$0.6bn of restructuring and other related costs in 1H25 related to our organisational simplification, mainly severance costs that are classified as notable items. It also included an increase of \$0.1 bn related to strategic disposals and wind-downs, including asset impairments in Europe. In addition, growth included higher spend and investment in technology and the impacts of inflation. These increases were partly offset by reductions following the completion of our business disposals in Canada and Argentina, the impact of our restructuring activities, and a favourable impact from foreign currency translation differences of \$0.1bn.

The number of employees expressed in full-time equivalent staff at 30 June 2025 was 211,130, a decrease of 174 from 31 December 2024. The number of contractors at 30 June 2025 was 4,070, a decrease of 156 from 31 December 2024.

**Share of profit in associates and joint ventures** of \$1.7bn was \$25m or 2% higher, reflecting an increase in the share of profit from SAB.

**Impairment of interest in associate** of \$1.0bn related to BoCom.

► For further details of our impairment review process, see Note 10 on the interim condensed consolidated financial statements.

### Tax expense

|                                              | Half-year to       |                    |
|----------------------------------------------|--------------------|--------------------|
|                                              | 30 Jun 2025<br>\$m | 30 Jun 2024<br>\$m |
| <b>Tax (charge)/credit</b>                   |                    |                    |
| Reported                                     | (3,369)            | (3,891)            |
| Currency translation                         | —                  | 21                 |
| <b>Constant currency tax (charge)/credit</b> | <b>(3,369)</b>     | <b>(3,870)</b>     |

### Notable items

|                                      | Half-year to       |                    |
|--------------------------------------|--------------------|--------------------|
|                                      | 30 Jun 2025<br>\$m | 30 Jun 2024<br>\$m |
| <b>Tax</b>                           |                    |                    |
| Tax (charge)/credit on notable items | 379                | 14                 |

Tax in 1H25 was a charge of \$3.4bn, representing an effective tax rate of 21.3%. The effective tax rate for 1H25 was increased by the non-deductible impairment of investments in associates and a dilution loss on our investment in BoCom. Excluding these items, the effective rate for 1H25 was 19.7%. Tax in 1H24 was a charge of \$3.9bn, representing an effective tax rate of 18.1%.

The effective tax rate for 1H24 was reduced by the non-taxable gain on the sale of our banking business in Canada and increased by the non-deductible loss recorded on the sale of our business in Argentina. Excluding these items, the effective rate for 1H24 was 21.4%.

## Summary consolidated balance sheet

|                                                                                                     | At               |                  |
|-----------------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                                     | 30 Jun 2025      | 31 Dec 2024      |
|                                                                                                     | \$m              | \$m              |
| <b>Assets</b>                                                                                       |                  |                  |
| Cash and balances at central banks                                                                  | 246,360          | 267,674          |
| Trading assets                                                                                      | 333,745          | 314,842          |
| Financial assets designated and otherwise mandatorily measured at fair value through profit or loss | 128,942          | 115,769          |
| Derivatives                                                                                         | 249,672          | 268,637          |
| Loans and advances to banks                                                                         | 107,582          | 102,039          |
| Loans and advances to customers                                                                     | 981,722          | 930,658          |
| Reverse repurchase agreements – non-trading                                                         | 283,204          | 252,549          |
| Financial investments                                                                               | 547,955          | 493,166          |
| Assets held for sale                                                                                | 38,978           | 27,234           |
| Other assets                                                                                        | 296,211          | 244,480          |
| <b>Total assets</b>                                                                                 | <b>3,214,371</b> | <b>3,017,048</b> |
| <b>Liabilities</b>                                                                                  |                  |                  |
| Deposits by banks                                                                                   | 97,782           | 73,997           |
| Customer accounts                                                                                   | 1,718,604        | 1,654,955        |
| Repurchase agreements – non-trading                                                                 | 195,532          | 180,880          |
| Trading liabilities                                                                                 | 70,653           | 65,982           |
| Financial liabilities designated at fair value                                                      | 163,589          | 138,727          |
| Derivatives                                                                                         | 257,601          | 264,448          |
| Debt securities in issue                                                                            | 102,129          | 105,785          |
| Insurance contract liabilities                                                                      | 118,297          | 107,629          |
| Liabilities of disposal groups held for sale                                                        | 46,165           | 29,011           |
| Other liabilities                                                                                   | 244,150          | 203,361          |
| <b>Total liabilities</b>                                                                            | <b>3,014,502</b> | <b>2,824,775</b> |
| <b>Equity</b>                                                                                       |                  |                  |
| Total shareholders' equity                                                                          | 192,554          | 184,973          |
| Non-controlling interests                                                                           | 7,315            | 7,300            |
| <b>Total equity</b>                                                                                 | <b>199,869</b>   | <b>192,273</b>   |
| <b>Total liabilities and equity</b>                                                                 | <b>3,214,371</b> | <b>3,017,048</b> |

### Selected financial information

|                                                                                                      | At             |                |
|------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                      | 30 Jun 2025    | 31 Dec 2024    |
|                                                                                                      | \$m            | \$m            |
| Called up share capital                                                                              | 8,739          | 8,973          |
| Capital resources <sup>1</sup>                                                                       | 178,496        | 172,386        |
| Undated subordinated loan capital                                                                    | —              | 17             |
| Preferred securities and dated subordinated loan capital <sup>2</sup>                                | 37,909         | 35,258         |
| Risk-weighted assets                                                                                 | 886,860        | 838,254        |
| Total shareholders' equity                                                                           | 192,554        | 184,973        |
| Less: preference shares and other equity instruments                                                 | (20,716)       | (19,070)       |
| <b>Total ordinary shareholders' equity</b>                                                           | <b>171,838</b> | <b>165,903</b> |
| Less: goodwill and intangible assets (net of tax)                                                    | (12,281)       | (11,608)       |
| <b>Tangible ordinary shareholders' equity</b>                                                        | <b>159,557</b> | <b>154,295</b> |
| <b>Financial statistics</b>                                                                          |                |                |
| Loans and advances to customers as a percentage of customer accounts (%)                             | 57.1           | 56.2           |
| Average total shareholders' equity to average total assets (%)                                       | 6.01           | 6.12           |
| Net asset value per ordinary share at period end (\$) <sup>3</sup>                                   | 9.88           | 9.26           |
| Tangible net asset value per ordinary share at period end (\$) <sup>3</sup>                          | 9.17           | 8.61           |
| Tangible net asset value per fully diluted ordinary share at period end (\$) <sup>3</sup>            | 9.10           | 8.54           |
| Number of \$0.50 ordinary shares in issue (millions)                                                 | 17,478         | 17,947         |
| Basic number of \$0.50 ordinary shares outstanding (millions)                                        | 17,397         | 17,918         |
| Basic number of \$0.50 ordinary shares outstanding and dilutive potential ordinary shares (millions) | 17,529         | 18,062         |
| Closing foreign exchange translation rates to \$:                                                    |                |                |
| \$1: £                                                                                               | 0.730          | 0.797          |
| \$1: €                                                                                               | 0.852          | 0.964          |

1 Capital resources are total regulatory capital, the calculation of which is set out on page 67.

2 Including perpetual preferred securities.

3 For the definition, see page 38.

► A more detailed consolidated balance sheet is contained in the interim condensed consolidated financial statements on page 79.

## Combined view of customer lending and customer deposits

|                                                                                       | At               |                  |
|---------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                       | 30 Jun 2025      | 31 Dec 2024      |
|                                                                                       | \$m              | \$m              |
| Loans and advances to customers                                                       | 981,722          | 930,658          |
| Loans and advances to customers of disposal groups reported in 'Assets held for sale' | 2,162            | 965              |
| – private banking business in Germany                                                 | 359              | 309              |
| – Germany custody business                                                            | 864              | —                |
| – business in South Africa                                                            | 758              | 656              |
| – retail banking business in Bahrain                                                  | 181              | —                |
| – other                                                                               | —                | —                |
| Non-current assets held for sale                                                      | 125              | 12               |
| <b>Combined customer lending</b>                                                      | <b>984,010</b>   | <b>931,635</b>   |
| Currency translation                                                                  | —                | 43,989           |
| <b>Combined customer lending at constant currency</b>                                 | <b>984,010</b>   | <b>975,624</b>   |
| Customer accounts                                                                     | 1,718,604        | 1,654,955        |
| Customer accounts reported in 'Liabilities of disposal groups held for sale'          | 19,088           | 5,399            |
| – private banking business in Germany                                                 | 2,662            | 2,085            |
| – Germany custody business                                                            | 12,392           | —                |
| – business in South Africa                                                            | 3,210            | 3,294            |
| – retail banking business in Bahrain                                                  | 824              | —                |
| – other                                                                               | —                | 20               |
| <b>Combined customer deposits</b>                                                     | <b>1,737,692</b> | <b>1,660,354</b> |
| Currency translation                                                                  | —                | 71,244           |
| <b>Combined customer deposits at constant currency</b>                                | <b>1,737,692</b> | <b>1,731,598</b> |

## Customer accounts by country/territory

|                         | At               |                  |
|-------------------------|------------------|------------------|
|                         | 30 Jun 2025      | 31 Dec 2024      |
|                         | \$m              | \$m              |
| Hong Kong               | 589,873          | 575,141          |
| UK                      | 560,768          | 524,251          |
| US                      | 96,145           | 99,278           |
| Singapore               | 78,277           | 76,737           |
| Mainland China          | 63,098           | 63,169           |
| France                  | 49,872           | 40,384           |
| Australia               | 34,065           | 31,951           |
| Germany                 | 14,752           | 23,564           |
| Mexico                  | 27,354           | 27,525           |
| UAE                     | 29,290           | 28,008           |
| India                   | 30,100           | 27,199           |
| Taiwan                  | 18,647           | 17,067           |
| Malaysia                | 18,147           | 17,038           |
| Egypt                   | 4,541            | 4,137            |
| Indonesia               | 5,388            | 5,558            |
| Türkiye                 | 3,711            | 3,489            |
| Other                   | 94,576           | 90,459           |
| <b>At end of period</b> | <b>1,718,604</b> | <b>1,654,955</b> |

## Balance sheet commentary compared with 31 December 2024

At 30 June 2025, total assets of \$3.2tn were \$197bn or 7% higher on a reported basis, and increased \$62bn or 2% on a constant currency basis.

## Assets

**Cash and balances at central banks** decreased by \$21bn or 8%, which included a \$25m favourable impact of foreign currency translation differences. The decrease was mainly in HSBC Bank plc, reflecting a decline in Markets Treasury. Cash also declined in HSBC UK, driven by increased customer lending and redeployment into other asset classes. This was partly offset by an increase in our legal entity in the US.

**Trading assets** rose by \$19bn or 6%, mainly due to a favourable impact of foreign currency translation differences of \$15bn.

**Derivative assets** decreased by \$19bn or 7%, which included a favourable impact of foreign currency translation differences of \$22bn. The reduction reflected adverse mark to market movements on foreign exchange contracts, in part driven by foreign exchange rate volatility, despite an increase in volumes, mainly in HSBC Bank plc and our legal entities in Asia. The decrease in derivative assets was consistent with the decrease in derivative liabilities, as the underlying risk is broadly matched.

**Loans and advances to customers** of \$982bn were \$51bn higher on a reported basis. This included favourable effects of foreign currency translation differences of \$44bn. On a constant currency basis, customer lending balances increased by \$7bn.

The following movements are on a constant currency basis.

In our UK business, customer lending rose by \$8bn, primarily driven by continued growth in mortgage balances as well as increased commercial lending.

In CIB, customer lending increased by \$6bn. This was driven by term lending growth in our main legal entities in Asia, including India, Australia, Japan, Hong Kong and Indonesia, and from increases in the US and the Middle East.

In IWPB, customer lending increased by \$4bn, primarily driven by wealth lending growth in the Private Bank, notably in our main legal entity in Hong Kong.

In our Hong Kong business, customer lending decreased by \$3bn, due to a decrease in wholesale lending, reflecting low demand in the current interest rate environment. It was also lower due to a reduction in credit card balances.

In Corporate Centre, customer lending decreased by \$8bn from the reclassification of home and other loans retained in France following the disposal of our retail banking operations to 'financial investments measured at fair value through other comprehensive income' in 1Q25 and subsequently to 'assets held for sale' in 2Q25.

**Reverse repurchase agreements – non-trading** rose by \$31bn or 12%, primarily in HSBC Bank plc, including lower balances eligible for netting.

**Financial investments** increased by \$55bn or 11%, mainly in our main legal entity in Hong Kong as well as in HSBC UK and HSBC Bank plc, from the purchase of debt securities, as we redeployed our commercial surplus to benefit from higher yield curves and enhance our structural hedge. The increase was across both debt instruments held at fair value through other comprehensive income and instruments held at amortised cost.

**Assets held for sale** increased by \$12bn or 43%. This increase included the reclassification to held for sale of home and other loans retained in France following the disposal of our retail banking operations. It also included the reclassification of \$1bn of assets from our custody business in Germany following the announcement of the planned sale of the business.

**Other assets** grew by \$52bn or 21%, primarily reflecting an increase in settlement accounts balances, notably in HSBC Bank plc and in the US, from higher trading activity, compared with the seasonal reduction in December 2024.

## Liabilities

**Deposits by banks** increased by \$24bn or 32%, reflecting an increase in client inflows, notably in HSBC Bank plc and in our legal entity in Hong Kong. There was also an increase in deposits by banks in the US.

**Customer accounts** of \$1,719bn increased by \$64bn or 4% on a reported basis. This included a favourable impact from foreign currency translation differences of \$71bn, mainly in our UK entities. On a constant currency basis, customer accounts decreased by \$8bn.

The following movements are on a constant currency basis.

In CIB, customer accounts decreased by \$27bn, primarily in HSBC Bank plc driven by the classification to 'liabilities of disposal groups held for sale' of \$12bn of deposits from our custody business in Germany. There was also a reduction in the UK non-ringfenced bank, primarily in GPS deposits, which declined during 1H25 following a seasonal increase in 4Q24. This was partly offset by growth across Asia and the Middle East.

In our Hong Kong business segment, customer accounts increased by \$15bn. This was driven by growth in retail deposits, reflecting broader market growth.

In IWPB, customer accounts rose by \$4bn, notably in the Private Bank in our main legal entity in Hong Kong reflecting strong wealth deposit inflows amidst market volatility.

**Repurchase agreements – non-trading** increased by \$15bn or 8%, primarily in the US for short-term funding and in our main legal entities in mainland China due to higher client demand for short-term funding.

**Financial liabilities designated at fair value** increased by \$25bn or 18%, notably in HSBC Holdings reflecting \$9bn in new debt issuances in 1H25, and in HSBC Bank plc from increased medium-term note issuances by our Debt and Equity Markets business.

**Liabilities of disposal groups held for sale** increased by \$17bn or 59%, primarily due to the \$12bn classification of liabilities from our custody business in Germany following the announcement of the planned sale of the business.

**Other liabilities** increased by \$41bn or 20%, notably from a rise of \$27bn in settlement accounts in the US and in HSBC Bank plc from an increase in trading activity, compared with the seasonal reduction in December 2024.

## Equity

**Total shareholders' equity**, including non-controlling interests, increased by \$8bn or 4% compared with 31 December 2024.

Profits generated of \$12bn and net gains through other comprehensive income ('OCI') of \$9bn were partly offset by the impact of dividends paid of \$9bn, and the impact of our \$5bn share buy-back activities in 1H25.

The net gains through OCI of \$9bn included \$6bn of exchange differences and a \$2bn increase in the cash flow hedging reserve.

## Financial investments

As part of our interest rate hedging strategy, we hold a portfolio of debt instruments, reported within financial investments, which are classified as hold-to-collect-and-sell. As a result, the change in value of these instruments is recognised through 'debt instruments at fair value through other comprehensive income' in equity. At 30 June 2025, we had recognised a pre-tax cumulative unrealised loss reserve through other comprehensive income of \$2.1bn related to these hold-to-collect-and-sell positions, excluding investments held in our insurance business. This compared with an unrealised loss of \$3.8bn at 31 December 2024, and reflected a \$1.7bn pre-tax gain in 1H25, inclusive of movements on related fair value hedges.

On 1 January 2025, we reclassified a portfolio of home and other loans associated with the sale of our retail banking operations in France to a hold-to-collect-and-sell business model, measuring it in loans and advances at fair value through other comprehensive income. Since reclassification and during 1H25, we recognised a fair value pre-tax loss in other comprehensive income of \$1.4bn on the remeasurement of these financial instruments.

We also hold a portfolio of financial investments measured at amortised cost, which are classified as hold-to-collect and are held to manage our interest rate exposure. At 30 June 2025, the debt instruments within this portfolio had a cumulative unrecognised loss of \$0.4bn, representing a \$2.5bn improvement during 1H25.

## Risk-weighted assets

RWAs of \$886.9bn increased by \$48.6bn during the first half of 2025, primarily due to foreign currency translation differences of \$28.7bn, and asset size movements of \$16.3bn, principally from our CIB and UK businesses, and \$5.2bn of asset quality movements in our Hong Kong, CIB and UK business segments.

► For further details on RWAs, see page 68.

# Business segments

## Basis of preparation

Our business segments – Hong Kong, UK, Corporate and Institutional Banking, and International Wealth and Premier Banking – along with Corporate Centre, are our reportable segments under IFRS 8 ‘Operating Segments’. Reconciliations of the total constant currency business segment results to the Group’s reported results are presented on page 88.

The Group Operating Committee is considered the Chief Operating Decision Maker (‘CODM’) for the purposes of identifying the Group’s reportable segments. Business segment results are assessed by the CODM on the basis of constant currency performance. We separately disclose ‘notable items’, as described on page 18.

Our operations are closely integrated and, accordingly, the presentation of data includes internal allocations of certain items of income and expense.

These allocations include the costs of certain support services and global infrastructures to the extent that they can be meaningfully attributed to business segments. While such allocations have been made on a systematic and consistent basis, they necessarily involve a degree of subjectivity. Costs that are not allocated to business segments are included in Corporate Centre.

Where relevant, income and expense amounts presented include the results of inter-segment funding along with inter-company and inter-business line transactions. All such transactions are undertaken on arm’s length terms. The intra-Group elimination items for business segments are presented in Corporate Centre.

## Constant currency results and notable items by business segment

### Constant currency results<sup>1</sup>

|                                                                               | Half-year to 30 Jun 2025 |              |              |              |                         |               |
|-------------------------------------------------------------------------------|--------------------------|--------------|--------------|--------------|-------------------------|---------------|
|                                                                               | Hong Kong<br>\$m         | UK<br>\$m    | CIB<br>\$m   | IWPB<br>\$m  | Corporate Centre<br>\$m | Total<br>\$m  |
| Revenue <sup>2,3</sup>                                                        | 7,848                    | 6,228        | 14,117       | 7,011        | (1,082)                 | 34,122        |
| ECL                                                                           | (864)                    | (323)        | (299)        | (453)        | (2)                     | (1,941)       |
| Operating expenses                                                            | (2,310)                  | (2,624)      | (7,456)      | (4,468)      | (164)                   | (17,022)      |
| Share of profit in associates and joint ventures less impairment <sup>3</sup> | —                        | —            | —            | 2            | 649                     | 651           |
| <b>Profit before tax</b>                                                      | <b>4,674</b>             | <b>3,281</b> | <b>6,362</b> | <b>2,092</b> | <b>(599)</b>            | <b>15,810</b> |
| Loans and advances to customers (net) <sup>4</sup>                            | 230,139                  | 299,631      | 304,240      | 147,523      | 189                     | 981,722       |
| Customer accounts                                                             | 517,406                  | 360,494      | 564,847      | 275,504      | 353                     | 1,718,604     |

| Half-year to 30 Jun 2024                                         |         |         |         |         |       |           |
|------------------------------------------------------------------|---------|---------|---------|---------|-------|-----------|
| Revenue <sup>2</sup>                                             | 7,432   | 5,994   | 13,333  | 6,933   | 3,365 | 37,057    |
| ECL                                                              | (338)   | (58)    | (175)   | (416)   | (6)   | (993)     |
| Operating expenses                                               | (2,340) | (2,403) | (7,037) | (4,277) | (135) | (16,192)  |
| Share of profit in associates and joint ventures less impairment | —       | —       | —       | 27      | 1,592 | 1,619     |
| Profit before tax                                                | 4,754   | 3,533   | 6,121   | 2,267   | 4,816 | 21,491    |
| Loans and advances to customers (net)                            | 236,309 | 286,915 | 300,392 | 140,795 | 8,368 | 972,779   |
| Customer accounts                                                | 474,140 | 352,573 | 558,629 | 266,148 | 421   | 1,651,911 |

1 In the current period, constant currency results are equal to reported as there is no currency translation.

2 Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.

3 Amounts in ‘Revenue’ include a loss of \$1.1bn inclusive of reserves recycling as a result of the dilution of our shareholding in BoCom. We have also recognised a \$1.0bn impairment loss following an impairment test on the carrying value of the Group’s investment in BoCom in ‘Share of profit in associates and joint ventures less impairment’. See Note 10 on page 95.

4 The reduction in loans and advances to customers in Corporate Centre includes the reclassification to ‘financial investments measured at fair value through other comprehensive income’ of a portfolio of home and other loans retained following the disposal of our retail banking operations in France. With effect from 1 January 2025 we reclassified this portfolio to a hold-to-collect-and-sell business model, measuring it at fair value through other comprehensive income.

### Notable items

|                                                                     | Half-year to 30 Jun 2025 |           |            |             |                         |                |
|---------------------------------------------------------------------|--------------------------|-----------|------------|-------------|-------------------------|----------------|
|                                                                     | Hong Kong<br>\$m         | UK<br>\$m | CIB<br>\$m | IWPB<br>\$m | Corporate Centre<br>\$m | Total<br>\$m   |
| <b>Revenue</b>                                                      |                          |           |            |             |                         |                |
| Disposals, wind-downs, acquisitions and related costs <sup>1</sup>  | —                        | —         | —          | (57)        | (82)                    | (139)          |
| Dilution loss of interest in BoCom associate <sup>2</sup>           | —                        | —         | —          | —           | (1,136)                 | (1,136)        |
| <b>Operating expenses</b>                                           |                          |           |            |             |                         |                |
| Disposals, wind-downs, acquisitions and related costs               | —                        | 1         | (179)      | (5)         | (44)                    | (227)          |
| Restructuring and other related costs <sup>3</sup>                  | (9)                      | (48)      | (217)      | (79)        | (263)                   | (616)          |
| <b>Impairment losses of interest in BoCom associate<sup>2</sup></b> | <b>—</b>                 | <b>—</b>  | <b>—</b>   | <b>—</b>    | <b>(1,000)</b>          | <b>(1,000)</b> |

| Half-year to 30 Jun 2024                                           |   |   |      |     |       |       |
|--------------------------------------------------------------------|---|---|------|-----|-------|-------|
| Revenue                                                            |   |   |      |     |       |       |
| Disposals, wind-downs, acquisitions and related costs <sup>4</sup> | — | — | (14) | 55  | 3,530 | 3,571 |
| Operating expenses                                                 |   |   |      |     |       |       |
| Disposals, wind-downs, acquisitions and related costs              | — | 3 | —    | (1) | (103) | (101) |
| Restructuring and other related costs <sup>5</sup>                 | — | 4 | 5    | 1   | 9     | 19    |

1 Includes fair value losses on ADRs in Galicia received as part of the sale consideration for HSBC Argentina, which were sold in 2Q25.

2 Amounts in ‘Dilution loss of interest in BoCom associate’ include a loss of \$1.1bn inclusive of reserves recycling as a result of the dilution of our shareholding in BoCom. We have also recognised a \$1.0bn impairment loss following an impairment test on the carrying value of the Group’s investment in BoCom in ‘Impairment losses of interest in BoCom associate’. See Note 10 on page 95.

3 Amounts relate to restructuring provisions recognised in 2025 as well as reversals of restructuring provisions recognised during 2022.

4 Includes a \$4.8bn gain on disposal of our banking business in Canada, inclusive of a \$0.3bn gain on the foreign exchange hedging of the sales proceeds, the recycling of \$0.6bn in foreign currency translation reserve losses and \$0.4bn of other reserves recycling losses. This was partly offset by a \$1.2bn impairment recognised in relation to the sale of our business in Argentina.

5 Relates to reversals of restructuring provisions recognised during 2022.

## Reconciliation of reported results to constant currency results – business segments

|                                                  | Half-year to 30 Jun 2024 |         |         |         |                  |           |
|--------------------------------------------------|--------------------------|---------|---------|---------|------------------|-----------|
|                                                  | Hong Kong                | UK      | CIB     | IWPB    | Corporate Centre | Total     |
|                                                  | \$m                      | \$m     | \$m     | \$m     | \$m              | \$m       |
| Revenue <sup>1</sup>                             |                          |         |         |         |                  |           |
| – Reported                                       | 7,408                    | 5,838   | 13,534  | 7,170   | 3,342            | 37,292    |
| – Currency translation                           | 24                       | 156     | (201)   | (237)   | 23               | (235)     |
| – Constant currency                              | 7,432                    | 5,994   | 13,333  | 6,933   | 3,365            | 37,057    |
| ECL                                              |                          |         |         |         |                  |           |
| – Reported                                       | (336)                    | (58)    | (187)   | (479)   | (6)              | (1,066)   |
| – Currency translation                           | (2)                      | —       | 12      | 63      | —                | 73        |
| – Constant currency                              | (338)                    | (58)    | (175)   | (416)   | (6)              | (993)     |
| Operating expenses                               |                          |         |         |         |                  |           |
| – Reported                                       | (2,333)                  | (2,343) | (7,083) | (4,426) | (111)            | (16,296)  |
| – Currency translation                           | (7)                      | (60)    | 46      | 149     | (24)             | 104       |
| – Constant currency                              | (2,340)                  | (2,403) | (7,037) | (4,277) | (135)            | (16,192)  |
| Share of profit in associates and joint ventures |                          |         |         |         |                  |           |
| – Reported                                       | —                        | —       | 1       | 28      | 1,597            | 1,626     |
| – Currency translation                           | —                        | —       | (1)     | (1)     | (5)              | (7)       |
| – Constant currency                              | —                        | —       | —       | 27      | 1,592            | 1,619     |
| Profit/(loss) before tax                         |                          |         |         |         |                  |           |
| – Reported                                       | 4,739                    | 3,437   | 6,265   | 2,293   | 4,822            | 21,556    |
| – Currency translation                           | 15                       | 96      | (144)   | (26)    | (6)              | (65)      |
| – Constant currency                              | 4,754                    | 3,533   | 6,121   | 2,267   | 4,816            | 21,491    |
| Loans and advances to customers (net)            |                          |         |         |         |                  |           |
| – Reported                                       | 237,372                  | 264,640 | 291,451 | 137,151 | 7,643            | 938,257   |
| – Currency translation                           | (1,063)                  | 22,275  | 8,941   | 3,644   | 725              | 34,522    |
| – Constant currency                              | 236,309                  | 286,915 | 300,392 | 140,795 | 8,368            | 972,779   |
| Customer accounts                                |                          |         |         |         |                  |           |
| – Reported                                       | 476,469                  | 325,201 | 534,018 | 257,750 | 396              | 1,593,834 |
| – Currency translation                           | (2,329)                  | 27,372  | 24,611  | 8,398   | 25               | 58,077    |
| – Constant currency                              | 474,140                  | 352,573 | 558,629 | 266,148 | 421              | 1,651,911 |

1 Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.

## Reconciliation of reported results to constant currency results – RWAs

|                      | At 30 Jun 2025 |       |       |      |                  |       |
|----------------------|----------------|-------|-------|------|------------------|-------|
|                      | Hong Kong      | UK    | CIB   | IWPB | Corporate Centre | Total |
|                      | \$bn           | \$bn  | \$bn  | \$bn | \$bn             | \$bn  |
| Risk-weighted assets |                |       |       |      |                  |       |
| Reported             | 140.6          | 153.0 | 411.2 | 91.0 | 91.1             | 886.9 |
| Constant currency    | 140.6          | 153.0 | 411.2 | 91.0 | 91.1             | 886.9 |

|                      | At 31 Dec 2024 |       |       |      |      |       |
|----------------------|----------------|-------|-------|------|------|-------|
| Risk-weighted assets |                |       |       |      |      |       |
| Reported             | 143.7          | 133.5 | 388.0 | 85.7 | 87.4 | 838.3 |
| Currency translation | (1.2)          | 12.3  | 13.2  | 3.7  | 1.2  | 29.2  |
| Constant currency    | 142.5          | 145.8 | 401.2 | 89.4 | 88.6 | 867.5 |

## Fee and other income supplementary analysis

The following table presents an analysis of the components of fee and other income by business segment.

|                                                                                                                                       | Half-year to 30 Jun 2025 |            |              |              |                          |               |
|---------------------------------------------------------------------------------------------------------------------------------------|--------------------------|------------|--------------|--------------|--------------------------|---------------|
|                                                                                                                                       | Hong Kong<br>\$bn        | UK<br>\$bn | CIB<br>\$bn  | IWPB<br>\$bn | Corporate Centre<br>\$bn | Total<br>\$bn |
| Net fee income                                                                                                                        | 1,435                    | 907        | 2,217        | 2,085        | (1)                      | 6,643         |
| Net income from financial instruments held for trading or managed on a fair value basis                                               | 341                      | (16)       | 4,416        | 422          | 5,384                    | 10,547        |
| Insurance revenue <sup>1</sup>                                                                                                        | 41                       | —          | —            | 561          | (33)                     | 569           |
| Gain less impairment relating to sale of business operations                                                                          | —                        | —          | —            | (56)         | 22                       | (34)          |
| Other operating (expense)/income                                                                                                      | 156                      | 31         | 470          | 341          | (1,422)                  | (424)         |
| <b>Total</b>                                                                                                                          | <b>1,973</b>             | <b>922</b> | <b>7,103</b> | <b>3,353</b> | <b>3,950</b>             | <b>17,301</b> |
| Banking book funding costs used to generate 'net income from financial instruments held for trading or managed on a fair value basis' | —                        | —          | —            | —            | (4,710)                  | (4,710)       |
| Third-party net interest income from insurance                                                                                        | —                        | —          | —            | 218          | —                        | 218           |
| Notable items                                                                                                                         | —                        | —          | —            | 57           | 1,218                    | 1,275         |
| <b>Fee and other income</b>                                                                                                           | <b>1,973</b>             | <b>922</b> | <b>7,103</b> | <b>3,628</b> | <b>458</b>               | <b>14,084</b> |

|                                                                                                                                       | Half-year to 30 Jun 2024 |            |              |              |                          |               |
|---------------------------------------------------------------------------------------------------------------------------------------|--------------------------|------------|--------------|--------------|--------------------------|---------------|
|                                                                                                                                       | Hong Kong<br>\$bn        | UK<br>\$bn | CIB<br>\$bn  | IWPB<br>\$bn | Corporate Centre<br>\$bn | Total<br>\$bn |
| Net fee income                                                                                                                        | 1,154                    | 891        | 2,223        | 1,922        | 10                       | 6,200         |
| Net income from financial instruments held for trading or managed on a fair value basis                                               | 292                      | 7          | 3,780        | 375          | 6,062                    | 10,516        |
| Insurance revenue <sup>1</sup>                                                                                                        | (8)                      | —          | —            | 580          | (20)                     | 552           |
| Gain less impairment relating to sale of business operations                                                                          | —                        | —          | (14)         | 55           | 3,214                    | 3,256         |
| Other operating (expense)/income                                                                                                      | 61                       | 44         | (18)         | (136)        | (94)                     | (143)         |
| <b>Total</b>                                                                                                                          | <b>1,499</b>             | <b>942</b> | <b>5,971</b> | <b>2,796</b> | <b>9,172</b>             | <b>20,381</b> |
| Banking book funding costs used to generate 'net income from financial instruments held for trading or managed on a fair value basis' | —                        | —          | —            | —            | (5,509)                  | (5,509)       |
| Third-party net interest income from insurance                                                                                        | —                        | —          | —            | 216          | —                        | 216           |
| Notable items                                                                                                                         | —                        | —          | 14           | (55)         | (3,530)                  | (3,571)       |
| Currency translation                                                                                                                  | 4                        | 26         | 48           | 7            | 42                       | 127           |
| <b>Fee and other income</b>                                                                                                           | <b>1,503</b>             | <b>968</b> | <b>6,033</b> | <b>2,965</b> | <b>175</b>               | <b>11,644</b> |

- <sup>1</sup> Includes Group 'net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss', 'insurance finance expense' and 'insurance service result, but excludes the portion of insurance income reported in 'net fee income' (1H25: \$149m, 1H24: \$99m) and 'other operating (expense)/income' (1H25: \$253m, 1H24: \$44m).

## Strategic transactions supplementary analysis

The following table presents the selected impacts of strategic transactions on the Group and our business segments for transactions that are classified as material notable items. See page 18 for further information on material notable items and the impact of strategic transactions.

### Constant currency results

|                                                                  | Half-year to 30 Jun 2025 |     |       |      |                  |       |
|------------------------------------------------------------------|--------------------------|-----|-------|------|------------------|-------|
|                                                                  | Hong Kong                | UK  | CIB   | IWPB | Corporate Centre | Total |
|                                                                  | \$m                      | \$m | \$m   | \$m  | \$m              | \$m   |
| Revenue                                                          | —                        | —   | —     | (57) | (82)             | (139) |
| ECL                                                              | —                        | —   | —     | —    | —                | —     |
| Operating expenses                                               | —                        | 1   | (179) | (5)  | (44)             | (227) |
| Share of profit in associates and joint ventures                 | —                        | —   | —     | —    | —                | —     |
| <b>Profit before tax</b>                                         | —                        | 1   | (179) | (62) | (126)            | (366) |
| – HSBC Innovation Banking                                        | —                        | —   | —     | —    | —                | —     |
| – retail banking operations in France                            | —                        | —   | —     | —    | —                | —     |
| – banking business in Canada                                     | —                        | —   | —     | —    | (2)              | (2)   |
| – business in Argentina                                          | —                        | —   | —     | —    | (108)            | (108) |
| – markets participation                                          | —                        | 1   | (179) | (62) | (16)             | (256) |
| of which: notable items                                          | —                        | —   | —     | —    | —                | —     |
| Revenue                                                          | —                        | —   | —     | (57) | (82)             | (139) |
| <b>Profit before tax</b>                                         | —                        | 1   | (179) | (62) | (126)            | (366) |
| of which: distorting impact of operating results between periods | —                        | —   | —     | —    | —                | —     |
| Revenue                                                          | —                        | —   | —     | —    | —                | —     |
| <b>Profit/(loss) before tax</b>                                  | —                        | —   | —     | —    | —                | —     |

| Half-year to 30 Jun 2024                                         |   |   |       |       |         |         |
|------------------------------------------------------------------|---|---|-------|-------|---------|---------|
| Revenue                                                          | — | — | 496   | 380   | 3,679   | 4,555   |
| ECL                                                              | — | — | (43)  | (20)  | —       | (63)    |
| Operating expenses                                               | — | 3 | (193) | (236) | (101)   | (527)   |
| Share of profit in associates and joint ventures                 | — | — | —     | —     | —       | —       |
| Profit before tax                                                | — | 3 | 260   | 124   | 3,578   | 3,965   |
| – HSBC Innovation Banking <sup>1</sup>                           | — | 3 | —     | —     | —       | 3       |
| – retail banking operations in France                            | — | — | —     | 56    | (4)     | 52      |
| – banking business in Canada                                     | — | — | 144   | 67    | 4,774   | 4,985   |
| – business in Argentina                                          | — | — | 116   | 1     | (1,192) | (1,075) |
| of which: notable items                                          | — | — | —     | —     | —       | —       |
| Revenue                                                          | — | — | —     | 55    | 3,679   | 3,734   |
| Profit before tax                                                | — | 3 | (1)   | 55    | 3,578   | 3,635   |
| of which: distorting impact of operating results between periods | — | — | —     | —     | —       | —       |
| Revenue                                                          | — | — | 496   | 325   | —       | 821     |
| Profit before tax                                                | — | — | 261   | 69    | —       | 330     |

1 Includes the impact of our acquisition of SVB UK, which in June 2023 changed its legal entity name to HSBC Innovation Bank Limited.

## Supplementary tables for Wealth

### Insurance business performance

The following table provides an analysis of the revenue of our insurance business for the period. It comprises income earned by IWPB insurance manufacturing operations, income earned by wealth insurance distribution channels within IWPB, Hong Kong and UK business segments, and consolidation adjustments.

#### Total insurance revenue (constant currency)<sup>1</sup>

|                                                                                                                                                             | Half-year to |             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------|
|                                                                                                                                                             | 30 Jun 2025  | 30 Jun 2024 |
|                                                                                                                                                             | \$m          | \$m         |
| Net fee income                                                                                                                                              | 149          | 99          |
| Insurance service result <sup>2</sup>                                                                                                                       | 794          | 693         |
| – release of contractual service margin                                                                                                                     | 732          | 660         |
| – risk adjustment release                                                                                                                                   | 37           | 35          |
| – experience variance and other                                                                                                                             | 91           | 29          |
| – loss from onerous contracts                                                                                                                               | (66)         | (31)        |
| Investment income                                                                                                                                           | 5,311        | 2,554       |
| – net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss <sup>2</sup> | 5,124        | 2,350       |
| – other investment income                                                                                                                                   | 187          | 204         |
| Insurance finance expense <sup>2</sup>                                                                                                                      | (5,334)      | (2,447)     |
| Other income                                                                                                                                                | 253          | 44          |
| <b>Revenue<sup>1,3,4</sup></b>                                                                                                                              | <b>1,173</b> | <b>943</b>  |

- Constant currency results are derived by adjusting for period-on-period effects of foreign currency translation differences. The impact of foreign currency translation differences on revenue was \$9m unfavourable for 1H24 (reported: \$952m).
- The Group consolidated income statement includes consolidation and elimination adjustments not reported within total insurance as follows: Group 'Insurance service result' of \$785m includes adjustments of \$9m (1H24: \$663m includes adjustments of \$30m), Group 'net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss' of \$5,113m includes adjustments of \$11m (1H24: \$2,338m includes adjustments of \$12m), and Group 'Insurance finance expense' of \$5,329m includes adjustments of \$5m (1H24: \$2,452m includes adjustments of \$5m).
- Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.
- 'Revenue' of \$1,173m (1H24: \$943m) is reported in our business segments: IWPB \$1,133m (1H24: \$919m), Hong Kong \$37m (1H24: \$19m) and UK \$3m (1H24: \$5m). This comprises revenue from insurance manufacturing operations of \$1,002m (1H24: \$823m), and revenue from wealth retail distribution channels and consolidation impacts of \$171m (1H24: \$120m).

### Total insurance revenue

Revenue of \$1.2bn reported in 1H25 reflected the following:

- Insurance service result of \$0.8bn in 1H25 increased by \$0.1bn compared with 1H24 reflecting an increase to the release of CSM driven by a higher closing CSM balance, and from positive experience variances in Hong Kong and Singapore.
- Investment income of \$5.3bn increased by \$2.8bn compared with 1H24 reflecting the impact of interest rate reductions on our fixed

income investments, primarily in Hong Kong. This was offset by Insurance finance expense of \$5.3bn, which moves inversely with investment income.

- Other income increased by \$0.2bn from gains on reinsurance contracts in Hong Kong, primarily offsetting losses on related insurance contracts.

#### Insurance key performance metrics

|                                                                        | Half-year to |             |
|------------------------------------------------------------------------|--------------|-------------|
|                                                                        | 30 Jun 2025  | 30 Jun 2024 |
|                                                                        | \$m          | \$m         |
| Annualised new business premiums of insurance manufacturing operations | 3,753        | 2,792       |
| Insurance new business contractual service margin <sup>1</sup>         | 2,033        | 1,324       |
| Consolidated Group new business contractual service margin             | 2,267        | 1,437       |
| Total insurance profit before tax                                      | 777          | 581         |
| Net dividends of insurance manufacturing operations <sup>2</sup>       | 262          | 524         |
| Insurance equity plus CSM net of tax ♦                                 | 18,881       | 17,572      |

- 'Insurance new business contractual service margin' includes new business contractual service margin earned by insurance manufacturing operations.
- 'Net dividends of insurance manufacturing operations' include dividends paid to immediate parent companies of \$377m (1H24: \$569m) net of CET1 qualifying injections to fund business growth of \$115m (1H24: \$45m).

## Insurance key performance metrics

Annualised new business premiums ('ANP') is used to assess new insurance premiums generated by the business. It is calculated as 100% of annualised first year regular premiums and 10% of single premiums, before reinsurance ceded. ANP in 1H25 increased by 34% compared with 1H24, primarily from strong new business sales in Hong Kong and a shift in product mix from single to multi-premium products.

Insurance new business contractual service margin increased by \$0.7bn compared with 1H24, reflecting strong sales in Hong Kong and increased sales of higher margin products. It also included a \$0.1bn increase from writing a new reinsurance contract in Hong Kong.

Insurance equity plus CSM net of tax is a non-GAAP alternative performance measure that provides information about our insurance manufacturing operations' net asset value plus the future earnings from in-force business. At 30 June 2025, insurance equity plus CSM net of tax was \$18,881m (31 December 2024: \$17,025m; 30 June 2024: \$17,572m).

At 30 June 2025, insurance equity plus CSM net of tax was calculated as insurance manufacturing operations equity of \$7,719m plus CSM of \$13,466m less tax of \$2,304m. At 31 December 2024, it was calculated as insurance manufacturing operations equity of \$7,015m plus CSM of \$12,063m less tax of \$2,053m. At 30 June 2024, it was calculated as insurance manufacturing operations equity of \$7,531m plus CSM of \$12,218m less tax of \$2,177m.

## Wealth balances

The following table shows the wealth balances, which include invested assets and wealth deposits. Invested assets comprise customer assets either managed by our Asset Management business or by external third-party investment managers, as well as self-directed investments by our customers.

### Reported wealth balances<sup>1</sup>

|                                                                   |              | At           |              |
|-------------------------------------------------------------------|--------------|--------------|--------------|
|                                                                   | 30 Jun 2025  | 30 Jun 2024  | 31 Dec 2024  |
|                                                                   | \$bn         | \$bn         | \$bn         |
| Private Bank invested assets <sup>2</sup>                         | 430          | 390          | 395          |
| Retail invested assets                                            | 455          | 412          | 409          |
| Asset Management third-party distribution <sup>3</sup>            | 539          | 469          | 489          |
| <b>Reported invested assets<sup>1</sup></b>                       | <b>1,424</b> | <b>1,271</b> | <b>1,293</b> |
| – of which: The Hongkong and Shanghai Banking Corporation Limited | 712          | 606          | 645          |
| <b>Wealth deposits (Premier and Private Bank)<sup>4</sup></b>     | <b>590</b>   | <b>530</b>   | <b>555</b>   |
| – of which: The Hongkong and Shanghai Banking Corporation Limited | 389          | 346          | 372          |
| <b>Total reported wealth balances</b>                             | <b>2,014</b> | <b>1,801</b> | <b>1,848</b> |
| – of which: The Hongkong and Shanghai Banking Corporation Limited | 1,101        | 952          | 1,017        |

- Invested assets are not reported on the Group's balance sheet, except where it is deemed that we are acting as principal rather than agent in our role as investment manager.
- Private Bank client balances, which comprises invested assets and customer deposits were \$529bn (31 December 2024: \$484bn; 30 June 2024: \$479bn).
- Total assets under management manufactured by Asset Management, which includes third-party distribution and other components that are reported in the Private Bank and Retail invested assets in the table above, were \$808bn (31 December 2024: \$731bn; 30 June 2024: \$703bn).
- Premier and Private Bank deposits, which include Prestige deposits in Hang Seng Bank, form part of the total IWPB, Hong Kong and UK businesses' customer accounts balance on page 26.

## Invested assets

'Net new invested assets' represents the net customer inflows from retail invested assets, Asset Management third-party distribution and Private Bank invested assets. It excludes all customer deposits.

### Invested assets

|                                                                   |              | Half-year to |              |
|-------------------------------------------------------------------|--------------|--------------|--------------|
|                                                                   | 30 Jun 2025  | 30 Jun 2024  | 31 Dec 2024  |
|                                                                   | \$bn         | \$bn         | \$bn         |
| Opening balance                                                   | 1,293        | 1,191        | 1,271        |
| Net new invested assets <sup>1</sup>                              | 44           | 32           | 32           |
| – of which: The Hongkong and Shanghai Banking Corporation Limited | 27           | 38           | 9            |
| Net market movements                                              | 52           | 36           | 61           |
| Foreign exchange and others                                       | 35           | 12           | (71)         |
| <b>Closing balance</b>                                            | <b>1,424</b> | <b>1,271</b> | <b>1,293</b> |

- Net new invested assets in the half-year to 30 June 2024 primarily included outflows from liquidity products in Asset Management.

In 1H25, net new invested assets of \$44bn reflected increases in Asset Management of \$31bn, which included \$16bn of inflows related to Private Bank, Retail and Insurance customers, with the remaining coming from investment into money market and emerging markets fixed income instruments from institutional clients and from passive products. Including inflows from Asset Management, there were net new invested assets in Retail of \$20bn and in Private Bank of \$9bn, particularly in Asia.

# Legal entities

## Analysis of reported results by legal entities

HSBC reported profit/(loss) before tax and balance sheet data

|                                                                                                                                                         | Half-year to 30 Jun 2025 |              |                                                   |                          |                             |             |                               |                  |                                                                |               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------|---------------------------------------------------|--------------------------|-----------------------------|-------------|-------------------------------|------------------|----------------------------------------------------------------|---------------|
|                                                                                                                                                         | HSBC UK                  | HSBC         | The                                               | HSBC                     | HSBC                        | HSBC        | Grupo                         | Other            | Holding                                                        | Total         |
|                                                                                                                                                         | Bank plc                 | Bank plc     | Hongkong and Shanghai Banking Corporation Limited | Bank Middle East Limited | North America Holdings Inc. | Bank Canada | Financiero HSBC, S.A. de C.V. | trading entities | companies, shared service centres and intra-Group eliminations |               |
|                                                                                                                                                         | \$m                      | \$m          | \$m                                               | \$m                      | \$m                         | \$m         | \$m                           | \$m              | \$m                                                            | \$m           |
| Net interest income                                                                                                                                     | 5,453                    | 773          | 8,100                                             | 762                      | 1,045                       | —           | 1,080                         | 642              | (1,034)                                                        | 16,821        |
| Net fee income                                                                                                                                          | 857                      | 859          | 3,262                                             | 261                      | 731                         | —           | 304                           | 477              | (108)                                                          | 6,643         |
| Net income from financial instruments held for trading or managed on a fair value basis                                                                 | 270                      | 3,433        | 6,063                                             | 169                      | 294                         | —           | 212                           | 103              | 3                                                              | 10,547        |
| Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit and loss | —                        | 424          | 4,662                                             | —                        | —                           | —           | 23                            | 5                | (1)                                                            | 5,113         |
| Insurance finance income/(expense)                                                                                                                      | —                        | (482)        | (4,834)                                           | —                        | —                           | —           | (15)                          | —                | 2                                                              | (5,329)       |
| Insurance service result                                                                                                                                | —                        | 90           | 668                                               | —                        | —                           | —           | 31                            | —                | (4)                                                            | 785           |
| Other income/(expense) <sup>1</sup>                                                                                                                     | 63                       | 261          | (582)                                             | 62                       | 249                         | —           | 30                            | (60)             | (481)                                                          | (458)         |
| <b>Net operating income before change in expected credit losses and other credit impairment charges<sup>2</sup></b>                                     | <b>6,643</b>             | <b>5,358</b> | <b>17,339</b>                                     | <b>1,254</b>             | <b>2,319</b>                | <b>—</b>    | <b>1,665</b>                  | <b>1,167</b>     | <b>(1,623)</b>                                                 | <b>34,122</b> |
| Change in expected credit losses and other credit impairment charges                                                                                    | (340)                    | (99)         | (910)                                             | (48)                     | (150)                       | —           | (383)                         | (13)             | 2                                                              | (1,941)       |
| <b>Net operating income</b>                                                                                                                             | <b>6,303</b>             | <b>5,259</b> | <b>16,429</b>                                     | <b>1,206</b>             | <b>2,169</b>                | <b>—</b>    | <b>1,282</b>                  | <b>1,154</b>     | <b>(1,621)</b>                                                 | <b>32,181</b> |
| Total operating expenses                                                                                                                                | (2,685)                  | (3,837)      | (7,302)                                           | (638)                    | (1,679)                     | —           | (958)                         | (686)            | 733                                                            | (17,052)      |
| Impairment of goodwill and other intangible assets                                                                                                      | —                        | 31           | (1)                                               | —                        | —                           | —           | —                             | —                | —                                                              | 30            |
| <b>Operating profit</b>                                                                                                                                 | <b>3,618</b>             | <b>1,453</b> | <b>9,126</b>                                      | <b>568</b>               | <b>490</b>                  | <b>—</b>    | <b>324</b>                    | <b>468</b>       | <b>(888)</b>                                                   | <b>15,159</b> |
| Share of profit/(loss) in associates and joint ventures less impairment <sup>3</sup>                                                                    | —                        | 40           | 258                                               | —                        | —                           | —           | 6                             | 349              | (2)                                                            | 651           |
| <b>Profit before tax</b>                                                                                                                                | <b>3,618</b>             | <b>1,493</b> | <b>9,384</b>                                      | <b>568</b>               | <b>490</b>                  | <b>—</b>    | <b>330</b>                    | <b>817</b>       | <b>(890)</b>                                                   | <b>15,810</b> |
|                                                                                                                                                         | %                        | %            | %                                                 | %                        | %                           | %           | %                             | %                | %                                                              | %             |
| Share of HSBC's profit before tax                                                                                                                       | 22.9                     | 9.4          | 59.4                                              | 3.6                      | 3.1                         | —           | 2.1                           | 5.2              | (5.7)                                                          | 100.0         |
| Cost efficiency ratio                                                                                                                                   | 40.4                     | 71.0         | 42.1                                              | 50.9                     | 72.4                        | —           | 57.5                          | 58.8             | 45.2                                                           | 49.9          |
| <b>Balance sheet data</b>                                                                                                                               | <b>\$m</b>               | <b>\$m</b>   | <b>\$m</b>                                        | <b>\$m</b>               | <b>\$m</b>                  | <b>\$m</b>  | <b>\$m</b>                    | <b>\$m</b>       | <b>\$m</b>                                                     | <b>\$m</b>    |
| Loans and advances to customers (net)                                                                                                                   | 305,661                  | 107,058      | 459,814                                           | 21,736                   | 57,287                      | —           | 25,074                        | 5,092            | —                                                              | 981,722       |
| Total assets                                                                                                                                            | 466,225                  | 987,456      | 1,455,104                                         | 62,470                   | 281,282                     | —           | 49,284                        | 30,587           | (118,037)                                                      | 3,214,371     |
| Customer accounts                                                                                                                                       | 371,420                  | 306,014      | 871,247                                           | 35,390                   | 96,145                      | —           | 27,354                        | 11,001           | 33                                                             | 1,718,604     |
| Risk-weighted assets <sup>4,5</sup>                                                                                                                     | 158,035                  | 147,816      | 416,794                                           | 25,606                   | 77,352                      | —           | 32,711                        | 53,366           | 875                                                            | 886,860       |

## HSBC reported profit/(loss) before tax and balance sheet data (continued)

Half-year to 30 Jun 2024

|                                                                                                                                                         | HSBC UK<br>Bank plc | HSBC<br>Bank plc | The<br>Hongkong<br>and<br>Shanghai<br>Banking<br>Corporation<br>Limited | HSBC<br>Bank<br>Middle<br>East<br>Limited | HSBC<br>North<br>America<br>Holdings<br>Inc. | HSBC<br>Bank<br>Canada | Grupo<br>Financiero<br>HSBC,<br>S.A. de<br>C.V. | Other<br>trading<br>entities | Holding<br>companies,<br>shared<br>service<br>centres and<br>intra-Group<br>eliminations | Total     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------|-------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------|------------------------|-------------------------------------------------|------------------------------|------------------------------------------------------------------------------------------|-----------|
|                                                                                                                                                         | \$m                 | \$m              | \$m                                                                     | \$m                                       | \$m                                          | \$m                    | \$m                                             | \$m                          | \$m                                                                                      | \$m       |
| Net interest income                                                                                                                                     | 5,063               | 832              | 7,454                                                                   | 804                                       | 730                                          | 300                    | 1,187                                           | 1,618                        | (1,077)                                                                                  | 16,911    |
| Net fee income                                                                                                                                          | 810                 | 827              | 2,689                                                                   | 260                                       | 674                                          | 129                    | 328                                             | 530                          | (47)                                                                                     | 6,200     |
| Net income from financial instruments held for trading or managed on a fair value basis                                                                 | 276                 | 2,786            | 5,996                                                                   | 167                                       | 492                                          | 33                     | 265                                             | 182                          | 319                                                                                      | 10,516    |
| Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit and loss | —                   | 545              | 1,722                                                                   | —                                         | —                                            | —                      | 30                                              | 84                           | (5)                                                                                      | 2,376     |
| Insurance finance income/(expense)                                                                                                                      | —                   | (678)            | (1,708)                                                                 | —                                         | —                                            | —                      | (40)                                            | (68)                         | 8                                                                                        | (2,486)   |
| Insurance service result                                                                                                                                | —                   | 130              | 524                                                                     | —                                         | —                                            | —                      | 41                                              | (9)                          | (24)                                                                                     | 662       |
| Other income/(expense) <sup>1</sup>                                                                                                                     | 81                  | 51               | 288                                                                     | 25                                        | 239                                          | —                      | 31                                              | (602)                        | 3,000                                                                                    | 3,113     |
| Net operating income before change in expected credit losses and other credit impairment charges <sup>2</sup>                                           | 6,230               | 4,493            | 16,965                                                                  | 1,256                                     | 2,135                                        | 462                    | 1,842                                           | 1,735                        | 2,174                                                                                    | 37,292    |
| Change in expected credit losses and other credit impairment charges                                                                                    | (62)                | 66               | (455)                                                                   | (102)                                     | (33)                                         | (40)                   | (386)                                           | (59)                         | 5                                                                                        | (1,066)   |
| Net operating income                                                                                                                                    | 6,168               | 4,559            | 16,510                                                                  | 1,154                                     | 2,102                                        | 422                    | 1,456                                           | 1,676                        | 2,179                                                                                    | 36,226    |
| Total operating expenses                                                                                                                                | (2,427)             | (3,142)          | (6,873)                                                                 | (618)                                     | (1,677)                                      | (236)                  | (998)                                           | (950)                        | 671                                                                                      | (16,250)  |
| Impairment of goodwill and other intangible assets                                                                                                      | (7)                 | (1)              | (24)                                                                    | —                                         | (2)                                          | —                      | —                                               | (11)                         | (1)                                                                                      | (46)      |
| Operating profit                                                                                                                                        | 3,734               | 1,416            | 9,613                                                                   | 536                                       | 423                                          | 186                    | 458                                             | 715                          | 2,849                                                                                    | 19,930    |
| Share of profit in associates and joint ventures                                                                                                        | —                   | 20               | 1,280                                                                   | —                                         | —                                            | —                      | 8                                               | 319                          | (1)                                                                                      | 1,626     |
| Profit before tax                                                                                                                                       | 3,734               | 1,436            | 10,893                                                                  | 536                                       | 423                                          | 186                    | 466                                             | 1,034                        | 2,848                                                                                    | 21,556    |
|                                                                                                                                                         | %                   | %                | %                                                                       | %                                         | %                                            | %                      | %                                               | %                            | %                                                                                        | %         |
| Share of HSBC's profit before tax                                                                                                                       | 17.3                | 6.7              | 50.5                                                                    | 2.5                                       | 2.0                                          | 0.9                    | 2.2                                             | 4.7                          | 13.2                                                                                     | 100       |
| Cost efficiency ratio                                                                                                                                   | 39.1                | 70.0             | 40.7                                                                    | 49.2                                      | 78.6                                         | 51.1                   | 54.2                                            | 55.4                         | (30.8)                                                                                   | 43.7      |
| Balance sheet data                                                                                                                                      | \$m                 | \$m              | \$m                                                                     | \$m                                       | \$m                                          | \$m                    | \$m                                             | \$m                          | \$m                                                                                      | \$m       |
| Loans and advances to customers (net)                                                                                                                   | 270,262             | 107,957          | 453,642                                                                 | 20,506                                    | 55,809                                       | —                      | 25,449                                          | 4,632                        | —                                                                                        | 938,257   |
| Total assets                                                                                                                                            | 416,096             | 902,722          | 1,353,949                                                               | 57,320                                    | 267,310                                      | —                      | 47,289                                          | 31,385                       | (101,068)                                                                                | 2,975,003 |
| Customer accounts                                                                                                                                       | 334,566             | 295,557          | 799,086                                                                 | 32,934                                    | 93,060                                       | —                      | 28,997                                          | 9,532                        | 102                                                                                      | 1,593,834 |
| Risk-weighted assets <sup>4,5</sup>                                                                                                                     | 131,472             | 137,075          | 401,244                                                                 | 26,082                                    | 76,755                                       | —                      | 31,286                                          | 54,982                       | 4,866                                                                                    | 835,118   |

1 Other income/(expense) in this context comprises gain on acquisitions, impairment gain/(loss) relating to the sale of our retail banking operations in France, our banking business in Canada and other operating income/(expense).

2 Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.

3 We have recognised a \$1.0bn impairment loss following an impairment test on the carrying value of the Group's investment in BoCom in 'Impairment of interest in associate'. See Note 10 on page 95.

4 Risk-weighted assets are non-additive across the principal entities due to market risk diversification effects within the Group.

5 Balances are on a third-party Group consolidated basis.

## Summary information – legal entities and selected countries

### Legal entity reported and constant currency results<sup>1</sup>

|                                                                               | Half-year to 30 Jun 2025 |               |                                                       |                               |                                  |                  |                                     |                                     |                                                                        | Total         |
|-------------------------------------------------------------------------------|--------------------------|---------------|-------------------------------------------------------|-------------------------------|----------------------------------|------------------|-------------------------------------|-------------------------------------|------------------------------------------------------------------------|---------------|
|                                                                               | HSBC UK Bank plc         | HSBC Bank plc | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited | HSBC North America Holdings Inc. | HSBC Bank Canada | Grupo Financiero HSBC, S.A. de C.V. | Other trading entities <sup>2</sup> | Holding companies, shared service centres and intra-Group eliminations |               |
|                                                                               | \$m                      | \$m           | \$m                                                   | \$m                           | \$m                              | \$m              | \$m                                 | \$m                                 | \$m                                                                    | \$m           |
| Revenue <sup>3,4</sup>                                                        | 6,643                    | 5,358         | 17,339                                                | 1,254                         | 2,319                            | —                | 1,665                               | 1,167                               | (1,623)                                                                | 34,122        |
| ECL                                                                           | (340)                    | (99)          | (910)                                                 | (48)                          | (150)                            | —                | (383)                               | (13)                                | 2                                                                      | (1,941)       |
| Operating expenses                                                            | (2,685)                  | (3,806)       | (7,303)                                               | (638)                         | (1,679)                          | —                | (958)                               | (686)                               | 733                                                                    | (17,022)      |
| Share of profit in associates and joint ventures less impairment <sup>4</sup> | —                        | 40            | 258                                                   | —                             | —                                | —                | 6                                   | 349                                 | (2)                                                                    | 651           |
| <b>Profit/(loss) before tax</b>                                               | <b>3,618</b>             | <b>1,493</b>  | <b>9,384</b>                                          | <b>568</b>                    | <b>490</b>                       | <b>—</b>         | <b>330</b>                          | <b>817</b>                          | <b>(890)</b>                                                           | <b>15,810</b> |
| Loans and advances to customers (net)                                         | 305,661                  | 107,058       | 459,814                                               | 21,736                        | 57,287                           | —                | 25,074                              | 5,092                               | —                                                                      | 981,722       |
| Customer accounts                                                             | 371,420                  | 306,014       | 871,247                                               | 35,390                        | 96,145                           | —                | 27,354                              | 11,001                              | 33                                                                     | 1,718,604     |

- In the current period, constant currency results are equal to reported, as there is no currency translation.
- Other trading entities includes the results of entities located in Türkiye, Egypt and Saudi Arabia (including our share of the results of SAB) which do not consolidate into HSBC Bank Middle East Limited. These entities had an aggregated impact on the Group's reported profit before tax of \$770m.
- Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.
- Amounts in 'Revenue' include a loss of \$1.1bn inclusive of reserves recycling as a result of the dilution of our shareholding in BoCom. We have also recognised a \$1.0bn impairment loss following an impairment test on the carrying value of the Group's investment in BoCom in 'Share of profit in associates and joint ventures less impairment'. See Note 10 on page 95.

### Legal entity results: notable items

|                                                                     | Half-year to 30 Jun 2025 |               |                                                       |                               |                                  |                  |                                     |                        |                                                                        | Total          |
|---------------------------------------------------------------------|--------------------------|---------------|-------------------------------------------------------|-------------------------------|----------------------------------|------------------|-------------------------------------|------------------------|------------------------------------------------------------------------|----------------|
|                                                                     | HSBC UK Bank plc         | HSBC Bank plc | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited | HSBC North America Holdings Inc. | HSBC Bank Canada | Grupo Financiero HSBC, S.A. de C.V. | Other trading entities | Holding companies, shared service centres and intra-Group eliminations |                |
|                                                                     | \$m                      | \$m           | \$m                                                   | \$m                           | \$m                              | \$m              | \$m                                 | \$m                    | \$m                                                                    | \$m            |
| <b>Revenue</b>                                                      |                          |               |                                                       |                               |                                  |                  |                                     |                        |                                                                        |                |
| Disposals, wind-downs, acquisitions and related costs <sup>1</sup>  | —                        | (56)          | —                                                     | —                             | —                                | —                | —                                   | —                      | (83)                                                                   | (139)          |
| Dilution loss of interest in BoCom associate <sup>2</sup>           | —                        | —             | (1,136)                                               | —                             | —                                | —                | —                                   | —                      | —                                                                      | (1,136)        |
| <b>Operating expenses</b>                                           |                          |               |                                                       |                               |                                  |                  |                                     |                        |                                                                        |                |
| Disposals, wind-downs, acquisitions and related costs               | 1                        | (166)         | (9)                                                   | (6)                           | (17)                             | —                | —                                   | —                      | (30)                                                                   | (227)          |
| Restructuring and other related costs <sup>3</sup>                  | (82)                     | (209)         | (139)                                                 | (13)                          | (40)                             | —                | (15)                                | (28)                   | (90)                                                                   | (616)          |
| <b>Impairment losses of interest in BoCom associate<sup>2</sup></b> | <b>—</b>                 | <b>—</b>      | <b>(1,000)</b>                                        | <b>—</b>                      | <b>—</b>                         | <b>—</b>         | <b>—</b>                            | <b>—</b>               | <b>—</b>                                                               | <b>(1,000)</b> |

- Includes fair value losses on ADRs in Galicia received as a part of the sale consideration for HSBC Argentina, which were sold in 2Q25.
- Amounts in 'Dilution loss of interest in BoCom associate' include a loss of \$1.1bn inclusive of reserves recycling as a result of the dilution of our shareholding in BoCom. We have also recognised a \$1.0bn impairment loss following an impairment test on the carrying value of the Group's investment in BoCom in 'Impairment losses of interest in BoCom associate'. See Note 10 on page 95.
- Amounts relate to restructuring provisions recognised in 2025 as well as reversals of restructuring recognised during 2022.

### Selected country/territory results<sup>1</sup>

|                                                                                      | Half-year to 30 Jun 2025 |              |                |            |
|--------------------------------------------------------------------------------------|--------------------------|--------------|----------------|------------|
|                                                                                      | UK <sup>2</sup>          | Hong Kong    | Mainland China | US         |
|                                                                                      | \$m                      | \$m          | \$m            | \$m        |
| Revenue <sup>3,4</sup>                                                               | 12,189                   | 12,229       | 987            | 2,252      |
| ECL                                                                                  | (370)                    | (742)        | (77)           | (150)      |
| Operating expenses                                                                   | (7,394)                  | (4,567)      | (1,551)        | (1,679)    |
| Share of profit/(loss) in associates and joint ventures less impairment <sup>4</sup> | 40                       | (12)         | 203            | —          |
| <b>Profit before tax</b>                                                             | <b>4,465</b>             | <b>6,908</b> | <b>(438)</b>   | <b>423</b> |
| Loans and advances to customers (net)                                                | 349,405                  | 271,663      | 43,030         | 57,287     |
| Customer accounts                                                                    | 560,768                  | 589,873      | 63,098         | 96,145     |

- In the current period, constant currency results are equal to reported, as there is no currency translation.
- UK includes HSBC UK Bank plc (ring-fenced bank), HSBC Bank plc (non-ring-fenced bank), the ultimate holding company, HSBC Holdings plc, and the separately incorporated group of service companies ('ServCo group').
- Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.
- Amounts in 'Revenue' include a loss of \$1.1bn inclusive of reserves recycling as a result of the dilution of our shareholding in BoCom. We have also recognised a \$1.0bn impairment loss following an impairment test on the carrying value of the Group's investment in BoCom in 'Share of profit/(loss) in associates and joint ventures less impairment'. See Note 10 on page 95.

## Selected country/territory results: notable items

|                                                               | Half-year to 30 Jun 2025 |                  |                       |           |
|---------------------------------------------------------------|--------------------------|------------------|-----------------------|-----------|
|                                                               | UK <sup>1</sup><br>\$m   | Hong Kong<br>\$m | Mainland China<br>\$m | US<br>\$m |
| <b>Revenue</b>                                                |                          |                  |                       |           |
| Disposals, wind-downs, acquisitions and related costs         | (87)                     | —                | —                     | —         |
| Restructuring and other related costs                         | 76                       | 5                | 5                     | —         |
| Dilution loss of interest in BoCom associate <sup>2</sup>     | —                        |                  | (1,136)               | —         |
| <b>Operating expenses</b>                                     |                          |                  |                       |           |
| Disposals, wind-downs, acquisitions and related costs         | (10)                     | —                | (2)                   | (4)       |
| Restructuring and other related costs                         | (281)                    | (97)             | (33)                  | (39)      |
| Impairment losses of interest in BoCom associate <sup>2</sup> | —                        |                  | (1,000)               | —         |

- 1 UK includes HSBC UK Bank plc (ring-fenced bank), HSBC Bank plc (non-ring-fenced bank), the ultimate holding company, HSBC Holdings plc, and the ServCo group.
- 2 Amounts in 'Dilution loss of interest in BoCom associate' include a loss of \$1.1bn inclusive of reserves recycling as a result of the dilution of our shareholding in BoCom. We have also recognised a \$1.0bn impairment loss following an impairment test on the carrying value of the Group's investment in BoCom in 'Impairment losses of interest in BoCom associate'. See Note 10 on page 95.

## Legal entity reported and constant currency results (continued)

|                                                                | Half-year to 30 Jun 2024   |                         |                                                                                |                                                  |                                                     |                               |                                                        |                                                  |                                                                                                 |              |
|----------------------------------------------------------------|----------------------------|-------------------------|--------------------------------------------------------------------------------|--------------------------------------------------|-----------------------------------------------------|-------------------------------|--------------------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------------------|--------------|
|                                                                | HSBC UK<br>Bank plc<br>\$m | HSBC<br>Bank plc<br>\$m | The<br>Hongkong<br>and<br>Shanghai<br>Banking<br>Corporation<br>Limited<br>\$m | HSBC<br>Bank<br>Middle<br>East<br>Limited<br>\$m | HSBC<br>North<br>America<br>Holdings<br>Inc.<br>\$m | HSBC<br>Bank<br>Canada<br>\$m | Grupo<br>Financiero<br>HSBC,<br>S.A.<br>de C.V.<br>\$m | Other<br>trading<br>entities <sup>1</sup><br>\$m | Holding<br>companies,<br>shared<br>service<br>centres and<br>intra-Group<br>eliminations<br>\$m | Total<br>\$m |
| <b>Revenue<sup>2</sup></b>                                     |                            |                         |                                                                                |                                                  |                                                     |                               |                                                        |                                                  |                                                                                                 |              |
| – Reported                                                     | 6,230                      | 4,493                   | 16,965                                                                         | 1,256                                            | 2,135                                               | 462                           | 1,842                                                  | 1,735                                            | 2,174                                                                                           | 37,292       |
| – Currency translation                                         | 162                        | 80                      | 13                                                                             | —                                                | —                                                   | (27)                          | (259)                                                  | (232)                                            | 28                                                                                              | (235)        |
| – Constant currency                                            | 6,392                      | 4,573                   | 16,978                                                                         | 1,256                                            | 2,135                                               | 435                           | 1,583                                                  | 1,503                                            | 2,202                                                                                           | 37,057       |
| <b>ECL</b>                                                     |                            |                         |                                                                                |                                                  |                                                     |                               |                                                        |                                                  |                                                                                                 |              |
| – Reported                                                     | (62)                       | 66                      | (455)                                                                          | (102)                                            | (33)                                                | (40)                          | (386)                                                  | (59)                                             | 5                                                                                               | (1,066)      |
| – Currency translation                                         | 1                          | 8                       | —                                                                              | 1                                                | —                                                   | 2                             | 54                                                     | 10                                               | (3)                                                                                             | 73           |
| – Constant currency                                            | (61)                       | 74                      | (455)                                                                          | (101)                                            | (33)                                                | (38)                          | (332)                                                  | (49)                                             | 2                                                                                               | (993)        |
| <b>Operating expenses</b>                                      |                            |                         |                                                                                |                                                  |                                                     |                               |                                                        |                                                  |                                                                                                 |              |
| – Reported                                                     | (2,434)                    | (3,143)                 | (6,897)                                                                        | (618)                                            | (1,679)                                             | (236)                         | (998)                                                  | (961)                                            | 670                                                                                             | (16,296)     |
| – Currency translation                                         | (63)                       | (64)                    | (9)                                                                            | —                                                | —                                                   | 14                            | 142                                                    | 114                                              | (30)                                                                                            | 104          |
| – Constant currency                                            | (2,497)                    | (3,207)                 | (6,906)                                                                        | (618)                                            | (1,679)                                             | (222)                         | (856)                                                  | (847)                                            | 640                                                                                             | (16,192)     |
| <b>Share of profit/(loss) in associates and joint ventures</b> |                            |                         |                                                                                |                                                  |                                                     |                               |                                                        |                                                  |                                                                                                 |              |
| – Reported                                                     | —                          | 20                      | 1,280                                                                          | —                                                | —                                                   | —                             | 8                                                      | 319                                              | (1)                                                                                             | 1,626        |
| – Currency translation                                         | —                          | 1                       | (7)                                                                            | —                                                | —                                                   | —                             | (1)                                                    | —                                                | —                                                                                               | (7)          |
| – Constant currency                                            | —                          | 21                      | 1,273                                                                          | —                                                | —                                                   | —                             | 7                                                      | 319                                              | (1)                                                                                             | 1,619        |
| <b>Profit/(loss) before tax</b>                                |                            |                         |                                                                                |                                                  |                                                     |                               |                                                        |                                                  |                                                                                                 |              |
| – Reported                                                     | 3,734                      | 1,436                   | 10,893                                                                         | 536                                              | 423                                                 | 186                           | 466                                                    | 1,034                                            | 2,848                                                                                           | 21,556       |
| – Currency translation                                         | 100                        | 25                      | (3)                                                                            | 1                                                | —                                                   | (11)                          | (64)                                                   | (108)                                            | (5)                                                                                             | (65)         |
| – Constant currency                                            | 3,834                      | 1,461                   | 10,890                                                                         | 537                                              | 423                                                 | 175                           | 402                                                    | 926                                              | 2,843                                                                                           | 21,491       |
| <b>Loans and advances to customers (net)</b>                   |                            |                         |                                                                                |                                                  |                                                     |                               |                                                        |                                                  |                                                                                                 |              |
| – Reported                                                     | 270,262                    | 107,957                 | 453,642                                                                        | 20,506                                           | 55,809                                              | —                             | 25,449                                                 | 4,632                                            | —                                                                                               | 938,257      |
| – Currency translation                                         | 22,749                     | 9,993                   | 2,882                                                                          | 8                                                | —                                                   | —                             | (778)                                                  | (332)                                            | —                                                                                               | 34,522       |
| – Constant currency                                            | 293,011                    | 117,950                 | 456,524                                                                        | 20,514                                           | 55,809                                              | —                             | 24,671                                                 | 4,300                                            | —                                                                                               | 972,779      |
| <b>Customer accounts</b>                                       |                            |                         |                                                                                |                                                  |                                                     |                               |                                                        |                                                  |                                                                                                 |              |
| – Reported                                                     | 334,566                    | 295,557                 | 799,086                                                                        | 32,934                                           | 93,060                                              | —                             | 28,997                                                 | 9,532                                            | 102                                                                                             | 1,593,834    |
| – Currency translation                                         | 28,161                     | 25,672                  | 5,766                                                                          | 24                                               | —                                                   | —                             | (886)                                                  | (660)                                            | —                                                                                               | 58,077       |
| – Constant currency                                            | 362,727                    | 321,229                 | 804,852                                                                        | 32,958                                           | 93,060                                              | —                             | 28,111                                                 | 8,872                                            | 102                                                                                             | 1,651,911    |

- 1 Other trading entities includes the results of entities located in Türkiye, Egypt and Saudi Arabia (including our share of the results of SAB), which do not consolidate into HSBC Bank Middle East Limited. These entities had an aggregated impact on the Group's reported profit before tax of \$728m and constant currency profit before tax of \$660m.
- 2 Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.

## Legal entity results: notable items (continued)

| Half-year to 30 Jun 2024                                           |                  |               |                                                       |                               |                                  |                  |                                     |                        |                                                                        |       |
|--------------------------------------------------------------------|------------------|---------------|-------------------------------------------------------|-------------------------------|----------------------------------|------------------|-------------------------------------|------------------------|------------------------------------------------------------------------|-------|
|                                                                    | HSBC UK Bank plc | HSBC Bank plc | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited | HSBC North America Holdings Inc. | HSBC Bank Canada | Grupo Financiero HSBC, S.A. de C.V. | Other trading entities | Holding companies, shared service centres and intra-Group eliminations | Total |
|                                                                    | \$m              | \$m           | \$m                                                   | \$m                           | \$m                              | \$m              | \$m                                 | \$m                    | \$m                                                                    | \$m   |
| Revenue                                                            |                  |               |                                                       |                               |                                  |                  |                                     |                        |                                                                        |       |
| Disposals, wind-downs, acquisitions and related costs <sup>1</sup> | —                | (131)         | —                                                     | —                             | —                                | —                | —                                   | —                      | 3,702                                                                  | 3,571 |
| Operating expenses                                                 |                  |               |                                                       |                               |                                  |                  |                                     |                        |                                                                        |       |
| Disposals, wind-downs, acquisitions and related costs              | 3                | (5)           | —                                                     | —                             | (15)                             | (36)             | —                                   | (1)                    | (47)                                                                   | (101) |
| Restructuring and other related costs <sup>2</sup>                 | 4                | 11            | —                                                     | —                             | —                                | —                | —                                   | —                      | 4                                                                      | 19    |

1 Includes a \$4.8bn gain on disposal of our banking business in Canada, inclusive of a \$0.3bn gain on the foreign exchange hedging of the sale proceeds, the recycling of \$0.6bn in foreign currency translation reserve losses and \$0.4bn of other reserves recycling losses. This was partly offset by a \$1.2bn impairment recognised in relation to the sale of our business in Argentina.

2 Relate to reversals of restructuring provisions recognised during 2022.

## Selected country/territory results

| Half-year to 30 Jun 2024                                |                 |           |                |         |
|---------------------------------------------------------|-----------------|-----------|----------------|---------|
|                                                         | UK <sup>1</sup> | Hong Kong | Mainland China | US      |
|                                                         | \$m             | \$m       | \$m            | \$m     |
| Revenue <sup>2</sup>                                    |                 |           |                |         |
| – Reported                                              | 10,570          | 10,898    | 2,060          | 2,122   |
| – Currency translation                                  | 276             | 35        | (10)           | —       |
| – Constant currency                                     | 10,846          | 10,933    | 2,050          | 2,122   |
| ECL                                                     |                 |           |                |         |
| – Reported                                              | 15              | (386)     | (30)           | (33)    |
| – Currency translation                                  | 7               | (1)       | —              | —       |
| – Constant currency                                     | 22              | (387)     | (30)           | (33)    |
| Operating expenses                                      |                 |           |                |         |
| – Reported                                              | (6,499)         | (4,305)   | (1,376)        | (1,679) |
| – Currency translation                                  | (167)           | (13)      | 7              | —       |
| – Constant currency                                     | (6,666)         | (4,318)   | (1,369)        | (1,679) |
| Share of profit/(loss) in associates and joint ventures |                 |           |                |         |
| – Reported                                              | 22              | 9         | 1,256          | —       |
| – Currency translation                                  | 1               | —         | (6)            | —       |
| – Constant currency                                     | 23              | 9         | 1,250          | —       |
| Profit before tax                                       |                 |           |                |         |
| – Reported                                              | 4,108           | 6,216     | 1,910          | 410     |
| – Currency translation                                  | 117             | 20        | (9)            | —       |
| – Constant currency                                     | 4,225           | 6,236     | 1,901          | 410     |
| Loans and advances to customers (net)                   |                 |           |                |         |
| – Reported                                              | 311,486         | 274,806   | 44,821         | 55,809  |
| – Currency translation                                  | 26,219          | (1,421)   | 617            | —       |
| – Constant currency                                     | 337,705         | 273,385   | 45,438         | 55,809  |
| Customer accounts                                       |                 |           |                |         |
| – Reported                                              | 505,118         | 543,776   | 57,452         | 93,060  |
| – Currency translation                                  | 42,516          | (2,812)   | 792            | —       |
| – Constant currency                                     | 547,634         | 540,964   | 58,244         | 93,060  |

1 UK includes HSBC UK Bank plc (ring-fenced bank), HSBC Bank plc (non-ring-fenced bank), the ultimate holding company, HSBC Holdings plc, and the ServCo group.

2 Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.

## Selected country/territory results: notable items

| Half-year to 30 Jun 2024                              |                 |           |                |      |
|-------------------------------------------------------|-----------------|-----------|----------------|------|
|                                                       | UK <sup>1</sup> | Hong Kong | Mainland China | US   |
|                                                       | \$m             | \$m       | \$m            | \$m  |
| Revenue                                               |                 |           |                |      |
| Disposals, wind-downs, acquisitions and related costs | 205             | —         | —              | —    |
| Operating expenses                                    |                 |           |                |      |
| Disposals, wind-downs, acquisitions and related costs | (28)            | (1)       | (5)            | (15) |
| Restructuring and other related costs                 | 9               | —         | —              | —    |

1 UK includes HSBC UK Bank plc (ring-fenced bank), HSBC Bank plc (non-ring-fenced bank), the ultimate holding company, HSBC Holdings plc, and the ServCo group.

## Analysis by country/territory

### Profit/(loss) before tax by country/territory within business segments

|                                                  | Hong Kong<br>\$m | UK<br>\$m    | CIB<br>\$m   | IWPB<br>\$m  | Corporate Centre<br>\$m | Total<br>\$m  |
|--------------------------------------------------|------------------|--------------|--------------|--------------|-------------------------|---------------|
| UK <sup>1</sup>                                  | (169)            | 3,281        | 92           | (57)         | 1,318                   | 4,465         |
| – of which: HSBC UK Bank plc (ring-fenced bank)  | —                | 3,457        | 73           | 48           | 40                      | 3,618         |
| – of which: HSBC Bank plc (non-ring-fenced bank) | —                | —            | 677          | 181          | (43)                    | 815           |
| – of which: Holdings and other                   | (169)            | (176)        | (658)        | (286)        | 1,321                   | 32            |
| France                                           | —                | —            | 122          | 14           | (22)                    | 114           |
| Germany                                          | —                | —            | 59           | 6            | (1)                     | 64            |
| Hong Kong                                        | 4,853            | —            | 1,217        | 986          | (148)                   | 6,908         |
| Australia                                        | —                | —            | 239          | 66           | (6)                     | 299           |
| India                                            | (1)              | —            | 767          | 57           | 108                     | 931           |
| Indonesia                                        | —                | —            | 111          | 5            | (1)                     | 115           |
| Mainland China <sup>2</sup>                      | (13)             | —            | 460          | 8            | (893)                   | (438)         |
| Malaysia                                         | (1)              | —            | 180          | 83           | (6)                     | 256           |
| Singapore                                        | 2                | —            | 441          | 305          | (15)                    | 733           |
| Taiwan                                           | —                | —            | 136          | 78           | (3)                     | 211           |
| Egypt                                            | —                | —            | 228          | 53           | (6)                     | 275           |
| UAE                                              | —                | —            | 312          | 149          | (22)                    | 439           |
| Saudi Arabia <sup>3</sup>                        | —                | —            | 47           | —            | 345                     | 392           |
| US                                               | —                | —            | 476          | 80           | (133)                   | 423           |
| Canada                                           | —                | —            | —            | —            | (2)                     | (2)           |
| Mexico                                           | —                | —            | 238          | 122          | (30)                    | 330           |
| Other <sup>4</sup>                               | 3                | —            | 1,237        | 137          | (1,082)                 | 295           |
| <b>Half-year to 30 Jun 2025</b>                  | <b>4,674</b>     | <b>3,281</b> | <b>6,362</b> | <b>2,092</b> | <b>(599)</b>            | <b>15,810</b> |
| UK <sup>1</sup>                                  | (144)            | 3,437        | (9)          | 1            | 823                     | 4,108         |
| – of which: HSBC UK Bank plc (ring-fenced bank)  | —                | 3,579        | 72           | 49           | 34                      | 3,734         |
| – of which: HSBC Bank plc (non-ring-fenced bank) | —                | —            | 608          | 219          | (131)                   | 696           |
| – of which: Holdings and other                   | (144)            | (142)        | (689)        | (267)        | 920                     | (322)         |
| France                                           | —                | —            | 132          | 28           | (171)                   | (11)          |
| Germany                                          | —                | —            | 169          | 19           | 3                       | 191           |
| Hong Kong                                        | 4,844            | —            | 763          | 812          | (203)                   | 6,216         |
| Australia                                        | —                | —            | 229          | 88           | (8)                     | 309           |
| India                                            | —                | —            | 660          | 47           | 91                      | 798           |
| Indonesia                                        | —                | —            | 105          | 13           | —                       | 118           |
| Mainland China <sup>2</sup>                      | 22               | —            | 532          | (42)         | 1,398                   | 1,910         |
| Malaysia                                         | —                | —            | 182          | 77           | (5)                     | 254           |
| Singapore                                        | —                | —            | 415          | 328          | (11)                    | 732           |
| Taiwan                                           | —                | —            | 150          | 65           | (4)                     | 211           |
| Egypt                                            | —                | —            | 269          | 63           | (15)                    | 317           |
| UAE                                              | —                | —            | 216          | 208          | (34)                    | 390           |
| Saudi Arabia <sup>3</sup>                        | —                | —            | 63           | —            | 317                     | 380           |
| US                                               | —                | —            | 447          | 74           | (111)                   | 410           |
| Canada <sup>5</sup>                              | —                | —            | 152          | 71           | 4,491                   | 4,714         |
| Mexico                                           | —                | —            | 312          | 149          | 5                       | 466           |
| Other <sup>6</sup>                               | 17               | —            | 1,478        | 292          | (1,744)                 | 43            |
| <b>Half-year to 30 Jun 2024</b>                  | <b>4,739</b>     | <b>3,437</b> | <b>6,265</b> | <b>2,293</b> | <b>4,822</b>            | <b>21,556</b> |

1 UK includes results from the ultimate holding company, HSBC Holdings plc, and the ServCo group.

2 Includes our share of the profits of our associate, BoCom. Amount in 1H25 includes a loss of \$1.1bn inclusive of reserves recycling as a result of the dilution of our shareholding in BoCom. We have also recognised a \$1.0bn impairment loss following an impairment test on the carrying value of the Group's investment in BoCom. See Note 10 on page 95.

3 Includes the results of HSBC Saudi Arabia and our share of the profits of our associate, SAB.

4 Corporate Centre includes the profit and loss impact of inter-company debt eliminations of \$605m.

5 Corporate Centre includes a gain of \$4.5bn on the sale of our banking business in Canada excluding the fair value movements on the foreign exchange hedging of the sale, which is booked in HSBC Overseas Holdings (UK) Limited.

6 Corporate Centre includes an impairment loss of \$1.2bn relating to the sale of our business in Argentina.

# Alternative performance measures

The following tables provide the calculation, definition and reconciliation of alternative performance measures to the closest reported performance measure. For further details and an explanation of their basis of preparation, including constant currency, notable items and material notable items, and the impact of strategic transactions and hyperinflationary accounting, see page 18.

| Alternative performance measure                                                                                                           | Definition                                                                                                                                                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reported revenue excluding notable items                                                                                                  | Reported revenue after excluding notable items reported under revenue                                                                                                                                                                                  |
| Reported profit before tax excluding notable items                                                                                        | Reported profit before tax after excluding notable items reported under revenue less notable items reported under operating expenses                                                                                                                   |
| Constant currency revenue excluding notable items                                                                                         | Reported revenue excluding notable items and the impact of foreign exchange translation                                                                                                                                                                |
| Constant currency profit before tax excluding notable items                                                                               | Reported profit before tax excluding notable items and the impact of foreign exchange translation                                                                                                                                                      |
| Constant currency revenue excluding notable items and strategic transactions                                                              | Reported revenue excluding notable items, strategic transactions and the impact of foreign exchange translation                                                                                                                                        |
| Constant currency profit before tax excluding notable items and strategic transactions                                                    | Reported profit before tax excluding notable items, strategic transactions and the impact of foreign exchange translation                                                                                                                              |
| Return on average ordinary shareholders' equity ('RoE')                                                                                   | $\frac{\text{Profit attributable to the ordinary shareholders}}{\text{Average ordinary shareholders' equity}}$                                                                                                                                         |
| Return on average tangible equity ('RoTE')                                                                                                | $\frac{\text{Profit attributable to the ordinary shareholders, excluding impairment of goodwill and other intangible assets}}{\text{Average ordinary shareholders' equity adjusted for goodwill and intangibles}}$                                     |
| Return on average tangible equity ('RoTE') excluding notable items                                                                        | $\frac{\text{Profit attributable to the ordinary shareholders, excluding impairment of goodwill and other intangible assets and notable items}}{\text{Average ordinary shareholders' equity adjusted for goodwill and intangibles and notable items}}$ |
| Net asset value per ordinary share                                                                                                        | $\frac{\text{Total ordinary shareholders' equity}^1}{\text{Basic number of ordinary shares in issue after deducting own shares held}}$                                                                                                                 |
| Tangible net asset value per ordinary share                                                                                               | $\frac{\text{Tangible ordinary shareholders' equity}^2}{\text{Basic number of ordinary shares in issue after deducting own shares held}}$                                                                                                              |
| Post-tax return on average total assets                                                                                                   | $\frac{\text{Profit after tax}}{\text{Average total assets}}$                                                                                                                                                                                          |
| Average total shareholders' equity on average total assets                                                                                | $\frac{\text{Average total shareholders' equity}}{\text{Average total assets}}$                                                                                                                                                                        |
| Banking net interest income                                                                                                               | Banking net interest income adjusts our reported NII, primarily for the impact of funding trading and fair value activities reported in interest expense and to exclude third party insurance NII <sup>3</sup>                                         |
| Expected credit losses and other credit impairment charges as % of average gross loans and advances to customers                          | $\frac{\text{Annualised constant currency ECL}}{\text{Constant currency average gross loans and advances to customers}}$                                                                                                                               |
| Expected credit losses and other credit impairment charges as % of average gross loans and advances to customers, including held for sale | $\frac{\text{Annualised constant currency ECL}}{\text{Constant currency average gross loans and advances to customers, including held for sale}}$                                                                                                      |
| Target basis operating expenses                                                                                                           | Reported operating expenses excluding notable items, foreign exchange translation and other excluded items                                                                                                                                             |
| Basic earnings per share excluding material notable items and related impacts                                                             | $\frac{\text{Profit attributable to ordinary shareholders excluding material notable items and related impacts}}{\text{Weighted average number of ordinary shares outstanding after deducting own shares held}}$                                       |
| Multi-jurisdictional client revenue                                                                                                       | Total client revenue we generate from clients that hold a relationship with us that generates revenue in more than one market                                                                                                                          |

1 Total ordinary shareholders' equity is total shareholders' equity less non-cumulative preference shares and capital securities.

2 Tangible ordinary shareholders' equity is total ordinary shareholders' equity excluding goodwill and other intangible assets (net of deferred tax).

3 For details on the calculation of banking NII, see page 21.

## Constant currency revenue and profit before tax excluding notable items and strategic transactions

|                                                                                                                          | Half-year to  |             |
|--------------------------------------------------------------------------------------------------------------------------|---------------|-------------|
|                                                                                                                          | 30 Jun 2025   | 30 Jun 2024 |
|                                                                                                                          | \$m           | \$m         |
| <b>Revenue</b>                                                                                                           |               |             |
| Reported                                                                                                                 | 34,122        | 37,292      |
| Notable items                                                                                                            | 1,275         | (3,571)     |
| <b>Reported revenue excluding notable items</b>                                                                          | <b>35,397</b> | 33,721      |
| Currency translation <sup>1</sup>                                                                                        |               | (228)       |
| <b>Constant currency revenue excluding notable items</b>                                                                 | <b>35,397</b> | 33,493      |
| Constant currency impact of strategic transactions (distorting impact of operating results between periods) <sup>2</sup> | —             | (821)       |
| <b>Constant currency revenue excluding notable items and strategic transactions</b>                                      | <b>35,397</b> | 32,672      |
| <b>Profit before tax</b>                                                                                                 |               |             |
| Reported                                                                                                                 | 15,810        | 21,556      |
| Notable items                                                                                                            | 3,118         | (3,489)     |
| <b>Reported profit before tax excluding notable items</b>                                                                | <b>18,928</b> | 18,067      |
| Currency translation <sup>1</sup>                                                                                        |               | (61)        |
| <b>Constant currency profit before tax excluding notable items</b>                                                       | <b>18,928</b> | 18,006      |
| Constant currency impact of strategic transactions (distorting impact of operating results between periods) <sup>2</sup> | —             | (330)       |
| <b>Constant currency profit before tax excluding notable items and strategic transactions</b>                            | <b>18,928</b> | 17,676      |

1 Currency translation on the reported balance excluding currency translation on notable items.

2 For more details of strategic transactions, please refer to page 29.

## Return on average ordinary shareholders' equity, return on average tangible equity and return on average tangible equity excluding notable items

|                                                                                                                                   | Half-year ended |             |
|-----------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------|
|                                                                                                                                   | 30 Jun 2025     | 30 Jun 2024 |
|                                                                                                                                   | \$m             | \$m         |
| <b>Profit after tax</b>                                                                                                           |                 |             |
| Profit attributable to the ordinary shareholders of the parent company                                                            | 11,510          | 16,586      |
| Impairment of goodwill and other intangible assets (net of tax)                                                                   | 24              | 123         |
| <b>Profit attributable to ordinary shareholders, excluding goodwill and other intangible assets impairment</b>                    | <b>11,534</b>   | 16,709      |
| Impact of notable items <sup>1</sup>                                                                                              | 2,714           | (3,625)     |
| <b>Profit attributable to the ordinary shareholders, excluding goodwill, other intangible assets impairment and notable items</b> | <b>14,248</b>   | 13,084      |
| <b>Equity</b>                                                                                                                     |                 |             |
| Average total shareholders' equity                                                                                                | 189,446         | 186,603     |
| Effect of average preference shares and other equity instruments                                                                  | (19,501)        | (18,088)    |
| <b>Average ordinary shareholders' equity</b>                                                                                      | <b>169,945</b>  | 168,515     |
| Effect of goodwill and other intangibles (net of deferred tax)                                                                    | (11,861)        | (11,573)    |
| <b>Average tangible equity</b>                                                                                                    | <b>158,084</b>  | 156,942     |
| Average impact of notable items                                                                                                   | (543)           | (2,605)     |
| <b>Average tangible equity excluding notable items</b>                                                                            | <b>157,541</b>  | 154,337     |
| <b>Ratio</b>                                                                                                                      | <b>%</b>        | <b>%</b>    |
| Return on average ordinary shareholders' equity (annualised)                                                                      | 13.7            | 19.8        |
| Return on average tangible equity (annualised)                                                                                    | 14.7            | 21.4        |
| Return on average tangible equity excluding notable items (annualised)                                                            | 18.2            | 17.0        |

1 For details of notable items, please refer to page 26.

## Return on average tangible equity by business segment

|                                                                                                | Half-year ended 30 Jun 2025 |              |              |              |                         |               |
|------------------------------------------------------------------------------------------------|-----------------------------|--------------|--------------|--------------|-------------------------|---------------|
|                                                                                                | Hong Kong<br>\$m            | UK<br>\$m    | CIB<br>\$m   | IWPB<br>\$m  | Corporate Centre<br>\$m | Total<br>\$m  |
| <b>Profit before tax</b>                                                                       | <b>4,674</b>                | <b>3,281</b> | <b>6,362</b> | <b>2,092</b> | <b>(599)</b>            | <b>15,810</b> |
| Tax expense                                                                                    | (852)                       | (911)        | (1,414)      | (434)        | 242                     | (3,369)       |
| <b>Profit after tax</b>                                                                        | <b>3,822</b>                | <b>2,370</b> | <b>4,948</b> | <b>1,658</b> | <b>(357)</b>            | <b>12,441</b> |
| Less attributable to: preference shareholders, other equity holders, non-controlling interests | (424)                       | (112)        | (197)        | (93)         | (105)                   | (931)         |
| <b>Profit attributable to ordinary shareholders of the parent company</b>                      | <b>3,398</b>                | <b>2,258</b> | <b>4,751</b> | <b>1,565</b> | <b>(462)</b>            | <b>11,510</b> |
| Other adjustments                                                                              | 146                         | 111          | (94)         | (6)          | (133)                   | 24            |
| <b>Profit attributable to ordinary shareholders</b>                                            | <b>3,544</b>                | <b>2,369</b> | <b>4,657</b> | <b>1,559</b> | <b>(595)</b>            | <b>11,534</b> |
| Average tangible shareholders' equity                                                          | 20,479                      | 20,412       | 55,525       | 18,666       | 43,002                  | 158,084       |
| RoTE (%) (annualised)                                                                          | 34.9                        | 23.4         | 16.9         | 16.8         | (2.8)                   | 14.7          |

| Half-year ended 30 Jun 2024                                                                    |        |        |         |        |        |         |
|------------------------------------------------------------------------------------------------|--------|--------|---------|--------|--------|---------|
| Profit before tax                                                                              | 4,739  | 3,437  | 6,265   | 2,293  | 4,822  | 21,556  |
| Tax expense                                                                                    | (707)  | (947)  | (1,561) | (520)  | (156)  | (3,891) |
| Profit after tax                                                                               | 4,032  | 2,490  | 4,704   | 1,773  | 4,666  | 17,665  |
| Less attributable to: preference shareholders, other equity holders, non-controlling interests | (533)  | (113)  | (211)   | (59)   | (163)  | (1,079) |
| Profit attributable to ordinary shareholders of the parent company                             | 3,499  | 2,377  | 4,493   | 1,714  | 4,503  | 16,586  |
| Other adjustments                                                                              | 105    | 112    | (242)   | (30)   | 178    | 123     |
| Profit attributable to ordinary shareholders                                                   | 3,604  | 2,489  | 4,251   | 1,684  | 4,681  | 16,709  |
| Average tangible shareholders' equity                                                          | 18,891 | 18,481 | 54,649  | 19,211 | 45,710 | 156,942 |
| RoTE (%) (annualised)                                                                          | 38.4   | 27.1   | 15.6    | 17.6   | 20.6   | 21.4    |

## Net asset value and tangible net asset value per ordinary share

|                                                                                     | At                 |                    |
|-------------------------------------------------------------------------------------|--------------------|--------------------|
|                                                                                     | 30 Jun 2025<br>\$m | 31 Dec 2024<br>\$m |
| Total shareholders' equity                                                          | 192,554            | 184,973            |
| Preference shares and other equity instruments                                      | (20,716)           | (19,070)           |
| <b>Total ordinary shareholders' equity</b>                                          | <b>171,838</b>     | 165,903            |
| Goodwill and intangible assets (net of deferred tax)                                | (12,281)           | (11,608)           |
| <b>Tangible ordinary shareholders' equity</b>                                       | <b>159,557</b>     | 154,295            |
| Basic number of \$0.50 ordinary shares outstanding, after deducting own shares held | 17,397             | 17,918             |
| <b>Value per share</b>                                                              | <b>\$</b>          | <b>\$</b>          |
| Net asset value per ordinary share                                                  | 9.88               | 9.26               |
| Tangible net asset value per ordinary share                                         | 9.17               | 8.61               |

## Post-tax return and average total shareholders' equity on average total assets

|                                                            | Half-year ended    |                    |
|------------------------------------------------------------|--------------------|--------------------|
|                                                            | 30 Jun 2025<br>\$m | 30 Jun 2024<br>\$m |
| Profit after tax                                           | 12,441             | 17,665             |
| Average total shareholders' equity                         | 189,446            | 186,603            |
| Average total assets                                       | 3,150,154          | 3,031,753          |
| <b>Ratios</b>                                              | <b>%</b>           | <b>%</b>           |
| Post-tax return on average total assets (annualised)       | 0.8                | 1.2                |
| Average total shareholders' equity to average total assets | 6.0                | 6.2                |

## ECL and other credit impairment charges as % of average gross loans and advances to customers, and other credit impairment charges as % of average gross loans and advances to customers, including held for sale

|                                                                                                                                                        | Half-year ended    |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
|                                                                                                                                                        | 30 Jun 2025<br>\$m | 30 Jun 2024<br>\$m |
| Expected credit losses and other credit impairment charges ('ECL')                                                                                     | (1,941)            | (1,066)            |
| Currency translation                                                                                                                                   | —                  | 73                 |
| <b>Constant currency</b>                                                                                                                               | <b>(1,941)</b>     | (993)              |
| Average gross loans and advances to customers                                                                                                          | 962,347            | 947,479            |
| Currency translation                                                                                                                                   | 25,449             | 29,070             |
| <b>Constant currency</b>                                                                                                                               | <b>987,796</b>     | 976,549            |
| Average gross loans and advances to customers, including held for sale                                                                                 | 963,813            | 973,409            |
| Currency translation                                                                                                                                   | 25,494             | 28,553             |
| <b>Constant currency</b>                                                                                                                               | <b>989,307</b>     | 1,001,962          |
| <b>Ratios</b>                                                                                                                                          | <b>%</b>           | <b>%</b>           |
| Expected credit losses and other credit impairment charges (annualised) as % of average gross loans and advances to customers                          | 0.40               | 0.20               |
| Expected credit losses and other credit impairment charges (annualised) as % of average gross loans and advances to customers, including held for sale | 0.40               | 0.20               |

## Target basis operating expenses

|                                                                                                                                    | Half-year to  |               |
|------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
|                                                                                                                                    | 30 Jun 2025   | 30 Jun 2024   |
|                                                                                                                                    | \$m           | \$m           |
| Reported operating expenses                                                                                                        | 17,022        | 16,296        |
| <b>Notable items</b>                                                                                                               | <b>(843)</b>  | <b>(82)</b>   |
| – disposals, acquisitions and related costs                                                                                        | (227)         | (101)         |
| – restructuring and other related costs <sup>1</sup>                                                                               | (616)         | 19            |
| Currency translation <sup>2</sup>                                                                                                  | —             | (101)         |
| Excluding the constant currency impact of the sale of our business in Argentina and banking business in Canada <sup>3</sup>        | —             | (372)         |
| Excluding the impact of retranslating prior period costs of hyperinflationary economies at constant currency foreign exchange rate | —             | 23            |
| <b>Target basis operating expenses</b>                                                                                             | <b>16,179</b> | <b>15,764</b> |

- 1 Amounts relate to restructuring provisions recognised in 2024 and 2025 and reversals of restructuring provisions recognised during 2022.
- 2 Currency translation on reported operating expenses, excluding currency translation on notable items.
- 3 This represents the business as usual costs, which are not classified as notable items relating to our business in Argentina and banking business in Canada, on a constant currency basis. This does not include the disposal costs that relate to these transactions.

## Basic earnings per share excluding material notable items and related impacts

|                                                                                                                     | Half-year to  |               |
|---------------------------------------------------------------------------------------------------------------------|---------------|---------------|
|                                                                                                                     | 30 Jun 2025   | 30 Jun 2024   |
|                                                                                                                     | \$m           | \$m           |
| <b>Profit attributable to shareholders of company</b>                                                               | <b>12,057</b> | <b>17,112</b> |
| Coupon payable on capital securities classified as equity                                                           | (547)         | (526)         |
| <b>Profit attributable to ordinary shareholders of company</b>                                                      | <b>11,510</b> | <b>16,586</b> |
| Dilution and impairment losses of interest in associate                                                             | 1,988         | —             |
| Impact of disposals, wind-downs, acquisitions & related costs                                                       | 283           | (3,812)       |
| – of which: impact of the sale of our banking business in Canada <sup>1</sup>                                       | (1)           | (4,949)       |
| – of which: impact of the sale of our business in Argentina                                                         | 98            | 1,192         |
| – of which: Others                                                                                                  | 186           | (55)          |
| <b>Profit attributable to ordinary shareholders of company excluding material notable items and related impacts</b> | <b>13,781</b> | <b>12,774</b> |
| <b>Number of shares</b>                                                                                             |               |               |
| Weighted average basic number of ordinary shares (millions)                                                         | 17,646        | 18,666        |
| Basic earnings per share (\$)                                                                                       | 0.65          | 0.89          |
| <b>Basic earnings per share excluding material notable items and related impacts (\$)</b>                           | <b>0.78</b>   | <b>0.68</b>   |

- 1 Represents gain on sale of our banking business in Canada recognised on completion, inclusive of the earnings recognised by the banking business from 30 June 2022, the recycling of losses in foreign currency translation reserves and other reserves, and gain on the foreign exchange hedging of the sale proceeds.

## Multi-jurisdictional revenue

Multi-jurisdictional revenue is a financial metric we use to assess our ability to drive value from our international network.

In our wholesale businesses, we identify a client as multi-jurisdictional if they hold a relationship with us that generates revenue in any market outside of where the primary relationship is managed. A client is defined as a mastergroup (HSBC's own client groupings) that includes both the parent and, where relevant, any subsidiaries.

Multi-jurisdictional client revenue is a component of wholesale client revenue and represents the total client revenue we generate from multi-jurisdictional clients. Wholesale client revenue is derived by excluding from wholesale revenue the revenue we generate from client facilitation in fixed income and equities, as well as other non-client revenue.

### Wholesale multi-jurisdictional client revenue

|                                                                     | Half-year to |             |
|---------------------------------------------------------------------|--------------|-------------|
|                                                                     | 30 Jun 2025  | 30 Jun 2024 |
|                                                                     | \$bn         | \$bn        |
| <b>Wholesale revenue</b>                                            | <b>20.3</b>  | <b>19.6</b> |
| Allocated revenue and other <sup>1</sup>                            | (1.2)        | (1.1)       |
| Client facilitation in fixed income and equities                    | (3.7)        | (2.7)       |
| <b>Wholesale client revenue</b>                                     | <b>15.4</b>  | <b>15.8</b> |
| – clients banked in multiple jurisdictions ('multi-jurisdictional') | 9.6          | 9.7         |
| – domestic only clients                                             | 5.8          | 6.1         |

- 1 Including allocations of Market Treasury revenue, HSBC Holdings interest expense and hyperinflationary accounting adjustments, and interest earned on capital held in the business segments.

# Risk

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

All our people are responsible for the management of risk, with the ultimate accountability residing with the Board. Our Group Risk and Compliance function, led by the Group Chief Risk and Compliance Officer, plays an important role in reinforcing our culture and values. We are focused on creating an environment that encourages our people to speak up and do the right thing.

Group Risk and Compliance is independent from our businesses, including our sales and trading functions, to provide challenge, oversight and appropriate balance in risk/return decisions.

We aim to use a comprehensive risk management approach across the organisation and across all risk types, underpinned by our culture and values. This is outlined in our risk management framework, including the key principles and practices that we employ in managing material risks. The framework fosters continuous monitoring, promotes risk awareness, and encourages sound operational and strategic decision making. It also supports a consistent approach to identifying, assessing, managing and reporting the risks we accept and incur in our activities. We continue to actively review and develop our risk management framework and enhance our approach to managing risk.

- ▶ A summary of our current policies and practices regarding the management of risk is set out in the 'Risk management' section on pages 127 to 130 of the Annual Report and Accounts 2024.

## Key developments in the first half of 2025

In the first half of 2025, we continued to manage risks related to macroeconomic and geopolitical uncertainties and develop risk management capabilities through the continued enhancement of our risk management framework. We also retained our focus on risk transformation and financial crime and continued to assess the Group's operational resilience capability while prioritising the most significant enterprise risks. We made progress with and continue to develop capabilities to address key risks described in our Annual Report and Accounts 2024. More specifically, we sought to enhance our risk management in the following areas:

- 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.
- We strengthened our control environment through the continued embedding of our Global Control Oversight function, which aims to drive a centralised approach to controls oversight across the first line of defence business and process owners, including a globally consistent approach to control standards, aggregated reporting and testing.
- We enhanced our technology and cybersecurity controls to help improve the resilience and security of our technology services in response to the heightened external threat environment.
- We responded to new innovations in the financial system, including growing adoption of digital assets and currencies, as well as the evolving use of AI through reviewing and enhancing controls across risk areas to help us and our customers safely benefit from innovation.
- We enhanced our processes, framework and controls to improve the oversight of our third parties. We have strengthened our due diligence and monitoring capabilities with respect to the financial

stability of our third parties to better manage our supply chain and we continue to assess and seek to manage operational resilience.

- We have delivered further enhancements to the way we manage climate considerations across the organisation. This has been achieved through risk policy and guideline updates and further development of our risk metrics and assessments to help monitor and manage exposures. Additionally, we have reviewed a number of climate models and have sought to enhance our internal climate scenario analysis capabilities.
- We deployed advanced technology and analytics capabilities into new markets to improve our ability to identify suspicious activities and prevent financial crime. We will continue to evaluate technological solutions to improve our capabilities in the detection and prevention of financial crime.

## Credit risk

### Overview

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

### Credit risk in the first half of 2025

There were no material changes to credit risk policy in the first half of 2025.

- ▶ A summary of our current policies and practices for the management of credit risk is set out in 'Credit risk management' on page 139 of the Annual Report and Accounts 2024.

At 30 June 2025, gross loans and advances to banks and customers of \$1,099bn increased by \$57bn on a reported basis compared with 31 December 2024. Gross loans and advances to customers increased by \$51.5bn and gross loans and advances to banks increased by \$5.5bn. This included total favourable foreign exchange movements of \$48.2bn.

On a constant currency basis, the increase of \$8.8bn was driven by an \$8.5bn rise in wholesale loans and advances to customers and a \$1.7bn rise in loans and advances to banks. These were partly offset by a \$1.4bn decrease in personal loans and advances to customers.

The rise in wholesale loans and advances to customers was driven by an increase in balances in HSBC UK (up \$3.4bn) and in Asia (up \$3.3bn), across multiple industry sectors; and in the Middle East (up \$1.3bn), mainly in manufacturing and 'wholesale and retail trade, repair of motor vehicles and motorcycles'.

The rise in loans and advances to banks was driven by higher exposures in our entities in Asia (up \$4.0bn), partly offset by lower balances in HSBC UK (down \$1.4bn) and in HSBC Bank plc (down \$1.2bn).

The decrease in personal loans and advances to customers was driven by the reclassification to 'Assets held for sale' of our home and other retail loans retained in France (\$7.2bn), as well as lower credit card balances in our entities in Asia (down \$1bn). This was partly offset by mortgage growth of \$4.3bn, mainly in HSBC UK (up \$3.5bn), and higher other personal lending in our entities in Asia (up \$2.6bn).

There was an increase in stage 2 loans and advances to banks and customers of \$16.7bn on a constant currency basis. This was mainly driven by updates to our wholesale probability of default ('PD') models, which resulted in a shift of balances between stage 1 and 2, mainly in Asia. The balances transferred to stage 2 consisted of up-to-date loans mainly in the 'Good' and 'Satisfactory' credit quality buckets.

At 30 June 2025, the allowance for ECL of \$10.8bn increased by \$0.5bn compared with 31 December 2024, including adverse foreign exchange movements of \$0.4bn, and write-offs of \$2.0bn. The \$10.8bn allowance comprised \$10.3bn in respect of assets held at amortised cost, \$0.4bn in respect of loan commitments and financial guarantees, and \$0.1bn in respect of debt instruments measured at fair value through other comprehensive income ('FVOCI').

On a constant currency basis, the allowance for ECL in relation to personal and wholesale loans and advances to customers remained stable from 31 December 2024. This was attributable to:

- a broadly unchanged allowance for ECL in wholesale loans and advances to customers, which included a \$0.1bn increase in stages 1 and 2, offset by a \$0.1bn decrease in stage 3; and
- a broadly unchanged allowance for ECL in personal loans and advances to customers across all stages.

The ECL charge for 1H25 was \$1.9bn (1H24: \$1.1bn), inclusive of recoveries. The ECL charge comprised: \$1.1bn in respect of wholesale lending, of which the stage 3 charge was \$0.8bn; and \$0.8bn in respect of personal lending, of which \$0.5bn was in stage 3.

Wholesale lending charges were recognised mainly in our legal entities in Hong Kong (\$0.7bn). This included charges related to the Hong Kong commercial real estate sector of \$0.5bn. This reflected updates to our models used for ECL calculations, an increase in allowances for new defaulted exposures, as well as the over-supply of non-residential properties putting continued downward pressure on rental and capital values.

► For further details on ECL charges in each of our business segments, see page 26 and below.

## Summary of credit risk

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

The following tables analyse loans by industry sector and represent the concentration of exposures on which credit risk is managed. The allowance for ECL increased from \$10.3bn at 31 December 2024 to \$10.8bn at 30 June 2025.

### Summary of financial instruments to which the impairment requirements in IFRS 9 are applied – by business segment

|                                                     | Gross carrying/nominal amount |                |                  |                |                         |                  | Allowance for ECL <sup>1</sup> |                |                |                |                         |                 |
|-----------------------------------------------------|-------------------------------|----------------|------------------|----------------|-------------------------|------------------|--------------------------------|----------------|----------------|----------------|-------------------------|-----------------|
|                                                     | Hong Kong<br>\$m              | UK<br>\$m      | CIB<br>\$m       | IWPB<br>\$m    | Corporate Centre<br>\$m | Total<br>\$m     | Hong Kong<br>\$m               | UK<br>\$m      | CIB<br>\$m     | IWPB<br>\$m    | Corporate Centre<br>\$m | Total<br>\$m    |
| Loans and advances to customers at amortised cost   | 233,677                       | 301,611        | 307,233          | 149,110        | 234                     | 991,865          | (3,537)                        | (1,980)        | (2,994)        | (1,587)        | (45)                    | (10,143)        |
| Loans and advances to banks at amortised cost       | 12,145                        | 6,779          | 67,285           | 18,386         | 3,002                   | 107,597          | (1)                            | (2)            | (8)            | (3)            | (1)                     | (15)            |
| Other financial assets measured at amortised cost   | 48,153                        | 100,864        | 611,863          | 61,501         | 68,249                  | 890,630          | (23)                           | (23)           | (50)           | (25)           | (1)                     | (122)           |
| – cash and balances at central banks                | 6,228                         | 52,987         | 167,701          | 18,745         | 699                     | 246,360          | –                              | –              | –              | –              | –                       | –               |
| – Hong Kong Government certificates of indebtedness | –                             | –              | –                | –              | 42,592                  | 42,592           | –                              | –              | –              | –              | –                       | –               |
| – reverse repurchase agreements – non-trading       | 4,020                         | 19,322         | 253,279          | 5,518          | 1,065                   | 283,204          | –                              | –              | –              | –              | –                       | –               |
| – financial investments                             | 33,016                        | 25,836         | 64,104           | 27,829         | 15,438                  | 166,223          | (2)                            | (1)            | (4)            | (7)            | –                       | (14)            |
| – assets held for sale <sup>2</sup>                 | –                             | 9              | 1,897            | 3,171          | 3                       | 5,080            | –                              | –              | (5)            | (6)            | –                       | (11)            |
| – other assets <sup>3</sup>                         | 4,889                         | 2,710          | 124,882          | 6,238          | 8,452                   | 147,171          | (21)                           | (22)           | (41)           | (12)           | (1)                     | (97)            |
| <b>Total on-balance sheet</b>                       | <b>293,975</b>                | <b>409,254</b> | <b>986,381</b>   | <b>228,997</b> | <b>71,485</b>           | <b>1,990,092</b> | <b>(3,561)</b>                 | <b>(2,005)</b> | <b>(3,052)</b> | <b>(1,615)</b> | <b>(47)</b>             | <b>(10,280)</b> |
| Loan and other credit-related commitments           | 111,631                       | 106,862        | 356,822          | 116,165        | 225                     | 691,705          | (29)                           | (103)          | (211)          | (9)            | –                       | (352)           |
| Financial guarantees                                | 647                           | 1,098          | 13,180           | 1,680          | –                       | 16,605           | (5)                            | (14)           | (24)           | (1)            | –                       | (44)            |
| <b>Total off-balance sheet<sup>4</sup></b>          | <b>112,278</b>                | <b>107,960</b> | <b>370,002</b>   | <b>117,845</b> | <b>225</b>              | <b>708,310</b>   | <b>(34)</b>                    | <b>(117)</b>   | <b>(235)</b>   | <b>(10)</b>    | <b>–</b>                | <b>(396)</b>    |
| <b>At 30 Jun 2025</b>                               | <b>406,253</b>                | <b>517,214</b> | <b>1,356,383</b> | <b>346,842</b> | <b>71,710</b>           | <b>2,698,402</b> | <b>(3,595)</b>                 | <b>(2,122)</b> | <b>(3,287)</b> | <b>(1,625)</b> | <b>(47)</b>             | <b>(10,676)</b> |

|                                           | Fair value       |               |                |               |                         |                | Memorandum allowance for ECL <sup>5</sup> |            |             |             |                         |              |
|-------------------------------------------|------------------|---------------|----------------|---------------|-------------------------|----------------|-------------------------------------------|------------|-------------|-------------|-------------------------|--------------|
|                                           | Hong Kong<br>\$m | UK<br>\$m     | CIB<br>\$m     | IWPB<br>\$m   | Corporate Centre<br>\$m | Total<br>\$m   | Hong Kong<br>\$m                          | UK<br>\$m  | CIB<br>\$m  | IWPB<br>\$m | Corporate Centre<br>\$m | Total<br>\$m |
| <b>Debt instruments measured at FVOCI</b> | <b>138,366</b>   | <b>31,888</b> | <b>159,488</b> | <b>58,149</b> | <b>8,017</b>            | <b>395,908</b> | <b>(2)</b>                                | <b>(1)</b> | <b>(18)</b> | <b>(15)</b> | <b>(27)</b>             | <b>(63)</b>  |

## Summary of financial instruments to which the impairment requirements in IFRS 9 are applied – by business segment (continued)

|                                                     | Gross carrying/nominal amount |           |            |             |                         |              | Allowance for ECL <sup>1</sup> |           |            |             |                         |              |
|-----------------------------------------------------|-------------------------------|-----------|------------|-------------|-------------------------|--------------|--------------------------------|-----------|------------|-------------|-------------------------|--------------|
|                                                     | Hong Kong<br>\$m              | UK<br>\$m | CIB<br>\$m | IWPB<br>\$m | Corporate Centre<br>\$m | Total<br>\$m | Hong Kong<br>\$m               | UK<br>\$m | CIB<br>\$m | IWPB<br>\$m | Corporate Centre<br>\$m | Total<br>\$m |
| Loans and advances to customers at amortised cost   | 238,416                       | 269,141   | 287,842    | 137,789     | 7,185                   | 940,373      | (3,208)                        | (1,848)   | (3,141)    | (1,464)     | (54)                    | (9,715)      |
| Loans and advances to banks at amortised cost       | 13,034                        | 7,505     | 63,524     | 15,713      | 2,276                   | 102,052      | (1)                            | (2)       | (7)        | (1)         | (2)                     | (13)         |
| Other financial assets measured at amortised cost   | 52,869                        | 100,322   | 553,664    | 58,713      | 63,012                  | 828,580      | (25)                           | (9)       | (39)       | (19)        | —                       | (92)         |
| – cash and balances at central banks                | 5,565                         | 63,981    | 177,095    | 20,260      | 773                     | 267,674      | —                              | —         | —          | —           | —                       | —            |
| – Hong Kong Government certificates of indebtedness | —                             | —         | —          | —           | 42,293                  | 42,293       | —                              | —         | —          | —           | —                       | —            |
| – reverse repurchase agreements – non-trading       | 2,896                         | 13,188    | 229,672    | 5,844       | 949                     | 252,549      | —                              | —         | —          | —           | —                       | —            |
| – financial investments                             | 40,345                        | 20,072    | 56,537     | 25,059      | 11,969                  | 153,982      | (1)                            | (1)       | (4)        | (3)         | —                       | (9)          |
| – assets held for sale <sup>2</sup>                 | —                             | 5         | 670        | 2,595       | 3                       | 3,273        | —                              | —         | (4)        | —           | —                       | (4)          |
| – other assets <sup>3</sup>                         | 4,063                         | 3,076     | 89,690     | 4,955       | 7,025                   | 108,809      | (24)                           | (8)       | (31)       | (16)        | —                       | (79)         |
| Total on-balance sheet                              | 304,319                       | 376,968   | 905,030    | 212,215     | 72,473                  | 1,871,005    | (3,234)                        | (1,859)   | (3,187)    | (1,484)     | (56)                    | (9,820)      |
| Loan and other credit-related commitments           | 109,369                       | 90,848    | 307,197    | 111,762     | 191                     | 619,367      | (29)                           | (116)     | (187)      | (16)        | —                       | (348)        |
| Financial guarantees                                | 1,171                         | 939       | 13,186     | 1,702       | —                       | 16,998       | (2)                            | (3)       | (24)       | —           | —                       | (29)         |
| Total off-balance sheet <sup>4</sup>                | 110,540                       | 91,787    | 320,383    | 113,464     | 191                     | 636,365      | (31)                           | (119)     | (211)      | (16)        | —                       | (377)        |
| At 31 Dec 2024                                      | 414,859                       | 468,755   | 1,225,413  | 325,679     | 72,664                  | 2,507,370    | (3,265)                        | (1,978)   | (3,398)    | (1,500)     | (56)                    | (10,197)     |

|                                    | Fair value       |           |            |             |                         |              | Memorandum allowance for ECL <sup>5</sup> |           |            |             |                         |              |
|------------------------------------|------------------|-----------|------------|-------------|-------------------------|--------------|-------------------------------------------|-----------|------------|-------------|-------------------------|--------------|
|                                    | Hong Kong<br>\$m | UK<br>\$m | CIB<br>\$m | IWPB<br>\$m | Corporate Centre<br>\$m | Total<br>\$m | Hong Kong<br>\$m                          | UK<br>\$m | CIB<br>\$m | IWPB<br>\$m | Corporate Centre<br>\$m | Total<br>\$m |
| Debt instruments measured at FVOCI | 128,568          | 26,405    | 137,538    | 51,516      | 2,097                   | 346,124      | (1)                                       | (1)       | (18)       | (14)        | (20)                    | (54)         |

- The total ECL is recognised in the loss allowance for the financial asset unless the total ECL exceeds the gross carrying amount of the financial asset, in which case the ECL is recognised as a provision.
- At 30 June 2025, the gross carrying amount comprised \$2.3bn of loans and advances to customers and banks (31 December 2024: \$1.1bn) and \$2.8bn of other financial assets at amortised cost (31 December 2024: \$2.1bn) including the planned sales of our private banking and custody businesses in Germany (\$3.7bn, 31 December 2024: \$2.2bn), as well as our business in South Africa (\$0.8bn, 31 December 2024: \$0.4bn). The corresponding allowance for ECL comprised \$11m of loans and advances to customers and banks (31 December 2024: \$4m) and \$0.2m of other financial assets at amortised cost (31 December 2024: \$0.3m).
- Includes only those financial instruments that are subject to the impairment requirements of IFRS 9. 'Other assets' as presented within the summary consolidated balance sheet on page 23 comprises both financial and non-financial assets, including cash collateral and settlement accounts.
- Represents the maximum amount at risk should the contracts be fully drawn upon and clients default.
- Debt instruments measured at FVOCI continue to be measured at fair value with the allowance for ECL as a memorandum item. Change in ECL is recognised in 'Change in expected credit losses and other credit impairment charges' in the income statement.

## Change in expected credit losses and other credit impairment charges by business segment

| Half-year to | Hong Kong<br>\$m | UK<br>\$m | CIB<br>\$m | IWPB<br>\$m | Corporate Centre<br>\$m | Total<br>\$m |
|--------------|------------------|-----------|------------|-------------|-------------------------|--------------|
| 30 Jun 2025  | (864)            | (323)     | (299)      | (453)       | (2)                     | (1,941)      |
| 31 Dec 2024  | (740)            | (344)     | (682)      | (559)       | (23)                    | (2,348)      |
| 30 Jun 2024  | (336)            | (58)      | (187)      | (479)       | (6)                     | (1,066)      |

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

- Stage 1: These financial assets are unimpaired and without a significant increase in credit risk for which a 12-month allowance for ECL is recognised.
- Stage 2: A significant increase in credit risk has been experienced on these financial assets since initial recognition for which a lifetime ECL is recognised.
- Stage 3: There is objective evidence of impairment and the financial assets are therefore considered to be in default or otherwise credit impaired for which a lifetime ECL is recognised.
- Purchased or originated credit-impaired financial assets ('POCI'): Financial assets that are purchased or originated at a deep discount are seen to reflect the incurred credit losses on which a lifetime ECL is recognised.

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

|                                                   | Gross carrying/nominal amount <sup>1</sup> |                |               |                   |                  | Allowance for ECL |                |                |                   |                 | ECL coverage % |            |             |                   |            |
|---------------------------------------------------|--------------------------------------------|----------------|---------------|-------------------|------------------|-------------------|----------------|----------------|-------------------|-----------------|----------------|------------|-------------|-------------------|------------|
|                                                   | Stage 1                                    | Stage 2        | Stage 3       | POCI <sup>2</sup> | Total            | Stage 1           | Stage 2        | Stage 3        | POCI <sup>2</sup> | Total           | Stage 1        | Stage 2    | Stage 3     | POCI <sup>2</sup> | Total      |
|                                                   | \$m                                        | \$m            | \$m           | \$m               | \$m              | \$m               | \$m            | \$m            | \$m               | \$m             | %              | %          | %           | %                 | %          |
| Loans and advances to customers at amortised cost | 852,669                                    | 115,338        | 23,550        | 308               | 991,865          | (1,181)           | (2,752)        | (6,144)        | (66)              | (10,143)        | 0.1            | 2.4        | 26.1        | 21.4              | 1.0        |
| – personal                                        | 421,134                                    | 43,900         | 3,921         | —                 | 468,955          | (618)             | (1,228)        | (894)          | —                 | (2,740)         | 0.1            | 2.8        | 22.8        | —                 | 0.6        |
| – corporate and commercial                        | 344,579                                    | 68,592         | 18,982        | 115               | 432,268          | (502)             | (1,487)        | (5,084)        | (66)              | (7,139)         | 0.1            | 2.2        | 26.8        | 57.4              | 1.7        |
| – non-bank financial institutions                 | 86,956                                     | 2,846          | 647           | 193               | 90,642           | (61)              | (37)           | (166)          | —                 | (264)           | 0.1            | 1.3        | 25.7        | —                 | 0.3        |
| Loans and advances to banks at amortised cost     | 107,428                                    | 166            | 3             | —                 | 107,597          | (10)              | (2)            | (3)            | —                 | (15)            | —              | 1.2        | 100.0       | —                 | —          |
| Other financial assets measured at amortised cost | 888,423                                    | 2,011          | 196           | —                 | 890,630          | (74)              | (17)           | (31)           | —                 | (122)           | —              | 0.8        | 15.8        | —                 | —          |
| Loans and other credit-related commitments        | 668,179                                    | 22,482         | 1,040         | 4                 | 691,705          | (143)             | (119)          | (89)           | (1)               | (352)           | —              | 0.5        | 8.6         | 25.0              | 0.1        |
| – personal                                        | 263,998                                    | 1,978          | 122           | —                 | 266,098          | (21)              | (3)            | (1)            | —                 | (25)            | —              | 0.2        | 0.8         | —                 | —          |
| – corporate and commercial                        | 242,163                                    | 19,116         | 828           | 4                 | 262,111          | (111)             | (113)          | (87)           | (1)               | (312)           | —              | 0.6        | 10.5        | 25.0              | 0.1        |
| – financial                                       | 162,018                                    | 1,388          | 90            | —                 | 163,496          | (11)              | (3)            | (1)            | —                 | (15)            | —              | 0.2        | 1.1         | —                 | —          |
| Financial guarantees                              | 14,506                                     | 1,780          | 319           | —                 | 16,605           | (10)              | (8)            | (26)           | —                 | (44)            | 0.1            | 0.4        | 8.2         | —                 | 0.3        |
| – personal                                        | 1,463                                      | 20             | —             | —                 | 1,483            | (1)               | —              | —              | —                 | (1)             | 0.1            | —          | —           | —                 | 0.1        |
| – corporate and commercial                        | 9,128                                      | 1,639          | 271           | —                 | 11,038           | (8)               | (8)            | (26)           | —                 | (42)            | 0.1            | 0.5        | 9.6         | —                 | 0.4        |
| – financial                                       | 3,915                                      | 121            | 48            | —                 | 4,084            | (1)               | —              | —              | —                 | (1)             | —              | —          | —           | —                 | —          |
| <b>At 30 Jun 2025<sup>3</sup></b>                 | <b>2,531,205</b>                           | <b>141,777</b> | <b>25,108</b> | <b>312</b>        | <b>2,698,402</b> | <b>(1,418)</b>    | <b>(2,898)</b> | <b>(6,293)</b> | <b>(67)</b>       | <b>(10,676)</b> | <b>0.1</b>     | <b>2.0</b> | <b>25.1</b> | <b>21.5</b>       | <b>0.4</b> |
| Loans and advances to customers at amortised cost | 824,420                                    | 93,248         | 22,615        | 90                | 940,373          | (1,078)           | (2,546)        | (6,040)        | (51)              | (9,715)         | 0.1            | 2.7        | 26.7        | 56.7              | 1.0        |
| – personal                                        | 403,746                                    | 39,919         | 3,560         | —                 | 447,225          | (570)             | (1,158)        | (796)          | —                 | (2,524)         | 0.1            | 2.9        | 22.4        | —                 | 0.6        |
| – corporate and commercial                        | 340,987                                    | 51,231         | 18,376        | 90                | 410,684          | (463)             | (1,358)        | (4,883)        | (51)              | (6,755)         | 0.1            | 2.7        | 26.6        | 56.7              | 1.6        |
| – non-bank financial institutions                 | 79,687                                     | 2,098          | 679           | —                 | 82,464           | (45)              | (30)           | (361)          | —                 | (436)           | 0.1            | 1.4        | 53.2        | —                 | 0.5        |
| Loans and advances to banks at amortised cost     | 101,852                                    | 198            | 2             | —                 | 102,052          | (9)               | (2)            | (2)            | —                 | (13)            | —              | 1.0        | 100.0       | —                 | —          |
| Other financial assets measured at amortised cost | 826,621                                    | 1,806          | 153           | —                 | 828,580          | (64)              | (5)            | (23)           | —                 | (92)            | —              | 0.3        | 15.0        | —                 | —          |
| Loans and other credit-related commitments        | 597,231                                    | 21,175         | 958           | 3                 | 619,367          | (137)             | (121)          | (90)           | —                 | (348)           | —              | 0.6        | 9.4         | —                 | 0.1        |
| – personal                                        | 251,489                                    | 1,680          | 86            | —                 | 253,255          | (17)              | —              | (5)            | —                 | (22)            | —              | —          | 5.8         | —                 | —          |
| – corporate and commercial                        | 231,201                                    | 17,453         | 838           | 3                 | 249,495          | (111)             | (116)          | (83)           | —                 | (310)           | —              | 0.7        | 9.9         | —                 | 0.1        |
| – financial                                       | 114,541                                    | 2,042          | 34            | —                 | 116,617          | (9)               | (5)            | (2)            | —                 | (16)            | —              | 0.2        | 5.9         | —                 | —          |
| Financial guarantees                              | 15,353                                     | 1,397          | 248           | —                 | 16,998           | (8)               | (5)            | (16)           | —                 | (29)            | 0.1            | 0.4        | 6.5         | —                 | 0.2        |
| – personal                                        | 1,416                                      | 11             | —             | —                 | 1,427            | —                 | —              | —              | —                 | —               | —              | —          | —           | —                 | —          |
| – corporate and commercial                        | 10,048                                     | 1,232          | 195           | —                 | 11,475           | (7)               | (5)            | (15)           | —                 | (27)            | 0.1            | 0.4        | 7.7         | —                 | 0.2        |
| – financial                                       | 3,889                                      | 154            | 53            | —                 | 4,096            | (1)               | —              | (1)            | —                 | (2)             | —              | —          | 1.9         | —                 | —          |
| <b>At 31 Dec 2024</b>                             | <b>2,365,477</b>                           | <b>117,824</b> | <b>23,976</b> | <b>93</b>         | <b>2,507,370</b> | <b>(1,296)</b>    | <b>(2,679)</b> | <b>(6,171)</b> | <b>(51)</b>       | <b>(10,197)</b> | <b>0.1</b>     | <b>2.3</b> | <b>25.7</b> | <b>54.8</b>       | <b>0.4</b> |

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

<sup>2</sup> Purchased or originated credit-impaired ('POCI').

<sup>3</sup> The shift of 'gross carrying amount' between stage 1 and 2 arose mainly in Asia from higher average PD for the remaining term at the reporting date, reflecting updates to our PD models and ongoing market challenges. PDs at the reporting date were compared with the PD calculated at origination.

Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when they are 30 days past due ('DPD') and are transferred from stage 1 to stage 2.

The following disclosure presents the ageing of stage 2 financial assets by those less than 30 and greater than 30 DPD and therefore presents those financial assets classified as stage 2 due to ageing (30 DPD) and those identified at an earlier stage (less than 30 DPD).

### Stage 2 days past due analysis

|                                                   | Gross carrying amount |            |                          |                           | Allowance for ECL |            |                          |                           | ECL coverage % |            |             |              |
|---------------------------------------------------|-----------------------|------------|--------------------------|---------------------------|-------------------|------------|--------------------------|---------------------------|----------------|------------|-------------|--------------|
|                                                   | Stage 2               | Up-to-date | 1 to 29 DPD <sup>1</sup> | 30 and > DPD <sup>1</sup> | Stage 2           | Up-to-date | 1 to 29 DPD <sup>1</sup> | 30 and > DPD <sup>1</sup> | Stage 2        | Up-to-date | 1 to 29 DPD | 30 and > DPD |
| At 30 Jun 2025                                    | \$m                   | \$m        | \$m                      | \$m                       | \$m               | \$m        | \$m                      | \$m                       | %              | %          | %           | %            |
| Loans and advances to customers at amortised cost | 115,338               | 112,022    | 2,027                    | 1,289                     | (2,752)           | (2,305)    | (254)                    | (193)                     | 2.4            | 2.1        | 12.5        | 15.0         |
| – personal                                        | 43,900                | 41,722     | 1,346                    | 832                       | (1,228)           | (825)      | (234)                    | (169)                     | 2.8            | 2.0        | 17.4        | 20.3         |
| – corporate and commercial                        | 68,592                | 67,572     | 681                      | 339                       | (1,487)           | (1,451)    | (20)                     | (16)                      | 2.2            | 2.1        | 2.9         | 4.7          |
| – non-bank financial institutions                 | 2,846                 | 2,728      | —                        | 118                       | (37)              | (29)       | —                        | (8)                       | 1.3            | 1.1        | —           | 6.8          |
| Loans and advances to banks at amortised cost     | 166                   | 166        | —                        | —                         | (2)               | (2)        | —                        | —                         | 1.2            | 1.2        | —           | —            |
| Other financial assets measured at amortised cost | 2,011                 | 1,999      | 5                        | 7                         | (17)              | (16)       | —                        | (1)                       | 0.8            | 0.8        | —           | 14.3         |

At 31 Dec 2024

|                                                   |        |        |       |       |         |         |       |       |     |     |      |      |
|---------------------------------------------------|--------|--------|-------|-------|---------|---------|-------|-------|-----|-----|------|------|
| Loans and advances to customers at amortised cost | 93,248 | 90,157 | 1,888 | 1,203 | (2,546) | (2,147) | (192) | (207) | 2.7 | 2.4 | 10.2 | 17.2 |
| – personal                                        | 39,919 | 37,676 | 1,361 | 882   | (1,158) | (799)   | (169) | (190) | 2.9 | 2.1 | 12.4 | 21.5 |
| – corporate and commercial                        | 51,231 | 50,486 | 506   | 239   | (1,358) | (1,326) | (21)  | (11)  | 2.7 | 2.6 | 4.2  | 4.6  |
| – non-bank financial institutions                 | 2,098  | 1,995  | 21    | 82    | (30)    | (22)    | (2)   | (6)   | 1.4 | 1.1 | 9.5  | 7.3  |
| Loans and advances to banks at amortised cost     | 198    | 198    | —     | —     | (2)     | (2)     | —     | —     | 1.0 | 1.0 | —    | —    |
| Other financial assets measured at amortised cost | 1,806  | 1,794  | 3     | 9     | (5)     | (5)     | —     | —     | 0.3 | 0.3 | —    | —    |

<sup>1</sup> The days past due amounts are presented on a contractual basis.

## Stage 2 decomposition

The following table presents the stage 2 decomposition of gross carrying amount and allowances for ECL for loans and advances to customers and banks. It also sets out the reasons why an exposure is classified as stage 2 and therefore presented as a significant increase in credit risk at 30 June 2025.

The quantitative classification shows gross carrying amount and allowances for ECL for which the applicable reporting date probability of default ('PD') measure exceeds defined quantitative thresholds for retail and wholesale exposures, as set out in Note 1.2 'Summary of material accounting policies', on page 359 of the Annual Report and Accounts 2024.

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

► A summary of our current policies and practices for the significant increase in credit risk is set out in 'Summary of material accounting policies' on page 359 of the Annual Report and Accounts 2024.

### Loans and advances to customers and banks<sup>1</sup>

|                                    | At 30 Jun 2025                  |                          |                                 |                                               |                | At 31 Dec 2024                  |                          |                                 |                                               |                |
|------------------------------------|---------------------------------|--------------------------|---------------------------------|-----------------------------------------------|----------------|---------------------------------|--------------------------|---------------------------------|-----------------------------------------------|----------------|
|                                    | Loans and advances to customers |                          |                                 | Loans and advances to banks at amortised cost | Total stage 2  | Loans and advances to customers |                          |                                 | Loans and advances to banks at amortised cost | Total stage 2  |
|                                    | Personal                        | Corporate and commercial | Non-bank financial institutions |                                               |                | Personal                        | Corporate and commercial | Non-bank financial institutions |                                               |                |
|                                    | \$m                             | \$m                      | \$m                             | \$m                                           | \$m            | \$m                             | \$m                      | \$m                             | \$m                                           | \$m            |
| Quantitative <sup>2</sup>          | 40,184                          | 53,156                   | 1,969                           | 120                                           | 95,429         | 36,356                          | 37,787                   | 1,658                           | 176                                           | 75,977         |
| Qualitative                        | 3,568                           | 15,309                   | 874                             | 46                                            | 19,797         | 3,452                           | 13,327                   | 438                             | 22                                            | 17,239         |
| 30 DPD backstop <sup>3</sup>       | 148                             | 127                      | 3                               | —                                             | 278            | 111                             | 117                      | 2                               | —                                             | 230            |
| <b>Total gross carrying amount</b> | <b>43,900</b>                   | <b>68,592</b>            | <b>2,846</b>                    | <b>166</b>                                    | <b>115,504</b> | <b>39,919</b>                   | <b>51,231</b>            | <b>2,098</b>                    | <b>198</b>                                    | <b>93,446</b>  |
| Quantitative                       | (1,146)                         | (1,166)                  | (31)                            | —                                             | (2,343)        | (1,118)                         | (1,124)                  | (28)                            | —                                             | (2,270)        |
| Qualitative                        | (69)                            | (317)                    | (6)                             | (2)                                           | (394)          | (35)                            | (229)                    | (2)                             | (2)                                           | (268)          |
| 30 DPD backstop <sup>3</sup>       | (13)                            | (4)                      | —                               | —                                             | (17)           | (5)                             | (5)                      | —                               | —                                             | (10)           |
| <b>Total allowance for ECL</b>     | <b>(1,228)</b>                  | <b>(1,487)</b>           | <b>(37)</b>                     | <b>(2)</b>                                    | <b>(2,754)</b> | <b>(1,158)</b>                  | <b>(1,358)</b>           | <b>(30)</b>                     | <b>(2)</b>                                    | <b>(2,548)</b> |
| <b>ECL coverage %</b>              | <b>2.8</b>                      | <b>2.2</b>               | <b>1.3</b>                      | <b>1.2</b>                                    | <b>2.4</b>     | <b>2.9</b>                      | <b>2.7</b>               | <b>1.4</b>                      | <b>1.0</b>                                    | <b>2.7</b>     |

- Where balances satisfy more than one of the above three criteria for determining a significant increase in credit risk, the corresponding gross exposure and ECL have been assigned in order of categories presented.
- The shift of 'gross carrying amount' between stage 1 and 2 arose mainly in Asia from higher average PD for the remaining term at the reporting date, reflecting updates to our PD models and ongoing market challenges. PDs at the reporting date were compared with the PD calculated at origination.
- Days past due ('DPD').

## Measurement uncertainty and sensitivity analysis of ECL estimates

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

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

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

### Methodology

At 30 June 2025, four scenarios were used to capture the latest economic expectations and to articulate management's view of the range of risks and potential outcomes. Scenarios are updated with the latest economic forecasts and distributional estimates in each quarter.

Three scenarios, the Upside, Central and Downside, are drawn from external consensus forecasts, market data and distributional estimates of the entire range of economic outcomes. Consensus estimates are deployed as conditioning variables in a proprietary expansion of the scenario variables. The fourth scenario, the Downside 2, represents management's view of severe downside risks.

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

The Downside 2 scenario is narrative-driven and explores a more extreme economic outcome than those captured by the consensus scenarios. In this scenario variables do not, by design, revert to long-term trend expectations and may instead explore alternative states of equilibrium, where economic variables move permanently away from past trends. It is calibrated to a 5% probability.

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

Management assessed that risk and uncertainty around the Central scenario projection remained elevated in the second quarter of 2025 and scenario weights were adjusted. Weight was reassigned from the Central scenario to the consensus Downside scenario.

In the second quarter of 2025, outer scenarios for most markets have been configured as demand shocks. To the downside, the crystallisation of economic risks causes consumption and investment to fall sharply and commodity prices to decline. Inflation is lower relative to the Central scenario in most markets, although that narrative is disrupted in the US and Mexico by the assumption of higher tariff rates and a broad increase in import prices. Mexico is affected in a similar way to the US on the supply side, given the significance of its trade with the US and the assumption that countries react to US tariffs with countermeasures. In the upside scenario, robust economic growth drives investment and consumption higher, causing a temporary acceleration of inflation.

Scenarios produced to calculate ECL are aligned with HSBC's top and emerging risks.

### Description of economic scenarios

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

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

The scenarios used to calculate ECL are described below.

#### The consensus Central scenario

HSBC's Central scenario incorporates an expectation of slower global growth across many of our key markets in 2025-2026, relative to the fourth quarter of 2024. The deterioration reflects the anticipated effect of greater policy uncertainty and higher US tariff rates on trade, investment and employment. The scenario is consistent with the tariff rate, measured as an effective trade-weighted average, of 13.7% in 2025 and 8.6% in 2026.

The notable exceptions are mainland China and Hong Kong, where forecasts have improved. Recent data in these markets has suggested that while tariffs and subdued consumer confidence will continue to be headwinds in the months ahead, official support for the respective economies is expected to ensure that the downturn is less pronounced than previously expected, amid strong fiscal support and increasingly supportive monetary conditions.

In the US and UK, household and business confidence has weakened amid high policy uncertainty and restrictive interest rates. In Europe, manufacturing remains in a protracted downturn, and trade policy uncertainty is also weighing on sentiment. Planned increases in fiscal spending to support tax cuts, welfare spending and defence are expected to deliver only incremental additional growth, spread out over several years.

Global GDP is expected to grow by 2.3% in 2025 in the Central scenario and the average rate of global GDP growth is forecast to be 2.5% over the entire forecast period.

The key features of our Central scenario are:

- GDP growth rates in most of our main markets are expected to slow in 2025 compared with 2024, with only moderate recovery expected in 2026. The exception is the UAE.
- Consistent with weaker expected growth, unemployment is forecast to rise moderately in 2025, but remain low by historical standards.
- The expected evolution of inflation is more mixed by market. In the US and the UK, it is set to remain above target through 2025 and 2026. In the US, the impact of tariffs on import prices is expected to keep prices higher, whereas in the UK changes to utility prices and employer taxes and wage costs are seen as the main driver of higher inflation. In Hong Kong and mainland China, price inflation is likely to remain subdued amid weak domestic demand and continued strong manufacturing growth in mainland China.
- Housing market conditions also remain mixed, with prices forecast to continue to fall in Hong Kong and mainland China in the near term due to an excess of unsold inventory. Stronger growth is expected in the UAE and Mexico, but price gains are expected to remain more muted in the UK, US and France.
- Challenging conditions are also forecast to continue in certain segments of the commercial property sector in a number of our key markets. Structural changes to demand in the office segment in particular are driving lower valuations.
- Policy interest rates in key markets are forecast to gradually decline in 2025 and 2026. In the longer term, they are expected to remain at a higher level than in the pre-pandemic period.
- The Brent crude oil price is forecast to average around \$65 per barrel over the forecast period.

The Central scenario was created from consensus forecasts available in May, and reviewed continually until the end of June 2025.

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

### Consensus Central scenario

|                                                                 | 3Q25-2Q30 (as at 2Q25) |     |           |                |        |      |        | 2025–2029 (as at 4Q24) |     |           |                |        |     |        |
|-----------------------------------------------------------------|------------------------|-----|-----------|----------------|--------|------|--------|------------------------|-----|-----------|----------------|--------|-----|--------|
|                                                                 | UK                     | US  | Hong Kong | Mainland China | France | UAE  | Mexico | UK                     | US  | Hong Kong | Mainland China | France | UAE | Mexico |
| <b>GDP (annual average growth rate, %)</b>                      |                        |     |           |                |        |      |        |                        |     |           |                |        |     |        |
| 2025                                                            | 0.9                    | 1.5 | 1.8       | 4.3            | 0.5    | 4.2  | 0.2    | 1.2                    | 2.0 | 1.7       | 4.0            | 0.9    | 4.4 | 0.9    |
| 2026                                                            | 1.2                    | 1.6 | 2.1       | 4.1            | 1.0    | 4.2  | 1.4    | 1.3                    | 1.6 | 1.8       | 3.7            | 0.9    | 4.2 | 1.2    |
| 2027                                                            | 1.5                    | 2.0 | 2.4       | 4.0            | 1.3    | 4.0  | 2.0    | 1.8                    | 1.6 | 3.5       | 4.3            | 1.4    | 3.9 | 1.7    |
| 2028                                                            | 1.5                    | 2.0 | 2.4       | 3.9            | 1.3    | 3.5  | 2.0    | 1.6                    | 1.8 | 3.1       | 3.9            | 1.5    | 3.6 | 1.9    |
| 2029                                                            | 1.5                    | 1.9 | 2.4       | 3.8            | 1.2    | 3.4  | 2.0    | 1.6                    | 2.0 | 2.7       | 3.7            | 1.4    | 3.6 | 2.0    |
| 5-year average <sup>1</sup>                                     | 1.4                    | 1.8 | 2.2       | 3.9            | 1.1    | 3.7  | 1.7    | 1.5                    | 1.8 | 2.6       | 3.9            | 1.2    | 3.9 | 1.5    |
| <b>Unemployment rate (%)</b>                                    |                        |     |           |                |        |      |        |                        |     |           |                |        |     |        |
| 2025                                                            | 4.6                    | 4.4 | 3.2       | 5.2            | 7.6    | 2.6  | 3.1    | 4.9                    | 4.4 | 3.3       | 5.2            | 7.5    | 2.7 | 3.5    |
| 2026                                                            | 4.7                    | 4.5 | 3.1       | 5.1            | 7.7    | 2.5  | 3.8    | 4.7                    | 4.3 | 3.7       | 5.4            | 7.3    | 2.6 | 3.5    |
| 2027                                                            | 4.5                    | 4.3 | 3.1       | 5.1            | 7.5    | 2.5  | 3.4    | 4.5                    | 4.3 | 3.3       | 5.2            | 7.2    | 2.6 | 3.5    |
| 2028                                                            | 4.3                    | 4.3 | 3.0       | 5.0            | 7.4    | 2.4  | 3.5    | 4.3                    | 4.2 | 3.0       | 5.0            | 7.0    | 2.5 | 3.5    |
| 2029                                                            | 4.1                    | 4.1 | 3.0       | 5.0            | 7.2    | 2.4  | 3.4    | 4.3                    | 4.1 | 2.9       | 5.0            | 7.0    | 2.5 | 3.5    |
| 5-year average <sup>1</sup>                                     | 4.4                    | 4.3 | 3.1       | 5.1            | 7.5    | 2.4  | 3.5    | 4.5                    | 4.2 | 3.2       | 5.2            | 7.2    | 2.6 | 3.5    |
| <b>House prices (annual average growth rate, %)</b>             |                        |     |           |                |        |      |        |                        |     |           |                |        |     |        |
| 2025                                                            | 3.5                    | 3.7 | (5.3)     | (5.9)          | 2.1    | 13.5 | 7.1    | 1.4                    | 4.4 | (0.5)     | (5.9)          | 2.1    | 9.3 | 7.6    |
| 2026                                                            | 1.2                    | 3.1 | (1.2)     | (1.5)          | 4.3    | 5.5  | 4.2    | 3.8                    | 3.2 | 2.4       | (0.7)          | 4.4    | 5.1 | 4.5    |
| 2027                                                            | 2.4                    | 3.0 | 4.2       | 0.6            | 4.9    | 3.6  | 4.3    | 4.6                    | 2.4 | 3.0       | 3.2            | 4.4    | 3.6 | 4.2    |
| 2028                                                            | 3.3                    | 2.6 | 3.0       | 2.7            | 4.1    | 2.3  | 4.4    | 3.5                    | 2.5 | 2.7       | 4.1            | 3.8    | 1.8 | 4.0    |
| 2029                                                            | 2.7                    | 2.4 | 2.6       | 2.9            | 3.3    | 1.8  | 4.1    | 2.7                    | 2.6 | 2.7       | 2.9            | 3.1    | 1.3 | 4.0    |
| 5-year average <sup>1</sup>                                     | 2.4                    | 2.8 | 1.6       | 0.7            | 3.9    | 3.9  | 4.4    | 3.2                    | 3.0 | 2.1       | 0.7            | 3.6    | 4.2 | 4.9    |
| <b>Inflation (annual average growth rate, %)</b>                |                        |     |           |                |        |      |        |                        |     |           |                |        |     |        |
| 2025                                                            | 3.0                    | 3.1 | 1.7       | 0.3            | 1.3    | 1.9  | 3.7    | 2.4                    | 2.4 | 1.4       | 0.3            | 1.2    | 2.1 | 5.0    |
| 2026                                                            | 2.3                    | 2.8 | 1.8       | 0.9            | 1.6    | 2.0  | 3.6    | 2.1                    | 2.8 | 1.9       | 1.0            | 1.6    | 1.9 | 3.9    |
| 2027                                                            | 2.0                    | 2.4 | 2.0       | 1.4            | 1.9    | 1.9  | 3.5    | 2.1                    | 2.5 | 2.2       | 1.5            | 2.0    | 1.8 | 3.4    |
| 2028                                                            | 2.1                    | 2.3 | 2.0       | 1.6            | 2.3    | 1.9  | 3.5    | 2.0                    | 2.2 | 2.2       | 1.7            | 2.3    | 1.9 | 3.4    |
| 2029                                                            | 2.0                    | 2.2 | 2.1       | 1.5            | 2.2    | 1.9  | 3.4    | 2.0                    | 2.1 | 2.3       | 1.6            | 2.2    | 1.8 | 3.4    |
| 5-year average <sup>1</sup>                                     | 2.2                    | 2.5 | 1.9       | 1.3            | 1.9    | 1.9  | 3.5    | 2.1                    | 2.4 | 2.0       | 1.2            | 1.9    | 1.9 | 3.8    |
| <b>Central bank policy rate (annual average, %)<sup>2</sup></b> |                        |     |           |                |        |      |        |                        |     |           |                |        |     |        |
| 2025                                                            | 4.2                    | 4.2 | 4.6       | 3.0            | 2.1    | 4.3  | 8.5    | 4.2                    | 4.1 | 4.5       | 2.9            | 2.1    | 4.1 | 9.4    |
| 2026                                                            | 3.7                    | 3.5 | 3.9       | 2.8            | 1.6    | 3.5  | 7.4    | 3.9                    | 3.7 | 4.1       | 2.9            | 1.8    | 3.8 | 8.8    |
| 2027                                                            | 3.7                    | 3.4 | 3.8       | 2.9            | 1.9    | 3.4  | 7.6    | 3.8                    | 3.7 | 4.0       | 3.0            | 2.0    | 3.7 | 8.8    |
| 2028                                                            | 3.8                    | 3.5 | 3.9       | 2.9            | 2.2    | 3.6  | 7.9    | 3.7                    | 3.6 | 4.0       | 3.2            | 2.0    | 3.6 | 8.9    |
| 2029                                                            | 3.9                    | 3.7 | 4.1       | 3.0            | 2.4    | 3.7  | 8.2    | 3.7                    | 3.6 | 4.0       | 3.3            | 2.1    | 3.6 | 8.9    |
| 5-year average <sup>1</sup>                                     | 3.8                    | 3.6 | 4.0       | 2.9            | 2.1    | 3.7  | 7.8    | 3.9                    | 3.7 | 4.1       | 3.1            | 2.0    | 3.8 | 8.9    |

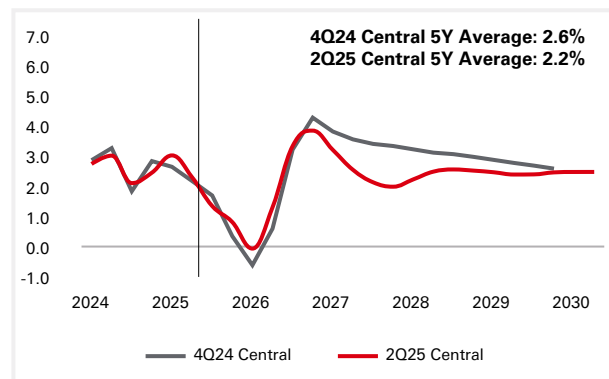
<sup>1</sup> The five-year average is calculated over the 20 quarter projection. For the 2Q25 scenario this is from 3Q25 to 2Q30. For the 4Q24 scenario it is from 1Q25 to 4Q29.

<sup>2</sup> For mainland China, rate shown is the Loan Prime Rate.

The graphs compare the respective Central scenario with current economic expectations beginning in the second quarter of 2025.

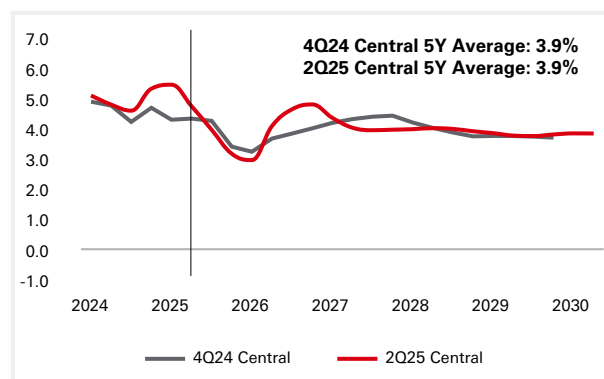
### GDP growth: Comparison of Central scenarios

#### Hong Kong



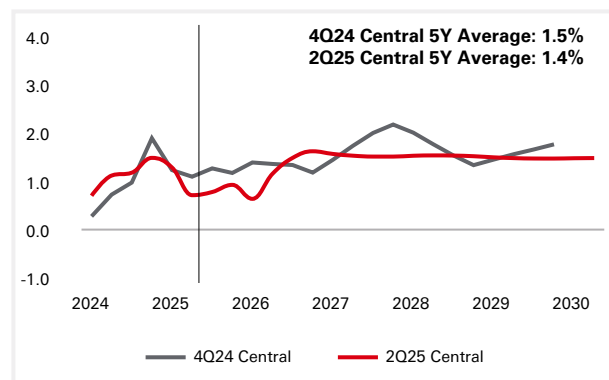
Note: Real GDP shown as year-on-year percentage change.

#### Mainland China



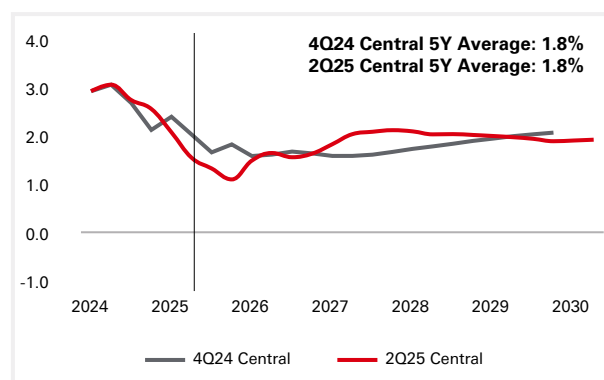
Note: Real GDP shown as year-on-year percentage change.

#### UK



Note: Real GDP shown as year-on-year percentage change.

#### US



Note: Real GDP shown as year-on-year percentage change.

### The consensus Upside scenario

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

The scenario is consistent with a number of key upside risk themes. These include a rollback of tariff measures, deregulation, a de-escalation in geopolitical tensions as the Russia-Ukraine war moves quickly towards a conclusion and the conflict in the Middle East subsides, and an improvement in the US-China relationship.

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

#### Consensus Upside scenario (3Q25–2Q30)

|                                                    | UK          | US          | Hong Kong   | Mainland China | France      | UAE         | Mexico      |
|----------------------------------------------------|-------------|-------------|-------------|----------------|-------------|-------------|-------------|
| GDP level (% , start-to-peak) <sup>1</sup>         | 11.0 (2Q30) | 14.9 (2Q30) | 19.1 (2Q30) | 28.5 (2Q30)    | 8.4 (2Q30)  | 28.9 (2Q30) | 16.4 (2Q30) |
| Unemployment rate (% , min) <sup>2</sup>           | 3.0 (1Q27)  | 3.6 (2Q27)  | 2.7 (2Q27)  | 4.6 (2Q27)     | 6.6 (2Q27)  | 2.0 (2Q27)  | 3.0 (3Q25)  |
| House price index (% , start-to-peak) <sup>1</sup> | 18.2 (2Q30) | 24.7 (2Q30) | 19.8 (2Q30) | 9.4 (2Q30)     | 23.3 (2Q30) | 24.2 (2Q30) | 29.0 (2Q30) |
| Inflation rate (YoY % change, max) <sup>3</sup>    | 3.3 (4Q25)  | 3.6 (4Q25)  | 2.5 (4Q26)  | 2.2 (1Q26)     | 2.3 (4Q27)  | 2.5 (4Q25)  | 4.2 (1Q26)  |
| Central bank policy rate (% , max) <sup>3</sup>    | 4.3 (3Q25)  | 4.4 (3Q25)  | 4.7 (3Q25)  | 3.3 (1Q26)     | 2.5 (2Q30)  | 4.4 (3Q25)  | 8.5 (2Q30)  |

#### Consensus Upside scenario 2025–2029 (as at 4Q24)

|                                                    | UK          | US          | Hong Kong    | Mainland China | France      | UAE         | Mexico      |
|----------------------------------------------------|-------------|-------------|--------------|----------------|-------------|-------------|-------------|
| GDP level (% , start-to-peak) <sup>1</sup>         | 11.3 (4Q29) | 13.6 (4Q29) | 21.4 (4Q29)  | 27.5 (4Q29)    | 8.9 (4Q29)  | 28.9 (4Q29) | 13.6 (4Q29) |
| Unemployment rate (% , min) <sup>2</sup>           | 3.5 (3Q26)  | 3.6 (1Q26)  | 2.9 (4Q29)   | 4.9 (4Q26)     | 6.4 (4Q26)  | 2.2 (4Q26)  | 3.0 (1Q25)  |
| House price index (% , start-to-peak) <sup>1</sup> | 24.2 (4Q29) | 23.6 (4Q29) | 25.3 (4Q29)  | 9.8 (4Q29)     | 22.8 (4Q29) | 26.1 (4Q29) | 31.7 (4Q29) |
| Inflation rate (YoY % change, min) <sup>3</sup>    | 1.4 (1Q26)  | 1.6 (2Q26)  | (0.1) (4Q25) | (1.0) (4Q25)   | 0.1 (4Q25)  | 0.6 (4Q25)  | 3.1 (2Q26)  |
| Central bank policy rate (% , min) <sup>3</sup>    | 3.6 (4Q25)  | 3.6 (1Q29)  | 4.0 (1Q29)   | 2.7 (1Q26)     | 1.4 (3Q25)  | 3.6 (1Q29)  | 7.6 (1Q26)  |

<sup>1</sup> Cumulative change to the highest level of the series during the 20-quarter projection.

<sup>2</sup> Lowest projected unemployment in the scenario.

<sup>3</sup> Highest/lowest projected policy rate and year-on-year percentage change in inflation in the scenario. For mainland China, the policy rate shown is the Loan Prime rate.

## Downside scenarios

Downside scenarios explore the intensification and crystallisation of a number of key economic and financial risks. The scenarios are modelled so that economic shocks drive consumption and investment lower and commodity prices fall. The nature of the shock varies with the evolution of the risk profile of each country.

For most markets, inflation and interest rates are lower in the downside scenarios compared with the Central scenario. The notable exceptions are the US and Mexico, where tariffs and countermeasures are assumed to cause a temporary increase in inflation above the Central scenario. Interest rates are also assumed to rise to a higher level, before the effects of weaker consumption demand begin to dominate.

Key downside risks include:

- an increase in protectionist policies, as countries that impose tariffs are met with countermeasures. This lowers investment, complicates international supply chains and reduces trade flows;
- broader and more prolonged conflict in the Middle East and the Russia-Ukraine war, which undermine confidence and investment; and

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

### Consensus Downside scenario (3Q25–2Q30)

|                                                      | UK    |        | US    |        | Hong Kong |        | Mainland China |        | France |        | UAE   |        | Mexico |        |
|------------------------------------------------------|-------|--------|-------|--------|-----------|--------|----------------|--------|--------|--------|-------|--------|--------|--------|
| GDP level (% , start-to-trough) <sup>1</sup>         | (0.9) | (3Q27) | (1.5) | (2Q26) | (4.2)     | (1Q26) | (2.9)          | (4Q25) | (0.6)  | (1Q26) | (0.2) | (3Q25) | (1.4)  | (4Q26) |
| Unemployment rate (% , max) <sup>2</sup>             | 6.2   | (3Q26) | 5.6   | (1Q26) | 4.5       | (1Q27) | 6.7            | (2Q27) | 8.8    | (1Q26) | 3.4   | (2Q26) | 4.2    | (3Q26) |
| House price index (% , start-to-trough) <sup>1</sup> | (6.4) | (4Q26) | (0.7) | (2Q26) | (6.9)     | (1Q26) | (10.0)         | (1Q27) | 0.2    | (3Q25) | (1.0) | (3Q25) | 0.7    | (3Q25) |
| Inflation rate (YoY % change) <sup>3</sup>           | 1.3   | (2Q26) | 4.0   | (4Q25) | 0.9       | (2Q26) | (2.8)          | (2Q26) | 0.6    | (2Q26) | 0.8   | (2Q26) | 4.3    | (4Q25) |
| Central bank policy rate (%) <sup>3</sup>            | 2.4   | (1Q28) | 5.2   | (4Q25) | 5.6       | (4Q25) | 1.7            | (1Q26) | 0.4    | (1Q26) | 5.2   | (4Q25) | 10.2   | (4Q25) |

### Consensus Downside scenario 2025–2029 (as at 4Q24)

|                                                      | UK    |        | US    |        | Hong Kong |        | Mainland China |        | France |        | UAE   |        | Mexico |        |
|------------------------------------------------------|-------|--------|-------|--------|-----------|--------|----------------|--------|--------|--------|-------|--------|--------|--------|
| GDP level (% , start-to-trough) <sup>1</sup>         | (1.0) | (4Q26) | (0.6) | (3Q25) | (4.5)     | (4Q25) | (2.5)          | (3Q25) | (0.6)  | (1Q26) | 0.3   | (1Q25) | (2.1)  | (4Q26) |
| Unemployment rate (% , max) <sup>2</sup>             | 6.1   | (4Q25) | 5.3   | (3Q25) | 5.1       | (2Q26) | 6.9            | (4Q26) | 8.3    | (3Q25) | 3.4   | (1Q26) | 4.1    | (4Q25) |
| House price index (% , start-to-trough) <sup>1</sup> | (4.5) | (1Q26) | (0.2) | (1Q25) | (1.9)     | (2Q26) | (12.8)         | (3Q26) | (0.3)  | (1Q25) | (0.4) | (1Q25) | 2.1    | (1Q25) |
| Inflation rate (YoY % change, max) <sup>3</sup>      | 3.4   | (4Q25) | 4.5   | (1Q26) | 3.1       | (1Q26) | 2.0            | (1Q26) | 2.6    | (3Q25) | 2.8   | (1Q26) | 7.4    | (4Q25) |
| Central bank policy rate (% , max) <sup>3</sup>      | 5.0   | (1Q25) | 4.8   | (1Q25) | 5.2       | (1Q25) | 3.0            | (1Q25) | 3.2    | (1Q25) | 4.8   | (1Q25) | 11.5   | (3Q25) |

1 Cumulative change to the lowest level of the series during the 20-quarter projection.

2 The highest projected unemployment in the scenario.

3 Due to the calibration of inflation and interest rates in 2Q, the table shows highest year-on-year percentage change in inflation and projected policy rates for the US and Mexico, and lowest for other countries. For the UAE and Hong Kong, the policy rate is also shown as the maximum, consistent with the operation of US dollar-linked exchange rates. For mainland China, the policy rate shown is the Loan Prime rate.

### Downside 2 scenario

The Downside 2 scenario features a deep global recession and reflects management's view of the tail of the economic distribution. The narrative incorporates the crystallisation of a number of risks simultaneously, including significant increases in tariffs and a further escalation of geopolitical crises globally. The scenario is consistent

with the tariff rate, measured as an effective trade-weighted average, rising to 31.6% in 2025, and remaining at that level in 2026. In this scenario, confidence and asset prices fall sharply. The subsequent drop in demand leads to a steep fall in commodity prices, and a rapid increase in unemployment.

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

### Downside 2 scenario (3Q25–2Q30)

|                                                      | UK     |        | US     |        | Hong Kong |        | Mainland China |        | France |        | UAE    |        | Mexico |        |
|------------------------------------------------------|--------|--------|--------|--------|-----------|--------|----------------|--------|--------|--------|--------|--------|--------|--------|
| GDP level (% , start-to-trough) <sup>1</sup>         | (5.5)  | (4Q26) | (4.2)  | (3Q26) | (10.8)    | (1Q27) | (6.3)          | (3Q26) | (6.3)  | (4Q26) | (5.2)  | (4Q26) | (9.3)  | (4Q26) |
| Unemployment rate (% , max) <sup>2</sup>             | 8.7    | (4Q26) | 8.7    | (4Q26) | 6.7       | (2Q26) | 6.9            | (2Q27) | 10.8   | (2Q27) | 4.0    | (1Q26) | 5.8    | (4Q26) |
| House price index (% , start-to-trough) <sup>1</sup> | (26.8) | (2Q27) | (14.3) | (2Q26) | (22.1)    | (2Q29) | (27.7)         | (3Q27) | (6.8)  | (4Q26) | (24.4) | (3Q27) | 0.7    | (3Q25) |
| Inflation rate (YoY % change) <sup>3</sup>           | (1.9)  | (2Q26) | 4.3    | (4Q25) | (1.4)     | (4Q26) | (6.0)          | (2Q26) | (0.4)  | (3Q26) | 0.7    | (2Q26) | 4.4    | (4Q25) |
| Central bank policy rate (%) <sup>3</sup>            | 1.6    | (3Q26) | 5.3    | (4Q25) | 5.6       | (4Q25) | 1.4            | (4Q26) | (0.1)  | (2Q26) | 5.3    | (4Q25) | 10.6   | (4Q25) |

### Downside 2 scenario 2025–2029 (as at 4Q24)

|                                                      | UK     |        | US     |        | Hong Kong |        | Mainland China |        | France |        | UAE    |        | Mexico |        |
|------------------------------------------------------|--------|--------|--------|--------|-----------|--------|----------------|--------|--------|--------|--------|--------|--------|--------|
| GDP level (% , start-to-trough) <sup>1</sup>         | (9.1)  | (2Q26) | (4.1)  | (2Q26) | (10.1)    | (4Q25) | (8.7)          | (4Q25) | (7.9)  | (2Q26) | (6.8)  | (2Q26) | (10.5) | (3Q26) |
| Unemployment rate (% , max) <sup>2</sup>             | 8.4    | (2Q26) | 9.3    | (2Q26) | 7.1       | (1Q26) | 7.1            | (4Q26) | 10.4   | (1Q27) | 5.0    | (3Q25) | 5.6    | (1Q26) |
| House price index (% , start-to-trough) <sup>1</sup> | (27.2) | (4Q26) | (15.8) | (4Q25) | (34.4)    | (3Q27) | (30.5)         | (4Q26) | (14.0) | (2Q27) | (13.2) | (2Q27) | 2.0    | (1Q25) |
| Inflation rate (YoY % change, max) <sup>3</sup>      | 10.1   | (2Q25) | 4.9    | (4Q25) | 3.6       | (1Q26) | 3.8            | (4Q25) | 7.6    | (2Q25) | 3.7    | (2Q25) | 7.9    | (4Q25) |
| Central bank policy rate (% , max) <sup>3</sup>      | 5.5    | (1Q25) | 5.5    | (1Q25) | 5.9       | (1Q25) | 3.5            | (3Q25) | 4.2    | (1Q25) | 5.6    | (1Q25) | 12.1   | (3Q25) |

1 Cumulative change to the lowest level of the series during the 20-quarter projection.

2 The highest projected unemployment in the scenario.

3 Due to the calibration of inflation and interest rates in 2Q, the table shows highest year-on-year percentage change in inflation and projected policy rates for the US and Mexico, but lowest for other countries. For the UAE and Hong Kong, the policy rate is also shown as the maximum, consistent with the operation of US dollar-linked exchange rates. For mainland China, the policy rate shown is the Loan Prime rate.

## Scenario weightings

Scenario weightings are calibrated to probabilities that are determined with reference to consensus forecast probability distributions. Management may then choose to vary weights if they assess that the calibration lags more recent events, or does not reflect their view of the distribution of economic and geopolitical risk. Management's view of the scenarios and the probability distribution, takes into consideration the relationship of the consensus scenario for both internal and external assessments of risk.

In the second quarter of 2025, key considerations around uncertainty attached to the Central scenario projections focused on:

- US import tariffs and bilateral tariff escalation globally. Discussion noted the impact on trade and manufacturing supply chains and the uncertainty attached to tariff rate assumptions;
- the outlook for real estate in our key markets, particularly in the US, UK, Hong Kong and mainland China;
- some reduction in estimation and forecast uncertainty for UK unemployment given ongoing methodology updates at the Office for National Statistics; and

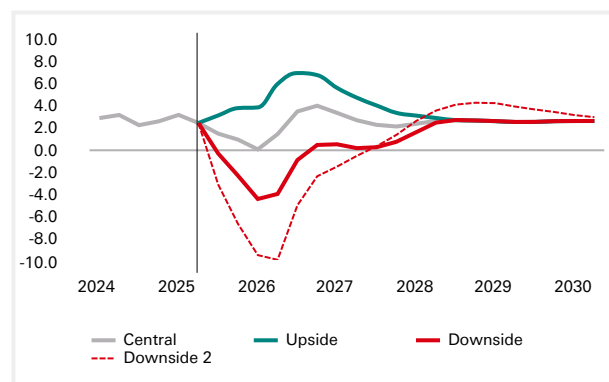
The following table describes the probabilities assigned in each scenario.

### Scenario weightings, %

|             | Standard weights | UK | US | Hong Kong | Mainland China | France | UAE | Mexico |
|-------------|------------------|----|----|-----------|----------------|--------|-----|--------|
| <b>2025</b> |                  |    |    |           |                |        |     |        |
| Upside      | 10               | 10 | 10 | 10        | 10             | 10     | 10  | 10     |
| Central     | 75               | 65 | 65 | 65        | 65             | 65     | 65  | 65     |
| Downside    | 10               | 20 | 20 | 20        | 20             | 20     | 20  | 20     |
| Downside 2  | 5                | 5  | 5  | 5         | 5              | 5      | 5   | 5      |
| <b>4Q24</b> |                  |    |    |           |                |        |     |        |
| Upside      | 10               | 10 | 10 | 10        | 10             | 10     | 10  | 10     |
| Central     | 75               | 75 | 75 | 75        | 75             | 75     | 75  | 75     |
| Downside    | 10               | 10 | 10 | 10        | 10             | 10     | 10  | 10     |
| Downside 2  | 5                | 5  | 5  | 5         | 5              | 5      | 5   | 5      |

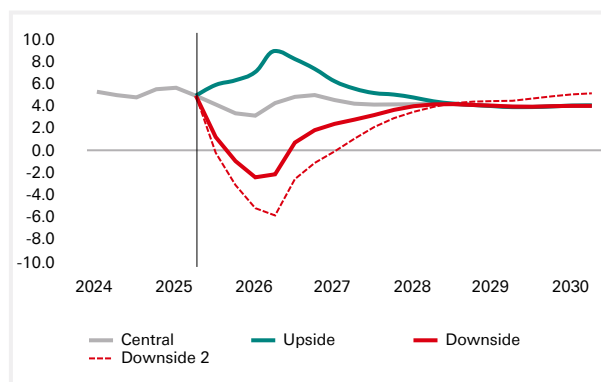
The following graphs show the historical and forecasted GDP growth rate for the various economic scenarios in our four largest markets.

### Hong Kong



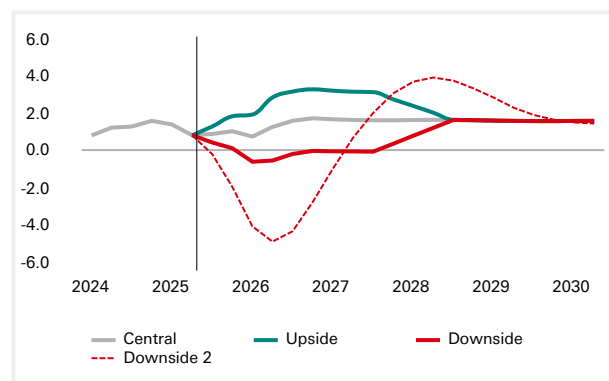
Note: Real GDP shown as year-on-year percentage change.

### Mainland China



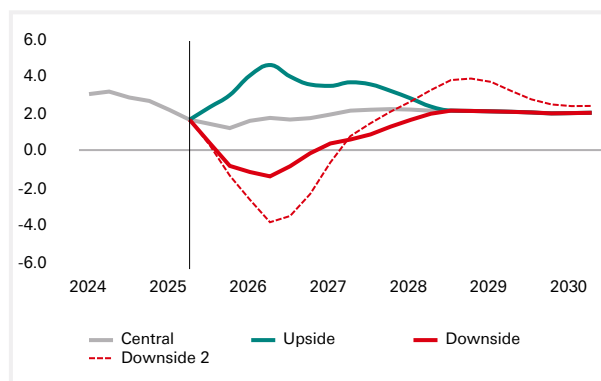
Note: Real GDP shown as year-on-year percentage change.

### UK



Note: Real GDP shown as year-on-year percentage change.

### US



Note: Real GDP shown as year-on-year percentage change.

## Critical estimates and judgements

The calculation of ECL under IFRS 9 involved significant judgements, assumptions and estimates at 30 June 2025. These included:

- the selection and configuration of economic scenarios, given the constant change in economic conditions and distribution of economic risks; and
- estimating the economic effects of those scenarios on ECL, where similar observable historical conditions cannot be captured by the credit risk models.

## How economic scenarios are reflected in ECL calculations

The methodologies for the application of forward economic guidance into the calculation of ECL for wholesale and retail portfolios are set out on page 155 of the Annual Report and Accounts 2024. Models are used to reflect economic scenarios in ECL estimates. These models are based largely on historical observations and correlations with default.

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

## Management judgemental adjustments

The management judgemental adjustments in relation to ECL allowance are detailed on page 155 of the Annual Report and Accounts 2024.

### Management judgemental adjustments to ECL<sup>1</sup>

|                                                                    | At 30 Jun 2025 |                                |               | At 31 Dec 2024 |                                |               |
|--------------------------------------------------------------------|----------------|--------------------------------|---------------|----------------|--------------------------------|---------------|
|                                                                    | Retail<br>\$bn | Wholesale <sup>2</sup><br>\$bn | Total<br>\$bn | Retail<br>\$bn | Wholesale <sup>2</sup><br>\$bn | Total<br>\$bn |
| <b>Modelled ECL (A)<sup>3</sup></b>                                | <b>2.7</b>     | <b>1.9</b>                     | <b>4.6</b>    | 2.6            | 2.0                            | 4.6           |
| Banks, sovereigns, government entities and low-risk counterparties |                | <b>0.0</b>                     | <b>0.0</b>    |                | 0.0                            | 0.0           |
| Corporate lending adjustments                                      |                | <b>0.2</b>                     | <b>0.2</b>    |                | 0.1                            | 0.1           |
| Other credit judgements                                            | <b>0.1</b>     | —                              | <b>0.1</b>    | 0.0            |                                | 0.0           |
| <b>Total management judgemental adjustments (B)<sup>4</sup></b>    | <b>0.1</b>     | <b>0.2</b>                     | <b>0.3</b>    | 0.0            | 0.1                            | 0.1           |
| <b>Other adjustments (C)<sup>5</sup></b>                           | <b>0.1</b>     | <b>0.3</b>                     | <b>0.4</b>    | (0.0)          | 0.1                            | 0.1           |
| <b>Final ECL (A + B + C)<sup>6</sup></b>                           | <b>2.8</b>     | <b>2.4</b>                     | <b>5.2</b>    | 2.6            | 2.2                            | 4.8           |

1 Management judgemental adjustments presented in the table reflect increases or (decreases) in allowance for ECL, respectively.

2 The wholesale portfolio corresponds to adjustments to the performing portfolio (stage 1 and stage 2).

3 (A) refers to probability-weighted allowance for ECL before any adjustments are applied.

4 (B) refers to adjustments that are applied where management believes allowance for ECL does not sufficiently reflect the credit risk/expected credit losses of any given portfolio at the reporting date. These can relate to risks or uncertainties that are not reflected in the model, and/or to any late-breaking events.

5 (C) refers to adjustments to allowance for ECL made to address process limitations, data/model deficiencies, and can also include, where appropriate, the impact of new models where governance has sufficiently progressed to allow an accurate estimate of ECL allowance to be incorporated into the total reported ECL. At 30 June 2025 a qualitative industry sector framework adjustment increased the Wholesale portfolio allowance for ECL by \$0.1bn.

6 As presented within our internal credit risk governance (see page 139 of the Annual Report and Accounts 2024).

In the wholesale portfolio, management judgemental adjustments were an increase to modelled allowance for ECL of \$0.2bn (31 December 2024: \$0.1bn increase), mostly to reflect heightened uncertainty in specific sectors and geographies, including real estate sector adjustments as a result of ongoing market challenges. Compared with 31 December 2024, management judgemental adjustments increased by \$0.1bn at 30 June 2025.

In the retail portfolio, management judgemental adjustments were an increase to modelled allowance for ECL of \$0.1bn at 30 June 2025 (31 December 2024: \$0.0bn). Management judgemental adjustments in relation to other credit judgements increased allowance for ECL by \$0.1bn (31 December 2024: \$0.0bn). Adjustments relate to market-specific uncertainties across a number of geographies.

## Economic scenarios sensitivity analysis of ECL estimates

The economic scenarios sensitivity analysis of ECL estimates is detailed on page 156 of the Annual Report and Accounts 2024.

## Wholesale and retail sensitivity

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

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

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

## Wholesale analysis

At 30 June 2025, the highest level of 100% scenario-weighted ECL was observed in the UK and Hong Kong. This higher ECL impact was largely driven by significant exposure in these regions. In the wholesale portfolio, off-balance sheet financial instruments have a lower likelihood to be fully converted to a funded exposure at the point of default, and consequently the ECL sensitivity impact is lower in relation to its nominal amount when compared with an on-balance sheet exposure with similar risk profile.

Compared with 31 December 2024, the Downside 2 ECL impact decreased by \$1.4bn, mostly in the UK due to new PD models. These models include a recent calibration of credit risk experience under a higher interest rate environment, and result in a reduction of sensitivity to severe stress under similar conditions.

### Wholesale IFRS 9 ECL sensitivity to future economic conditions<sup>1,2,3</sup>

| By geography at<br>30 Jun 2025 <sup>5</sup> | Reported<br>Gross carrying<br>amount <sup>4</sup><br>\$m | Reported<br>allowance<br>for ECL<br>\$m | Consensus Central<br>scenario allowance<br>for ECL<br>\$m | Consensus Upside<br>scenario allowance<br>for ECL<br>\$m | Consensus Downside<br>scenario allowance<br>for ECL<br>\$m | Downside 2<br>scenario allowance<br>for ECL<br>\$m |
|---------------------------------------------|----------------------------------------------------------|-----------------------------------------|-----------------------------------------------------------|----------------------------------------------------------|------------------------------------------------------------|----------------------------------------------------|
| UK                                          | 439,863                                                  | 618                                     | 579                                                       | 521                                                      | 732                                                        | 1,082                                              |
| US                                          | 199,656                                                  | 215                                     | 191                                                       | 169                                                      | 298                                                        | 515                                                |
| Hong Kong                                   | 467,487                                                  | 814                                     | 758                                                       | 607                                                      | 966                                                        | 1,524                                              |
| Mainland China                              | 134,762                                                  | 236                                     | 190                                                       | 121                                                      | 387                                                        | 681                                                |
| Mexico                                      | 35,806                                                   | 91                                      | 82                                                        | 65                                                       | 110                                                        | 273                                                |
| UAE                                         | 60,542                                                   | 59                                      | 57                                                        | 49                                                       | 65                                                         | 101                                                |
| France                                      | 191,111                                                  | 128                                     | 118                                                       | 102                                                      | 143                                                        | 190                                                |
| Other geographies <sup>6</sup>              | 478,479                                                  | 262                                     | 227                                                       | 172                                                      | 390                                                        | 767                                                |
| <b>Total</b>                                | <b>2,007,707</b>                                         | <b>2,423</b>                            | <b>2,202</b>                                              | <b>1,808</b>                                             | <b>3,091</b>                                               | <b>5,133</b>                                       |
| of which:                                   |                                                          |                                         |                                                           |                                                          |                                                            |                                                    |
| Stage 1                                     | 1,838,904                                                | 707                                     | 665                                                       | 536                                                      | 837                                                        | 915                                                |
| Stage 2                                     | 168,803                                                  | 1,685                                   | 1,537                                                     | 1,272                                                    | 2,254                                                      | 4,218                                              |
| By geography at<br>31 Dec 2024 <sup>5</sup> |                                                          |                                         |                                                           |                                                          |                                                            |                                                    |
| UK                                          | 432,160                                                  | 717                                     | 667                                                       | 526                                                      | 850                                                        | 2,389                                              |
| US                                          | 202,888                                                  | 216                                     | 201                                                       | 205                                                      | 247                                                        | 461                                                |
| Hong Kong                                   | 450,966                                                  | 659                                     | 616                                                       | 465                                                      | 906                                                        | 1,496                                              |
| Mainland China                              | 137,960                                                  | 178                                     | 141                                                       | 84                                                       | 329                                                        | 886                                                |
| Mexico                                      | 34,713                                                   | 69                                      | 61                                                        | 46                                                       | 86                                                         | 302                                                |
| UAE                                         | 58,909                                                   | 51                                      | 49                                                        | 40                                                       | 58                                                         | 120                                                |
| France                                      | 184,591                                                  | 82                                      | 80                                                        | 69                                                       | 97                                                         | 125                                                |
| Other geographies <sup>6</sup>              | 455,823                                                  | 234                                     | 216                                                       | 176                                                      | 304                                                        | 774                                                |
| <b>Total</b>                                | <b>1,958,010</b>                                         | <b>2,205</b>                            | <b>2,031</b>                                              | <b>1,612</b>                                             | <b>2,877</b>                                               | <b>6,555</b>                                       |
| of which:                                   |                                                          |                                         |                                                           |                                                          |                                                            |                                                    |
| Stage 1                                     | 1,830,264                                                | 689                                     | 632                                                       | 494                                                      | 797                                                        | 803                                                |
| Stage 2                                     | 127,746                                                  | 1,516                                   | 1,399                                                     | 1,118                                                    | 2,080                                                      | 5,751                                              |

- 1 Allowance for ECL sensitivity includes off-balance sheet financial instruments. These are subject to significant measurement uncertainty.
- 2 Includes low credit-risk financial instruments such as debt instruments at FVOCI, which have high carrying amounts but low ECL under all the above scenarios.
- 3 Excludes defaulted obligors. For a detailed breakdown of performing and non-performing wholesale portfolio exposures, see page 60.
- 4 Staging refers only to probability-weighted/reported gross carrying amount. Stage allocation of gross exposures varies by scenario, with higher allocation to stage 2 under the Downside 2 scenario.
- 5 Geographies include all legal entities which share a common set of macroeconomic scenarios for the majority of exposures.
- 6 Includes small portfolios that use less complex modelling approaches and are not sensitive to macroeconomic changes.

## Retail analysis

At 30 June 2025, the most significant level of allowance for ECL sensitivity was observed in the UK, Mexico and Hong Kong. Mortgages reflected the lowest level of allowance for ECL sensitivity across most markets given the significant levels of collateral relative to the exposure values. Credit cards and other unsecured lending across stages 1 and 2 are more sensitive to economic forecasts and therefore reflected the highest level of allowance for ECL sensitivity during the first half of 2025.

Compared with 31 December 2024, the Downside 2 ECL decreased by \$0.4bn, primarily in Hong Kong credit cards and other unsecured lending due to the reducing severity of house price forecasts.

Retail IFRS 9 ECL sensitivity to future economic conditions<sup>1</sup>

|                               | At 30 Jun 2025                       |                                  |                                                          |                                                         |                                                           |                                                | At 31 Dec 2024                       |                                  |                                                          |                                                         |                                                           |                                                |
|-------------------------------|--------------------------------------|----------------------------------|----------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------------|------------------------------------------------|--------------------------------------|----------------------------------|----------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------------|------------------------------------------------|
|                               | Reported gross<br>carrying<br>amount | Reported<br>allowance<br>for ECL | Consensus<br>Central<br>scenario<br>allowance for<br>ECL | Consensus<br>Upside<br>scenario<br>allowance for<br>ECL | Consensus<br>Downside<br>scenario<br>allowance for<br>ECL | Downside 2<br>scenario<br>allowance for<br>ECL | Reported gross<br>carrying<br>amount | Reported<br>allowance<br>for ECL | Consensus<br>Central<br>scenario<br>allowance for<br>ECL | Consensus<br>Upside<br>scenario<br>allowance for<br>ECL | Consensus<br>Downside<br>scenario<br>allowance for<br>ECL | Downside 2<br>scenario<br>allowance for<br>ECL |
| By geography                  | \$m                                  | \$m                              | \$m                                                      | \$m                                                     | \$m                                                       | \$m                                            | \$m                                  | \$m                              | \$m                                                      | \$m                                                     | \$m                                                       | \$m                                            |
| <b>UK</b>                     |                                      |                                  |                                                          |                                                         |                                                           |                                                |                                      |                                  |                                                          |                                                         |                                                           |                                                |
| Mortgages                     | 181,192                              | 150                              | 138                                                      | 130                                                     | 158                                                       | 293                                            | 163,541                              | 126                              | 117                                                      | 107                                                     | 132                                                       | 288                                            |
| Credit cards                  | 7,990                                | 339                              | 336                                                      | 317                                                     | 338                                                       | 414                                            | 7,415                                | 280                              | 275                                                      | 265                                                     | 276                                                       | 447                                            |
| Other                         | 9,404                                | 267                              | 263                                                      | 238                                                     | 275                                                       | 346                                            | 8,249                                | 241                              | 233                                                      | 217                                                     | 243                                                       | 351                                            |
| <b>Mexico</b>                 |                                      |                                  |                                                          |                                                         |                                                           |                                                |                                      |                                  |                                                          |                                                         |                                                           |                                                |
| Mortgages                     | 8,187                                | 187                              | 183                                                      | 175                                                     | 190                                                       | 237                                            | 7,482                                | 165                              | 162                                                      | 155                                                     | 168                                                       | 215                                            |
| Credit cards                  | 2,294                                | 384                              | 379                                                      | 374                                                     | 385                                                       | 479                                            | 2,227                                | 337                              | 333                                                      | 330                                                     | 338                                                       | 423                                            |
| Other                         | 3,821                                | 430                              | 426                                                      | 422                                                     | 431                                                       | 593                                            | 3,722                                | 419                              | 416                                                      | 413                                                     | 422                                                       | 593                                            |
| <b>Hong Kong</b>              |                                      |                                  |                                                          |                                                         |                                                           |                                                |                                      |                                  |                                                          |                                                         |                                                           |                                                |
| Mortgages                     | 105,399                              | 7                                | 6                                                        | 5                                                       | 8                                                         | 12                                             | 106,866                              | 5                                | 5                                                        | 4                                                       | 5                                                         | 10                                             |
| Credit cards                  | 9,097                                | 289                              | 257                                                      | 253                                                     | 301                                                       | 496                                            | 9,419                                | 293                              | 275                                                      | 268                                                     | 300                                                       | 770                                            |
| Other                         | 6,194                                | 110                              | 108                                                      | 107                                                     | 112                                                       | 137                                            | 6,210                                | 106                              | 102                                                      | 101                                                     | 105                                                       | 249                                            |
| <b>UAE</b>                    |                                      |                                  |                                                          |                                                         |                                                           |                                                |                                      |                                  |                                                          |                                                         |                                                           |                                                |
| Mortgages                     | 2,097                                | 7                                | 7                                                        | 7                                                       | 7                                                         | 7                                              | 1,993                                | 8                                | 8                                                        | 8                                                       | 8                                                         | 8                                              |
| Credit cards                  | 545                                  | 34                               | 33                                                       | 32                                                      | 34                                                        | 39                                             | 536                                  | 31                               | 31                                                       | 31                                                      | 31                                                        | 35                                             |
| Other                         | 658                                  | 18                               | 17                                                       | 17                                                      | 18                                                        | 20                                             | 688                                  | 17                               | 17                                                       | 17                                                      | 17                                                        | 19                                             |
| <b>US</b>                     |                                      |                                  |                                                          |                                                         |                                                           |                                                |                                      |                                  |                                                          |                                                         |                                                           |                                                |
| Mortgages                     | 17,736                               | 7                                | 7                                                        | 7                                                       | 8                                                         | 10                                             | 16,965                               | 6                                | 6                                                        | 6                                                       | 6                                                         | 8                                              |
| Credit cards                  | 188                                  | 14                               | 14                                                       | 13                                                      | 14                                                        | 16                                             | 193                                  | 15                               | 14                                                       | 14                                                      | 15                                                        | 17                                             |
| <b>Other geographies</b>      |                                      |                                  |                                                          |                                                         |                                                           |                                                |                                      |                                  |                                                          |                                                         |                                                           |                                                |
| Mortgages                     | 54,323                               | 123                              | 117                                                      | 112                                                     | 131                                                       | 177                                            | 51,064                               | 131                              | 127                                                      | 124                                                     | 136                                                       | 180                                            |
| Credit cards                  | 3,665                                | 170                              | 169                                                      | 167                                                     | 173                                                       | 198                                            | 3,500                                | 162                              | 159                                                      | 156                                                     | 164                                                       | 223                                            |
| Other                         | 2,488                                | 78                               | 77                                                       | 74                                                      | 78                                                        | 92                                             | 2,292                                | 72                               | 72                                                       | 69                                                      | 73                                                        | 93                                             |
| <b>Total</b>                  | <b>415,278</b>                       | <b>2,613</b>                     | <b>2,539</b>                                             | <b>2,452</b>                                            | <b>2,662</b>                                              | <b>3,567</b>                                   | <b>392,361</b>                       | <b>2,413</b>                     | <b>2,351</b>                                             | <b>2,285</b>                                            | <b>2,440</b>                                              | <b>3,928</b>                                   |
| <b>of which: mortgages</b>    | <b>368,934</b>                       | <b>481</b>                       | <b>459</b>                                               | <b>436</b>                                              | <b>502</b>                                                | <b>736</b>                                     | <b>347,910</b>                       | <b>440</b>                       | <b>425</b>                                               | <b>405</b>                                              | <b>456</b>                                                | <b>708</b>                                     |
| Stage 1                       | 328,914                              | 55                               | 49                                                       | 46                                                      | 63                                                        | 119                                            | 311,875                              | 51                               | 47                                                       | 43                                                      | 58                                                        | 129                                            |
| Stage 2                       | 37,499                               | 144                              | 133                                                      | 120                                                     | 149                                                       | 287                                            | 33,761                               | 126                              | 117                                                      | 107                                                     | 129                                                       | 275                                            |
| Stage 3                       | 2,521                                | 282                              | 278                                                      | 269                                                     | 290                                                       | 330                                            | 2,274                                | 263                              | 261                                                      | 255                                                     | 269                                                       | 304                                            |
| <b>of which: credit cards</b> | <b>23,779</b>                        | <b>1,229</b>                     | <b>1,188</b>                                             | <b>1,157</b>                                            | <b>1,246</b>                                              | <b>1,642</b>                                   | <b>23,290</b>                        | <b>1,116</b>                     | <b>1,086</b>                                             | <b>1,064</b>                                            | <b>1,124</b>                                              | <b>1,915</b>                                   |
| Stage 1                       | 19,784                               | 320                              | 313                                                      | 299                                                     | 331                                                       | 513                                            | 19,915                               | 276                              | 267                                                      | 258                                                     | 284                                                       | 701                                            |
| Stage 2                       | 3,708                                | 695                              | 660                                                      | 643                                                     | 700                                                       | 907                                            | 3,107                                | 655                              | 634                                                      | 621                                                     | 656                                                       | 1,027                                          |
| Stage 3                       | 287                                  | 215                              | 215                                                      | 215                                                     | 215                                                       | 223                                            | 267                                  | 185                              | 185                                                      | 185                                                     | 185                                                       | 188                                            |
| <b>of which: others</b>       | <b>22,565</b>                        | <b>902</b>                       | <b>891</b>                                               | <b>859</b>                                              | <b>915</b>                                                | <b>1,189</b>                                   | <b>21,161</b>                        | <b>856</b>                       | <b>839</b>                                               | <b>816</b>                                              | <b>860</b>                                                | <b>1,305</b>                                   |
| Stage 1                       | 19,717                               | 224                              | 218                                                      | 204                                                     | 232                                                       | 415                                            | 18,574                               | 216                              | 204                                                      | 193                                                     | 217                                                       | 532                                            |
| Stage 2                       | 2,285                                | 385                              | 381                                                      | 363                                                     | 391                                                       | 473                                            | 2,005                                | 360                              | 355                                                      | 343                                                     | 363                                                       | 483                                            |
| Stage 3                       | 563                                  | 293                              | 293                                                      | 293                                                     | 293                                                       | 301                                            | 583                                  | 279                              | 279                                                      | 279                                                     | 279                                                       | 290                                            |

1 Allowance for ECL sensitivities exclude portfolios utilising less complex modelling approaches.

The ECL impact of the scenarios and management judgemental adjustments are highly sensitive to movements in economic forecasts. Based upon the sensitivity tables presented above, if the Group ECL balance (excluding wholesale stage 3, which is assessed individually) was estimated solely on the basis of the Central scenario, Upside scenario, Downside 1 scenario or the Downside 2 scenario at 30 June 2025, it would increase/(decrease) as presented in the below table.

|                                       | Retail <sup>1</sup> | Wholesale <sup>1</sup> |
|---------------------------------------|---------------------|------------------------|
|                                       | \$bn                | \$bn                   |
| <b>Total Group ECL at 30 Jun 2025</b> |                     |                        |
| Reported ECL                          | 2.6                 | 2.4                    |
| <b>Scenarios</b>                      |                     |                        |
| 100% consensus Central scenario       | (0.1)               | (0.1)                  |
| 100% consensus Upside scenario        | (0.2)               | (0.5)                  |
| 100% consensus Downside scenario      | 0.0                 | 0.8                    |
| 100% Downside 2 scenario              | 1.0                 | 2.9                    |

|                                       |       |       |
|---------------------------------------|-------|-------|
| <b>Total Group ECL at 31 Dec 2024</b> |       |       |
| Reported ECL                          | 2.4   | 2.2   |
| <b>Scenarios</b>                      |       |       |
| 100% consensus Central scenario       | (0.1) | (0.2) |
| 100% consensus Upside scenario        | (0.1) | (0.6) |
| 100% consensus Downside scenario      | 0.0   | 0.7   |
| 100% Downside 2 scenario              | 1.5   | 4.3   |

1 On the same basis as retail and wholesale sensitivity analysis.

At 30 June 2025, the Group reported ECL allowance increased by \$0.2bn in both the retail and wholesale portfolios, compared with 31 December 2024.

The Downside 2 ECL allowance decreased for both the retail and wholesale portfolios. In the wholesale portfolio this was mainly due to new PD models, and in the retail portfolio this was due to the reduced severity of house price forecasts in Hong Kong.

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

(Reviewed)

|                                                             | Non-credit impaired               |                   |                                   |                   | Credit impaired                   |                   |                                   |                   |                                   |                   |
|-------------------------------------------------------------|-----------------------------------|-------------------|-----------------------------------|-------------------|-----------------------------------|-------------------|-----------------------------------|-------------------|-----------------------------------|-------------------|
|                                                             | Stage 1                           |                   | Stage 2                           |                   | Stage 3                           |                   | POCI                              |                   | Total                             |                   |
|                                                             | Gross carrying/<br>nominal amount | Allowance for ECL | Gross carrying/<br>nominal amount | Allowance for ECL | Gross carrying/<br>nominal amount | Allowance for ECL | Gross carrying/<br>nominal amount | Allowance for ECL | Gross carrying/<br>nominal amount | Allowance for ECL |
|                                                             | \$m                               | \$m               | \$m                               | \$m               | \$m                               | \$m               | \$m                               | \$m               | \$m                               | \$m               |
| At 1 Jan 2025                                               | 1,489,687                         | (1,232)           | 115,898                           | (2,674)           | 23,823                            | (6,148)           | 93                                | (51)              | 1,629,501                         | (10,105)          |
| Transfers of financial instruments:                         | (44,123)                          | (459)             | 39,727                            | 936               | 4,396                             | (477)             | —                                 | —                 | —                                 | —                 |
| – transfers from stage 1 to stage 2                         | (82,621)                          | 205               | 82,621                            | (205)             | —                                 | —                 | —                                 | —                 | —                                 | —                 |
| – transfers from stage 2 to stage 1                         | 39,013                            | (639)             | (39,013)                          | 639               | —                                 | —                 | —                                 | —                 | —                                 | —                 |
| – transfers to stage 3                                      | (693)                             | 4                 | (4,617)                           | 609               | 5,310                             | (613)             | —                                 | —                 | —                                 | —                 |
| – transfers from stage 3                                    | 178                               | (29)              | 736                               | (107)             | (914)                             | 136               | —                                 | —                 | —                                 | —                 |
| Net remeasurement of ECL arising from transfer of stage     | —                                 | 360               | —                                 | (341)             | —                                 | (19)              | —                                 | —                 | —                                 | —                 |
| Changes due to modifications not derecognised               | —                                 | —                 | —                                 | —                 | (7)                               | —                 | —                                 | —                 | (7)                               | —                 |
| Net new and further lending/ repayments                     | 44,603                            | (59)              | (22,112)                          | 317               | (2,225)                           | 680               | 213                               | (8)               | 20,479                            | 930               |
| Changes to risk parameters – credit quality                 | —                                 | 186               | —                                 | (1,227)           | —                                 | (1,998)           | —                                 | (5)               | —                                 | (3,044)           |
| Changes to models used for ECL calculation                  | —                                 | (72)              | —                                 | 250               | —                                 | (15)              | —                                 | —                 | —                                 | 163               |
| Assets written off                                          | —                                 | —                 | —                                 | —                 | (2,029)                           | 2,029             | —                                 | —                 | (2,029)                           | 2,029             |
| Credit-related modifications that resulted in derecognition | —                                 | —                 | —                                 | —                 | (88)                              | 9                 | —                                 | —                 | (88)                              | 9                 |
| Foreign exchange and others <sup>1,2</sup>                  | 57,658                            | (68)              | 6,253                             | (142)             | 1,042                             | (323)             | 6                                 | (3)               | 64,959                            | (536)             |
| At 30 Jun 2025                                              | 1,547,825                         | (1,344)           | 139,766                           | (2,881)           | 24,912                            | (6,262)           | 312                               | (67)              | 1,712,815                         | (10,554)          |
| ECL income statement change for the period                  |                                   | 415               |                                   | (1,001)           |                                   | (1,352)           |                                   | (13)              |                                   | (1,951)           |
| Recoveries                                                  |                                   |                   |                                   |                   |                                   |                   |                                   |                   |                                   | 136               |
| Others                                                      |                                   |                   |                                   |                   |                                   |                   |                                   |                   |                                   | (141)             |
| Total ECL income statement change for the period            |                                   |                   |                                   |                   |                                   |                   |                                   |                   |                                   | (1,956)           |

## Reconciliation of changes in gross carrying/nominal amount and allowances for loans and advances to banks and customers

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

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

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

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

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

(Reviewed)

|                                                                                                                                                                | At 30 Jun 2025                    | 6 months ended 30 Jun 2025 |                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------|--------------------------|
|                                                                                                                                                                | Gross carrying/<br>nominal amount | Allowance<br>for ECL       | ECL release/<br>(charge) |
|                                                                                                                                                                | \$m                               | \$m                        | \$m                      |
| <b>As above</b>                                                                                                                                                | <b>1,712,815</b>                  | <b>(10,554)</b>            | <b>(1,956)</b>           |
| Other financial assets measured at amortised cost                                                                                                              | 890,630                           | (122)                      | (31)                     |
| Non-trading reverse purchase agreement commitments                                                                                                             | 94,957                            | —                          | —                        |
| Performance and other guarantees not considered for IFRS 9                                                                                                     | —                                 | —                          | 49                       |
| <b>Summary of financial instruments to which the impairment requirements in IFRS 9 are applied – by business segment/Summary consolidated income statement</b> | <b>2,698,402</b>                  | <b>(10,676)</b>            | <b>(1,938)</b>           |
| Debt instruments measured at FVOCI                                                                                                                             | 395,908                           | (63)                       | (3)                      |
| <b>Total allowance for ECL/total income statement ECL change for the period</b>                                                                                | <b>N/A</b>                        | <b>(10,739)</b>            | <b>(1,941)</b>           |

- Total includes \$1.3bn of gross carrying loans and advances to customers and banks, which were classified to assets held for sale, and corresponding allowance for ECL of \$6m, reflecting planned business disposals as disclosed in Note 15 on page 100.
- This includes \$7.2bn of gross carrying loans and advances to customers and corresponding allowance for ECL of \$7m in relation to the retained portfolio of home and other loans associated with the sale of our retail banking operations in France, which were classified to assets held for sale in 2Q25, reflecting the planned disposal as disclosed in Note 15 on page 100.

The allowance for ECL for loans and advances to customers and banks and relevant loan commitments and financial guarantees increased by \$449m from \$10,105m at 31 December 2024, to \$10,554m at 30 June 2025. This increase was driven by:

- \$3,044m relating to underlying credit quality changes, including the credit quality impact of financial instruments transferring between stages; and
- foreign exchange and other movements of \$536m.
- \$163m relating to changes to models used for ECL calculation; and
- \$9m relating to the credit-related modifications that resulted in derecognition.

These were partly offset by:

- \$2,029m of assets written off, of which \$1,227m in relation to wholesale lending and \$802m in relation to personal lending;
- \$930m relating to volume movements, which included the ECL allowance associated with new originations, assets derecognised and further pending repayment;

The ECL charge for the period of \$1,951m presented in the previous table consisted of \$3,044m relating to underlying credit quality changes, including the credit quality impact of financial instruments transferring between stages. These were partly offset by \$930m relating to underlying net book volume, as well as \$163m relating to changes to models used for ECL calculation, which reflected updates to our PD models.

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

(Reviewed)

|                                                               | Non-credit impaired                  |                      |                                      |                      | Credit impaired                      |                      |                                      |                      | Total                                |                      |
|---------------------------------------------------------------|--------------------------------------|----------------------|--------------------------------------|----------------------|--------------------------------------|----------------------|--------------------------------------|----------------------|--------------------------------------|----------------------|
|                                                               | Stage 1                              |                      | Stage 2                              |                      | Stage 3                              |                      | POCI                                 |                      | Total                                |                      |
|                                                               | Gross carrying/<br>nominal<br>amount | Allowance<br>for ECL | Gross carrying/<br>nominal<br>amount | Allowance<br>for ECL | Gross carrying/<br>nominal<br>amount | Allowance<br>for ECL | Gross carrying/<br>nominal<br>amount | Allowance<br>for ECL | Gross carrying/<br>nominal<br>amount | Allowance<br>for ECL |
|                                                               | \$m                                  | \$m                  | \$m                                  | \$m                  | \$m                                  | \$m                  | \$m                                  | \$m                  | \$m                                  | \$m                  |
| At 1 Jan 2024                                                 | 1,496,805                            | (1,300)              | 153,084                              | (3,102)              | 20,799                               | (7,063)              | 85                                   | (30)                 | 1,670,773                            | (11,495)             |
| Transfers of financial instruments:                           | (19,629)                             | (1,259)              | 6,652                                | 2,302                | 12,977                               | (1,043)              | —                                    | —                    | —                                    | —                    |
| – transfers from stage 1 to stage 2                           | (116,211)                            | 419                  | 116,211                              | (419)                | —                                    | —                    | —                                    | —                    | —                                    | —                    |
| – transfers from stage 2 to stage 1                           | 98,731                               | (1,627)              | (98,731)                             | 1,627                | —                                    | —                    | —                                    | —                    | —                                    | —                    |
| – transfers to stage 3                                        | (2,799)                              | 16                   | (12,230)                             | 1,321                | 15,029                               | (1,337)              | —                                    | —                    | —                                    | —                    |
| – transfers from stage 3                                      | 650                                  | (67)                 | 1,402                                | (227)                | (2,052)                              | 294                  | —                                    | —                    | —                                    | —                    |
| Net remeasurement of ECL arising from transfer of stage       | —                                    | 959                  | —                                    | (831)                | —                                    | (144)                | —                                    | —                    | —                                    | (16)                 |
| Changes due to modifications not derecognised                 | —                                    | —                    | —                                    | —                    | (25)                                 | —                    | —                                    | —                    | (25)                                 | —                    |
| Net new and further lending/repayments                        | 87,833                               | (168)                | (37,731)                             | 589                  | (5,246)                              | 1,689                | 7                                    | (7)                  | 44,863                               | 2,103                |
| Changes to risk parameters – credit quality                   | —                                    | 363                  | —                                    | (1,773)              | —                                    | (3,945)              | —                                    | (11)                 | —                                    | (5,366)              |
| Changes to models used for ECL calculation                    | —                                    | 68                   | —                                    | (4)                  | —                                    | (20)                 | —                                    | —                    | —                                    | 44                   |
| Assets written off                                            | —                                    | —                    | —                                    | —                    | (4,459)                              | 4,459                | —                                    | —                    | (4,459)                              | 4,459                |
| Credit-related modifications that resulted in derecognition   | —                                    | —                    | —                                    | —                    | —                                    | —                    | —                                    | —                    | —                                    | —                    |
| Foreign exchange and others <sup>1,2,3,4</sup>                | (75,322)                             | 105                  | (6,107)                              | 145                  | (223)                                | (81)                 | 1                                    | (3)                  | (81,651)                             | 166                  |
| At 31 Dec 2024                                                | 1,489,687                            | (1,232)              | 115,898                              | (2,674)              | 23,823                               | (6,148)              | 93                                   | (51)                 | 1,629,501                            | (10,105)             |
| ECL income statement change for the period                    |                                      | 1,222                |                                      | (2,019)              |                                      | (2,420)              |                                      | (18)                 |                                      | (3,235)              |
| Recoveries                                                    |                                      |                      |                                      |                      |                                      |                      |                                      |                      |                                      | 260                  |
| Other                                                         | —                                    | —                    | —                                    | —                    | —                                    | —                    | —                                    | —                    | —                                    | (158)                |
| Total ECL income statement change for the period <sup>2</sup> |                                      |                      |                                      |                      |                                      |                      |                                      |                      |                                      | (3,133)              |

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

(Reviewed)

|                                                                                                                                                         | At 31 Dec 2024                    | 12 months ended 31 Dec 2024 |            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------|------------|
|                                                                                                                                                         | Gross carrying/<br>nominal amount | Allowance<br>for ECL        | ECL charge |
|                                                                                                                                                         | \$m                               | \$m                         | \$m        |
| As above                                                                                                                                                | 1,629,501                         | (10,105)                    | (3,133)    |
| Other financial assets measured at amortised cost                                                                                                       | 828,580                           | (92)                        | (114)      |
| Non-trading reverse purchase agreement commitments                                                                                                      | 49,289                            | —                           | —          |
| Performance and other guarantees not considered for IFRS 9                                                                                              | —                                 | —                           | (173)      |
| Summary of financial instruments to which the impairment requirements in IFRS 9 are applied – by business segment/Summary consolidated income statement | 2,507,370                         | (10,197)                    | (3,420)    |
| Debt instruments measured at FVOCI                                                                                                                      | 346,124                           | (54)                        | 6          |
| Total allowance for ECL/total income statement ECL change for the period                                                                                | N/A                               | (10,251)                    | (3,414)    |

- 1 Total includes \$3.7bn of gross carrying loans and advances, which were classified from assets held for sale, and a corresponding allowance for ECL of \$46m, reflecting planned business disposals as disclosed in Note 15 on page 100.
- 2 Total includes \$35.3bn of nominal amount and \$21m of corresponding allowance for ECL related to derecognition of loan commitments and financial guarantees following the sale of our banking business in Canada during 2024.
- 3 Total includes \$2.7bn of nominal amount related to derecognition of loan commitments and financial guarantees following the sale of our banking business in Argentina during 2024.
- 4 The 31 December 2024 total ECL income statement change of \$3,133m is attributable to \$882m for the six months ended 30 June 2024 and \$2,251m to the six months ended 31 December 2024.

## Credit quality of financial instruments

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

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

### Credit quality classification

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

- 1 Customer risk rating ('CRR').
- 2 12-month point-in-time probability-weighted PD.

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

(Reviewed)

|                                                   | At 30 Jun 2025                |                |                     |                         |                           |                  |                             |                  | At 31 Dec 2024                |                |                     |                         |                           |                  |                             |                  |
|---------------------------------------------------|-------------------------------|----------------|---------------------|-------------------------|---------------------------|------------------|-----------------------------|------------------|-------------------------------|----------------|---------------------|-------------------------|---------------------------|------------------|-----------------------------|------------------|
|                                                   | Gross carrying/nominal amount |                |                     |                         |                           |                  |                             |                  | Gross carrying/nominal amount |                |                     |                         |                           |                  |                             |                  |
|                                                   | Strong<br>\$m                 | Good<br>\$m    | Satisfactory<br>\$m | Sub-<br>standard<br>\$m | Credit<br>impaired<br>\$m | Total<br>\$m     | Allowance<br>for ECL<br>\$m | Net<br>\$m       | Strong<br>\$m                 | Good<br>\$m    | Satisfactory<br>\$m | Sub-<br>standard<br>\$m | Credit<br>impaired<br>\$m | Total<br>\$m     | Allowance<br>for ECL<br>\$m | Net<br>\$m       |
| Loans and advances to customers at amortised cost | 531,379                       | 210,722        | 201,620             | 24,479                  | 23,665                    | 991,865          | (10,143)                    | 981,722          | 515,266                       | 193,080        | 186,416             | 22,906                  | 22,705                    | 940,373          | (9,715)                     | 930,658          |
| – stage 1                                         | 510,598                       | 180,542        | 155,546             | 5,983                   | —                         | 852,669          | (1,181)                     | 851,488          | 498,415                       | 170,420        | 150,818             | 4,767                   | —                         | 824,420          | (1,078)                     | 823,342          |
| – stage 2                                         | 20,781                        | 30,180         | 45,881              | 18,496                  | —                         | 115,338          | (2,752)                     | 112,586          | 16,851                        | 22,660         | 35,598              | 18,139                  | —                         | 93,248           | (2,546)                     | 90,702           |
| – stage 3                                         | —                             | —              | —                   | —                       | 23,550                    | 23,550           | (6,144)                     | 17,406           | —                             | —              | —                   | —                       | 22,615                    | 22,615           | (6,040)                     | 16,575           |
| – POCI                                            | —                             | —              | 193                 | —                       | 115                       | 308              | (66)                        | 242              | —                             | —              | —                   | —                       | 90                        | 90               | (51)                        | 39               |
| Loans and advances to banks at amortised cost     | 95,955                        | 5,377          | 6,111               | 151                     | 3                         | 107,597          | (15)                        | 107,582          | 92,621                        | 4,255          | 5,040               | 134                     | 2                         | 102,052          | (13)                        | 102,039          |
| – stage 1                                         | 95,880                        | 5,340          | 6,076               | 132                     | —                         | 107,428          | (10)                        | 107,418          | 92,528                        | 4,226          | 4,981               | 117                     | —                         | 101,852          | (9)                         | 101,843          |
| – stage 2                                         | 75                            | 37             | 35                  | 19                      | —                         | 166              | (2)                         | 164              | 93                            | 29             | 59                  | 17                      | —                         | 198              | (2)                         | 196              |
| – stage 3                                         | —                             | —              | —                   | —                       | 3                         | 3                | (3)                         | —                | —                             | —              | —                   | —                       | 2                         | 2                | (2)                         | —                |
| – POCI                                            | —                             | —              | —                   | —                       | —                         | —                | —                           | —                | —                             | —              | —                   | —                       | —                         | —                | —                           | —                |
| Other financial assets measured at amortised cost | 755,386                       | 86,905         | 47,766              | 377                     | 196                       | 890,630          | (122)                       | 890,508          | 702,570                       | 85,700         | 39,660              | 497                     | 153                       | 828,580          | (92)                        | 828,488          |
| – stage 1                                         | 755,052                       | 86,039         | 47,083              | 249                     | —                         | 888,423          | (74)                        | 888,349          | 702,373                       | 85,032         | 38,977              | 239                     | —                         | 826,621          | (64)                        | 826,557          |
| – stage 2                                         | 334                           | 866            | 683                 | 128                     | —                         | 2,011            | (17)                        | 1,994            | 197                           | 668            | 683                 | 258                     | —                         | 1,806            | (5)                         | 1,801            |
| – stage 3                                         | —                             | —              | —                   | —                       | 196                       | 196              | (31)                        | 165              | —                             | —              | —                   | —                       | 153                       | 153              | (23)                        | 130              |
| – POCI                                            | —                             | —              | —                   | —                       | —                         | —                | —                           | —                | —                             | —              | —                   | —                       | —                         | —                | —                           | —                |
| Loans and other credit-related commitments        | 441,769                       | 150,302        | 88,854              | 9,736                   | 1,044                     | 691,705          | (352)                       | 691,353          | 400,120                       | 131,396        | 77,220              | 9,670                   | 961                       | 619,367          | (348)                       | 619,019          |
| – stage 1                                         | 439,548                       | 144,242        | 78,922              | 5,467                   | —                         | 668,179          | (143)                       | 668,036          | 398,779                       | 125,956        | 67,949              | 4,547                   | —                         | 597,231          | (137)                       | 597,094          |
| – stage 2                                         | 2,221                         | 6,060          | 9,932               | 4,269                   | —                         | 22,482           | (119)                       | 22,363           | 1,341                         | 5,440          | 9,271               | 5,123                   | —                         | 21,175           | (121)                       | 21,054           |
| – stage 3                                         | —                             | —              | —                   | —                       | 1,040                     | 1,040            | (89)                        | 951              | —                             | —              | —                   | —                       | 958                       | 958              | (90)                        | 868              |
| – POCI                                            | —                             | —              | —                   | —                       | 4                         | 4                | (1)                         | 3                | —                             | —              | —                   | —                       | 3                         | 3                | —                           | 3                |
| Financial guarantees                              | 7,265                         | 4,353          | 4,117               | 551                     | 319                       | 16,605           | (44)                        | 16,561           | 7,365                         | 4,263          | 4,399               | 723                     | 248                       | 16,998           | (29)                        | 16,969           |
| – stage 1                                         | 7,130                         | 3,942          | 3,304               | 130                     | —                         | 14,506           | (10)                        | 14,496           | 7,352                         | 4,192          | 3,625               | 184                     | —                         | 15,353           | (8)                         | 15,345           |
| – stage 2                                         | 135                           | 411            | 813                 | 421                     | —                         | 1,780            | (8)                         | 1,772            | 13                            | 71             | 774                 | 539                     | —                         | 1,397            | (5)                         | 1,392            |
| – stage 3                                         | —                             | —              | —                   | —                       | 319                       | 319              | (26)                        | 293              | —                             | —              | —                   | —                       | 248                       | 248              | (16)                        | 232              |
| – POCI                                            | —                             | —              | —                   | —                       | —                         | —                | —                           | —                | —                             | —              | —                   | —                       | —                         | —                | —                           | —                |
| <b>Total</b>                                      | <b>1,831,754</b>              | <b>457,659</b> | <b>348,468</b>      | <b>35,294</b>           | <b>25,227</b>             | <b>2,698,402</b> | <b>(10,676)</b>             | <b>2,687,726</b> | <b>1,717,942</b>              | <b>418,694</b> | <b>312,735</b>      | <b>33,930</b>           | <b>24,069</b>             | <b>2,507,370</b> | <b>(10,197)</b>             | <b>2,497,173</b> |
| Debt instruments at FVOCI <sup>1</sup>            |                               |                |                     |                         |                           |                  |                             |                  |                               |                |                     |                         |                           |                  |                             |                  |
| – stage 1                                         | 376,703                       | 11,973         | 8,141               | 4,580                   | —                         | 401,397          | (37)                        | 401,360          | 336,264                       | 9,448          | 7,290               | —                       | —                         | 353,002          | (31)                        | 352,971          |
| – stage 2                                         | 59                            | 68             | 489                 | 506                     | —                         | 1,122            | (21)                        | 1,101            | 49                            | —              | 478                 | 380                     | —                         | 907              | (23)                        | 884              |
| – stage 3                                         | —                             | —              | —                   | —                       | 31                        | 31               | (5)                         | 26               | —                             | —              | —                   | —                       | —                         | —                | —                           | —                |
| – POCI                                            | —                             | —              | —                   | —                       | —                         | —                | —                           | —                | —                             | —              | —                   | —                       | —                         | —                | —                           | —                |
| <b>Total</b>                                      | <b>376,762</b>                | <b>12,041</b>  | <b>8,630</b>        | <b>5,086</b>            | <b>31</b>                 | <b>402,550</b>   | <b>(63)</b>                 | <b>402,487</b>   | <b>336,313</b>                | <b>9,448</b>   | <b>7,768</b>        | <b>380</b>              | <b>—</b>                  | <b>353,909</b>   | <b>(54)</b>                 | <b>353,855</b>   |

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

## Personal lending

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

|                                                          | At 30 Jun 2025        |                |                |                |                   |                |                |                | At 31 Dec 2024        |                |                |                |                   |                |                |                |
|----------------------------------------------------------|-----------------------|----------------|----------------|----------------|-------------------|----------------|----------------|----------------|-----------------------|----------------|----------------|----------------|-------------------|----------------|----------------|----------------|
|                                                          | Gross carrying amount |                |                |                | Allowance for ECL |                |                |                | Gross carrying amount |                |                |                | Allowance for ECL |                |                |                |
|                                                          | Stage 1<br>\$m        | Stage 2<br>\$m | Stage 3<br>\$m | Total<br>\$m   | Stage 1<br>\$m    | Stage 2<br>\$m | Stage 3<br>\$m | Total<br>\$m   | Stage 1<br>\$m        | Stage 2<br>\$m | Stage 3<br>\$m | Total<br>\$m   | Stage 1<br>\$m    | Stage 2<br>\$m | Stage 3<br>\$m | Total<br>\$m   |
| <b>By portfolio</b>                                      |                       |                |                |                |                   |                |                |                |                       |                |                |                |                   |                |                |                |
| First lien residential mortgages                         | 343,874               | 37,620         | 2,705          | 384,199        | (63)              | (147)          | (306)          | (516)          | 324,703               | 34,177         | 2,450          | 361,330        | (59)              | (130)          | (284)          | (473)          |
| – of which: interest only (including offset)             | 22,415                | 2,771          | 120            | 25,306         | (3)               | (21)           | (21)           | (45)           | 21,155                | 2,457          | 103            | 23,715         | (3)               | (10)           | (17)           | (30)           |
| – affordability (including US adjustable rate mortgages) | 17,448                | 483            | 259            | 18,190         | (4)               | (2)            | (6)            | (12)           | 16,628                | 386            | 243            | 17,257         | (2)               | (2)            | (7)            | (11)           |
| Other personal lending                                   | 77,260                | 6,280          | 1,216          | 84,756         | (555)             | (1,081)        | (588)          | (2,224)        | 79,043                | 5,742          | 1,110          | 85,895         | (511)             | (1,028)        | (512)          | (2,051)        |
| – second lien residential mortgages                      | 373                   | 9              | 20             | 402            | —                 | —              | (3)            | (3)            | 366                   | 10             | 19             | 395            | —                 | —              | (2)            | (2)            |
| – guaranteed loans in respect of residential property    | 46                    | 9              | 1              | 56             | —                 | —              | (1)            | (1)            | 6,492                 | 186            | 20             | 6,698          | (2)               | (2)            | (5)            | (9)            |
| – other personal lending which is secured                | 35,037                | 416            | 227            | 35,680         | (12)              | (4)            | (44)           | (60)           | 30,564                | 478            | 138            | 31,180         | (12)              | (4)            | (15)           | (31)           |
| – credit cards                                           | 20,983                | 3,554          | 386            | 24,923         | (308)             | (694)          | (228)          | (1,230)        | 21,611                | 2,991          | 313            | 24,915         | (268)             | (660)          | (199)          | (1,127)        |
| – other personal lending which is unsecured              | 19,056                | 2,072          | 554            | 21,682         | (220)             | (368)          | (298)          | (886)          | 18,198                | 1,864          | 598            | 20,660         | (214)             | (345)          | (279)          | (838)          |
| – motor vehicle finance                                  | 1,765                 | 220            | 28             | 2,013          | (15)              | (15)           | (14)           | (44)           | 1,812                 | 213            | 22             | 2,047          | (15)              | (17)           | (12)           | (44)           |
| <b>Total</b>                                             | <b>421,134</b>        | <b>43,900</b>  | <b>3,921</b>   | <b>468,955</b> | <b>(618)</b>      | <b>(1,228)</b> | <b>(894)</b>   | <b>(2,740)</b> | <b>403,746</b>        | <b>39,919</b>  | <b>3,560</b>   | <b>447,225</b> | <b>(570)</b>      | <b>(1,158)</b> | <b>(796)</b>   | <b>(2,524)</b> |
| <b>By legal entity</b>                                   |                       |                |                |                |                   |                |                |                |                       |                |                |                |                   |                |                |                |
| HSBC UK Bank plc                                         | 170,263               | 34,294         | 1,295          | 205,852        | (181)             | (342)          | (257)          | (780)          | 152,338               | 31,325         | 1,075          | 184,738        | (148)             | (307)          | (211)          | (666)          |
| HSBC Bank plc                                            | 18,358                | 1,049          | 404            | 19,811         | (18)              | (20)           | (118)          | (156)          | 23,501                | 1,198          | 324            | 25,023         | (17)              | (24)           | (99)           | (140)          |
| The Hongkong and Shanghai Banking Corporation Limited    | 194,681               | 6,578          | 1,087          | 202,346        | (172)             | (405)          | (159)          | (736)          | 191,614               | 5,519          | 1,170          | 198,303        | (174)             | (385)          | (164)          | (723)          |
| HSBC Bank Middle East Limited                            | 3,685                 | 156            | 43             | 3,884          | (13)              | (25)           | (30)           | (68)           | 3,678                 | 158            | 40             | 3,876          | (14)              | (29)           | (30)           | (73)           |
| HSBC North America Holdings Inc.                         | 21,542                | 569            | 354            | 22,465         | (6)               | (12)           | (11)           | (29)           | 20,851                | 497            | 327            | 21,675         | (4)               | (12)           | (11)           | (27)           |
| Grupo Financiero HSBC, S.A. de C.V.                      | 11,774                | 1,200          | 734            | 13,708         | (221)             | (423)          | (317)          | (961)          | 11,016                | 1,172          | 620            | 12,808         | (207)             | (400)          | (279)          | (886)          |
| Other trading entities                                   | 831                   | 54             | 4              | 889            | (7)               | (1)            | (2)            | (10)           | 748                   | 50             | 4              | 802            | (6)               | (1)            | (2)            | (9)            |
| <b>Total</b>                                             | <b>421,134</b>        | <b>43,900</b>  | <b>3,921</b>   | <b>468,955</b> | <b>(618)</b>      | <b>(1,228)</b> | <b>(894)</b>   | <b>(2,740)</b> | <b>403,746</b>        | <b>39,919</b>  | <b>3,560</b>   | <b>447,225</b> | <b>(570)</b>      | <b>(1,158)</b> | <b>(796)</b>   | <b>(2,524)</b> |

Total personal lending for loans and other credit-related commitments and financial guarantees by stage distribution

|                                                       | At 30 Jun 2025 |                |                |                |                   |                |                |              | At 31 Dec 2024 |                |                |                |                   |                |                |              |
|-------------------------------------------------------|----------------|----------------|----------------|----------------|-------------------|----------------|----------------|--------------|----------------|----------------|----------------|----------------|-------------------|----------------|----------------|--------------|
|                                                       | Nominal amount |                |                |                | Allowance for ECL |                |                |              | Nominal amount |                |                |                | Allowance for ECL |                |                |              |
|                                                       | Stage 1<br>\$m | Stage 2<br>\$m | Stage 3<br>\$m | Total<br>\$m   | Stage 1<br>\$m    | Stage 2<br>\$m | Stage 3<br>\$m | Total<br>\$m | Stage 1<br>\$m | Stage 2<br>\$m | Stage 3<br>\$m | Total<br>\$m   | Stage 1<br>\$m    | Stage 2<br>\$m | Stage 3<br>\$m | Total<br>\$m |
| HSBC UK Bank plc                                      | 58,361         | 846            | 46             | 59,253         | (11)              | (3)            | (1)            | (15)         | 51,078         | 442            | 47             | 51,567         | (6)               | —              | (3)            | (9)          |
| HSBC Bank plc                                         | 1,607          | 39             | 2              | 1,648          | (1)               | —              | —              | (1)          | 1,605          | 7              | 2              | 1,614          | —                 | —              | —              | —            |
| The Hongkong and Shanghai Banking Corporation Limited | 194,455        | 1,020          | 51             | 195,526        | (4)               | —              | —              | (4)          | 189,737        | 1,165          | 35             | 190,937        | (4)               | —              | (2)            | (6)          |
| HSBC Bank Middle East Limited                         | 2,585          | 7              | —              | 2,592          | —                 | —              | —              | —            | 2,452          | 7              | —              | 2,459          | —                 | —              | —              | —            |
| HSBC North America Holdings Inc.                      | 3,415          | 82             | 22             | 3,519          | —                 | —              | —              | —            | 3,707          | 68             | 2              | 3,777          | —                 | —              | —              | —            |
| Grupo Financiero HSBC, S.A. de C.V.                   | 4,570          | —              | —              | 4,570          | (6)               | —              | —              | (6)          | 3,892          | —              | —              | 3,892          | (7)               | —              | —              | (7)          |
| Other trading entities                                | 468            | 4              | 1              | 473            | —                 | —              | —              | —            | 434            | 2              | —              | 436            | —                 | —              | —              | —            |
| <b>Total</b>                                          | <b>265,461</b> | <b>1,998</b>   | <b>122</b>     | <b>267,581</b> | <b>(22)</b>       | <b>(3)</b>     | <b>(1)</b>     | <b>(26)</b>  | <b>252,905</b> | <b>1,691</b>   | <b>86</b>      | <b>254,682</b> | <b>(17)</b>       | <b>—</b>       | <b>(5)</b>     | <b>(22)</b>  |

## Wholesale lending

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

|                                                                        | Gross carrying amount |                |                |             |                | Allowance for ECL |                |                |             |                |
|------------------------------------------------------------------------|-----------------------|----------------|----------------|-------------|----------------|-------------------|----------------|----------------|-------------|----------------|
|                                                                        | Stage 1<br>\$m        | Stage 2<br>\$m | Stage 3<br>\$m | POCI<br>\$m | Total<br>\$m   | Stage 1<br>\$m    | Stage 2<br>\$m | Stage 3<br>\$m | POCI<br>\$m | Total<br>\$m   |
| Corporate and commercial                                               | 344,579               | 68,592         | 18,982         | 115         | 432,268        | (502)             | (1,487)        | (5,084)        | (66)        | (7,139)        |
| – agriculture, forestry and fishing                                    | 6,628                 | 980            | 341            | —           | 7,949          | (13)              | (35)           | (59)           | —           | (107)          |
| – mining and quarrying                                                 | 7,243                 | 402            | 394            | —           | 8,039          | (9)               | (6)            | (64)           | —           | (79)           |
| – manufacturing                                                        | 74,634                | 12,716         | 1,631          | 29          | 89,010         | (98)              | (144)          | (515)          | (24)        | (781)          |
| – electricity, gas, steam and air-conditioning supply                  | 16,310                | 1,505          | 268            | —           | 18,083         | (18)              | (25)           | (110)          | —           | (153)          |
| – water supply, sewerage, waste management and remediation             | 2,449                 | 204            | 44             | —           | 2,697          | (5)               | (3)            | (12)           | —           | (20)           |
| – real estate and construction                                         | 54,277                | 28,434         | 9,292          | 75          | 92,078         | (87)              | (789)          | (2,150)        | (39)        | (3,065)        |
| – of which: commercial real estate                                     | 41,151                | 24,129         | 8,071          | 71          | 73,422         | (61)              | (732)          | (1,628)        | (35)        | (2,456)        |
| – wholesale and retail trade, repair of motor vehicles and motorcycles | 69,821                | 9,728          | 2,632          | 11          | 82,192         | (69)              | (88)           | (1,134)        | (3)         | (1,294)        |
| – transportation and storage                                           | 16,837                | 4,359          | 264            | —           | 21,460         | (19)              | (102)          | (101)          | —           | (222)          |
| – accommodation and food                                               | 11,386                | 2,246          | 1,659          | —           | 15,291         | (33)              | (64)           | (224)          | —           | (321)          |
| – publishing, audiovisual and broadcasting                             | 20,972                | 2,021          | 411            | —           | 23,404         | (56)              | (69)           | (113)          | —           | (238)          |
| – professional, scientific and technical activities                    | 24,232                | 2,125          | 584            | —           | 26,941         | (35)              | (41)           | (187)          | —           | (263)          |
| – administrative and support services                                  | 18,706                | 2,263          | 670            | —           | 21,639         | (24)              | (66)           | (277)          | —           | (367)          |
| – public administration and defence, compulsory social security        | 76                    | —              | —              | —           | 76             | —                 | —              | —              | —           | —              |
| – education                                                            | 1,600                 | 198            | 47             | —           | 1,845          | (4)               | (8)            | (20)           | —           | (32)           |
| – health and care                                                      | 3,549                 | 368            | 174            | —           | 4,091          | (9)               | (13)           | (29)           | —           | (51)           |
| – arts, entertainment and recreation                                   | 1,588                 | 158            | 93             | —           | 1,839          | (4)               | (5)            | (22)           | —           | (31)           |
| – other services                                                       | 6,465                 | 731            | 315            | —           | 7,511          | (17)              | (20)           | (63)           | —           | (100)          |
| – activities of households                                             | 778                   | 39             | —              | —           | 817            | —                 | —              | —              | —           | —              |
| – extra-territorial organisations and bodies activities                | 136                   | —              | —              | —           | 136            | —                 | —              | —              | —           | —              |
| – government                                                           | 6,871                 | 106            | 163            | —           | 7,140          | (2)               | —              | (4)            | —           | (6)            |
| – asset-backed securities                                              | 21                    | 9              | —              | —           | 30             | —                 | (9)            | —              | —           | (9)            |
| Non-bank financial institutions                                        | 86,956                | 2,846          | 647            | 193         | 90,642         | (61)              | (37)           | (166)          | —           | (264)          |
| Loans and advances to banks                                            | 107,428               | 166            | 3              | —           | 107,597        | (10)              | (2)            | (3)            | —           | (15)           |
| <b>At 30 Jun 2025<sup>1</sup></b>                                      | <b>538,963</b>        | <b>71,604</b>  | <b>19,632</b>  | <b>308</b>  | <b>630,507</b> | <b>(573)</b>      | <b>(1,526)</b> | <b>(5,253)</b> | <b>(66)</b> | <b>(7,418)</b> |
| <b>By legal entity</b>                                                 |                       |                |                |             |                |                   |                |                |             |                |
| HSBC UK Bank plc                                                       | 94,822                | 10,065         | 3,918          | —           | 108,805        | (180)             | (359)          | (691)          | —           | (1,230)        |
| HSBC Bank plc                                                          | 94,153                | 5,943          | 1,926          | 53          | 102,075        | (75)              | (124)          | (542)          | (25)        | (766)          |
| The Hongkong and Shanghai Banking Corporation Limited                  | 271,675               | 46,425         | 11,495         | 57          | 329,652        | (209)             | (843)          | (2,979)        | (37)        | (4,068)        |
| HSBC Bank Middle East Limited                                          | 26,606                | 1,697          | 926            | 4           | 29,233         | (13)              | (15)           | (503)          | (4)         | (535)          |
| HSBC North America Holdings Inc.                                       | 29,884                | 5,036          | 750            | 194         | 35,864         | (38)              | (116)          | (208)          | —           | (362)          |
| Grupo Financiero HSBC, S.A. de C.V.                                    | 12,862                | 2,186          | 267            | —           | 15,315         | (44)              | (64)           | (144)          | —           | (252)          |
| Other trading entities                                                 | 8,899                 | 252            | 350            | —           | 9,501          | (14)              | (5)            | (186)          | —           | (205)          |
| Holding companies, shared service centres and intra-Group eliminations | 62                    | —              | —              | —           | 62             | —                 | —              | —              | —           | —              |
| <b>At 30 Jun 2025<sup>1</sup></b>                                      | <b>538,963</b>        | <b>71,604</b>  | <b>19,632</b>  | <b>308</b>  | <b>630,507</b> | <b>(573)</b>      | <b>(1,526)</b> | <b>(5,253)</b> | <b>(66)</b> | <b>(7,418)</b> |

1 The shift of 'gross carrying amount' between stage 1 and 2 arose mainly in Asia from higher average PD for the remaining term at the reporting date, reflecting updates to our PD models and ongoing market challenges. PDs at the reporting date were compared with the PD calculated at origination.

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

|                                                                        | Gross carrying amount |                |                |             |              | Allowance for ECL |                |                |             |              |
|------------------------------------------------------------------------|-----------------------|----------------|----------------|-------------|--------------|-------------------|----------------|----------------|-------------|--------------|
|                                                                        | Stage 1<br>\$m        | Stage 2<br>\$m | Stage 3<br>\$m | POCI<br>\$m | Total<br>\$m | Stage 1<br>\$m    | Stage 2<br>\$m | Stage 3<br>\$m | POCI<br>\$m | Total<br>\$m |
| Corporate and commercial                                               | 340,987               | 51,231         | 18,376         | 90          | 410,684      | (463)             | (1,358)        | (4,883)        | (51)        | (6,755)      |
| – agriculture, forestry and fishing                                    | 5,437                 | 1,314          | 282            | —           | 7,033        | (14)              | (34)           | (46)           | —           | (94)         |
| – mining and quarrying                                                 | 6,811                 | 463            | 318            | —           | 7,592        | (6)               | (7)            | (32)           | —           | (45)         |
| – manufacturing                                                        | 70,987                | 10,250         | 1,466          | 21          | 82,724       | (83)              | (172)          | (618)          | (20)        | (893)        |
| – electricity, gas, steam and air-conditioning supply                  | 15,277                | 971            | 209            | —           | 16,457       | (14)              | (23)           | (85)           | —           | (122)        |
| – water supply, sewerage, waste management and remediation             | 2,530                 | 388            | 43             | —           | 2,961        | (4)               | (4)            | (16)           | —           | (24)         |
| – real estate and construction                                         | 63,794                | 17,320         | 8,887          | 62          | 90,063       | (90)              | (666)          | (1,811)        | (31)        | (2,598)      |
| – of which: commercial real estate                                     | 49,994                | 14,720         | 7,558          | 61          | 72,333       | (67)              | (604)          | (1,355)        | (29)        | (2,055)      |
| – wholesale and retail trade, repair of motor vehicles and motorcycles | 66,977                | 8,125          | 2,725          | 3           | 77,830       | (67)              | (117)          | (1,188)        | —           | (1,372)      |
| – transportation and storage                                           | 18,589                | 3,637          | 417            | —           | 22,643       | (15)              | (74)           | (232)          | —           | (321)        |
| – accommodation and food                                               | 11,406                | 1,718          | 1,610          | —           | 14,734       | (30)              | (55)           | (214)          | —           | (299)        |
| – publishing, audiovisual and broadcasting                             | 18,181                | 1,416          | 229            | —           | 19,826       | (42)              | (55)           | (61)           | —           | (158)        |
| – professional, scientific and technical activities                    | 23,044                | 2,436          | 644            | 4           | 26,128       | (29)              | (49)           | (188)          | —           | (266)        |
| – administrative and support services                                  | 17,671                | 1,707          | 739            | —           | 20,117       | (26)              | (40)           | (254)          | —           | (320)        |
| – public administration and defence, compulsory social security        | 64                    | —              | —              | —           | 64           | —                 | —              | —              | —           | —            |
| – education                                                            | 1,361                 | 192            | 43             | —           | 1,596        | (4)               | (7)            | (16)           | —           | (27)         |
| – health and care                                                      | 3,357                 | 489            | 184            | —           | 4,030        | (8)               | (18)           | (25)           | —           | (51)         |
| – arts, entertainment and recreation                                   | 1,817                 | 171            | 78             | —           | 2,066        | (5)               | (4)            | (26)           | —           | (35)         |
| – other services                                                       | 6,470                 | 491            | 327            | —           | 7,288        | (24)              | (20)           | (66)           | —           | (110)        |
| – activities of households                                             | 582                   | 7              | —              | —           | 589          | —                 | —              | —              | —           | —            |
| – extra-territorial organisations and bodies activities                | 118                   | —              | —              | —           | 118          | —                 | —              | —              | —           | —            |
| – government                                                           | 6,495                 | 123            | 175            | —           | 6,793        | (2)               | —              | (5)            | —           | (7)          |
| – asset-backed securities                                              | 19                    | 13             | —              | —           | 32           | —                 | (13)           | —              | —           | (13)         |
| Non-bank financial institutions                                        | 79,687                | 2,098          | 679            | —           | 82,464       | (45)              | (30)           | (361)          | —           | (436)        |
| Loans and advances to banks                                            | 101,852               | 198            | 2              | —           | 102,052      | (9)               | (2)            | (2)            | —           | (13)         |
| At 31 Dec 2024                                                         | 522,526               | 53,527         | 19,057         | 90          | 595,200      | (517)             | (1,390)        | (5,246)        | (51)        | (7,204)      |
| By legal entity                                                        |                       |                |                |             |              |                   |                |                |             |              |
| HSBC UK Bank plc                                                       | 81,630                | 12,772         | 3,356          | —           | 97,758       | (197)             | (403)          | (603)          | —           | (1,203)      |
| HSBC Bank plc                                                          | 85,022                | 5,843          | 2,305          | 47          | 93,217       | (54)              | (111)          | (752)          | (22)        | (939)        |
| The Hongkong and Shanghai Banking Corporation Limited                  | 279,535               | 27,078         | 11,483         | 39          | 318,135      | (170)             | (677)          | (2,999)        | (28)        | (3,874)      |
| HSBC Bank Middle East Limited                                          | 26,359                | 951            | 848            | 4           | 28,162       | (20)              | (6)            | (463)          | (1)         | (490)        |
| HSBC North America Holdings Inc.                                       | 30,107                | 4,665          | 503            | —           | 35,275       | (31)              | (141)          | (121)          | —           | (293)        |
| Grupo Financiero HSBC, S.A. de C.V.                                    | 11,957                | 1,703          | 230            | —           | 13,890       | (35)              | (48)           | (128)          | —           | (211)        |
| Other trading entities                                                 | 7,840                 | 515            | 332            | —           | 8,687        | (10)              | (4)            | (180)          | —           | (194)        |
| Holding companies, shared service centres and intra-group eliminations | 76                    | —              | —              | —           | 76           | —                 | —              | —              | —           | —            |
| At 31 Dec 2024                                                         | 522,526               | 53,527         | 19,057         | 90          | 595,200      | (517)             | (1,390)        | (5,246)        | (51)        | (7,204)      |

## Total wholesale lending for loans and other credit-related commitments and financial guarantees by stage distribution<sup>1</sup>

|                                                       | Nominal amount |                |                |             |                | Allowance for ECL |                |                |             |              |
|-------------------------------------------------------|----------------|----------------|----------------|-------------|----------------|-------------------|----------------|----------------|-------------|--------------|
|                                                       | Stage 1<br>\$m | Stage 2<br>\$m | Stage 3<br>\$m | POCI<br>\$m | Total<br>\$m   | Stage 1<br>\$m    | Stage 2<br>\$m | Stage 3<br>\$m | POCI<br>\$m | Total<br>\$m |
| Corporate and commercial                              | 251,291        | 20,755         | 1,099          | 4           | 273,149        | (119)             | (121)          | (113)          | (1)         | (354)        |
| Financial                                             | 165,933        | 1,509          | 138            | —           | 167,580        | (12)              | (3)            | (1)            | —           | (16)         |
| <b>At 30 Jun 2025<sup>2</sup></b>                     | <b>417,224</b> | <b>22,264</b>  | <b>1,237</b>   | <b>4</b>    | <b>440,729</b> | <b>(131)</b>      | <b>(124)</b>   | <b>(114)</b>   | <b>(1)</b>  | <b>(370)</b> |
| <b>By legal entity</b>                                |                |                |                |             |                |                   |                |                |             |              |
| HSBC UK Bank plc                                      | 49,016         | 2,318          | 474            | —           | 51,808         | (25)              | (18)           | (61)           | —           | (104)        |
| HSBC Bank plc                                         | 195,785        | 3,975          | 250            | 3           | 200,013        | (25)              | (21)           | (21)           | —           | (67)         |
| The Hongkong and Shanghai Banking Corporation Limited | 70,803         | 8,532          | 77             | —           | 79,412         | (52)              | (44)           | (7)            | —           | (103)        |
| HSBC Bank Middle East Limited                         | 9,406          | 421            | 34             | 1           | 9,862          | (2)               | (6)            | (21)           | (1)         | (30)         |
| HSBC North America Holdings Inc.                      | 88,578         | 6,701          | 361            | —           | 95,640         | (25)              | (34)           | (2)            | —           | (61)         |
| Grupo Financiero HSBC, S.A. de C.V.                   | 1,924          | 177            | —              | —           | 2,101          | (2)               | —              | —              | —           | (2)          |
| Other trading entities                                | 1,712          | 140            | 41             | —           | 1,893          | —                 | (1)            | (2)            | —           | (3)          |
| <b>At 30 Jun 2025<sup>2</sup></b>                     | <b>417,224</b> | <b>22,264</b>  | <b>1,237</b>   | <b>4</b>    | <b>440,729</b> | <b>(131)</b>      | <b>(124)</b>   | <b>(114)</b>   | <b>(1)</b>  | <b>(370)</b> |
| Corporate and commercial                              | 241,249        | 18,685         | 1,033          | 3           | 260,970        | (118)             | (121)          | (98)           | —           | (337)        |
| Financial                                             | 118,430        | 2,196          | 87             | —           | 120,713        | (10)              | (5)            | (3)            | —           | (18)         |
| <b>At 31 Dec 2024</b>                                 | <b>359,679</b> | <b>20,881</b>  | <b>1,120</b>   | <b>3</b>    | <b>381,683</b> | <b>(128)</b>      | <b>(126)</b>   | <b>(101)</b>   | <b>—</b>    | <b>(355)</b> |
| <b>By legal entity</b>                                |                |                |                |             |                |                   |                |                |             |              |
| HSBC UK Bank plc                                      | 37,848         | 4,540          | 445            | —           | 42,833         | (27)              | (36)           | (57)           | —           | (120)        |
| HSBC Bank plc                                         | 144,941        | 6,118          | 256            | 3           | 151,318        | (21)              | (30)           | (21)           | —           | (72)         |
| The Hongkong and Shanghai Banking Corporation Limited | 72,860         | 3,973          | 99             | —           | 76,932         | (54)              | (32)           | (6)            | —           | (92)         |
| HSBC Bank Middle East Limited                         | 8,879          | 329            | 35             | —           | 9,243          | (5)               | (1)            | (10)           | —           | (16)         |
| HSBC North America Holdings Inc.                      | 91,314         | 5,723          | 226            | —           | 97,263         | (20)              | (26)           | (5)            | —           | (51)         |
| Grupo Financiero HSBC, S.A. de C.V.                   | 2,334          | 53             | —              | —           | 2,387          | (1)               | (1)            | —              | —           | (2)          |
| Other trading entities                                | 1,503          | 145            | 59             | —           | 1,707          | —                 | —              | (2)            | —           | (2)          |
| <b>At 31 Dec 2024</b>                                 | <b>359,679</b> | <b>20,881</b>  | <b>1,120</b>   | <b>3</b>    | <b>381,683</b> | <b>(128)</b>      | <b>(126)</b>   | <b>(101)</b>   | <b>—</b>    | <b>(355)</b> |

- 1 Included in loans and other credit-related commitments and financial guarantees is \$95bn (31 December 2024: \$49bn) relating to unsettled reverse repurchase agreements, which once drawn are classified as 'Reverse repurchase agreements – non-trading'.
- 2 The shift of 'nominal amount' between stage 1 and 2 arose mainly in Asia from higher average PD for the remaining term at the reporting date, reflecting updates to our PD models and ongoing market challenges. PDs at the reporting date were compared with the PD calculated at origination.

## Commercial real estate

Commercial real estate ('CRE') lending includes the financing of corporate, institutional and high net worth customers who are investing primarily in income-producing assets and, to a lesser extent, in their construction and development. The portfolio is globally diversified with larger concentrations in Hong Kong, the UK, mainland China and the US.

Our global exposure is centred largely on cities with economic, political or cultural significance. In more developed markets, our exposure mainly comprises the financing of investment assets, the redevelopment of existing stock and the augmentation of both commercial and residential markets to support economic and population growth. In less developed commercial real estate markets, our exposures comprise lending for development assets on relatively

short tenors with a particular focus on supporting larger, better capitalised developers involved in residential construction or assets supporting economic expansion.

Excluding favourable foreign exchange movements of \$2.0bn, commercial real estate lending decreased by \$0.9bn, mainly in our entities in Asia (down \$1bn) due to loan repayments.

In the tables below, we have disclosed additional information related to exposures booked in Hong Kong excluding exposures to mainland China borrowers by stage and credit quality. These exposures mostly comprise lending to Hong Kong borrowers and, to a lesser degree, borrowers overseas.

### Commercial real estate lending to customers

|                               |                     |                  |                                                                   |                                     |                                        |                                              |                              |         | of which: |              |                                                                                      |  |
|-------------------------------|---------------------|------------------|-------------------------------------------------------------------|-------------------------------------|----------------------------------------|----------------------------------------------|------------------------------|---------|-----------|--------------|--------------------------------------------------------------------------------------|--|
|                               | HSBC UK<br>Bank plc | HSBC<br>Bank plc | The Hongkong<br>and Shanghai<br>Banking<br>Corporation<br>Limited | HSBC Bank<br>Middle East<br>Limited | HSBC North<br>America<br>Holdings Inc. | Grupo<br>Financiero<br>HSBC, S.A.<br>de C.V. | Other<br>trading<br>entities | Total   | UK        | Hong<br>Kong | of which:<br>Hong Kong<br>excluding<br>exposure to<br>mainland<br>China<br>borrowers |  |
|                               | \$m                 | \$m              | \$m                                                               | \$m                                 | \$m                                    | \$m                                          | \$m                          | \$m     | \$m       | \$m          | \$m                                                                                  |  |
| Gross loans and advances      |                     |                  |                                                                   |                                     |                                        |                                              |                              |         |           |              |                                                                                      |  |
| Stage 1                       | 13,506              | 3,513            | 21,561                                                            | 998                                 | 1,061                                  | 468                                          | 44                           | 41,151  | 13,991    | 9,389        | 8,635                                                                                |  |
| Stage 2                       | 1,982               | 238              | 20,583                                                            | 118                                 | 1,138                                  | 70                                           | —                            | 24,129  | 2,012     | 18,713       | 18,142                                                                               |  |
| Stage 3                       | 439                 | 301              | 6,861                                                             | 90                                  | 331                                    | 24                                           | 25                           | 8,071   | 438       | 6,390        | 5,141                                                                                |  |
| POCI                          | —                   | 53               | 18                                                                | —                                   | —                                      | —                                            | —                            | 71      | 53        | 18           | —                                                                                    |  |
| At 30 Jun 2025 <sup>1</sup>   | 15,927              | 4,105            | 49,023                                                            | 1,206                               | 2,530                                  | 562                                          | 69                           | 73,422  | 16,494    | 34,510       | 31,918                                                                               |  |
| – of which:<br>forborne loans | 439                 | 90               | 3,080                                                             | 90                                  | 267                                    | 46                                           | 26                           | 4,038   | 492       | 2,729        |                                                                                      |  |
| Allowance for ECL             | (191)               | (97)             | (1,973)                                                           | (25)                                | (136)                                  | (11)                                         | (23)                         | (2,456) | (217)     | (1,725)      | (877)                                                                                |  |

- 1 The shift of 'gross carrying amount' between stage 1 and 2 arose mainly in Asia from higher average PD for the remaining term at the reporting date, reflecting updates to our PD models and ongoing market challenges. PDs at the reporting date were compared with the PD calculated at origination.

## Commercial real estate lending to customers (continued)

|                               | HSBC UK<br>Bank plc | HSBC<br>Bank plc | The Hongkong<br>and Shanghai<br>Banking<br>Corporation<br>Limited | HSBC Bank<br>Middle East<br>Limited | HSBC North<br>America<br>Holdings Inc. | Grupo<br>Financiero<br>HSBC, S.A.<br>de C.V. | Other<br>trading<br>entities | Total   | UK     | Hong<br>Kong | of which:<br>Hong Kong<br>excluding<br>exposure to<br>mainland<br>China<br>borrowers |
|-------------------------------|---------------------|------------------|-------------------------------------------------------------------|-------------------------------------|----------------------------------------|----------------------------------------------|------------------------------|---------|--------|--------------|--------------------------------------------------------------------------------------|
|                               | \$m                 | \$m              | \$m                                                               | \$m                                 | \$m                                    | \$m                                          | \$m                          | \$m     | \$m    | \$m          | \$m                                                                                  |
| Gross loans and advances      |                     |                  |                                                                   |                                     |                                        |                                              |                              |         |        |              |                                                                                      |
| Stage 1                       | 9,394               | 3,285            | 34,337                                                            | 1,136                               | 1,420                                  | 380                                          | 42                           | 49,994  | 9,758  | 22,643       | 22,132                                                                               |
| Stage 2                       | 4,052               | 313              | 9,103                                                             | —                                   | 1,184                                  | 67                                           | 1                            | 14,720  | 4,112  | 7,619        | 6,515                                                                                |
| Stage 3                       | 492                 | 213              | 6,451                                                             | 117                                 | 240                                    | 22                                           | 23                           | 7,558   | 492    | 5,967        | 4,554                                                                                |
| POCI                          | —                   | 43               | 18                                                                | —                                   | —                                      | —                                            | —                            | 61      | 43     | 18           | —                                                                                    |
| At 31 Dec 2024                | 13,938              | 3,854            | 49,909                                                            | 1,253                               | 2,844                                  | 469                                          | 66                           | 72,333  | 14,405 | 36,247       | 33,201                                                                               |
| – of which:<br>forborne loans | 502                 | 54               | 3,087                                                             | 116                                 | 273                                    | 19                                           | 23                           | 4,074   | 545    | 2,729        |                                                                                      |
| Allowance for ECL             | (203)               | (72)             | (1,627)                                                           | (23)                                | (103)                                  | (8)                                          | (19)                         | (2,055) | (227)  | (1,418)      | (405)                                                                                |

## Commercial real estate gross loans and advances to customers by credit quality

|                 | HSBC UK<br>Bank plc | HSBC<br>Bank plc | The Hongkong<br>and Shanghai<br>Banking<br>Corporation<br>Limited | HSBC Bank<br>Middle East<br>Limited | HSBC North<br>America<br>Holdings Inc. | Grupo<br>Financiero<br>HSBC, S.A.<br>de C.V. | Other<br>trading<br>entities | Total  | UK     | Hong<br>Kong | of which:<br>Hong Kong<br>excluding<br>exposure to<br>mainland<br>China<br>borrowers |
|-----------------|---------------------|------------------|-------------------------------------------------------------------|-------------------------------------|----------------------------------------|----------------------------------------------|------------------------------|--------|--------|--------------|--------------------------------------------------------------------------------------|
|                 | \$m                 | \$m              | \$m                                                               | \$m                                 | \$m                                    | \$m                                          | \$m                          | \$m    | \$m    | \$m          | \$m                                                                                  |
| Strong          | 4,873               | 695              | 8,812                                                             | 38                                  | —                                      | 5                                            | 44                           | 14,467 | 5,004  | 4,045        | 3,968                                                                                |
| Good            | 3,740               | 1,578            | 15,715                                                            | 545                                 | 506                                    | 222                                          | —                            | 22,306 | 3,793  | 9,533        | 9,124                                                                                |
| Satisfactory    | 6,022               | 1,317            | 13,230                                                            | 498                                 | 1,114                                  | 278                                          | —                            | 22,459 | 6,325  | 10,471       | 10,330                                                                               |
| Sub-standard    | 853                 | 161              | 4,387                                                             | 35                                  | 579                                    | 33                                           | —                            | 6,048  | 881    | 4,053        | 3,355                                                                                |
| Credit impaired | 439                 | 354              | 6,879                                                             | 90                                  | 331                                    | 24                                           | 25                           | 8,142  | 491    | 6,408        | 5,141                                                                                |
| At 30 Jun 2025  | 15,927              | 4,105            | 49,023                                                            | 1,206                               | 2,530                                  | 562                                          | 69                           | 73,422 | 16,494 | 34,510       | 31,918                                                                               |
| Strong          | 4,663               | 739              | 9,106                                                             | 137                                 | —                                      | 18                                           | 42                           | 14,705 | 4,875  | 4,522        | 4,484                                                                                |
| Good            | 2,098               | 1,430            | 16,113                                                            | 407                                 | 566                                    | 111                                          | —                            | 20,725 | 2,107  | 10,421       | 9,754                                                                                |
| Satisfactory    | 5,770               | 1,312            | 13,556                                                            | 592                                 | 1,423                                  | 283                                          | —                            | 22,936 | 5,948  | 10,850       | 10,716                                                                               |
| Sub-standard    | 915                 | 117              | 4,665                                                             | —                                   | 615                                    | 35                                           | 1                            | 6,348  | 940    | 4,469        | 3,693                                                                                |
| Credit impaired | 492                 | 256              | 6,469                                                             | 117                                 | 240                                    | 22                                           | 23                           | 7,619  | 535    | 5,985        | 4,554                                                                                |
| At 31 Dec 2024  | 13,938              | 3,854            | 49,909                                                            | 1,253                               | 2,844                                  | 469                                          | 66                           | 72,333 | 14,405 | 36,247       | 33,201                                                                               |

The Hong Kong CRE portfolio (excluding exposure to mainland China borrowers) saw further negative migration in the first half of 2025 as a result of ongoing market challenges. This was predominantly driven by a continued deterioration in the secured book, which accounts for 58% of the total portfolio (31 December 2024: 54%).

‘Sub-standard’ and ‘credit impaired’ exposures increased to \$8.5bn (31 December 2024: \$8.2bn), of which 94% was secured (31 December 2024: 92%). As at 30 June 2025, the weighted average loan to value (‘LTV’):

- of performing exposures rated ‘sub-standard’ was 45% (31 December 2024: 46%). There is immaterial exposure with an LTV of greater than 70% (31 December 2024: \$1.2bn);
- of ‘credit impaired’ exposures was 67% (31 December 2024: 58%). Within this portfolio, \$1.4bn has an LTV of greater than 70% (31 December 2024: \$1.2bn).

Collateral information and LTV calculation is based on total limits, inclusive of off-balance sheet commitments, of \$43.9bn as of 30 June 2025 (31 December 2024: \$49.2bn).

The unsecured portfolio remained stable in size and quality, with limited ‘credit impaired’ levels and 93% rated ‘strong’ or ‘good’ (31 December 2024: 93%). Unsecured exposures are typically granted to strong, listed Hong Kong CRE developers, which commonly are members of conglomerate groups with diverse cash flows.

The market conditions are expected to remain challenging overall although the residential property market has benefited from the relaxation of government restrictions, with a continued stabilisation in

transaction levels observed since 2024. Commercial property nevertheless faces continued downward pressure as over-supply continues to negatively impact both rents and capital values. Collateral buffers decrease as valuations are updated in line with our existing practice. This resulted in higher levels of ECL allowances in the first half of 2025, particularly in the ‘credit impaired’ portfolio. ECL allowances were also driven by a combination of continued negative migration and impact from model changes. While the recent reduction in HIBOR should provide short-term liquidity and debt serviceability relief to borrowers operating in this sector, property price pressure is likely to persist until economic conditions and sentiment improve. Further credit migration is, therefore, expected in the second half of 2025.

We continue to closely assess and manage the risk in the portfolio, including through portfolio reviews and stress testing. Vulnerable borrowers, including those with debt serviceability challenges and higher LTV levels, are subject to heightened monitoring and management.

## Refinance risk in commercial real estate

Commercial real estate lending tends to require the repayment of a significant proportion of the principal at maturity. Typically, a customer will arrange repayment through the acquisition of a new loan to settle the existing debt.

Refinance risk is the risk that a customer, being unable to repay the debt on maturity, fails to refinance it at commercial terms. We monitor our commercial real estate portfolio closely, assessing indicators for signs of potential issues with refinancing.

## Commercial real estate gross loans and advances to customers maturity analysis

|                       | The Hongkong and Shanghai Banking Corporation Limited |               |               |                               |                                  |                                     |                        | of which:     |               |               |
|-----------------------|-------------------------------------------------------|---------------|---------------|-------------------------------|----------------------------------|-------------------------------------|------------------------|---------------|---------------|---------------|
|                       | HSBC UK Bank plc                                      | HSBC Bank plc | HSBC Bank plc | HSBC Bank Middle East Limited | HSBC North America Holdings Inc. | Grupo Financiero HSBC, S.A. de C.V. | Other trading entities | Total         | UK            | Hong Kong     |
|                       | \$m                                                   | \$m           | \$m           | \$m                           | \$m                              | \$m                                 | \$m                    | \$m           | \$m           | \$m           |
| < 1 year              | 4,667                                                 | 1,235         | 21,629        | 464                           | 1,148                            | 100                                 | 22                     | 29,265        | 5,052         | 16,659        |
| 1–2 years             | 3,357                                                 | 756           | 10,867        | 170                           | 968                              | 198                                 | 19                     | 16,335        | 3,526         | 7,638         |
| 2–5 years             | 7,267                                                 | 1,603         | 14,306        | 394                           | 403                              | 141                                 | 28                     | 24,142        | 7,276         | 8,752         |
| > 5 years             | 636                                                   | 511           | 2,221         | 178                           | 11                               | 123                                 | —                      | 3,680         | 640           | 1,461         |
| <b>At 30 Jun 2025</b> | <b>15,927</b>                                         | <b>4,105</b>  | <b>49,023</b> | <b>1,206</b>                  | <b>2,530</b>                     | <b>562</b>                          | <b>69</b>              | <b>73,422</b> | <b>16,494</b> | <b>34,510</b> |
| < 1 year              | 3,488                                                 | 846           | 22,244        | 455                           | 1,084                            | 111                                 | 20                     | 28,248        | 3,826         | 18,204        |
| 1–2 years             | 3,303                                                 | 876           | 11,213        | 162                           | 603                              | 142                                 | 6                      | 16,305        | 3,373         | 7,196         |
| 2–5 years             | 6,634                                                 | 1,600         | 14,079        | 447                           | 1,145                            | 143                                 | 40                     | 24,088        | 6,685         | 9,254         |
| > 5 years             | 513                                                   | 532           | 2,373         | 189                           | 12                               | 73                                  | —                      | 3,692         | 521           | 1,593         |
| <b>At 31 Dec 2024</b> | <b>13,938</b>                                         | <b>3,854</b>  | <b>49,909</b> | <b>1,253</b>                  | <b>2,844</b>                     | <b>469</b>                          | <b>66</b>              | <b>72,333</b> | <b>14,405</b> | <b>36,247</b> |

The following table presents the Group's exposure to borrowers classified in the commercial real estate sector where the ultimate parent is based in mainland China, as well as all commercial real estate exposures booked on mainland China balance sheets. In addition to CRE as defined in our primary CRE disclosure above, this table includes financing provided to a corporate or financial entity for

the purchase or financing of a property that supports the overall operations of the business. This provides a more comprehensive view of our mainland China CRE exposures. The exposures at 30 June 2025 are split by country/territory and credit quality including allowances for ECL by stage.

## Mainland China commercial real estate

|                                                                                         | At 30 Jun 2025 |                |                   |                | At 31 Dec 2024 |                |                   |                |
|-----------------------------------------------------------------------------------------|----------------|----------------|-------------------|----------------|----------------|----------------|-------------------|----------------|
|                                                                                         | Hong Kong      | Mainland China | Rest of the Group | Total          | Hong Kong      | Mainland China | Rest of the Group | Total          |
|                                                                                         | \$m            | \$m            | \$m               | \$m            | \$m            | \$m            | \$m               | \$m            |
| Loans and advances to customers <sup>1</sup>                                            | 2,900          | 3,598          | 203               | 6,701          | 3,161          | 3,694          | 303               | 7,158          |
| Guarantees issued and others <sup>2</sup>                                               | 88             | 12             | 14                | 114            | 80             | 16             | 5                 | 101            |
| <b>Total mainland China commercial real estate exposure</b>                             | <b>2,988</b>   | <b>3,610</b>   | <b>217</b>        | <b>6,815</b>   | <b>3,241</b>   | <b>3,710</b>   | <b>308</b>        | <b>7,259</b>   |
| <b>Distribution of mainland China commercial real estate exposure by credit quality</b> |                |                |                   |                |                |                |                   |                |
| Strong                                                                                  | 261            | 2,009          | 77                | 2,347          | 118            | 1,817          | 109               | 2,044          |
| Good                                                                                    | 434            | 484            | 74                | 992            | 578            | 595            | 1                 | 1,174          |
| Satisfactory                                                                            | 171            | 618            | 64                | 853            | 196            | 899            | 49                | 1,144          |
| Sub-standard                                                                            | 701            | 239            | 1                 | 941            | 777            | 136            | 149               | 1,062          |
| Credit impaired                                                                         | 1,421          | 260            | 1                 | 1,682          | 1,572          | 263            | —                 | 1,835          |
| <b>Total</b>                                                                            | <b>2,988</b>   | <b>3,610</b>   | <b>217</b>        | <b>6,815</b>   | <b>3,241</b>   | <b>3,710</b>   | <b>308</b>        | <b>7,259</b>   |
| <b>Allowance for ECL by credit quality</b>                                              |                |                |                   |                |                |                |                   |                |
| Strong                                                                                  | —              | (5)            | —                 | (5)            | —              | (4)            | —                 | (4)            |
| Good                                                                                    | (1)            | (3)            | —                 | (4)            | —              | (3)            | —                 | (3)            |
| Satisfactory                                                                            | —              | (9)            | —                 | (9)            | —              | (13)           | —                 | (13)           |
| Sub-standard                                                                            | (158)          | (74)           | —                 | (232)          | (261)          | (30)           | (17)              | (308)          |
| Credit impaired                                                                         | (692)          | (89)           | —                 | (781)          | (749)          | (81)           | —                 | (830)          |
| <b>Total</b>                                                                            | <b>(851)</b>   | <b>(180)</b>   | <b>—</b>          | <b>(1,031)</b> | <b>(1,010)</b> | <b>(131)</b>   | <b>(17)</b>       | <b>(1,158)</b> |
| <b>Allowance for ECL by stage distribution</b>                                          |                |                |                   |                |                |                |                   |                |
| Stage 1                                                                                 | —              | (8)            | —                 | (8)            | —              | (9)            | —                 | (9)            |
| Stage 2                                                                                 | (159)          | (83)           | —                 | (242)          | (261)          | (41)           | (17)              | (319)          |
| Stage 3                                                                                 | (684)          | (88)           | —                 | (772)          | (743)          | (81)           | —                 | (824)          |
| POCI                                                                                    | (9)            | —              | —                 | (9)            | (6)            | —              | —                 | (6)            |
| <b>Total</b>                                                                            | <b>(852)</b>   | <b>(179)</b>   | <b>—</b>          | <b>(1,031)</b> | <b>(1,010)</b> | <b>(131)</b>   | <b>(17)</b>       | <b>(1,158)</b> |
| <b>ECL coverage %</b>                                                                   | <b>28.5</b>    | <b>5.0</b>     | <b>—</b>          | <b>15.1</b>    | <b>31.2</b>    | <b>3.5</b>     | <b>5.5</b>        | <b>16.0</b>    |

1 Amounts represent gross carrying amount.

2 Amounts represent nominal amount for guarantees and other contingent liabilities.

The mainland China commercial real estate portfolio continues to face challenges as market fundamentals remain weak with heightened refinancing risk. The portfolio of loans booked in Hong Kong remains impacted by these challenges but continues to reduce due to repayments and write-offs. ECL allowances are primarily held against unsecured exposures, but are broadly stable.

Approximately 60% of the performing exposure in the mainland China CRE portfolio booked in Hong Kong is lending to state-owned enterprises and relatively strong privately-owned enterprises. This is reflected in the relatively low allowances for ECL in this part of the portfolio.

The onshore portfolio booked in mainland China remains of higher credit quality, with lower ECL allowances reflecting collateral held.

The portfolio continues to rebalance in favour of Strong-rated borrowers.

Market conditions nevertheless remain weak. Government stimulus measures have not yet triggered a meaningful recovery in underlying demand for housing, although some stabilisation has been seen in certain cities. Financing conditions and liquidity for borrowers operating in the real estate sector therefore remains constrained, particularly for privately-owned enterprises. A full recovery is likely to be protracted and dependent on a sustained improvement in underlying sentiment, as well as further government support.

The Group has additional exposures to mainland China commercial real estate as a result of lending to multinational corporates booked outside of mainland China, which is not incorporated in the table above.

## Supplementary information

The following disclosures present wholesale and retail loans and advances to customers at amortised cost by country/territory.

### Wholesale lending – loans and advances to customers at amortised cost by country/territory

|                                                  | Gross carrying amount           |                                                            |                                        |                | Allowance for ECL               |                                                            |                                        |                |
|--------------------------------------------------|---------------------------------|------------------------------------------------------------|----------------------------------------|----------------|---------------------------------|------------------------------------------------------------|----------------------------------------|----------------|
|                                                  | Corporate and commercial<br>\$m | of which: real estate and construction <sup>1</sup><br>\$m | Non-bank financial institutions<br>\$m | Total<br>\$m   | Corporate and commercial<br>\$m | of which: real estate and construction <sup>1</sup><br>\$m | Non-bank financial institutions<br>\$m | Total<br>\$m   |
| UK                                               | 113,720                         | 20,293                                                     | 23,865                                 | 137,585        | (1,349)                         | (272)                                                      | (62)                                   | (1,411)        |
| – of which: HSBC UK Bank plc (ring-fenced bank)  | 90,555                          | 19,272                                                     | 11,263                                 | 101,818        | (1,203)                         | (244)                                                      | (24)                                   | (1,227)        |
| – of which: HSBC Bank plc (non-ring-fenced bank) | 23,165                          | 1,021                                                      | 12,602                                 | 35,767         | (146)                           | (28)                                                       | (38)                                   | (184)          |
| France                                           | 28,037                          | 4,323                                                      | 10,599                                 | 38,636         | (303)                           | (73)                                                       | (13)                                   | (316)          |
| Germany                                          | 6,614                           | 351                                                        | 298                                    | 6,912          | (188)                           | —                                                          | —                                      | (188)          |
| Hong Kong                                        | 118,236                         | 39,968                                                     | 17,636                                 | 135,872        | (3,115)                         | (1,819)                                                    | (112)                                  | (3,227)        |
| Australia                                        | 13,356                          | 4,857                                                      | 4,165                                  | 17,521         | (37)                            | (4)                                                        | —                                      | (37)           |
| India                                            | 13,529                          | 2,435                                                      | 7,484                                  | 21,013         | (62)                            | (6)                                                        | (11)                                   | (73)           |
| Indonesia                                        | 3,656                           | 159                                                        | 568                                    | 4,224          | (66)                            | —                                                          | (1)                                    | (67)           |
| Mainland China                                   | 28,023                          | 5,383                                                      | 8,988                                  | 37,011         | (268)                           | (167)                                                      | (7)                                    | (275)          |
| Malaysia                                         | 5,683                           | 1,238                                                      | 230                                    | 5,913          | (39)                            | (10)                                                       | —                                      | (39)           |
| Singapore                                        | 17,327                          | 3,407                                                      | 2,390                                  | 19,717         | (197)                           | (56)                                                       | (2)                                    | (199)          |
| Taiwan                                           | 3,943                           | 19                                                         | —                                      | 3,943          | (1)                             | —                                                          | —                                      | (1)            |
| Egypt                                            | 821                             | 37                                                         | 37                                     | 858            | (118)                           | (24)                                                       | —                                      | (118)          |
| UAE                                              | 14,320                          | 1,717                                                      | 1,913                                  | 16,233         | (443)                           | (321)                                                      | (1)                                    | (444)          |
| US                                               | 25,934                          | 4,128                                                      | 9,277                                  | 35,211         | (333)                           | (141)                                                      | (29)                                   | (362)          |
| Mexico                                           | 11,245                          | 708                                                        | 1,333                                  | 12,578         | (236)                           | (30)                                                       | (17)                                   | (253)          |
| Other                                            | 27,824                          | 3,055                                                      | 1,859                                  | 29,683         | (384)                           | (142)                                                      | (9)                                    | (393)          |
| <b>At 30 Jun 2025</b>                            | <b>432,268</b>                  | <b>92,078</b>                                              | <b>90,642</b>                          | <b>522,910</b> | <b>(7,139)</b>                  | <b>(3,065)</b>                                             | <b>(264)</b>                           | <b>(7,403)</b> |
| UK                                               | 102,245                         | 17,540                                                     | 21,771                                 | 124,016        | (1,412)                         | (289)                                                      | (234)                                  | (1,646)        |
| – of which: HSBC UK Bank plc (ring-fenced bank)  | 79,833                          | 16,722                                                     | 10,268                                 | 90,101         | (1,146)                         | (260)                                                      | (54)                                   | (1,200)        |
| – of which: HSBC Bank plc (non-ring-fenced bank) | 22,412                          | 818                                                        | 11,503                                 | 33,915         | (266)                           | (29)                                                       | (180)                                  | (446)          |
| France                                           | 25,950                          | 3,986                                                      | 7,222                                  | 33,172         | (257)                           | (42)                                                       | (9)                                    | (266)          |
| Germany                                          | 6,256                           | 264                                                        | 421                                    | 6,677          | (153)                           | —                                                          | —                                      | (153)          |
| Hong Kong                                        | 118,332                         | 42,042                                                     | 17,846                                 | 136,178        | (2,922)                         | (1,494)                                                    | (112)                                  | (3,034)        |
| Australia                                        | 12,532                          | 4,509                                                      | 2,931                                  | 15,463         | (30)                            | (3)                                                        | —                                      | (30)           |
| India                                            | 12,540                          | 2,581                                                      | 6,425                                  | 18,965         | (45)                            | (5)                                                        | (6)                                    | (51)           |
| Indonesia                                        | 3,132                           | 184                                                        | 356                                    | 3,488          | (109)                           | (44)                                                       | —                                      | (109)          |
| Mainland China                                   | 29,930                          | 5,326                                                      | 8,044                                  | 37,974         | (222)                           | (117)                                                      | (6)                                    | (228)          |
| Malaysia                                         | 5,773                           | 1,067                                                      | 278                                    | 6,051          | (40)                            | (10)                                                       | —                                      | (40)           |
| Singapore                                        | 17,267                          | 3,266                                                      | 1,830                                  | 19,097         | (234)                           | (80)                                                       | (1)                                    | (235)          |
| Taiwan                                           | 3,848                           | 60                                                         | —                                      | 3,848          | —                               | —                                                          | —                                      | —              |
| Egypt                                            | 777                             | 32                                                         | 51                                     | 828            | (115)                           | (20)                                                       | —                                      | (115)          |
| UAE                                              | 13,278                          | 1,809                                                      | 1,589                                  | 14,867         | (408)                           | (258)                                                      | —                                      | (408)          |
| US                                               | 24,084                          | 4,028                                                      | 10,348                                 | 34,432         | (246)                           | (106)                                                      | (47)                                   | (293)          |
| Mexico                                           | 10,318                          | 525                                                        | 1,407                                  | 11,725         | (201)                           | (9)                                                        | (11)                                   | (212)          |
| Other                                            | 24,422                          | 2,844                                                      | 1,945                                  | 26,367         | (361)                           | (121)                                                      | (10)                                   | (371)          |
| <b>At 31 Dec 2024</b>                            | <b>410,684</b>                  | <b>90,063</b>                                              | <b>82,464</b>                          | <b>493,148</b> | <b>(6,755)</b>                  | <b>(2,598)</b>                                             | <b>(436)</b>                           | <b>(7,191)</b> |

<sup>1</sup> Real estate lending within this disclosure corresponds solely to the industry of the borrower. 'Commercial real estate' on page 62 includes borrowers in multiple industries investing in income-producing assets and, to a lesser extent, their construction and development.

## Personal lending – loans and advances to customers at amortised cost by country/territory

|                                                  | Gross carrying amount                         |                          |                                  |                | Allowance for ECL                             |                          |                                  |                |
|--------------------------------------------------|-----------------------------------------------|--------------------------|----------------------------------|----------------|-----------------------------------------------|--------------------------|----------------------------------|----------------|
|                                                  | First lien<br>residential<br>mortgages<br>\$m | Other<br>personal<br>\$m | of which:<br>credit cards<br>\$m | Total<br>\$m   | First lien<br>residential<br>mortgages<br>\$m | Other<br>personal<br>\$m | of which:<br>credit cards<br>\$m | Total<br>\$m   |
| UK                                               | 190,011                                       | 24,041                   | 8,820                            | 214,052        | (165)                                         | (654)                    | (335)                            | (819)          |
| – of which: HSBC UK Bank plc (ring-fenced bank)  | 185,564                                       | 20,288                   | 8,728                            | 205,852        | (156)                                         | (624)                    | (334)                            | (780)          |
| – of which: HSBC Bank plc (non-ring-fenced bank) | 4,447                                         | 3,753                    | 92                               | 8,200          | (9)                                           | (30)                     | (1)                              | (39)           |
| France                                           | 24                                            | 8                        | —                                | 32             | (12)                                          | (7)                      | —                                | (19)           |
| Hong Kong                                        | 106,563                                       | 32,883                   | 9,012                            | 139,446        | (6)                                           | (420)                    | (287)                            | (426)          |
| Australia                                        | 24,141                                        | 462                      | 427                              | 24,603         | (9)                                           | (9)                      | (9)                              | (18)           |
| India                                            | 2,243                                         | 957                      | 314                              | 3,200          | (3)                                           | (21)                     | (18)                             | (24)           |
| Indonesia                                        | 41                                            | 241                      | 155                              | 282            | (2)                                           | (12)                     | (6)                              | (14)           |
| Mainland China                                   | 5,727                                         | 618                      | 186                              | 6,345          | (15)                                          | (35)                     | (28)                             | (50)           |
| Malaysia                                         | 3,415                                         | 1,272                    | 1,002                            | 4,687          | (20)                                          | (66)                     | (39)                             | (86)           |
| Singapore                                        | 6,025                                         | 7,290                    | 625                              | 13,315         | —                                             | (65)                     | (33)                             | (65)           |
| Taiwan                                           | 6,819                                         | 1,618                    | 417                              | 8,437          | —                                             | (16)                     | (5)                              | (16)           |
| Egypt                                            | —                                             | 361                      | 99                               | 361            | —                                             | (2)                      | (1)                              | (2)            |
| UAE                                              | 2,244                                         | 1,395                    | 559                              | 3,639          | (4)                                           | (56)                     | (34)                             | (60)           |
| US                                               | 21,827                                        | 638                      | 177                              | 22,465         | (13)                                          | (15)                     | (13)                             | (28)           |
| Mexico                                           | 8,148                                         | 5,560                    | 2,374                            | 13,708         | (189)                                         | (772)                    | (386)                            | (961)          |
| Other                                            | 6,971                                         | 7,412                    | 756                              | 14,383         | (78)                                          | (74)                     | (36)                             | (152)          |
| <b>At 30 Jun 2025</b>                            | <b>384,199</b>                                | <b>84,756</b>            | <b>24,923</b>                    | <b>468,955</b> | <b>(516)</b>                                  | <b>(2,224)</b>           | <b>(1,230)</b>                   | <b>(2,740)</b> |
| UK                                               | 170,809                                       | 21,426                   | 8,016                            | 192,235        | (139)                                         | (540)                    | (284)                            | (679)          |
| – of which: HSBC UK Bank plc (ring-fenced bank)  | 166,709                                       | 18,029                   | 7,933                            | 184,738        | (132)                                         | (534)                    | (283)                            | (666)          |
| – of which: HSBC Bank plc (non-ring-fenced bank) | 4,100                                         | 3,397                    | 83                               | 7,497          | (7)                                           | (6)                      | (1)                              | (13)           |
| France                                           | 377                                           | 6,601                    | 1                                | 6,978          | (12)                                          | (12)                     | —                                | (24)           |
| Hong Kong                                        | 107,759                                       | 31,676                   | 10,165                           | 139,435        | (5)                                           | (421)                    | (291)                            | (426)          |
| Australia                                        | 22,154                                        | 407                      | 372                              | 22,561         | (7)                                           | (9)                      | (8)                              | (16)           |
| India                                            | 1,984                                         | 865                      | 265                              | 2,849          | (3)                                           | (18)                     | (14)                             | (21)           |
| Indonesia                                        | 46                                            | 323                      | 142                              | 369            | (3)                                           | (11)                     | (6)                              | (14)           |
| Mainland China                                   | 6,087                                         | 771                      | 227                              | 6,858          | (12)                                          | (42)                     | (33)                             | (54)           |
| Malaysia                                         | 3,252                                         | 1,198                    | 938                              | 4,450          | (23)                                          | (62)                     | (36)                             | (85)           |
| Singapore                                        | 5,802                                         | 6,653                    | 571                              | 12,455         | —                                             | (56)                     | (28)                             | (56)           |
| Taiwan                                           | 5,788                                         | 1,424                    | 340                              | 7,212          | —                                             | (15)                     | (4)                              | (15)           |
| Egypt                                            | —                                             | 321                      | 89                               | 321            | —                                             | (1)                      | —                                | (1)            |
| UAE                                              | 2,082                                         | 1,338                    | 543                              | 3,420          | (3)                                           | (55)                     | (31)                             | (58)           |
| US                                               | 21,021                                        | 653                      | 195                              | 21,674         | (12)                                          | (16)                     | (14)                             | (28)           |
| Mexico                                           | 7,488                                         | 5,320                    | 2,242                            | 12,808         | (167)                                         | (719)                    | (339)                            | (886)          |
| Other                                            | 6,681                                         | 6,919                    | 809                              | 13,600         | (87)                                          | (74)                     | (39)                             | (161)          |
| <b>At 31 Dec 2024</b>                            | <b>361,330</b>                                | <b>85,895</b>            | <b>24,915</b>                    | <b>447,225</b> | <b>(473)</b>                                  | <b>(2,051)</b>           | <b>(1,127)</b>                   | <b>(2,524)</b> |

## Treasury risk

### Overview

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

### Key developments in the first half of 2025

- The Group continues to maintain and benefit from a healthy capital, liquidity and funding position, which has not been materially impacted by the periods of volatility in the macro environment and global markets during the first half of the year.
  - See page 16 for a summary of key risks including geopolitical and macroeconomic risks that we are managing.
- For quantitative disclosures on capital ratios, own funds and RWAs, see pages 67 to 69. For quantitative disclosures on liquidity and funding metrics, see pages 70 to 71. For quantitative disclosures on interest rate risk in the banking book, see pages 71 to 72.

### Capital, liquidity and funding risk management processes

A summary of our risk management approach and processes is set out on pages 200 to 203 of our Annual Report and Accounts 2024.

HSBC Holdings is the provider of minimum requirement for own funds and eligible liabilities ('MREL') to its subsidiaries, including equity and non-equity capital. These investments are funded by HSBC Holdings' own equity capital and MREL-eligible debt. HSBC Holdings seeks to maintain a prudent balance between the composition of its capital and its investments in subsidiaries.

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.

As a matter of long-standing policy, HSBC Holdings retains a substantial holdings capital buffer comprising cash and other high-quality liquid assets, which we seek to manage within our target operating range of \$19bn to \$24bn.

For a description of our resolution groups and approach to stress testing and resolution planning, see pages 201 and 202 of the Annual Report and Accounts 2024.

- For details on 'Regulatory developments', see our Pillar 3 Disclosures at 30 June 2025, which is expected to be published on or around 6 August 2025, at [www.hsbc.com/investors](http://www.hsbc.com/investors).

### Measurement of interest rate risk in the banking book processes

A summary of our risk management approach and processes is set out on page 202 of our Annual Report and Accounts 2024.

- For further details, see the 'Economic value of equity and net interest income sensitivity' section in our Pillar 3 Disclosures at 30 June 2025, which is expected to be published on or around 6 August 2025, at [www.hsbc.com/investors](http://www.hsbc.com/investors).

## Capital risk in the first half of 2025

### Capital overview

#### Capital and liquidity adequacy metrics

|                                                   | At           |              |
|---------------------------------------------------|--------------|--------------|
|                                                   | 30 Jun 2025  | 31 Dec 2024  |
| <b>Risk-weighted assets ('RWAs') (\$bn)</b>       |              |              |
| Credit risk                                       | 703.6        | 657.9        |
| Counterparty credit risk                          | 41.4         | 37.7         |
| Market risk                                       | 32.5         | 36.2         |
| Operational risk                                  | 109.4        | 106.5        |
| <b>Total RWAs</b>                                 | <b>886.9</b> | <b>838.3</b> |
| <b>Capital on a transitional basis (\$bn)</b>     |              |              |
| Common equity tier 1 capital                      | 129.8        | 124.9        |
| Tier 1 capital                                    | 150.6        | 144.1        |
| Total capital                                     | 178.5        | 172.4        |
| <b>Capital ratios on a transitional basis (%)</b> |              |              |
| Common equity tier 1 ratio                        | 14.6         | 14.9         |
| Tier 1 ratio                                      | 17.0         | 17.2         |
| Total capital ratio                               | 20.1         | 20.6         |
| <b>Capital on an end point basis (\$bn)</b>       |              |              |
| Common equity tier 1 capital                      | 129.8        | 124.9        |
| Tier 1 capital                                    | 150.6        | 144.1        |
| Total capital                                     | 178.5        | 168.5        |
| <b>Capital ratios on an end point basis (%)</b>   |              |              |
| Common equity tier 1 ratio                        | 14.6         | 14.9         |
| Tier 1 ratio                                      | 17.0         | 17.2         |
| Total capital ratio                               | 20.1         | 20.1         |
| <b>Liquidity coverage ratio ('LCR')</b>           |              |              |
| Total high-quality liquid assets (\$bn)           | 678.1        | 649.2        |
| Total net cash outflow (\$bn)                     | 485.5        | 470.7        |
| <b>LCR (%)</b>                                    | <b>140</b>   | <b>138</b>   |

References to EU regulations and directives (including technical standards) should, as applicable, be read as references to the UK's version of such regulations and directives, as onshored into UK law under the European Union (Withdrawal) Act 2018, and as may be subsequently amended under UK law.

Capital figures and ratios in the previous table are calculated in accordance with the regulatory requirements of the Capital Requirements Regulation and Directive, the CRR II regulation and the Prudential Regulation Authority ('PRA') Rulebook ('CRR II'). 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 current period numbers are the same on both the transitional and end-point basis.

The liquidity coverage ratio is based on the average value of the preceding 12 months.

Regulatory numbers and ratios are as presented at the date of reporting. Small changes may exist between these numbers and ratios and those subsequently submitted in regulatory filings. Where differences are significant, we may restate in subsequent periods.

## Own funds

### Own funds disclosure

| Ref <sup>*</sup> |                                                            | 30 Jun 2025<br>\$m | 31 Dec 2024<br>\$m |
|------------------|------------------------------------------------------------|--------------------|--------------------|
| 6                | Common equity tier 1 capital before regulatory adjustments | 170,986            | 164,071            |
| 28               | Total regulatory adjustments to common equity tier 1       | (41,167)           | (39,160)           |
| 29               | <b>Common equity tier 1 capital</b>                        | <b>129,819</b>     | <b>124,911</b>     |
| 36               | Additional tier 1 capital before regulatory adjustments    | 20,870             | 19,286             |
| 43               | Total regulatory adjustments to additional tier 1 capital  | (70)               | (70)               |
| 44               | <b>Additional tier 1 capital</b>                           | <b>20,800</b>      | <b>19,216</b>      |
| 45               | <b>Tier 1 capital</b>                                      | <b>150,619</b>     | <b>144,127</b>     |
| 51               | Tier 2 capital before regulatory adjustments               | 29,220             | 29,334             |
| 57               | Total regulatory adjustments to tier 2 capital             | (1,343)            | (1,075)            |
| 58               | <b>Tier 2 capital</b>                                      | <b>27,877</b>      | <b>28,259</b>      |
| 59               | <b>Total capital</b>                                       | <b>178,496</b>     | <b>172,386</b>     |
|                  | <b>Capital ratios</b>                                      | <b>%</b>           | <b>%</b>           |
| 61               | Common equity tier 1 ratio                                 | 14.6               | 14.9               |
| 62               | Tier 1 ratio                                               | 17.0               | 17.2               |
| 63               | <b>Total capital ratio</b>                                 | <b>20.1</b>        | <b>20.6</b>        |

\* These are references to lines prescribed in the Pillar 3 'Own funds disclosure' template.

At 30 June 2025, our common equity tier 1 ('CET1') capital ratio decreased to 14.6% from 14.9% at 31 December 2024, driven by an increase in RWAs of \$48.6bn, partly offset by an increase in CET1 capital of \$4.9bn. The overall decrease in our CET1 ratio during the period was primarily contributed by:

- a 0.4 percentage point decrease driven by higher RWAs mainly from asset size movements;
- a 0.2 percentage point net decrease from strategic transactions;
- a 0.1 percentage point decrease from regulatory deductions, partly offset by the FVOCI reserve and other movements;

- a 0.2 percentage point increase from capital generation, mainly through regulatory profits less dividends, adjusted for the share buy-backs announced along with our 4Q24 and 1Q25 results; and
- a 0.1 percentage point increase from the favourable impact of foreign exchange fluctuations.

At 30 June 2025, our Pillar 2A requirement, set by the PRA's Individual Capital Requirement based on a point-in-time assessment, was equivalent to 2.6% of RWAs, of which 1.5% was met by CET1 capital. Throughout the first half of 2025, we complied with the PRA's regulatory capital adequacy requirements.

## Risk-weighted assets

### RWAs by business segment

|                          | Hong Kong<br>\$bn | UK<br>\$bn   | CIB<br>\$bn  | IWPB<br>\$bn | Corporate Centre<br>\$bn | Total RWAs<br>\$bn |
|--------------------------|-------------------|--------------|--------------|--------------|--------------------------|--------------------|
| Credit risk              | 118.6             | 132.0        | 291.7        | 74.1         | 87.2                     | 703.6              |
| Counterparty credit risk | 0.1               | 0.1          | 39.3         | 0.7          | 1.2                      | 41.4               |
| Market risk              | 0.1               | —            | 25.1         | 0.5          | 6.8                      | 32.5               |
| Operational risk         | 21.8              | 20.9         | 55.1         | 15.7         | (4.1)                    | 109.4              |
| <b>At 30 Jun 2025</b>    | <b>140.6</b>      | <b>153.0</b> | <b>411.2</b> | <b>91.0</b>  | <b>91.1</b>              | <b>886.9</b>       |
| At 31 Dec 2024           | 143.7             | 133.5        | 388.0        | 85.7         | 87.4                     | 838.3              |

### RWAs by legal entities<sup>1</sup>

|                               | HSBC UK Bank plc<br>\$bn | HSBC Bank plc<br>\$bn | The Hongkong and Shanghai Banking Corporation Limited<br>\$bn | HSBC Bank Middle East Limited<br>\$bn | HSBC North America Holdings Inc<br>\$bn | Grupo Financiero HSBC, S.A. de C.V.<br>\$bn | Other trading entities<br>\$bn | Holding companies, shared service centres and intra-Group eliminations<br>\$bn | Total RWAs<br>\$bn |
|-------------------------------|--------------------------|-----------------------|---------------------------------------------------------------|---------------------------------------|-----------------------------------------|---------------------------------------------|--------------------------------|--------------------------------------------------------------------------------|--------------------|
| Credit risk                   | 134.9                    | 81.9                  | 322.6                                                         | 18.9                                  | 62.7                                    | 25.9                                        | 45.6                           | 11.1                                                                           | 703.6              |
| Counterparty credit risk      | 0.4                      | 22.2                  | 11.6                                                          | 0.7                                   | 3.9                                     | 0.8                                         | 1.8                            | —                                                                              | 41.4               |
| Market risk <sup>2</sup>      | 0.2                      | 22.1                  | 27.4                                                          | 1.4                                   | 3.1                                     | 0.7                                         | 1.2                            | 2.1                                                                            | 32.5               |
| Operational risk <sup>3</sup> | 22.5                     | 21.6                  | 55.2                                                          | 4.6                                   | 7.7                                     | 5.3                                         | 4.8                            | (12.3)                                                                         | 109.4              |
| <b>At 30 Jun 2025</b>         | <b>158.0</b>             | <b>147.8</b>          | <b>416.8</b>                                                  | <b>25.6</b>                           | <b>77.4</b>                             | <b>32.7</b>                                 | <b>53.4</b>                    | <b>0.9</b>                                                                     | <b>886.9</b>       |
| At 31 Dec 2024                | 138.3                    | 137.6                 | 402.8                                                         | 26.6                                  | 74.4                                    | 29.7                                        | 50.7                           | (0.6)                                                                          | 838.3              |

1 Balances are on a third-party Group consolidated basis.

2 Market risk RWAs are non-additive across the legal entities due to diversification effects within the Group.

3 Following the receipt of a PRA waiver in 2025, operational risk RWAs are excluded for the disposal of our business in Argentina and the sale of our retail banking operations in France.

## RWA movement by legal entities by key driver<sup>1</sup>

|                                         | Credit risk, counterparty credit risk and operational risk |               |                                                       |                               |                                 |                                     |                        |                                                                        | Market risk  | Total RWAs   |
|-----------------------------------------|------------------------------------------------------------|---------------|-------------------------------------------------------|-------------------------------|---------------------------------|-------------------------------------|------------------------|------------------------------------------------------------------------|--------------|--------------|
|                                         | HSBC UK Bank plc                                           | HSBC Bank plc | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited | HSBC North America Holdings Inc | Grupo Financiero HSBC, S.A. de C.V. | Other trading entities | Holding companies, shared service centres and intra-Group eliminations |              |              |
|                                         | \$bn                                                       | \$bn          | \$bn                                                  | \$bn                          | \$bn                            | \$bn                                | \$bn                   | \$bn                                                                   | \$bn         | \$bn         |
| <b>RWAs at 1 Jan 2025</b>               | <b>138.1</b>                                               | <b>111.5</b>  | <b>379.8</b>                                          | <b>24.5</b>                   | <b>71.7</b>                     | <b>29.2</b>                         | <b>49.4</b>            | <b>(2.1)</b>                                                           | <b>36.2</b>  | <b>838.3</b> |
| Asset size                              | 6.9                                                        | 3.6           | 2.5                                                   | 0.1                           | 2.7                             | 0.2                                 | 3.8                    | 0.2                                                                    | (3.7)        | 16.3         |
| Asset quality                           | 0.7                                                        | 0.7           | 5.2                                                   | (0.3)                         | (1.0)                           | —                                   | (0.1)                  | —                                                                      | —            | 5.2          |
| Model updates                           | —                                                          | —             | 0.2                                                   | (0.2)                         | —                               | —                                   | —                      | —                                                                      | —            | —            |
| Methodology and policy                  | (0.2)                                                      | 1.7           | (2.7)                                                 | (0.1)                         | 0.8                             | 0.2                                 | 0.4                    | 1.3                                                                    | —            | 1.4          |
| Acquisitions and disposals              | —                                                          | (0.5)         | —                                                     | —                             | —                               | —                                   | (1.5)                  | (1.0)                                                                  | —            | (3.0)        |
| Foreign exchange movements <sup>2</sup> | 12.3                                                       | 8.7           | 4.4                                                   | 0.2                           | 0.1                             | 2.4                                 | 0.2                    | 0.4                                                                    | —            | 28.7         |
| <b>Total RWA movement</b>               | <b>19.7</b>                                                | <b>14.2</b>   | <b>9.6</b>                                            | <b>(0.3)</b>                  | <b>2.6</b>                      | <b>2.8</b>                          | <b>2.8</b>             | <b>0.9</b>                                                             | <b>(3.7)</b> | <b>48.6</b>  |
| <b>RWAs at 30 Jun 2025</b>              | <b>157.8</b>                                               | <b>125.7</b>  | <b>389.4</b>                                          | <b>24.2</b>                   | <b>74.3</b>                     | <b>32.0</b>                         | <b>52.2</b>            | <b>(1.2)</b>                                                           | <b>32.5</b>  | <b>886.9</b> |

1 Balances are on a third-party Group consolidated basis.

2 Credit risk 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.

## RWA movement by business segment by key driver

|                                         | Credit risk, counterparty credit risk and operational risk |              |              |             |                  | Market risk  | Total RWAs   |
|-----------------------------------------|------------------------------------------------------------|--------------|--------------|-------------|------------------|--------------|--------------|
|                                         | Hong Kong                                                  | UK           | CIB          | IWPB        | Corporate Centre |              |              |
|                                         | \$bn                                                       | \$bn         | \$bn         | \$bn        | \$bn             | \$bn         | \$bn         |
| <b>RWAs at 1 Jan 2025</b>               | <b>142.0</b>                                               | <b>133.5</b> | <b>360.7</b> | <b>85.6</b> | <b>80.3</b>      | <b>36.2</b>  | <b>838.3</b> |
| Asset size                              | (1.0)                                                      | 7.1          | 8.4          | 2.0         | 3.5              | (3.7)        | 16.3         |
| Asset quality                           | 2.5                                                        | 0.7          | 2.1          | (0.3)       | 0.2              | —            | 5.2          |
| Model updates                           | 0.1                                                        | —            | (0.1)        | —           | —                | —            | —            |
| Methodology and policy                  | (2.5)                                                      | (0.4)        | 3.4          | 0.2         | 0.7              | —            | 1.4          |
| Acquisitions and disposals              | —                                                          | —            | (1.0)        | (0.5)       | (1.5)            | —            | (3.0)        |
| Foreign exchange movements <sup>1</sup> | (0.6)                                                      | 12.1         | 12.6         | 3.5         | 1.1              | —            | 28.7         |
| <b>Total RWA movement</b>               | <b>(1.5)</b>                                               | <b>19.5</b>  | <b>25.4</b>  | <b>4.9</b>  | <b>4.0</b>       | <b>(3.7)</b> | <b>48.6</b>  |
| <b>RWAs at 30 Jun 2025</b>              | <b>140.5</b>                                               | <b>153.0</b> | <b>386.1</b> | <b>90.5</b> | <b>84.3</b>      | <b>32.5</b>  | <b>886.9</b> |

1 Credit risk foreign exchange movements in this disclosure are computed by retranslating RWAs into US dollars based on the underlying transactional currencies and other movements in the table are presented on a constant currency basis.

During the first half of the year, RWAs increased by \$48.6bn, including a rise of \$28.7bn due to foreign currency translation differences. The remaining \$19.9bn increase in RWAs was mainly attributable to asset size movements.

### Asset size

CIB RWAs rose by \$8.4bn, due to an increase in corporate lending, mainly in the US, UK and Asia. A further increase was due to a rise in the derivatives portfolio driven by client activity and favourable yields, mainly in the UK.

In our UK business segment, RWAs increased by \$7.1bn, primarily due to higher corporate lending.

Corporate Centre RWAs increased by \$3.5bn, largely driven by a rise in SAB corporate exposures.

IWPB RWAs increased by \$2.0bn, mainly due to an increase in our asset management exposures and the value of our insurance business.

In our Hong Kong business, RWAs decreased by \$1.0bn due to a fall in corporate and retail lending.

The \$3.7bn decrease in market risk RWAs was attributable to reductions in modelled measures, primarily stressed value at risk ('SVaR'), as periods of greater volatility dropped out of the data, and changes in the risk profile of interest rates and foreign exchange.

### Asset quality

The \$5.2bn increase in RWAs was mainly due to unfavourable credit risk migrations in our Hong Kong, CIB and UK business segments.

### Acquisitions and disposals

RWAs decreased by \$3.0bn, due to the PRA waiver granted in 2025 for the exclusion of operational risk RWAs associated with the sale of our retail banking operations in France and disposal of our business in Argentina. Additionally, we sold the ADRs in Galicia received as purchase consideration from the sale of our business in Argentina.

### Methodology and policy

The \$1.4bn increase in RWAs was primarily due to methodology changes in CIB, partly offset by credit risk parameter refinements in CIB and our Hong Kong business.

## Leverage ratio

|                               | At          |             |
|-------------------------------|-------------|-------------|
|                               | 30 Jun 2025 | 31 Dec 2024 |
|                               | \$bn        | \$bn        |
| Tier 1 capital (leverage)     | 150.6       | 144.1       |
| Total leverage ratio exposure | 2,792.9     | 2,571.1     |
|                               | %           | %           |
| Leverage ratio                | 5.4         | 5.6         |

Our leverage ratio was 5.4% at 30 June 2025, down from 5.6% at 31 December 2024. The increase in the leverage exposures led to a 0.4 percentage point fall in the leverage ratio, primarily due to growth in the balance sheet and the impact of foreign currency translation differences, which was partly offset by a 0.2 percentage point increase due to an increase in tier 1 capital.

At 30 June 2025, our UK minimum leverage ratio requirement of 3.25% was supplemented by a leverage ratio buffer of 0.9%, made up of an additional leverage ratio buffer of 0.7% and a countercyclical leverage ratio buffer of 0.2%. These buffers translated into capital values of \$19.6bn and \$5.6bn respectively. We exceeded these leverage requirements throughout 1H25.

## Liquidity and funding risk in the first half of 2025

### Liquidity metrics

At 30 June 2025, all of the Group's material operating entities were above regulatory minimum levels.

There have been no material changes to liquidity and funding risk methodology in the first half of 2025. See page 207 of our Annual Report and Accounts 2024 for further details.

#### Operating entities' liquidity

|                                                                                       | At 30 Jun 2025        |              |                      |                        | At 31 Dec 2024        |              |                      |                        |
|---------------------------------------------------------------------------------------|-----------------------|--------------|----------------------|------------------------|-----------------------|--------------|----------------------|------------------------|
|                                                                                       | LCR <sup>5</sup><br>% | HQLA<br>\$bn | Net outflows<br>\$bn | NSFR <sup>5</sup><br>% | LCR <sup>5</sup><br>% | HQLA<br>\$bn | Net outflows<br>\$bn | NSFR <sup>5</sup><br>% |
| HSBC UK Bank plc (ring-fenced bank) <sup>1</sup>                                      | 186                   | 122          | 65                   | 151                    | 190                   | 117          | 61                   | 154                    |
| HSBC Bank plc (non-ring-fenced bank) <sup>2</sup>                                     | 154                   | 145          | 94                   | 117                    | 148                   | 138          | 93                   | 115                    |
| The Hongkong and Shanghai Banking Corporation Limited – Hong Kong branch <sup>3</sup> | 195                   | 162          | 83                   | 125                    | 191                   | 145          | 76                   | 124                    |
| HSBC Singapore <sup>4</sup>                                                           | 252                   | 35           | 14                   | 177                    | 287                   | 32           | 11                   | 184                    |
| Hang Seng Bank                                                                        | 329                   | 64           | 19                   | 183                    | 299                   | 57           | 19                   | 174                    |
| HSBC Bank China                                                                       | 193                   | 26           | 14                   | 147                    | 191                   | 27           | 14                   | 147                    |
| HSBC Bank USA                                                                         | 166                   | 82           | 49                   | 129                    | 167                   | 80           | 48                   | 127                    |
| HSBC Continental Europe                                                               | 144                   | 87           | 60                   | 142                    | 149                   | 82           | 55                   | 139                    |
| HSBC Bank Middle East – UAE branch                                                    | 241                   | 15           | 6                    | 148                    | 251                   | 14           | 6                    | 151                    |
| HSBC Bank Mexico                                                                      | 162                   | 9            | 5                    | 115                    | 164                   | 9            | 6                    | 125                    |

- HSBC UK Bank plc refers to the HSBC UK liquidity group, which comprises four legal entities: HSBC UK Bank plc, Marks and Spencer Financial Services plc, HSBC Private Bank (UK) Limited and HSBC Innovation Bank Limited. HSBC Trust Company (UK) Limited was included in the HSBC UK liquidity group until 28 February 2025 when the entity was sold. The HSBC UK liquidity group is managed as a single operating entity, in line with the application of UK liquidity regulation as agreed with the PRA.
- HSBC Bank plc includes overseas branches and special purpose entities consolidated by HSBC for financial statements purposes.
- The Hongkong and Shanghai Banking Corporation Limited – Hong Kong branch represents the material activities of The Hongkong and Shanghai Banking Corporation Limited. It is monitored and controlled for liquidity and funding risk purposes as a stand-alone operating entity.
- HSBC Singapore includes HSBC Bank (Singapore) Limited and The Hongkong and Shanghai Banking Corporation Limited – Singapore branch. Liquidity and funding risk is monitored and controlled at country level in line with the local regulator's approval.
- The LCR and NSFR ratios presented in the above table are based on average values. The LCR is the average of the preceding 12 months. The NSFR is the average of the preceding four quarters.

### Consolidated liquidity metrics

#### Liquidity coverage ratio

At 30 June 2025, the average high-quality liquid assets ('HQLA') held at entity level amounted to \$833bn (31 December 2024: \$790bn), an increase of \$43bn. The Group consolidation methodology includes a deduction to reflect the impact of limitations in the transferability of entity liquidity around the Group. This resulted in an adjustment of \$155bn to liquidity coverage ratio ('LCR') HQLA and \$6bn to LCR inflows on an average basis.

|                                                   | At <sup>1</sup>     |                     |                     |
|---------------------------------------------------|---------------------|---------------------|---------------------|
|                                                   | 30 Jun 2025<br>\$bn | 30 Jun 2024<br>\$bn | 31 Dec 2024<br>\$bn |
| High-quality liquid assets (in entities)          | 833                 | 780                 | 790                 |
| Group LCR HQLA <sup>2</sup>                       | 678                 | 646                 | 649                 |
| Net outflows <sup>2</sup>                         | 486                 | 472                 | 471                 |
| Liquidity coverage ratio (%)                      | 140                 | 137                 | 138                 |
| Adjustment for transfer restrictions <sup>2</sup> | (161)               | (141)               | (147)               |

- Group LCR numbers above are based on average month-end values of the preceding 12 months.
- These include a total adjustment for transfer restrictions on a 12-month average basis of \$161bn as at 30 June 2025, of which a \$155bn deduction applied to LCR HQLA and \$6bn to LCR inflows.

#### Liquid assets

After the \$155bn adjustment, the Group LCR HQLA of \$678bn (31 December 2024: \$649bn) was held in a range of asset classes and currencies. Of these, 96% were eligible as Level 1 (31 December 2024: 95%).

The following tables reflect the composition of the liquidity pool by asset type and currency at 30 June 2025.

#### Liquidity pool by asset type<sup>1</sup>

|                                                               | Liquidity pool<br>\$bn | Cash<br>\$bn | Level 1 <sup>2</sup><br>\$bn | Level 2 <sup>2</sup><br>\$bn |
|---------------------------------------------------------------|------------------------|--------------|------------------------------|------------------------------|
| Cash and balance at central bank                              | 259                    | 259          | —                            | —                            |
| Central and local government bonds                            | 382                    | —            | 361                          | 21                           |
| Regional government and public sector entities                | 2                      | —            | 2                            | —                            |
| International organisation and multilateral development banks | 24                     | —            | 24                           | —                            |
| Covered bonds                                                 | 8                      | —            | 2                            | 6                            |
| Other                                                         | 3                      | —            | —                            | 3                            |
| <b>Total at 30 Jun 2025</b>                                   | <b>678</b>             | <b>259</b>   | <b>389</b>                   | <b>30</b>                    |
| Total at 31 Dec 2024                                          | 649                    | 266          | 349                          | 34                           |

- Group liquid assets numbers are based on average month-end values over the preceding 12 months.
- As defined in EU and PRA regulation, Level 1 assets means 'assets of extremely high liquidity and credit quality', and Level 2 assets means 'assets of high liquidity and credit quality'.

#### Liquidity pool by currency<sup>1</sup>

|                                      | \$<br>\$bn | £<br>\$bn  | €<br>\$bn  | HK\$<br>\$bn | Other<br>\$bn | Total<br>\$bn |
|--------------------------------------|------------|------------|------------|--------------|---------------|---------------|
| <b>Liquidity pool at 30 Jun 2025</b> | <b>214</b> | <b>173</b> | <b>124</b> | <b>42</b>    | <b>125</b>    | <b>678</b>    |
| Liquidity pool at 31 Dec 2024        | 196        | 170        | 113        | 47           | 123           | 649           |

- Group liquid assets numbers are based on average month-end values over the preceding 12 months.

## Sources of funding

The following tables provide a view of how our consolidated balance sheet is funded, and an analysis according to the assets that primarily arise from operating activities and the sources of funding primarily supporting these activities.

### Funding sources

|                                                                                                 | At          |             |
|-------------------------------------------------------------------------------------------------|-------------|-------------|
|                                                                                                 | 30 Jun 2025 | 31 Dec 2024 |
|                                                                                                 | \$m         | \$m         |
| Customer accounts                                                                               | 1,718,604   | 1,654,955   |
| Deposits by banks                                                                               | 97,782      | 73,997      |
| Repurchase agreements – non-trading                                                             | 195,532     | 180,880     |
| Debt securities in issue                                                                        | 102,129     | 105,785     |
| Cash collateral, margin, settlement accounts and items in course of transmission to other banks | 112,850     | 82,732      |
| Liabilities of disposal groups held for sale                                                    | 46,165      | 29,011      |
| Subordinated liabilities                                                                        | 27,569      | 25,958      |
| Financial liabilities designated at fair value                                                  | 163,589     | 138,727     |
| Insurance contract liabilities                                                                  | 118,297     | 107,629     |
| Trading liabilities                                                                             | 70,653      | 65,982      |
| – repos                                                                                         | 13,954      | 14,806      |
| – stock lending                                                                                 | 2,907       | 3,525       |
| – other trading liabilities                                                                     | 53,792      | 47,651      |
| Total equity                                                                                    | 199,869     | 192,273     |
| Other balance sheet liabilities                                                                 | 361,332     | 359,119     |
|                                                                                                 | 3,214,371   | 3,017,048   |

In 1H25, the level of customer accounts continued to exceed the level of loans and advances to customers. The positive funding gap was predominantly deployed in liquid assets.

► See page 209 of our Annual Report and Accounts 2024 for further details.

### Funding uses

|                                                                                                 | At          |             |
|-------------------------------------------------------------------------------------------------|-------------|-------------|
|                                                                                                 | 30 Jun 2025 | 31 Dec 2024 |
|                                                                                                 | \$m         | \$m         |
| Loans and advances to customers                                                                 | 981,722     | 930,658     |
| Loans and advances to banks                                                                     | 107,582     | 102,039     |
| Reverse repurchase agreements – non-trading                                                     | 283,204     | 252,549     |
| Cash collateral, margin, settlement accounts and items in course of collection from other banks | 116,625     | 78,538      |
| Assets held for sale                                                                            | 38,978      | 27,234      |
| Trading assets                                                                                  | 333,745     | 314,842     |
| – reverse repos                                                                                 | 19,194      | 16,823      |
| – stock borrowing                                                                               | 9,478       | 8,374       |
| – other trading assets                                                                          | 305,073     | 289,645     |
| Financial investments                                                                           | 547,955     | 493,166     |
| Cash and balances with central banks                                                            | 246,360     | 267,674     |
| Other balance sheet assets                                                                      | 558,200     | 550,348     |
|                                                                                                 | 3,214,371   | 3,017,048   |

## Interest rate risk in the banking book in 2025

### Banking net interest income sensitivity

Banking NII sensitivity is the sensitivity of our banking net interest income to interest rate shocks over a 12-month period.

There have been no changes to our methodology or basis of preparation for the calculation of banking NII sensitivity in the first half of 2025. For details, see page 202 of our Annual Report and Accounts 2024. For further details on banking NII, see page 18.

The following tables set out the assessed impact to a hypothetical base case projection of our banking NII under an immediate shock of 100bps to the current market-implied path of interest rates across all currencies on 30 June 2025.

An immediate interest rate rise of 100bps would increase projected banking NII by \$2.2bn. An immediate interest rate fall of 100bps would decrease projected banking NII by \$3.1bn.

The sensitivity of banking NII for the 12 months as at 30 June 2025 increased by \$0.1bn in the plus 100bps parallel shock, and by \$0.2bn in the minus 100bps parallel shock, when compared with 31 December 2024. The drivers of the increase in banking NII sensitivity include change in balance sheet mix and FX impacts, offset by stabilisation activities. The currency split of banking NII sensitivity changes depending on the optimal deployment of cash at a point in time, which will change period on period.

### Banking NII sensitivity to an instantaneous change in yield curves (12 months) – Year 1 sensitivity by currency

|                                                                               | Currency |       |       |       |       |         |
|-------------------------------------------------------------------------------|----------|-------|-------|-------|-------|---------|
|                                                                               | \$       | HK\$  | £     | €     | Other | Total   |
|                                                                               | \$m      | \$m   | \$m   | \$m   | \$m   | \$m     |
| <b>Change in Jul 2025 to Jun 2026 (based on balance sheet at 30 Jun 2025)</b> |          |       |       |       |       |         |
| +100bps parallel                                                              | 544      | 329   | 243   | 212   | 884   | 2,212   |
| -100bps parallel                                                              | (861)    | (634) | (390) | (249) | (983) | (3,117) |
| <b>Change in Jan 2025 to Dec 2025 (based on balance sheet at 31 Dec 2024)</b> |          |       |       |       |       |         |
| +100bps parallel                                                              | 572      | 220   | 219   | 301   | 821   | 2,133   |
| -100bps parallel                                                              | (862)    | (403) | (353) | (314) | (954) | (2,886) |

### Banking NII sensitivity to an instantaneous down 100bps parallel change in yield curves – Year 2 and Year 3 sensitivity by currency

|                                                                      | Currency |       |         |       |         |         |
|----------------------------------------------------------------------|----------|-------|---------|-------|---------|---------|
|                                                                      | \$       | HK\$  | £       | €     | Other   | Total   |
|                                                                      | \$m      | \$m   | \$m     | \$m   | \$m     | \$m     |
| <b>Change in banking NII (based on balance sheet at 30 Jun 2025)</b> |          |       |         |       |         |         |
| Year 2 (Jul 2026 to Jun 2027)                                        | (1,203)  | (704) | (682)   | (348) | (1,361) | (4,298) |
| Year 3 (Jul 2027 to Jun 2028)                                        | (1,420)  | (764) | (1,165) | (404) | (1,516) | (5,269) |
| <b>Change in banking NII (based on balance sheet at 31 Dec 2024)</b> |          |       |         |       |         |         |
| Year 2 (Jan 2026 to Dec 2026)                                        | (1,226)  | (509) | (563)   | (444) | (1,333) | (4,075) |
| Year 3 (Jan 2027 to Dec 2027)                                        | (1,531)  | (550) | (1,022) | (504) | (1,449) | (5,056) |

## Non-trading portfolios

### Value at risk of the non-trading portfolios

Non-trading portfolios comprise of positions that primarily arise from the interest rate management of our retail and wholesale banking assets and liabilities, financial investments measured at fair value through other comprehensive income ('FVOCI') or at amortised cost.

A summary of the methodology for our value at risk ('VaR') of non-trading portfolios can be found on page 212 of our Annual Report and Accounts 2024. Insurance operations were excluded from non-trading VaR as of 30 June 2025, which resulted in an immaterial impact. Details on insurance operations can be found on page 74, and the market risk impact of insurance operations on page 233 of the Annual Report and Accounts 2024.

The VaR for non-trading activity remained stable at \$545m at 30 June 2025, compared with \$554m at 31 December 2024 as an increase in the duration risk of the portfolio was largely offset by a decrease in the historical volatility calibrated by the model.

The average portfolio diversification effect between interest rate and credit spread exposure decreased during the period to \$119m from \$221m.

The Group non-trading VaR for the half-year to 30 June 2025 is shown in the following table.

### Non-trading VaR, 99% 10 day

|                                 | Interest rate<br>\$m | Credit spread<br>\$m | Portfolio diversification <sup>1</sup><br>\$m | Total<br>\$m |
|---------------------------------|----------------------|----------------------|-----------------------------------------------|--------------|
| <b>Half-year to 30 Jun 2025</b> | <b>446.6</b>         | <b>217.5</b>         | <b>(118.8)</b>                                | <b>545.3</b> |
| Average                         | 455.4                | 207.1                | (126.7)                                       | 535.8        |
| Maximum                         | 575.3                | 240.0                |                                               | 617.5        |
| Minimum                         | 378.9                | 181.3                |                                               | 458.0        |
| Half-year to 30 Jun 2024        | 682.4                | 333.2                | (224.1)                                       | 791.5        |
| Average                         | 740.5                | 337.2                | (241.4)                                       | 836.3        |
| Maximum                         | 1,000.6              | 369.1                |                                               | 1,097.6      |
| Minimum                         | 474.2                | 324.3                |                                               | 572.2        |
| Half year to 31 Dec 2024        | 528.4                | 246.1                | (220.7)                                       | 553.8        |
| Average                         | 466.9                | 292.9                | (204.5)                                       | 555.3        |
| Maximum                         | 691.3                | 342.4                |                                               | 799.5        |
| Minimum                         | 292.1                | 242.4                |                                               | 408.7        |

1 When VaR is calculated at a portfolio level, natural offsets in risk can occur when compared with aggregating VaR at the asset class level. This difference is called portfolio diversification. The asset class VaR maxima and minima reported in the table occurred on different dates within the reporting period. For this reason, we do not report an implied portfolio diversification measure between the maximum (minimum) asset class VaR measures and the maximum (minimum) total VaR measures in this table.

Non-trading VaR excludes equity risk on securities held at fair value, non-trading book foreign exchange risk, insurance operations and the risks managed in HSBC Holdings arising from long-term capital issuance. HSBC's management of market risk in the non-trading book is described in 'Treasury risk' on page 200 of the Annual Report and Accounts 2024.

We continued to manage market risk prudently in the first half of 2025. Market risk was managed using a complementary set of risk measures and limits, including stress testing and scenario analysis. Main sensitivity exposures and VaR remained within appetite as the business pursued its core market-making activity in support of our customers. We ran stress testing for scenarios focusing on the potential financial impact of US trade tariffs, conflict in the Middle East and the Russia-Ukraine war.

## Market risk

### Overview

Market risk is the risk of an adverse financial impact on trading activities arising from changes in market parameters, such as interest rates, foreign exchange rates, asset prices, volatilities, correlations and credit spreads. Exposure to market risk is separated into two portfolios: trading portfolios and non-trading portfolios.

### Market risk in the first half of 2025

There were no material changes to the policies and practices for the management of market risk in the first half of 2025.

► A summary of our current policies and practices for the management of market risk is set out in 'Market risk management' on page 216 of the Annual Report and Accounts 2024.

### Trading portfolios

#### Value at risk of the trading portfolios

Trading VaR was predominantly generated by Markets and Securities Services. As of 30 June 2025, trading VaR stood at \$34.6m, a decrease from \$38.3m compared with 31 December 2024. Trading VaR was mainly driven by exposures to interest rate and foreign exchange risk factors from the Global Foreign Exchange and Global Debt Markets business lines to facilitate client-driven activity. Trading VaR peaked at \$57.1m in January 2025 driven by exposures to US dollar interest rates. VaR reduced during the first half of 2025 mainly as a result of some volatile interest rates scenarios rolling off the VaR scenario window. The Group trading VaR for the half-year is shown in the table below.

## Trading VaR, 99% 1 day

|                                 | Foreign exchange and commodity<br>\$m | Interest rate<br>\$m | Equity<br>\$m | Credit spread<br>\$m | Portfolio diversification <sup>1</sup><br>\$m | Total<br>\$m |
|---------------------------------|---------------------------------------|----------------------|---------------|----------------------|-----------------------------------------------|--------------|
| <b>Half-year to 30 Jun 2025</b> | <b>11.2</b>                           | <b>20.5</b>          | <b>18.2</b>   | <b>13.1</b>          | <b>(28.3)</b>                                 | <b>34.6</b>  |
| Average                         | 14.7                                  | 31.4                 | 15.6          | 11.3                 | (34.3)                                        | 38.8         |
| Maximum                         | 26.9                                  | 54.9                 | 20.9          | 17.9                 |                                               | 57.1         |
| Minimum                         | 7.0                                   | 18.7                 | 12.3          | 6.4                  |                                               | 27.3         |
| Half-year to 30 Jun 2024        | 20.6                                  | 47.5                 | 15.7          | 9.9                  | (41.1)                                        | 52.7         |
| Average                         | 15.4                                  | 57.1                 | 14.0          | 10.2                 | (37.1)                                        | 59.7         |
| Maximum                         | 29.8                                  | 78.1                 | 17.6          | 12.7                 |                                               | 83.3         |
| Minimum                         | 6.9                                   | 42.0                 | 12.7          | 6.6                  |                                               | 45.7         |
| Half-year to 31 Dec 2024        | 14.6                                  | 34.9                 | 16.3          | 8.2                  | (35.7)                                        | 38.3         |
| Average                         | 15.0                                  | 39.7                 | 15.5          | 9.7                  | (33.2)                                        | 46.7         |
| Maximum                         | 27.2                                  | 59.3                 | 20.5          | 13.1                 |                                               | 63.2         |
| Minimum                         | 8.6                                   | 24.8                 | 13.6          | 6.9                  |                                               | 37.0         |

1 Asset class VaR reported in the table above is calculated by using a 500-day historical window. Total VaR, which is utilised for internal risk management and for regulatory capital, is the maximum of VaR calculated by using a 250-day historical window and VaR calculated by using a 500-day historical window. When VaR is calculated at a portfolio level, natural offsets in risk can occur when compared with aggregating VaR at the asset class level. This difference is called portfolio diversification. The asset class VaR maxima and minima reported in the table occurred on different dates within the reporting period. For this reason, we do not report an implied portfolio diversification measure between the maximum (minimum) asset class VaR measures and the maximum (minimum) total VaR measures in this table.

The table below shows trading VaR at a 99% confidence level compared with trading VaR at a 95% confidence level at 30 June 2025.

This comparison facilitates the benchmarking of the trading VaR, which can be stated at different confidence levels, with financial institution peers. The 95% VaR is unaudited.

## Comparison of trading VaR, 99% 1 day vs trading VaR, 95% 1 day

|                                 | Trading VaR,<br>99% 1 day<br>\$m | Trading VaR,<br>95% 1 day<br>\$m |
|---------------------------------|----------------------------------|----------------------------------|
| <b>Half-year to 30 Jun 2025</b> | <b>34.6</b>                      | <b>22.2</b>                      |
| Average                         | 38.8                             | 24.5                             |
| Maximum                         | 57.1                             | 31.4                             |
| Minimum                         | 27.3                             | 18.5                             |
| Half-year to 30 Jun 2024        | 52.7                             | 30.9                             |
| Average                         | 59.7                             | 37.8                             |
| Maximum                         | 83.3                             | 48.9                             |
| Minimum                         | 45.7                             | 28.0                             |
| Half-year to 31 Dec 2024        | 38.3                             | 23.4                             |
| Average                         | 46.7                             | 28.2                             |
| Maximum                         | 63.2                             | 39.8                             |
| Minimum                         | 37.0                             | 22.0                             |

## Back-testing

We routinely validate the accuracy of our VaR models by back-testing the VaR metric against both actual and hypothetical profit and loss. Hypothetical profit and loss excludes non-modelled items such as fees, commissions and revenue related to intra-day transactions. The hypothetical profit and loss reflects the profit and loss that would be realised if positions were held constant from the end of one trading day to the end of the next. This measure of profit and loss does not align with how risk is dynamically hedged and is not, therefore, necessarily indicative of the actual performance of the business.

The number of hypothetical loss back-testing exceptions, together with a number of other indicators, is used to assess model performance and to consider whether enhanced internal monitoring of the VaR model is required. We back-test our VaR at set levels of our Group entity hierarchy.

During the first half of 2025, the Group experienced one back-testing exception against hypothetical losses. This exception was mainly driven by heightened market volatility observed after tariffs policy announcements, with equity volatilities and credit spreads as the main contributing risk factors.

## Insurance manufacturing operations risk

### Insurance manufacturing operations risk in the first half of 2025

There have been no material changes to the policies and practices for the management of risks arising in our insurance operations described on page 231 of the Annual Report and Accounts 2024.

The following table shows the composition of assets and liabilities by contract type.

#### Balance sheet of insurance manufacturing subsidiaries by type of contract

|                                                                                                       | Life direct participating and investment DPF contracts | Life other <sup>1</sup> | Other contracts <sup>2</sup> | Shareholder assets and liabilities | Total          |
|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------|-------------------------|------------------------------|------------------------------------|----------------|
|                                                                                                       | \$m                                                    | \$m                     | \$m                          | \$m                                | \$m            |
| Financial assets                                                                                      | 107,933                                                | 5,069                   | 6,652                        | 6,596                              | 126,250        |
| – financial assets designated and otherwise mandatorily measured at fair value through profit or loss | 103,127                                                | 4,757                   | 5,330                        | 1,100                              | 114,314        |
| – derivatives                                                                                         | 169                                                    | 11                      | 2                            | 1                                  | 183            |
| – financial investments – at amortised cost                                                           | 537                                                    | 80                      | 1,012                        | 4,279                              | 5,908          |
| – financial assets at fair value through other comprehensive income                                   | —                                                      | —                       | 4                            | 67                                 | 71             |
| – other financial assets                                                                              | 4,100                                                  | 221                     | 304                          | 1,149                              | 5,774          |
| Insurance contract assets                                                                             | 15                                                     | 159                     | —                            | —                                  | 174            |
| Reinsurance contract assets                                                                           | —                                                      | 6,334                   | —                            | —                                  | 6,334          |
| Other assets and investment properties <sup>3</sup>                                                   | 27,985                                                 | 63                      | 38                           | 4,148                              | 32,234         |
| <b>Total assets at 30 Jun 2025</b>                                                                    | <b>135,933</b>                                         | <b>11,625</b>           | <b>6,690</b>                 | <b>10,744</b>                      | <b>164,992</b> |
| Liabilities under investment contracts designated at fair value                                       | —                                                      | —                       | 6,332                        | —                                  | 6,332          |
| Insurance contract liabilities                                                                        | 112,618                                                | 4,831                   | —                            | —                                  | 117,449        |
| Reinsurance contract liabilities                                                                      | —                                                      | 691                     | —                            | —                                  | 691            |
| Deferred tax                                                                                          | —                                                      | —                       | —                            | 12                                 | 12             |
| Other liabilities                                                                                     | 24,883                                                 | 44                      | —                            | 7,862                              | 32,789         |
| <b>Total liabilities</b>                                                                              | <b>137,501</b>                                         | <b>5,566</b>            | <b>6,332</b>                 | <b>7,874</b>                       | <b>157,273</b> |
| <b>Total equity</b>                                                                                   | <b>—</b>                                               | <b>—</b>                | <b>—</b>                     | <b>7,719</b>                       | <b>7,719</b>   |
| <b>Total liabilities and equity at 30 Jun 2025</b>                                                    | <b>137,501</b>                                         | <b>5,566</b>            | <b>6,332</b>                 | <b>15,593</b>                      | <b>164,992</b> |
| Financial assets                                                                                      | 98,676                                                 | 4,452                   | 6,227                        | 5,967                              | 115,322        |
| – financial assets designated and otherwise mandatorily measured at fair value through profit or loss | 94,327                                                 | 4,233                   | 4,839                        | 690                                | 104,089        |
| – derivatives                                                                                         | 207                                                    | 7                       | 1                            | —                                  | 215            |
| – financial investments – at amortised cost                                                           | 545                                                    | 90                      | 1,060                        | 4,335                              | 6,030          |
| – financial assets at fair value through other comprehensive income                                   | —                                                      | —                       | 6                            | 73                                 | 79             |
| – other financial assets                                                                              | 3,597                                                  | 122                     | 321                          | 869                                | 4,909          |
| Insurance contract assets                                                                             | 14                                                     | 104                     | —                            | —                                  | 118            |
| Reinsurance contract assets                                                                           | —                                                      | 5,013                   | —                            | —                                  | 5,013          |
| Other assets and investment properties                                                                | 24,647                                                 | 64                      | 36                           | 3,337                              | 28,084         |
| <b>Total assets at 31 Dec 2024</b>                                                                    | <b>123,337</b>                                         | <b>9,633</b>            | <b>6,263</b>                 | <b>9,304</b>                       | <b>148,537</b> |
| Liabilities under investment contracts designated at fair value                                       | —                                                      | —                       | 5,931                        | —                                  | 5,931          |
| Insurance contract liabilities                                                                        | 102,605                                                | 4,427                   | —                            | —                                  | 107,032        |
| Reinsurance contract liabilities                                                                      | —                                                      | 701                     | —                            | —                                  | 701            |
| Deferred tax                                                                                          | —                                                      | —                       | —                            | 12                                 | 12             |
| Other liabilities                                                                                     | 21,772                                                 | 39                      | —                            | 6,035                              | 27,846         |
| <b>Total liabilities</b>                                                                              | <b>124,377</b>                                         | <b>5,167</b>            | <b>5,931</b>                 | <b>6,047</b>                       | <b>141,522</b> |
| <b>Total equity</b>                                                                                   | <b>—</b>                                               | <b>—</b>                | <b>—</b>                     | <b>7,015</b>                       | <b>7,015</b>   |
| <b>Total liabilities and equity at 31 Dec 2024</b>                                                    | <b>124,377</b>                                         | <b>5,167</b>            | <b>5,931</b>                 | <b>13,062</b>                      | <b>148,537</b> |

1 'Life other' mainly includes protection insurance contracts as well as reinsurance contracts. The reinsurance contracts primarily provide diversification benefits over the life participating and investment discretionary participation feature ('DPF') contracts.

2 'Other contracts' includes investment contracts for which HSBC does not bear significant insurance risk.

3 At 30 June 2025 'Other assets and investment properties' includes \$27,860m (31 December 2024: \$24,222m) and 'Other liabilities' includes \$26,858m (31 December 2024: \$23,420m) in respect of the classification of the French life insurance business assets and liabilities as held for sale. Further details are provided on page 100.

# Directors' responsibility statement

The Directors<sup>1</sup> are required to prepare the interim condensed consolidated financial statements on a going concern basis unless it is not appropriate. They are satisfied that the Group has the resources to continue in business for the foreseeable future and that the financial statements continue to be prepared on a going concern basis.

The Directors confirm that to the best of their knowledge:

- the financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board ('IASB') and as adopted by the UK and the European Union, and the Disclosure Guidance and Transparency Rules ('DTR') sourcebook of the UK's Financial Conduct Authority;
- this Interim Report 2025 gives a true, fair, balanced and understandable view of the assets, liabilities, financial position and profit or loss of the Company; and
- this Interim Report 2025 includes a fair review of the information required by:
  - DTR 4.2.7R, being an indication of: important events that have occurred during the first six months of the financial year ending 31 December 2025 and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
  - DTR 4.2.8R, being: related party transactions that have taken place in the first six months of the financial year ending 31 December 2025, which have materially affected the financial position or performance of HSBC during that period; and any changes in the related party transactions described in the Annual Report and Accounts 2024 that could materially affect the financial position or performance of HSBC during the first six months of the financial year ending 31 December 2025.

On behalf of the Board

Sir Mark E Tucker

**Group Chairman**

30 July 2025

<sup>1</sup> Sir Mark Edward Tucker\*, Georges Bahjat Elhedery, Geraldine Joyce Buckingham†, Rachel Duan†, Dame Carolyn Julie Fairbairn†, James Anthony Forese†, Ann Frances Godbehere†, Steven Craig Guggenheimer†, Manveen (Pam) Kaur, Dr José Antonio Meade Kuribreña†, Kalpana Jaisingh Morparia†, Eileen K Murray†, Brendan Robert Nelson† and Swee Lian Teo†.

\* Non-executive Group Chairman † Independent non-executive Director

# Independent review report to HSBC Holdings plc

## Report on the interim condensed consolidated financial statements

### Our conclusion

We have reviewed HSBC Holdings plc's interim condensed consolidated financial statements (the 'interim financial statements') in the Interim Report 2025 of HSBC Holdings plc for the six month period ended 30 June 2025 (the 'period').

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with the basis of the policies set out in the 2024 annual financial statements, International Accounting Standard 34 ('IAS 34') 'Interim Financial Reporting' as adopted by the United Kingdom ('UK'), IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board ('IASB'), IAS 34 'Interim Financial Reporting' as adopted by the European Union ('EU'), and the Disclosure Guidance and Transparency Rules sourcebook of the UK's Financial Conduct Authority.

The interim financial statements comprise:

- the consolidated balance sheet as at 30 June 2025;
- the consolidated income statement and the consolidated statement of comprehensive income for the period then ended;
- the consolidated statement of changes in equity for the period then ended;
- the consolidated statement of cash flows for the period then ended; and
- the explanatory notes to the interim financial statements<sup>1</sup>.

The interim financial statements included in the Interim Report 2025 of HSBC Holdings plc have been prepared in accordance with the basis of the policies set out in the 2024 annual financial statements, IAS 34 'Interim Financial Reporting' as adopted by the UK, IAS 34 'Interim Financial Reporting' as issued by the IASB, IAS 34 'Interim Financial Reporting' as adopted by the EU, and the Disclosure Guidance and Transparency Rules sourcebook of the UK's Financial Conduct Authority.

### Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the UK ('ISRE (UK) 2410'). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim Report 2025 of HSBC Holdings plc and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

### Conclusions relating to going concern

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

### Our responsibilities and those of the directors for the interim financial statements and the review

The Interim Report 2025 of HSBC Holdings plc, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Interim Report 2025 of HSBC Holdings plc in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the UK's Financial Conduct Authority. In preparing the Interim Report 2025 of HSBC Holdings plc, including the interim financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Interim Report 2025 of HSBC Holdings plc based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the UK's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### PricewaterhouseCoopers LLP

Chartered Accountants  
London  
30 July 2025

<sup>1</sup> Certain notes to the interim financial statements have been presented elsewhere in the Interim Report, rather than in the notes to the interim financial statements. These are cross-referenced from the financial statements and are identified as 'Reviewed'. The relevant disclosures are included in the 'Risk' section on pages 55 to 58 and the 'Shareholder information' section on page 105.

# Interim condensed consolidated financial statements

## Consolidated income statement

|                                                                                                                                              | Notes <sup>1</sup> | Half-year to    |                 |
|----------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-----------------|-----------------|
|                                                                                                                                              |                    | 30 Jun 2025     | 30 Jun 2024     |
|                                                                                                                                              |                    | \$m             | \$m             |
| Net interest income                                                                                                                          |                    | 16,821          | 16,911          |
| – interest income                                                                                                                            |                    | 49,008          | 55,372          |
| – interest expense                                                                                                                           |                    | (32,187)        | (38,461)        |
| Net fee income                                                                                                                               | 2                  | 6,643           | 6,200           |
| – fee income                                                                                                                                 |                    | 8,640           | 8,158           |
| – fee expense                                                                                                                                |                    | (1,997)         | (1,958)         |
| Net income from financial instruments held for trading or managed on a fair value basis <sup>1</sup>                                         |                    | 10,547          | 10,516          |
| Net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss |                    | 5,113           | 2,376           |
| Insurance finance expense                                                                                                                    |                    | (5,329)         | (2,486)         |
| Insurance service result                                                                                                                     |                    | 785             | 662             |
| – insurance service revenue                                                                                                                  |                    | 1,511           | 1,310           |
| – insurance service expense                                                                                                                  |                    | (726)           | (648)           |
| Gain less impairment relating to sale of business operations <sup>2</sup>                                                                    |                    | (34)            | 3,256           |
| Other operating (expense)/income <sup>3</sup>                                                                                                |                    | (424)           | (143)           |
| <b>Net operating income before change in expected credit losses and other credit impairment charges<sup>4</sup></b>                          |                    | <b>34,122</b>   | <b>37,292</b>   |
| Change in expected credit losses and other credit impairment charges                                                                         |                    | (1,941)         | (1,066)         |
| <b>Net operating income</b>                                                                                                                  |                    | <b>32,181</b>   | <b>36,226</b>   |
| Employee compensation and benefits                                                                                                           |                    | (9,903)         | (9,192)         |
| General and administrative expenses                                                                                                          |                    | (4,894)         | (5,135)         |
| Depreciation and impairment of property, plant and equipment and right-of-use assets                                                         |                    | (955)           | (867)           |
| Amortisation and impairment of intangible assets                                                                                             |                    | (1,270)         | (1,102)         |
| <b>Total operating expenses</b>                                                                                                              |                    | <b>(17,022)</b> | <b>(16,296)</b> |
| <b>Operating profit</b>                                                                                                                      |                    | <b>15,159</b>   | <b>19,930</b>   |
| Share of profit in associates and joint ventures                                                                                             |                    | 1,651           | 1,626           |
| Impairment of interest in associate <sup>3</sup>                                                                                             |                    | (1,000)         | —               |
| <b>Profit before tax</b>                                                                                                                     |                    | <b>15,810</b>   | <b>21,556</b>   |
| Tax expense                                                                                                                                  |                    | (3,369)         | (3,891)         |
| <b>Profit after tax</b>                                                                                                                      |                    | <b>12,441</b>   | <b>17,665</b>   |
| Attributable to:                                                                                                                             |                    |                 |                 |
| – ordinary shareholders of the parent company                                                                                                |                    | 11,510          | 16,586          |
| – other equity holders                                                                                                                       |                    | 547             | 526             |
| – non-controlling interests                                                                                                                  |                    | 384             | 553             |
| <b>Profit after tax</b>                                                                                                                      |                    | <b>12,441</b>   | <b>17,665</b>   |
|                                                                                                                                              |                    | \$              | \$              |
| Basic earnings per ordinary share                                                                                                            | 4                  | 0.65            | 0.89            |
| Diluted earnings per ordinary share                                                                                                          | 4                  | 0.65            | 0.88            |

- 1 The amount in 1H25 includes a \$0.1bn mark-to-market gain on interest rate hedging of the portfolio of retained loans post sale of our retail banking operations in France and a \$0.1bn fair value loss on Grupo Financiero Galicia's ('Galicia') American Depositary Receipts ('ADRs') received as purchase consideration from the sale of our business in Argentina, which were disposed of in 2Q25. Amount in 1H24 includes a \$255m gain on the foreign exchange hedging of the proceeds from the sale of our banking business in Canada.
  - 2 Includes amounts from 'Other operating income' relating to the execution of all sales of business operations. In 1H24, a gain of \$4.6bn inclusive of the recycling of \$0.6bn in foreign currency translation reserve losses and \$0.4bn of other reserves recycling losses on the sale of our banking business in Canada, and an impairment loss of \$1.2bn relating to the sale of our business in Argentina was recognised.
  - 3 The amount in 1H25 'Other operating (expense)/income' includes a loss of \$1.1bn inclusive of reserves recycling as a result of the dilution of our shareholding in BoCom. We have also recognised a \$1.0bn impairment loss following an impairment test on the carrying value of the Group's investment in BoCom in 'Impairment of interest in associate'. See Note 10 on page 95.
  - 4 Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.
- \* For Notes on the interim condensed consolidated financial statements, see page 84.

## Consolidated statement of comprehensive income

|                                                                                                                                          | Half-year to  |                |
|------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------|
|                                                                                                                                          | 30 Jun 2025   | 30 Jun 2024    |
|                                                                                                                                          | \$m           | \$m            |
| Profit for the period                                                                                                                    | 12,441        | 17,665         |
| <b>Other comprehensive income/(expense)</b>                                                                                              |               |                |
| <b>Items that will be reclassified subsequently to profit or loss when specific conditions are met:</b>                                  |               |                |
| Debt instruments at fair value through other comprehensive income <sup>1</sup>                                                           | 205           | (213)          |
| – fair value gains/(losses)                                                                                                              | 640           | (378)          |
| – fair value gains transferred to the income statement on disposal                                                                       | (83)          | (24)           |
| – expected credit losses recognised in the income statement                                                                              | 2             | 13             |
| – disposal of subsidiary                                                                                                                 | —             | 90             |
| – income taxes                                                                                                                           | (354)         | 86             |
| Cash flow hedges                                                                                                                         | 1,891         | (710)          |
| – fair value losses                                                                                                                      | (568)         | (612)          |
| – fair value losses/(gains) reclassified to the income statement                                                                         | 3,037         | (673)          |
| – disposal of subsidiary                                                                                                                 | —             | 262            |
| – income taxes                                                                                                                           | (578)         | 313            |
| Share of other comprehensive (expense)/income of associates and joint ventures                                                           | (59)          | 211            |
| – share for the period                                                                                                                   | (3)           | 211            |
| – other comprehensive income reclassified to the income statement on dilution of interest in an associate                                | (56)          | —              |
| Net finance income from insurance contracts                                                                                              | 16            | 17             |
| – before income taxes                                                                                                                    | 21            | 23             |
| – income taxes                                                                                                                           | (5)           | (6)            |
| Exchange differences                                                                                                                     | 6,404         | (2,588)        |
| – foreign exchange losses reclassified to the income statement on disposal or dilution of a foreign operation <sup>2</sup>               | 224           | 648            |
| – other exchange differences                                                                                                             | 6,180         | (3,236)        |
| <b>Items that will not be reclassified subsequently to profit or loss:</b>                                                               |               |                |
| Fair value gains on property revaluation                                                                                                 | 14            | 5              |
| Remeasurement of defined benefit (liability)/asset                                                                                       | (347)         | 146            |
| – before income taxes                                                                                                                    | (461)         | 178            |
| – income taxes                                                                                                                           | 114           | (32)           |
| Changes in fair value of financial liabilities designated at fair value upon initial recognition arising from changes in own credit risk | 242           | (283)          |
| – before income taxes                                                                                                                    | 315           | (372)          |
| – income taxes                                                                                                                           | (73)          | 89             |
| Equity instruments designated at fair value through other comprehensive income                                                           | 93            | 41             |
| – fair value gains                                                                                                                       | 88            | 62             |
| – income taxes                                                                                                                           | 5             | (21)           |
| Effects of hyperinflation                                                                                                                | 81            | 892            |
| <b>Other comprehensive income/(expense) for the period, net of tax</b>                                                                   | <b>8,540</b>  | <b>(2,482)</b> |
| <b>Total comprehensive income for the period</b>                                                                                         | <b>20,981</b> | <b>15,183</b>  |
| Attributable to:                                                                                                                         |               |                |
| – ordinary shareholders of the parent company                                                                                            | 19,917        | 14,131         |
| – other equity holders                                                                                                                   | 547           | 526            |
| – non-controlling interests                                                                                                              | 517           | 526            |
| <b>Total comprehensive income for the period</b>                                                                                         | <b>20,981</b> | <b>15,183</b>  |

- 1 Amount in 1H25 includes a \$1.4bn pre-tax fair value loss (including foreign exchange movements) in other comprehensive income on a retained portfolio of home and other loans associated with the sale of our retail banking operations in France. The loss arose largely upon reclassification from hold-to-collect to hold-to-collect-and-sell business model on 1 January 2025, resulting in its remeasurement from amortised cost to fair value through other comprehensive income.
- 2 Amount in 1H25 includes a \$197m foreign exchange translation reserves loss recycled to the income statement as a result of the dilution of the shareholding in BoCom.

## Consolidated balance sheet

|                                                                                                     |        | At               |                  |
|-----------------------------------------------------------------------------------------------------|--------|------------------|------------------|
|                                                                                                     |        | 30 Jun 2025      | 31 Dec 2024      |
|                                                                                                     | Notes* | \$m              | \$m              |
| <b>Assets</b>                                                                                       |        |                  |                  |
| Cash and balances at central banks                                                                  |        | 246,360          | 267,674          |
| Hong Kong Government certificates of indebtedness                                                   |        | 42,592           | 42,293           |
| Trading assets                                                                                      |        | 333,745          | 314,842          |
| Financial assets designated and otherwise mandatorily measured at fair value through profit or loss |        | 128,942          | 115,769          |
| Derivatives                                                                                         | 8      | 249,672          | 268,637          |
| Loans and advances to banks                                                                         |        | 107,582          | 102,039          |
| Loans and advances to customers                                                                     |        | 981,722          | 930,658          |
| Reverse repurchase agreements – non-trading                                                         |        | 283,204          | 252,549          |
| Financial investments                                                                               | 9      | 547,955          | 493,166          |
| Assets held for sale                                                                                |        | 38,978           | 27,234           |
| Prepayments, accrued income and other assets                                                        |        | 204,370          | 152,740          |
| Current tax assets                                                                                  |        | 1,364            | 1,313            |
| Interests in associates and joint ventures                                                          | 10     | 28,202           | 28,909           |
| Goodwill and intangible assets                                                                      |        | 13,022           | 12,384           |
| Deferred tax assets                                                                                 |        | 6,661            | 6,841            |
| <b>Total assets</b>                                                                                 |        | <b>3,214,371</b> | <b>3,017,048</b> |
| <b>Liabilities</b>                                                                                  |        |                  |                  |
| Hong Kong currency notes in circulation                                                             |        | 42,592           | 42,293           |
| Deposits by banks                                                                                   |        | 97,782           | 73,997           |
| Customer accounts                                                                                   |        | 1,718,604        | 1,654,955        |
| Repurchase agreements – non-trading                                                                 |        | 195,532          | 180,880          |
| Trading liabilities                                                                                 |        | 70,653           | 65,982           |
| Financial liabilities designated at fair value                                                      |        | 163,589          | 138,727          |
| Derivatives                                                                                         | 8      | 257,601          | 264,448          |
| Debt securities in issue                                                                            |        | 102,129          | 105,785          |
| Liabilities of disposal groups held for sale                                                        |        | 46,165           | 29,011           |
| Accruals, deferred income and other liabilities                                                     |        | 167,062          | 130,340          |
| Current tax liabilities                                                                             |        | 3,232            | 1,729            |
| Insurance contract liabilities                                                                      |        | 118,297          | 107,629          |
| Provisions                                                                                          | 11     | 2,125            | 1,724            |
| Deferred tax liabilities                                                                            |        | 1,570            | 1,317            |
| Subordinated liabilities                                                                            |        | 27,569           | 25,958           |
| <b>Total liabilities</b>                                                                            |        | <b>3,014,502</b> | <b>2,824,775</b> |
| <b>Equity</b>                                                                                       |        |                  |                  |
| Called up share capital                                                                             |        | 8,739            | 8,973            |
| Share premium account                                                                               |        | 14,918           | 14,810           |
| Other equity instruments                                                                            |        | 20,716           | 19,070           |
| Other reserves                                                                                      |        | (1,556)          | (10,282)         |
| Retained earnings                                                                                   |        | 149,737          | 152,402          |
| <b>Total shareholders' equity</b>                                                                   |        | <b>192,554</b>   | <b>184,973</b>   |
| Non-controlling interests                                                                           |        | 7,315            | 7,300            |
| <b>Total equity</b>                                                                                 |        | <b>199,869</b>   | <b>192,273</b>   |
| <b>Total liabilities and equity</b>                                                                 |        | <b>3,214,371</b> | <b>3,017,048</b> |

\* For Notes on the interim condensed consolidated financial statements, see page 84.

## Consolidated statement of changes in equity

|                                                                                                                                                           | Called up<br>share<br>capital<br>and share<br>premium | Other<br>equity<br>instru-<br>ments | Other reserves                                          |                                    |                                |                                    |                                              | Retained<br>earnings | Total<br>share-<br>holders'<br>equity | Non-<br>controlling<br>interests | Total<br>equity |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------|---------------------------------------------------------|------------------------------------|--------------------------------|------------------------------------|----------------------------------------------|----------------------|---------------------------------------|----------------------------------|-----------------|
|                                                                                                                                                           |                                                       |                                     | Financial<br>assets at<br>FVOCI<br>reserve <sup>1</sup> | Cash<br>flow<br>hedging<br>reserve | Foreign<br>exchange<br>reserve | Merger<br>and<br>other<br>reserves | Insurance<br>finance<br>reserve <sup>2</sup> |                      |                                       |                                  |                 |
|                                                                                                                                                           | \$m                                                   | \$m                                 | \$m                                                     | \$m                                | \$m                            | \$m                                | \$m                                          | \$m                  | \$m                                   | \$m                              | \$m             |
| <b>At 1 Jan 2025</b>                                                                                                                                      | <b>23,783</b>                                         | <b>19,070</b>                       | <b>(3,246)</b>                                          | <b>(1,079)</b>                     | <b>(32,887)</b>                | <b>26,328</b>                      | <b>602</b>                                   | <b>152,402</b>       | <b>184,973</b>                        | <b>7,300</b>                     | <b>192,273</b>  |
| Profit for the period                                                                                                                                     | —                                                     | —                                   | —                                                       | —                                  | —                              | —                                  | —                                            | 12,057               | 12,057                                | 384                              | 12,441          |
| Other comprehensive<br>income (net of tax)                                                                                                                | —                                                     | —                                   | 6                                                       | 1,734                              | 6,630                          | 14                                 | 102                                          | (79)                 | 8,407                                 | 133                              | 8,540           |
| – debt instruments at fair<br>value through other<br>comprehensive income                                                                                 | —                                                     | —                                   | 177                                                     | —                                  | —                              | —                                  | —                                            | —                    | 177                                   | 28                               | 205             |
| – equity instruments<br>designated at fair value<br>through other<br>comprehensive income                                                                 | —                                                     | —                                   | 57                                                      | —                                  | —                              | —                                  | —                                            | —                    | 57                                    | 36                               | 93              |
| – cash flow hedges                                                                                                                                        | —                                                     | —                                   | —                                                       | 1,794                              | —                              | —                                  | —                                            | —                    | 1,794                                 | 97                               | 1,891           |
| – changes in fair value of<br>financial liabilities<br>designated at fair value<br>upon initial recognition<br>arising from changes in<br>own credit risk | —                                                     | —                                   | —                                                       | —                                  | —                              | —                                  | —                                            | 242                  | 242                                   | —                                | 242             |
| – property revaluation                                                                                                                                    | —                                                     | —                                   | —                                                       | —                                  | —                              | 14                                 | —                                            | —                    | 14                                    | —                                | 14              |
| – remeasurement of<br>defined benefit asset/<br>(liability)                                                                                               | —                                                     | —                                   | —                                                       | —                                  | —                              | —                                  | —                                            | (343)                | (343)                                 | (4)                              | (347)           |
| – share of other<br>comprehensive income of<br>associates and joint<br>ventures                                                                           | —                                                     | —                                   | —                                                       | —                                  | —                              | —                                  | —                                            | (3)                  | (3)                                   | —                                | (3)             |
| – effects of hyperinflation                                                                                                                               | —                                                     | —                                   | —                                                       | —                                  | —                              | —                                  | —                                            | 81                   | 81                                    | —                                | 81              |
| – foreign exchange losses<br>reclassified to income<br>statement on disposal or<br>dilution of a foreign<br>operation <sup>3</sup>                        | —                                                     | —                                   | —                                                       | —                                  | 224                            | —                                  | —                                            | —                    | 224                                   | —                                | 224             |
| – other reserves<br>reclassified to income<br>statement on disposal or<br>dilution of a foreign<br>operation <sup>3</sup>                                 | —                                                     | —                                   | —                                                       | —                                  | —                              | —                                  | —                                            | (56)                 | (56)                                  | —                                | (56)            |
| – insurance finance income<br>recognised in other<br>comprehensive income                                                                                 | —                                                     | —                                   | —                                                       | —                                  | —                              | —                                  | 16                                           | —                    | 16                                    | —                                | 16              |
| – other exchange<br>differences                                                                                                                           | —                                                     | —                                   | (228)                                                   | (60)                               | 6,406                          | —                                  | 86                                           | —                    | 6,204                                 | (24)                             | 6,180           |
| <b>Total comprehensive<br/>income for the period</b>                                                                                                      | <b>—</b>                                              | <b>—</b>                            | <b>6</b>                                                | <b>1,734</b>                       | <b>6,630</b>                   | <b>14</b>                          | <b>102</b>                                   | <b>11,978</b>        | <b>20,464</b>                         | <b>517</b>                       | <b>20,981</b>   |
| Shares issued under<br>employee remuneration and<br>share plans                                                                                           | 113                                                   | —                                   | —                                                       | —                                  | —                              | —                                  | —                                            | (113)                | —                                     | —                                | —               |
| Capital securities issued <sup>4</sup>                                                                                                                    | —                                                     | 4,096                               | —                                                       | —                                  | —                              | —                                  | —                                            | —                    | 4,096                                 | —                                | 4,096           |
| Dividends to shareholders                                                                                                                                 | —                                                     | —                                   | —                                                       | —                                  | —                              | —                                  | —                                            | (8,694)              | (8,694)                               | (477)                            | (9,171)         |
| Redemption of securities <sup>5</sup>                                                                                                                     | —                                                     | (2,450)                             | —                                                       | —                                  | —                              | —                                  | —                                            | —                    | (2,450)                               | —                                | (2,450)         |
| Cost of share-based<br>payment arrangements                                                                                                               | —                                                     | —                                   | —                                                       | —                                  | —                              | —                                  | —                                            | 316                  | 316                                   | —                                | 316             |
| Share buy-backs <sup>6</sup>                                                                                                                              | —                                                     | —                                   | —                                                       | —                                  | —                              | —                                  | —                                            | (5,023)              | (5,023)                               | —                                | (5,023)         |
| Cancellation of shares                                                                                                                                    | (239)                                                 | —                                   | —                                                       | —                                  | —                              | 239                                | —                                            | —                    | —                                     | —                                | —               |
| Other movements                                                                                                                                           | —                                                     | —                                   | 1                                                       | —                                  | —                              | —                                  | —                                            | (1,129)              | (1,128)                               | (25)                             | (1,153)         |
| <b>At 30 Jun 2025</b>                                                                                                                                     | <b>23,657</b>                                         | <b>20,716</b>                       | <b>(3,239)</b>                                          | <b>655</b>                         | <b>(26,257)</b>                | <b>26,581</b>                      | <b>704</b>                                   | <b>149,737</b>       | <b>192,554</b>                        | <b>7,315</b>                     | <b>199,869</b>  |

## Consolidated statement of changes in equity (continued)

|                                                                                                                                                           | Called up<br>share<br>capital<br>and share<br>premium | Other<br>equity<br>instru-<br>ments | Other reserves                             |                                    |                                |                                    |                                              | Retained<br>earnings | Total<br>share-<br>holders'<br>equity | Non-<br>controlling<br>interests | Total<br>equity |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------|--------------------------------------------|------------------------------------|--------------------------------|------------------------------------|----------------------------------------------|----------------------|---------------------------------------|----------------------------------|-----------------|
|                                                                                                                                                           | \$m                                                   | \$m                                 | Financial<br>assets at<br>FVOCI<br>reserve | Cash<br>flow<br>hedging<br>reserve | Foreign<br>exchange<br>reserve | Merger<br>and<br>other<br>reserves | Insurance<br>finance<br>reserve <sup>2</sup> | \$m                  | \$m                                   | \$m                              | \$m             |
| At 1 Jan 2024                                                                                                                                             | 24,369                                                | 17,719                              | (3,507)                                    | (1,033)                            | (33,753)                       | 28,601                             | 785                                          | 152,148              | 185,329                               | 7,281                            | 192,610         |
| Profit for the period                                                                                                                                     | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                                            | 17,112               | 17,112                                | 553                              | 17,665          |
| Other comprehensive<br>income (net of tax)                                                                                                                | —                                                     | —                                   | (164)                                      | (691)                              | (2,551)                        | 5                                  | (10)                                         | 956                  | (2,455)                               | (27)                             | (2,482)         |
| – debt instruments at fair<br>value through other<br>comprehensive income                                                                                 | —                                                     | —                                   | (313)                                      | —                                  | —                              | —                                  | —                                            | —                    | (313)                                 | 10                               | (303)           |
| – equity instruments<br>designated at fair value<br>through other<br>comprehensive income                                                                 | —                                                     | —                                   | 35                                         | —                                  | —                              | —                                  | —                                            | —                    | 35                                    | 6                                | 41              |
| – cash flow hedges                                                                                                                                        | —                                                     | —                                   | —                                          | (970)                              | —                              | —                                  | —                                            | —                    | (970)                                 | (2)                              | (972)           |
| – changes in fair value of<br>financial liabilities<br>designated at fair value<br>upon initial recognition<br>arising from changes in<br>own credit risk | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                                            | (283)                | (283)                                 | —                                | (283)           |
| – property revaluation                                                                                                                                    | —                                                     | —                                   | —                                          | —                                  | —                              | 5                                  | —                                            | —                    | 5                                     | —                                | 5               |
| – remeasurement of<br>defined benefit asset/<br>(liability)                                                                                               | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                                            | 136                  | 136                                   | 10                               | 146             |
| – share of other<br>comprehensive income of<br>associates and joint<br>ventures                                                                           | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                                            | 211                  | 211                                   | —                                | 211             |
| – effects of hyperinflation                                                                                                                               | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                                            | 892                  | 892                                   | —                                | 892             |
| – foreign exchange losses<br>reclassified to income<br>statement on disposal or<br>dilution of a foreign<br>operation                                     | —                                                     | —                                   | —                                          | —                                  | 648                            | —                                  | —                                            | —                    | 648                                   | —                                | 648             |
| – other reserves<br>reclassified to income<br>statement on disposal or<br>dilution of a foreign<br>operation                                              | —                                                     | —                                   | 90                                         | 262                                | —                              | —                                  | —                                            | —                    | 352                                   | —                                | 352             |
| – insurance finance income<br>recognised in other<br>comprehensive income                                                                                 | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | 17                                           | —                    | 17                                    | —                                | 17              |
| – other exchange<br>differences                                                                                                                           | —                                                     | —                                   | 24                                         | 17                                 | (3,199)                        | —                                  | (27)                                         | —                    | (3,185)                               | (51)                             | (3,236)         |
| Total comprehensive<br>income for the period                                                                                                              | —                                                     | —                                   | (164)                                      | (691)                              | (2,551)                        | 5                                  | (10)                                         | 18,068               | 14,657                                | 526                              | 15,183          |
| Shares issued under<br>employee remuneration and<br>share plans                                                                                           | 75                                                    | —                                   | —                                          | —                                  | —                              | —                                  | —                                            | (75)                 | —                                     | —                                | —               |
| Capital securities issued                                                                                                                                 | —                                                     | 1,106                               | —                                          | —                                  | —                              | —                                  | —                                            | —                    | 1,106                                 | —                                | 1,106           |
| Dividends to shareholders                                                                                                                                 | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                                            | (12,217)             | (12,217)                              | (468)                            | (12,685)        |
| Cost of share-based<br>payment arrangements                                                                                                               | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                                            | 274                  | 274                                   | —                                | 274             |
| Transfers                                                                                                                                                 | —                                                     | —                                   | —                                          | —                                  | —                              | (2,945)                            | —                                            | 2,945                | —                                     | —                                | —               |
| Share buy-backs                                                                                                                                           | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                                            | (5,019)              | (5,019)                               | —                                | (5,019)         |
| Cancellation of shares                                                                                                                                    | (326)                                                 | —                                   | —                                          | —                                  | —                              | 326                                | —                                            | —                    | —                                     | —                                | —               |
| Other movements                                                                                                                                           | —                                                     | —                                   | 4                                          | —                                  | —                              | 3                                  | —                                            | (844)                | (837)                                 | (218)                            | (1,055)         |
| At 30 Jun 2024                                                                                                                                            | 24,118                                                | 18,825                              | (3,667)                                    | (1,724)                            | (36,304)                       | 25,990                             | 775                                          | 155,280              | 183,293                               | 7,121                            | 190,414         |

## Consolidated statement of changes in equity (continued)

|                                                                                                                                                           | Other reserves                                        |                                     |                                            |                                    |                                |                                    |                                              |                      |                                       |                                  |                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------|--------------------------------------------|------------------------------------|--------------------------------|------------------------------------|----------------------------------------------|----------------------|---------------------------------------|----------------------------------|-----------------|
|                                                                                                                                                           | Called up<br>share<br>capital<br>and share<br>premium | Other<br>equity<br>instru-<br>ments | Financial<br>assets at<br>FVOCI<br>reserve | Cash<br>flow<br>hedging<br>reserve | Foreign<br>exchange<br>reserve | Merger<br>and<br>other<br>reserves | Insurance<br>finance<br>reserve <sup>2</sup> | Retained<br>earnings | Total<br>share-<br>holders'<br>equity | Non-<br>controlling<br>interests | Total<br>equity |
|                                                                                                                                                           | \$m                                                   | \$m                                 | \$m                                        | \$m                                | \$m                            | \$m                                | \$m                                          | \$m                  | \$m                                   | \$m                              | \$m             |
| At 1 Jul 2024                                                                                                                                             | 24,118                                                | 18,825                              | (3,667)                                    | (1,724)                            | (36,304)                       | 25,990                             | 775                                          | 155,280              | 183,293                               | 7,121                            | 190,414         |
| Profit for the period                                                                                                                                     | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                                            | 6,867                | 6,867                                 | 467                              | 7,334           |
| Other comprehensive<br>income (net of tax)                                                                                                                | —                                                     | —                                   | 423                                        | 645                                | 3,414                          | —                                  | (173)                                        | 62                   | 4,371                                 | 51                               | 4,422           |
| – debt instruments at fair<br>value through other<br>comprehensive income                                                                                 | —                                                     | —                                   | 375                                        | —                                  | —                              | —                                  | —                                            | —                    | 375                                   | 6                                | 381             |
| – equity instruments<br>designated at fair value<br>through other<br>comprehensive income                                                                 | —                                                     | —                                   | 40                                         | —                                  | —                              | —                                  | —                                            | —                    | 40                                    | 18                               | 58              |
| – cash flow hedges                                                                                                                                        | —                                                     | —                                   | —                                          | 658                                | —                              | —                                  | —                                            | —                    | 658                                   | —                                | 658             |
| – changes in fair value of<br>financial liabilities<br>designated at fair value<br>upon initial recognition<br>arising from changes in<br>own credit risk | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                                            | (156)                | (156)                                 | —                                | (156)           |
| – property revaluation                                                                                                                                    | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                                            | —                    | —                                     | —                                | —               |
| – remeasurement of<br>defined benefit asset/<br>(liability)                                                                                               | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                                            | (380)                | (380)                                 | 6                                | (374)           |
| – share of other<br>comprehensive income of<br>associates and joint<br>ventures                                                                           | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                                            | 251                  | 251                                   | —                                | 251             |
| – effects of hyperinflation                                                                                                                               | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                                            | 347                  | 347                                   | —                                | 347             |
| – foreign exchange losses<br>reclassified to income<br>statement on disposal or<br>dilution of a foreign<br>operation                                     | —                                                     | —                                   | —                                          | —                                  | 5,168                          | —                                  | —                                            | —                    | 5,168                                 | —                                | 5,168           |
| – other reserves<br>reclassified to income<br>statement on disposal or<br>dilution of a foreign<br>operation                                              | —                                                     | —                                   | (5)                                        | —                                  | —                              | —                                  | —                                            | —                    | (5)                                   | —                                | (5)             |
| – insurance finance<br>expense recognised in<br>other comprehensive<br>income                                                                             | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | (159)                                        | —                    | (159)                                 | —                                | (159)           |
| – other exchange<br>differences                                                                                                                           | —                                                     | —                                   | 13                                         | (13)                               | (1,754)                        | —                                  | (14)                                         | —                    | (1,768)                               | 21                               | (1,747)         |
| Total comprehensive<br>income for the period                                                                                                              | —                                                     | —                                   | 423                                        | 645                                | 3,414                          | —                                  | (173)                                        | 6,929                | 11,238                                | 518                              | 11,756          |
| Shares issued under<br>employee remuneration and<br>share plans                                                                                           | 2                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                                            | (2)                  | —                                     | —                                | —               |
| Capital securities issued                                                                                                                                 | —                                                     | 2,495                               | —                                          | —                                  | —                              | —                                  | —                                            | —                    | 2,495                                 | —                                | 2,495           |
| Dividends to shareholders                                                                                                                                 | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                                            | (4,193)              | (4,193)                               | (222)                            | (4,415)         |
| Redemption of securities                                                                                                                                  | —                                                     | (2,250)                             | —                                          | —                                  | —                              | —                                  | —                                            | —                    | (2,250)                               | —                                | (2,250)         |
| Cost of share-based<br>payment arrangements                                                                                                               | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                                            | 255                  | 255                                   | —                                | 255             |
| Share buy-backs                                                                                                                                           | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                                            | (6,024)              | (6,024)                               | —                                | (6,024)         |
| Cancellation of shares                                                                                                                                    | (337)                                                 | —                                   | —                                          | —                                  | —                              | 337                                | —                                            | —                    | —                                     | —                                | —               |
| Other movements                                                                                                                                           | —                                                     | —                                   | (2)                                        | —                                  | 3                              | 1                                  | —                                            | 157                  | 159                                   | (117)                            | 42              |
| At 31 Dec 2024                                                                                                                                            | 23,783                                                | 19,070                              | (3,246)                                    | (1,079)                            | (32,887)                       | 26,328                             | 602                                          | 152,402              | 184,973                               | 7,300                            | 192,273         |

- Amount in 1H25 includes \$1.4bn of pre-tax cumulative unrealised loss in other comprehensive income, including foreign exchange movements shown in 'Other exchange differences', on a retained portfolio of home and certain other loans associated with the sale of our retail banking operations in France. The loss arose largely upon reclassification from hold-to-collect to a hold-to-collect-and-sell business model on 1 January 2025, resulting in its remeasurement from amortised cost to fair value through other comprehensive income.
- The insurance finance reserve reflects the impact of adoption of the other comprehensive income option for our insurance business in France. Underlying assets supporting these contracts are measured at fair value through other comprehensive income. Under this option, only the amount that matches income or expenses recognised in profit or loss on underlying items is included in finance income or expenses, resulting in the elimination of income statement accounting mismatches. The remaining amount of finance income or expenses for these insurance contracts is recognised in other comprehensive income ('OCI').
- Amount in 1H25 includes the recycling of a \$197m foreign currency translation reserves loss and \$56m other reserves gain as a result of the dilution of the shareholding in BoCom.
- HSBC Holdings issued \$1,500m 6.950% contingent convertible securities in February 2025, and a further SGD800m 5.000% and \$2,000m 7.050% contingent convertible securities in March and June 2025, respectively. All instruments were recorded net of issuance costs.
- In March 2025, HSBC Holdings redeemed its \$2,450m 6.375% contingent convertible securities.
- HSBC Holdings announced the following share buy-backs during 1H25: a share buy-back of up to \$2.0bn in February 2025, which was completed in April 2025; and a share buy-back of up to \$3.0bn in May 2025, which was completed in July 2025.

## Consolidated statement of cash flows

|                                                                                                                  | Half-year to    |             |
|------------------------------------------------------------------------------------------------------------------|-----------------|-------------|
|                                                                                                                  | 30 Jun 2025     | 30 Jun 2024 |
|                                                                                                                  | \$m             | \$m         |
| <b>Profit before tax</b>                                                                                         | <b>15,810</b>   | 21,556      |
| <b>Adjustments for non-cash items:</b>                                                                           |                 |             |
| Depreciation, amortisation and impairment                                                                        | 2,225           | 1,969       |
| Net loss/(gain) from investing activities <sup>1</sup>                                                           | 1,127           | (34)        |
| Share of profit in associates and joint ventures                                                                 | (1,651)         | (1,626)     |
| Impairment of interest in associate <sup>2</sup>                                                                 | 1,000           | —           |
| Net loss/(gain) on acquisition/disposal of subsidiaries, businesses, associates and joint ventures               | 73              | (3,199)     |
| Change in expected credit losses gross of recoveries and other credit impairment charges                         | 2,077           | 1,192       |
| Provisions including pensions                                                                                    | 584             | 15          |
| Share-based payment expense                                                                                      | 315             | 274         |
| Other non-cash items included in profit before tax                                                               | (2,732)         | (4,237)     |
| Elimination of exchange differences <sup>3</sup>                                                                 | (41,720)        | 18,406      |
| Change in operating assets <sup>4</sup>                                                                          | (136,572)       | (41,493)    |
| Change in operating liabilities                                                                                  | 174,060         | 36,486      |
| Dividends received from associates                                                                               | 850             | 130         |
| Contributions paid to defined benefit plans                                                                      | (67)            | (76)        |
| Tax paid                                                                                                         | (2,197)         | (2,664)     |
| <b>Net cash from operating activities</b>                                                                        | <b>13,182</b>   | 26,699      |
| Purchase of financial investments                                                                                | (266,941)       | (259,999)   |
| Proceeds from the sale and maturity of financial investments                                                     | 232,360         | 223,443     |
| Net cash flows from the purchase and sale of property, plant and equipment                                       | (504)           | (464)       |
| Net investment in intangible assets                                                                              | (1,316)         | (1,058)     |
| Net cash inflow on acquisition/disposal of subsidiaries, businesses, associates and joint ventures <sup>5</sup>  | —               | 9,891       |
| Net cash outflow on acquisition/disposal of subsidiaries, businesses, associates and joint ventures <sup>5</sup> | (29)            | (10,612)    |
| <b>Net cash from investing activities</b>                                                                        | <b>(36,430)</b> | (38,799)    |
| Issue of ordinary share capital and other equity instruments                                                     | 4,096           | 1,106       |
| Share buy-backs                                                                                                  | (5,386)         | (5,330)     |
| Net sales/(purchases) of own shares for market-making and investment purposes                                    | (1,100)         | (494)       |
| Redemption of preference shares and other equity instruments                                                     | (2,450)         | —           |
| Subordinated loan capital issued                                                                                 | 2,340           | 2,611       |
| Subordinated loan capital repaid                                                                                 | (1,986)         | (2,000)     |
| Dividends paid to shareholders of the parent company and non-controlling interests                               | (9,171)         | (12,685)    |
| <b>Net cash from financing activities</b>                                                                        | <b>(13,657)</b> | (16,792)    |
| <b>Net decrease in cash and cash equivalents</b>                                                                 | <b>(36,905)</b> | (28,892)    |
| Cash and cash equivalents at the beginning of the period                                                         | 434,940         | 490,933     |
| Exchange differences in respect of cash and cash equivalents                                                     | 30,872          | (13,057)    |
| <b>Cash and cash equivalents at the end of the period<sup>6</sup></b>                                            | <b>428,907</b>  | 448,984     |

Interest received was \$50,078m (1H24: \$54,197m), interest paid was \$35,065m (1H24: \$41,254m) and dividends received (excluding dividends received from associates, which are presented separately above) were \$1,339m (1H24: \$1,231m).

- 1 Amount in 1H25 includes a loss of \$1.1bn inclusive of reserves recycling as a result of the dilution of our shareholding in BoCom.
- 2 Amount in 1H25 includes a \$1.0bn impairment loss following an impairment test on the carrying value of the Group's investment in BoCom.
- 3 Adjustments to bring changes between opening and closing balance sheet amounts to average rates. This is not done on a line-by-line basis, as details cannot be determined without unreasonable expense.
- 4 Includes net settlement of the foreign exchange hedge of the proceeds from the sale of our banking business in Canada, nil in 1H25 (1H24: \$255m gain).
- 5 The 'Net cash inflow on acquisition/disposal of subsidiaries, businesses, associates and joint ventures' includes \$9.3bn of net cash inflow on the sale of our banking business in Canada in March 2024. The 'Net cash outflow on acquisition/disposal of subsidiaries, businesses, associates and joint ventures' includes \$10.6bn of net cash outflow on the sale of our retail banking operations in France in January 2024.
- 6 Includes \$2.5bn (1H24: \$1.7bn) of cash and cash equivalents classified as held for sale.

# Notes on the interim condensed consolidated financial statements

## 1 Basis of preparation and material accounting policies

### (a) Compliance with International Financial Reporting Standards

Our interim condensed consolidated financial statements have been prepared on the basis of the policies set out in the 2024 annual financial statements. They have also been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the UK, IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board ('IASB'), IAS 34 'Interim Financial Reporting' as adopted by the EU, and the Disclosure Guidance and Transparency Rules sourcebook of the UK's Financial Conduct Authority. Therefore, they include an explanation of events and transactions that are significant to an understanding of the changes in HSBC's financial position and performance since the end of 2024.

These interim condensed consolidated financial statements should be read in conjunction with the Annual Report and Accounts 2024, which was prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. These interim condensed consolidated financial statements were also prepared in accordance with International Financial Reporting Standards ('IFRS Accounting Standards') as issued by the IASB, including interpretations issued by the IFRS Interpretations Committee.

At 30 June 2025, there were no IFRS Accounting Standards effective for the half-year to 30 June 2025 affecting these financial statements that were not approved for adoption in the UK by the UK Endorsement Board. There was no difference between IFRS Accounting Standards adopted by the UK, IFRS Accounting Standards as adopted by the EU, and IFRS Accounting Standards issued by the IASB in terms of their application to HSBC.

### Standards applied during the half-year to 30 June 2025

There were no new standards or amendments to standards that had a material effect on these interim condensed consolidated financial statements.

### (b) Use of estimates and judgements

Management believes that the critical estimates and judgements applicable to the Group are those that relate to impairment of amortised cost and FVOCI debt financial assets, the valuation of financial instruments, deferred tax assets, provisions, interests in associates, impairment of goodwill and non-financial assets, and post-employment benefit plans. The Group does not consider there to be a significant risk of a material adjustment to the carrying amount of goodwill in this financial year, but does consider this to be an area that is inherently judgemental. The Group's consideration of this risk includes taking account of the implications for cash-generating units arising from the revised organisational structure that has been effective from 1 January 2025.

There were no material changes in the current period to any of the critical estimates and judgements disclosed in 2024, which are stated on pages 88 and 354 to 365 of the Annual Report and Accounts 2024.

### (c) Composition of the Group

There were no material changes in the composition of the Group in the half-year to 30 June 2025.

For details of future business acquisitions and disposals, see Note 15 'Assets held for sale, liabilities of disposal groups held for sale and business acquisitions'.

### (d) Future accounting developments

#### Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures'

In May 2024, the IASB issued amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures', effective for annual reporting periods beginning on, or after, 1 January 2026. In addition to guidance as to when certain financial liabilities can be deemed settled when using an electronic payment system, the amendments also provide further clarification regarding the classification of financial assets that contain contractual terms that change the timing or amount of contractual cash flows, including those arising from ESG-related contingencies, and financial assets with certain non-recourse features. The Group is currently undertaking an assessment of the potential impact.

#### IFRS 18 'Presentation and Disclosure in Financial Statements'

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

While IFRS 18 will not change recognition criteria or measurement bases, it might have a significant impact on presenting information in the financial statements, in particular the income statement. HSBC are currently assessing impacts and data readiness.

## (e) Going concern

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

## (f) Accounting policies

The accounting policies that we applied for these interim condensed consolidated financial statements are consistent with those described on pages 353 to 365 of the Annual Report and Accounts 2024, as are the methods of computation.

## (g) Presentation of information

Certain disclosures have been presented elsewhere in the Interim Report 2025, rather than in the notes to the financial statements. These are marked as '(Reviewed)' as follows:

- Reconciliation of changes in gross carrying/nominal amount and allowances for loans and advances to banks and customers including loan commitments and financial guarantees included in the 'Risk' section on pages 55 to 57.
- Distribution of financial instruments to which the impairment requirements in IFRS 9 are applied, by credit quality and stage allocation included in the 'Risk' section on page 58.
- Share buy-back included in the 'Shareholder information' section on page 105.

## 2 Net fee income

|                                           | Half-year to |              |
|-------------------------------------------|--------------|--------------|
|                                           | 30 Jun 2025  | 30 Jun 2024  |
|                                           | \$m          | \$m          |
| <b>Net fee income by product</b>          |              |              |
| Funds under management                    | 1,355        | 1,206        |
| Cards                                     | 1,388        | 1,395        |
| Credit facilities                         | 694          | 754          |
| Account services                          | 734          | 760          |
| Broking income                            | 769          | 626          |
| Unit trusts                               | 659          | 515          |
| Underwriting                              | 385          | 369          |
| Global custody                            | 457          | 401          |
| Remittances                               | 418          | 399          |
| Imports/exports                           | 294          | 313          |
| Insurance agency commission               | 237          | 183          |
| Other                                     | 1,250        | 1,237        |
| <b>Fee income</b>                         | <b>8,640</b> | <b>8,158</b> |
| Less: fee expense                         | (1,997)      | (1,958)      |
| <b>Net fee income</b>                     | <b>6,643</b> | <b>6,200</b> |
| <b>Net fee income by business segment</b> |              |              |
| Hong Kong                                 | 1,435        | 1,154        |
| UK                                        | 907          | 891          |
| CIB                                       | 2,217        | 2,223        |
| IWPB                                      | 2,085        | 1,922        |
| Corporate Centre                          | (1)          | 10           |

### 3 Dividends

On 30 July 2025, the Directors approved a second interim dividend for 2025 of \$0.10 per ordinary share in respect of the financial year ending 31 December 2025. This distribution amounts to approximately \$1.74bn and will be payable on 26 September 2025. No liability is recognised in the financial statements in respect of these dividends.

#### Dividends paid to shareholders of HSBC Holdings plc

|                                                          | Half-year to |              |             |               |
|----------------------------------------------------------|--------------|--------------|-------------|---------------|
|                                                          | 30 Jun 2025  |              | 30 Jun 2024 |               |
|                                                          | Per share    | Total        | Per share   | Total         |
|                                                          | \$           | \$m          | \$          | \$m           |
| <b>Dividends paid on ordinary shares</b>                 |              |              |             |               |
| In respect of previous year:                             |              |              |             |               |
| – fourth interim dividend                                | 0.36         | 6,397        | 0.31        | 5,872         |
| In respect of current year:                              |              |              |             |               |
| – first interim dividend                                 | 0.10         | 1,750        | 0.10        | 1,877         |
| – special dividend                                       | —            | —            | 0.21        | 3,942         |
| <b>Total</b>                                             | <b>0.46</b>  | <b>8,147</b> | <b>0.62</b> | <b>11,691</b> |
| Total coupons on capital securities classified as equity |              | 547          |             | 526           |
| <b>Dividends to shareholders</b>                         |              | <b>8,694</b> |             | <b>12,217</b> |

### 4 Earnings per share

Basic earnings per ordinary share is calculated by dividing the profit attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding, after deducting own shares held. Diluted earnings per ordinary share is calculated by dividing the basic earnings, which require no adjustment for the effects of dilutive potential ordinary shares, by the weighted average number of ordinary shares outstanding, excluding own shares held, plus the weighted average number of ordinary shares that would be issued on conversion of dilutive potential ordinary shares.

#### Basic and diluted earnings per share

|                                              | Half-year to  |               |             |               |               |             |
|----------------------------------------------|---------------|---------------|-------------|---------------|---------------|-------------|
|                                              | 30 Jun 2025   |               |             | 30 Jun 2024   |               |             |
|                                              | Profit        | Number        | Amount      | Profit        | Number        | Amount      |
|                                              | \$m           | of shares     | per share   | \$m           | of shares     | per share   |
|                                              |               | (millions)    | \$          |               | (millions)    | \$          |
| Basic <sup>1</sup>                           | 11,510        | 17,646        | 0.65        | 16,586        | 18,666        | 0.89        |
| Effect of dilutive potential ordinary shares |               | 126           |             |               | 120           |             |
| <b>Diluted<sup>1</sup></b>                   | <b>11,510</b> | <b>17,772</b> | <b>0.65</b> | <b>16,586</b> | <b>18,786</b> | <b>0.88</b> |

1 Weighted average number of ordinary shares outstanding (basic) or assuming dilution (diluted).

### 5 Segmental analysis

The Group Operating Committee is considered to be the Chief Operating Decision Maker ('CODM') for the purposes of identifying the Group's reportable segments. Business segments results are assessed by the CODM on the basis of constant currency performance that removes the effects of currency translation from reported results. Therefore, we disclose these results on a constant currency basis as required by IFRS Accounting Standards. The income statement for the half-year to 30 June 2024 is converted at the average rate of exchange for 2025, and the balance sheets at 30 June 2024 and 31 December 2024 at the prevailing rates of exchange on 30 June 2025.

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

Where relevant, income and expense amounts presented include the results of inter-segment funding along with inter-company and inter-business line transactions. All such transactions are undertaken on arm's length terms. Measurement of segmental assets, liabilities, income and expenses is in accordance with the Group's accounting policies. Shared costs are included in segments on the basis of actual recharges. The intra-Group elimination items for the business segments are presented in Corporate Centre.

## Our business segments

Following our organisational announcement in October 2024, effective from 1 January 2025, the Group's reportable segments under IFRS 8 'Operating Segments' comprise four businesses along with Corporate Centre. These replace our previously reported operating segments up to 31 December 2024.

- Hong Kong: The Hong Kong business comprises Retail Banking and Wealth and Commercial Banking of HSBC Hong Kong and Hang Seng Bank.
- UK: The UK business comprises UK Personal Banking (including first direct and M&S Bank) and UK Commercial Banking including HSBC Innovation Bank.
- Corporate and Institutional Banking ('CIB'): CIB is formed from the integration of our Commercial Banking business (outside the UK and Hong Kong) with our Global Banking and Markets business.
- International Wealth and Premier Banking ('IWPB'): IWPB comprises Premier banking outside of Hong Kong and the UK, our Private Bank, and our wealth manufacturing businesses of Asset Management and Insurance.

### HSBC constant currency profit before tax and balance sheet data

|                                                                                                                                 | Half-year to 30 Jun 2025 |              |               |              |                         |               |
|---------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------|---------------|--------------|-------------------------|---------------|
|                                                                                                                                 | Hong Kong<br>\$m         | UK<br>\$m    | CIB<br>\$m    | IWPB<br>\$m  | Corporate Centre<br>\$m | Total<br>\$m  |
| <b>Net operating income/(expense) before change in expected credit losses and other credit impairment charges<sup>1,2</sup></b> | <b>7,848</b>             | <b>6,228</b> | <b>14,117</b> | <b>7,011</b> | <b>(1,082)</b>          | <b>34,122</b> |
| – external                                                                                                                      | 5,037                    | 6,678        | 19,648        | 5,964        | (3,205)                 | 34,122        |
| – inter-segment                                                                                                                 | 2,811                    | (450)        | (5,531)       | 1,047        | 2,123                   | —             |
| – of which: net interest income/(expense) <sup>3</sup>                                                                          | 5,875                    | 5,306        | 7,014         | 3,657        | (5,031)                 | 16,821        |
| Change in expected credit losses and other credit impairment charges                                                            | (864)                    | (323)        | (299)         | (453)        | (2)                     | (1,941)       |
| <b>Net operating income/(expense)</b>                                                                                           | <b>6,984</b>             | <b>5,905</b> | <b>13,818</b> | <b>6,558</b> | <b>(1,084)</b>          | <b>32,181</b> |
| Total operating expenses                                                                                                        | (2,310)                  | (2,624)      | (7,456)       | (4,468)      | (164)                   | (17,022)      |
| <b>Operating profit/(loss)</b>                                                                                                  | <b>4,674</b>             | <b>3,281</b> | <b>6,362</b>  | <b>2,090</b> | <b>(1,248)</b>          | <b>15,159</b> |
| Share of profit in associates and joint ventures less impairment <sup>2</sup>                                                   | —                        | —            | —             | 2            | 649                     | 651           |
| <b>Constant currency profit/(loss) before tax</b>                                                                               | <b>4,674</b>             | <b>3,281</b> | <b>6,362</b>  | <b>2,092</b> | <b>(599)</b>            | <b>15,810</b> |
|                                                                                                                                 | %                        | %            | %             | %            | %                       | %             |
| Share of HSBC's constant currency profit/(loss) before tax                                                                      | 29.6                     | 20.8         | 40.2          | 13.2         | (3.8)                   | 100.0         |
| Constant currency cost efficiency ratio                                                                                         | 29.4                     | 42.1         | 52.8          | 63.7         | (15.2)                  | 49.9          |
| <b>Constant currency balance sheet data</b>                                                                                     | <b>\$m</b>               | <b>\$m</b>   | <b>\$m</b>    | <b>\$m</b>   | <b>\$m</b>              | <b>\$m</b>    |
| Loans and advances to customers (net)                                                                                           | 230,139                  | 299,631      | 304,240       | 147,523      | 189                     | 981,722       |
| Interests in associates and joint ventures                                                                                      | —                        | —            | 116           | 526          | 27,560                  | 28,202        |
| Total external assets                                                                                                           | 433,153                  | 443,023      | 1,763,915     | 435,437      | 138,843                 | 3,214,371     |
| Customer accounts                                                                                                               | 517,406                  | 360,494      | 564,847       | 275,504      | 353                     | 1,718,604     |

| Half-year to 30 Jun 2024 <sup>4</sup>                                                                         |         |         |           |         |         |           |
|---------------------------------------------------------------------------------------------------------------|---------|---------|-----------|---------|---------|-----------|
| Net operating income before change in expected credit losses and other credit impairment charges <sup>1</sup> | 7,432   | 5,994   | 13,333    | 6,933   | 3,365   | 37,057    |
| – external                                                                                                    | 4,769   | 6,280   | 19,696    | 5,689   | 623     | 37,057    |
| – inter-segment                                                                                               | 2,663   | (286)   | (6,363)   | 1,244   | 2,742   | —         |
| – of which: net interest income/(expense) <sup>3</sup>                                                        | 5,928   | 5,026   | 7,314     | 4,131   | (5,865) | 16,534    |
| Change in expected credit losses and other credit impairment charges                                          | (338)   | (58)    | (175)     | (416)   | (6)     | (993)     |
| Net operating income                                                                                          | 7,094   | 5,936   | 13,158    | 6,517   | 3,359   | 36,064    |
| Total operating expenses                                                                                      | (2,340) | (2,403) | (7,037)   | (4,277) | (135)   | (16,192)  |
| Operating profit                                                                                              | 4,754   | 3,533   | 6,121     | 2,240   | 3,224   | 19,872    |
| Share of profit in associates and joint ventures                                                              | —       | —       | —         | 27      | 1,592   | 1,619     |
| Constant currency profit before tax                                                                           | 4,754   | 3,533   | 6,121     | 2,267   | 4,816   | 21,491    |
|                                                                                                               | %       | %       | %         | %       | %       | %         |
| Share of HSBC's constant currency profit before tax                                                           | 22.1    | 16.4    | 28.5      | 10.6    | 22.4    | 100.0     |
| Constant currency cost efficiency ratio                                                                       | 31.5    | 40.1    | 52.8      | 61.7    | 4.0     | 43.7      |
| Constant currency balance sheet data                                                                          | \$m     | \$m     | \$m       | \$m     | \$m     | \$m       |
| Loans and advances to customers (net)                                                                         | 236,309 | 286,915 | 300,392   | 140,795 | 8,368   | 972,779   |
| Interests in associates and joint ventures                                                                    | —       | —       | 132       | 561     | 28,047  | 28,740    |
| Total external assets                                                                                         | 413,491 | 428,708 | 1,702,163 | 399,795 | 140,213 | 3,084,370 |
| Customer accounts                                                                                             | 474,140 | 352,573 | 558,629   | 266,148 | 421     | 1,651,911 |

1 Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.

2 Amount in 'Net operating income before change in expected credit losses and other credit impairment charges' includes a loss of \$1.1bn inclusive of reserves recycling as a result of the dilution of our shareholding in BoCom. We have also recognised a \$1.0bn impairment loss following an impairment test on the carrying value of the Group's investment in BoCom in 'Share of profit in associates and joint ventures less impairment'. See Note 10 on page 95.

3 Net interest expense recognised in the Corporate Centre includes 1H25: \$4.7bn (1H24: \$5.5bn) of interest expense in relation to the internal cost to fund trading and fair value net assets; and the funding cost of foreign exchange swaps in our Markets Treasury function.

4 Comparative information for the prior year has been re-presented to reflect the Group's revised segment structure, which became effective on 1 January 2025.

Reported external net operating income is attributed to countries and territories on the basis of the location of the branch responsible for reporting the results or advancing the funds:

|                                                                    | Half-year to  |               |
|--------------------------------------------------------------------|---------------|---------------|
|                                                                    | 30 Jun 2025   | 30 Jun 2024   |
|                                                                    | \$m           | \$m           |
| <b>Reported external net operating income by country/territory</b> | <b>34,122</b> | <b>37,292</b> |
| – UK <sup>1</sup>                                                  | <b>6,270</b>  | 6,247         |
| – Hong Kong                                                        | <b>11,490</b> | 10,393        |
| – US                                                               | <b>2,313</b>  | 2,146         |
| – Mainland China                                                   | <b>67</b>     | 1,246         |
| – other countries/territories                                      | <b>13,982</b> | 17,260        |

1 UK includes HSBC UK Bank plc (ring-fenced bank), HSBC Bank plc (non-ring-fenced bank), the ultimate holding company, HSBC Holdings plc, and the ServCo group.

### Constant currency results reconciliation

|                                                                               | 30 Jun 2025                    | 30 Jun 2024       |                      |          |
|-------------------------------------------------------------------------------|--------------------------------|-------------------|----------------------|----------|
|                                                                               | Reported and constant currency | Constant currency | Currency translation | Reported |
|                                                                               | \$m                            | \$m               | \$m                  | \$m      |
| Revenue <sup>1,2</sup>                                                        | <b>34,122</b>                  | 37,057            | (235)                | 37,292   |
| ECL                                                                           | <b>(1,941)</b>                 | (993)             | 73                   | (1,066)  |
| Operating expenses                                                            | <b>(17,022)</b>                | (16,192)          | 104                  | (16,296) |
| Share of profit in associates and joint ventures less impairment <sup>2</sup> | <b>651</b>                     | 1,619             | (7)                  | 1,626    |
| <b>Profit before tax</b>                                                      | <b>15,810</b>                  | 21,491            | (65)                 | 21,556   |

1 Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.

2 Amount in 1H25 in 'Revenue' includes a loss of \$1.1bn inclusive of reserves recycling as a result of the dilution of our shareholding in BoCom. We have also recognised a \$1.0bn impairment loss following an impairment test on the carrying value of the Group's investment in BoCom in 'Share of profit in associates and joint ventures less impairment'. See Note 10 on page 95.

### Constant currency balance sheet reconciliation

|                                            | At 30 Jun 2025                 | At 30 Jun 2024    |                      |           | At 31 Dec 2024    |                      |           |
|--------------------------------------------|--------------------------------|-------------------|----------------------|-----------|-------------------|----------------------|-----------|
|                                            | Reported and constant currency | Constant currency | Currency translation | Reported  | Constant currency | Currency translation | Reported  |
|                                            | \$m                            | \$m               | \$m                  | \$m       | \$m               | \$m                  | \$m       |
| Loans and advances to customers (net)      | <b>981,722</b>                 | 972,779           | 34,522               | 938,257   | 974,647           | 43,989               | 930,658   |
| Interests in associates and joint ventures | <b>28,202</b>                  | 28,740            | 275                  | 28,465    | 29,273            | 364                  | 28,909    |
| Total external assets                      | <b>3,214,371</b>               | 3,084,370         | 109,367              | 2,975,003 | 3,152,674         | 135,626              | 3,017,048 |
| Customer accounts                          | <b>1,718,604</b>               | 1,651,911         | 58,077               | 1,593,834 | 1,726,199         | 71,244               | 1,654,955 |

### Notable items

|                                                                     | Half-year to   |             |
|---------------------------------------------------------------------|----------------|-------------|
|                                                                     | 30 Jun 2025    | 30 Jun 2024 |
|                                                                     | \$m            | \$m         |
| <b>Revenue</b>                                                      |                |             |
| Disposals, wind-downs, acquisitions and related costs <sup>1</sup>  | <b>(139)</b>   | 3,571       |
| Dilution loss of interest in BoCom associate <sup>2</sup>           | <b>(1,136)</b> | —           |
| <b>Operating expenses</b>                                           |                |             |
| Disposals, wind-downs, acquisitions and related costs               | <b>(227)</b>   | (101)       |
| Restructuring and other related costs <sup>3</sup>                  | <b>(616)</b>   | 19          |
| <b>Impairment losses of interest in BoCom associate<sup>2</sup></b> | <b>(1,000)</b> | —           |

1 Amount in 1H25 include fair value losses on ADRs in Galicia received as a part of the sale consideration for HSBC Argentina, which were sold in 2Q25. Amount in 1H24 includes a \$4.8bn gain on disposal of our banking business in Canada, inclusive of a \$0.3bn gain on the foreign exchange hedging of the sale proceeds, the recycling of \$0.6bn in foreign currency translation reserve losses and \$0.4bn of other reserves recycling losses. This was partly offset by a \$1.2bn impairment recognised in relation to the sale of our business in Argentina.

2 Amount in 1H25 in 'Dilution loss of interest in BoCom associate' include a loss of \$1.1bn inclusive of reserves recycling as a result of the dilution of our shareholding in BoCom. We have also recognised a \$1.0bn impairment loss following an impairment test on the carrying value of the Group's investment in BoCom in 'Impairment losses of interest in BoCom associate'. See Note 10 on page 95.

3 Amounts relate to restructuring provisions recognised in 2025 as well as reversals of restructuring provisions recognised during 2022.

## 6 Fair values of financial instruments carried at fair value

The accounting policies, control framework and hierarchy used to determine fair values at 30 June 2025 are consistent with those applied for the Annual Report and Accounts 2024.

### Financial instruments carried at fair value and bases of valuation

|                                                                                                     | At 30 Jun 2025              |                                 |                                              |         | At 31 Dec 2024              |                                 |                                              |         |
|-----------------------------------------------------------------------------------------------------|-----------------------------|---------------------------------|----------------------------------------------|---------|-----------------------------|---------------------------------|----------------------------------------------|---------|
|                                                                                                     | Valuation techniques        |                                 |                                              |         | Valuation techniques        |                                 |                                              |         |
|                                                                                                     | Quoted market price Level 1 | Using observable inputs Level 2 | With significant unobservable inputs Level 3 | Total   | Quoted market price Level 1 | Using observable inputs Level 2 | With significant unobservable inputs Level 3 | Total   |
| Recurring fair value measurements                                                                   | \$m                         | \$m                             | \$m                                          | \$m     | \$m                         | \$m                             | \$m                                          | \$m     |
| <b>Assets</b>                                                                                       |                             |                                 |                                              |         |                             |                                 |                                              |         |
| Trading assets                                                                                      | 247,679                     | 80,843                          | 5,223                                        | 333,745 | 236,593                     | 71,574                          | 6,675                                        | 314,842 |
| Financial assets designated and otherwise mandatorily measured at fair value through profit or loss | 46,797                      | 57,555                          | 24,590                                       | 128,942 | 39,331                      | 56,694                          | 19,744                                       | 115,769 |
| Derivatives                                                                                         | 1,271                       | 245,767                         | 2,634                                        | 249,672 | 1,859                       | 264,629                         | 2,149                                        | 268,637 |
| Financial investments                                                                               | 302,583                     | 77,043                          | 2,120                                        | 381,746 | 258,371                     | 78,088                          | 2,734                                        | 339,193 |
| <b>Liabilities</b>                                                                                  |                             |                                 |                                              |         |                             |                                 |                                              |         |
| Trading liabilities                                                                                 | 47,182                      | 23,424                          | 47                                           | 70,653  | 42,038                      | 23,160                          | 784                                          | 65,982  |
| Financial liabilities designated at fair value                                                      | 2,526                       | 152,043                         | 9,020                                        | 163,589 | 2,152                       | 127,458                         | 9,117                                        | 138,727 |
| Derivatives                                                                                         | 2,072                       | 251,858                         | 3,671                                        | 257,601 | 1,088                       | 260,518                         | 2,842                                        | 264,448 |

The table below provides the fair value levelling of assets held for sale and liabilities of disposal groups that have been classified as held for sale in accordance with IFRS 5. For further details, see Note 15.

### Financial instruments carried at fair value and bases of valuation – assets and liabilities held for sale

|                                                                                                     | At 30 June 2025             |                                 |                                              |        | At 31 Dec 2024              |                                 |                                              |        |
|-----------------------------------------------------------------------------------------------------|-----------------------------|---------------------------------|----------------------------------------------|--------|-----------------------------|---------------------------------|----------------------------------------------|--------|
|                                                                                                     | Valuation techniques        |                                 |                                              |        | Valuation techniques        |                                 |                                              |        |
|                                                                                                     | Quoted market price Level 1 | Using observable inputs Level 2 | With significant unobservable inputs Level 3 | Total  | Quoted market price Level 1 | Using observable inputs Level 2 | With significant unobservable inputs Level 3 | Total  |
| Recurring fair value measurements                                                                   | \$m                         | \$m                             | \$m                                          | \$m    | \$m                         | \$m                             | \$m                                          | \$m    |
| <b>Assets</b>                                                                                       |                             |                                 |                                              |        |                             |                                 |                                              |        |
| Trading assets                                                                                      | —                           | —                               | —                                            | —      | —                           | —                               | —                                            | —      |
| Financial assets designated and otherwise mandatorily measured at fair value through profit or loss | 3,060                       | 11,246                          | 2,666                                        | 16,972 | 2,967                       | 9,018                           | 2,575                                        | 14,560 |
| Derivatives                                                                                         | —                           | 51                              | —                                            | 51     | —                           | 36                              | —                                            | 36     |
| Financial investments                                                                               | 3,193                       | 12,151                          | 510                                          | 15,854 | 2,651                       | 5,345                           | 504                                          | 8,500  |
| <b>Liabilities</b>                                                                                  |                             |                                 |                                              |        |                             |                                 |                                              |        |
| Trading liabilities                                                                                 | —                           | —                               | —                                            | —      | —                           | —                               | —                                            | —      |
| Financial liabilities designated at fair value                                                      | —                           | 13                              | —                                            | 13     | —                           | 130                             | —                                            | 130    |
| Derivatives                                                                                         | —                           | 12                              | —                                            | 12     | —                           | 19                              | —                                            | 19     |

### Transfers between Level 1 and Level 2 fair values

|                                   | Assets                |                |                                                             |             | Liabilities         |                          |             |
|-----------------------------------|-----------------------|----------------|-------------------------------------------------------------|-------------|---------------------|--------------------------|-------------|
|                                   | Financial investments | Trading assets | Designated and otherwise mandatorily measured at fair value | Derivatives | Trading liabilities | Designated at fair value | Derivatives |
|                                   | \$m                   | \$m            | \$m                                                         | \$m         | \$m                 | \$m                      | \$m         |
| At 30 Jun 2025                    |                       |                |                                                             |             |                     |                          |             |
| Transfers from Level 1 to Level 2 | 6,032                 | 2,596          | 703                                                         | —           | 94                  | —                        | —           |
| Transfers from Level 2 to Level 1 | 7,019                 | 4,812          | 2,794                                                       | —           | 210                 | —                        | —           |
| At 31 Dec 2024                    |                       |                |                                                             |             |                     |                          |             |
| Transfers from Level 1 to Level 2 | 13,511                | 9,246          | 1,540                                                       | —           | 191                 | —                        | —           |
| Transfers from Level 2 to Level 1 | 10,752                | 6,060          | 3,042                                                       | —           | 159                 | —                        | —           |

Transfers between levels of the fair value hierarchy are deemed to occur at the end of each quarterly reporting period. Transfers into and out of levels of the fair value hierarchy are primarily attributable to observability of valuation inputs and price transparency.

## Fair value adjustments

Fair value adjustments take into consideration additional factors not incorporated within the primary product valuation model that would otherwise be considered by a market participant. Adjustments are calculated using model infrastructure including those within primary valuation systems. We classify fair value adjustments as either 'risk-related' or 'model-related'. The majority of these adjustments relate to MSS. Movements in the amount of fair value adjustments do not necessarily translate in equivalent movements of profits or losses within the income statement, as these movements can be compensated by other related profit or loss effects. For example, as models are enhanced, fair value adjustments may no longer be required. Similarly, fair value adjustments will decrease when the related positions are unwound, but this may not result in profit or loss.

### Fair value adjustments

| Type of adjustment                    | At                 |                    |
|---------------------------------------|--------------------|--------------------|
|                                       | 30 Jun 2025<br>\$m | 31 Dec 2024<br>\$m |
| Risk-related                          | 658                | 669                |
| – bid-offer                           | 392                | 368                |
| – uncertainty                         | 112                | 101                |
| – credit valuation adjustment         | 145                | 153                |
| – debit valuation adjustment          | (23)               | (24)               |
| – funding fair value adjustment       | 32                 | 71                 |
| Model-related                         | 73                 | 50                 |
| – model limitation                    | 73                 | 50                 |
| Inception profit (Day 1 P&L reserves) | 113                | 92                 |
| <b>Total</b>                          | <b>844</b>         | <b>811</b>         |

## Fair value valuation bases

Financial instruments measured at fair value using a valuation technique with significant unobservable inputs – Level 3

|                                                | Assets                   |                   |                                                                                             |             |        | Liabilities            |                             |             |        |
|------------------------------------------------|--------------------------|-------------------|---------------------------------------------------------------------------------------------|-------------|--------|------------------------|-----------------------------|-------------|--------|
|                                                | Financial<br>investments | Trading<br>assets | Designated and<br>otherwise mandatorily<br>measured at fair value<br>through profit or loss | Derivatives | Total  | Trading<br>liabilities | Designated<br>at fair value | Derivatives | Total  |
|                                                |                          |                   |                                                                                             |             |        |                        |                             |             |        |
|                                                |                          |                   |                                                                                             |             |        |                        |                             |             |        |
| \$m                                            | \$m                      | \$m               | \$m                                                                                         | \$m         | \$m    | \$m                    | \$m                         | \$m         |        |
| Private equity including strategic investments | 587                      | 1                 | 19,363                                                                                      | —           | 19,951 | —                      | 1                           | —           | 1      |
| Asset-backed securities                        | 160                      | 171               | —                                                                                           | —           | 331    | —                      | —                           | —           | —      |
| Structured notes                               | —                        | —                 | —                                                                                           | —           | —      | —                      | 9,017                       | —           | 9,017  |
| Other derivatives                              | —                        | —                 | —                                                                                           | 2,634       | 2,634  | —                      | —                           | 3,671       | 3,671  |
| Other portfolios                               | 1,373                    | 5,051             | 5,227                                                                                       | —           | 11,651 | 47                     | 2                           | —           | 49     |
| At 30 Jun 2025                                 | 2,120                    | 5,223             | 24,590                                                                                      | 2,634       | 34,567 | 47                     | 9,020                       | 3,671       | 12,738 |
|                                                |                          |                   |                                                                                             |             |        |                        |                             |             |        |
| Private equity including strategic investments | 552                      | 1                 | 17,705                                                                                      | —           | 18,258 | —                      | 1                           | —           | 1      |
| Asset-backed securities                        | 182                      | 198               | —                                                                                           | —           | 380    | —                      | —                           | —           | —      |
| Structured notes                               | —                        | —                 | 3                                                                                           | —           | 3      | —                      | 9,113                       | —           | 9,113  |
| Other derivatives                              | —                        | —                 | —                                                                                           | 2,149       | 2,149  | —                      | —                           | 2,842       | 2,842  |
| Other portfolios                               | 2,000                    | 6,476             | 2,036                                                                                       | —           | 10,512 | 784                    | 3                           | —           | 787    |
| At 31 Dec 2024                                 | 2,734                    | 6,675             | 19,744                                                                                      | 2,149       | 31,302 | 784                    | 9,117                       | 2,842       | 12,743 |

The basis for determining the fair value of the financial instruments in the table above is explained on page 389 of the Annual Report and Accounts 2024.

# Reconciliation of fair value measurements in Level 3 of the fair value hierarchy

## Movement in Level 3 financial instruments

|                                                                                                                                                | Assets                   |                   |                                                                                             |              | Liabilities            |                             |              |
|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------|---------------------------------------------------------------------------------------------|--------------|------------------------|-----------------------------|--------------|
|                                                                                                                                                | Financial<br>investments | Trading<br>assets | Designated and<br>otherwise mandatorily<br>measured at fair value<br>through profit or loss | Derivatives  | Trading<br>liabilities | Designated<br>at fair value | Derivatives  |
|                                                                                                                                                | \$m                      | \$m               | \$m                                                                                         | \$m          | \$m                    | \$m                         | \$m          |
| <b>At 1 Jan 2025</b>                                                                                                                           | <b>2,734</b>             | <b>6,675</b>      | <b>19,744</b>                                                                               | <b>2,149</b> | <b>784</b>             | <b>9,117</b>                | <b>2,842</b> |
| Total gains or losses recognised in profit or loss                                                                                             | <b>1</b>                 | <b>(37)</b>       | <b>912</b>                                                                                  | <b>605</b>   | <b>(20)</b>            | <b>112</b>                  | <b>893</b>   |
| – net income or losses from financial instruments held for trading or managed on a fair value basis                                            | —                        | (37)              | —                                                                                           | 605          | (20)                   | 112                         | 893          |
| – net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss | —                        | —                 | 867                                                                                         | —            | —                      | —                           | —            |
| – changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss                               | —                        | —                 | 45                                                                                          | —            | —                      | —                           | —            |
| – gains less losses from financial investments held at fair value through other comprehensive income                                           | 1                        | —                 | —                                                                                           | —            | —                      | —                           | —            |
| Total gains/(losses) recognised in other comprehensive income ('OCI') <sup>1</sup>                                                             | <b>238</b>               | <b>266</b>        | <b>(76)</b>                                                                                 | <b>195</b>   | <b>22</b>              | <b>419</b>                  | <b>237</b>   |
| – financial investments: fair value gains/(losses)                                                                                             | 35                       | —                 | —                                                                                           | —            | —                      | 1                           | —            |
| – exchange differences                                                                                                                         | 203                      | 266               | (76)                                                                                        | 195          | 22                     | 418                         | 237          |
| Purchases                                                                                                                                      | 880                      | 2,312             | 2,003                                                                                       | —            | 58                     | —                           | —            |
| New issuances                                                                                                                                  | —                        | 1                 | —                                                                                           | —            | —                      | 2,966                       | —            |
| Sales                                                                                                                                          | (127)                    | (1,541)           | (75)                                                                                        | —            | (12)                   | —                           | —            |
| Settlements                                                                                                                                    | (313)                    | (1,419)           | (182)                                                                                       | (404)        | (318)                  | (2,355)                     | (341)        |
| Transfers out                                                                                                                                  | (1,478)                  | (1,690)           | (184)                                                                                       | (300)        | (482)                  | (2,826)                     | (464)        |
| Transfers in <sup>2</sup>                                                                                                                      | 185                      | 656               | 2,448                                                                                       | 389          | 15                     | 1,587                       | 504          |
| <b>At 30 Jun 2025</b>                                                                                                                          | <b>2,120</b>             | <b>5,223</b>      | <b>24,590</b>                                                                               | <b>2,634</b> | <b>47</b>              | <b>9,020</b>                | <b>3,671</b> |
| Unrealised gains or losses recognised in profit or loss relating to assets and liabilities held at 30 Jun 2025                                 | —                        | 55                | 116                                                                                         | 699          | 28                     | (179)                       | (1,307)      |
| – net income or losses from financial instruments held for trading or managed on a fair value basis                                            | —                        | 55                | —                                                                                           | 699          | 28                     | —                           | (1,307)      |
| – changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss                               | —                        | —                 | 116                                                                                         | —            | —                      | (179)                       | —            |
| <b>At 1 Jan 2024</b>                                                                                                                           | <b>2,618</b>             | <b>4,306</b>      | <b>19,788</b>                                                                               | <b>2,069</b> | <b>478</b>             | <b>10,928</b>               | <b>2,569</b> |
| Total gains or losses recognised in profit or loss                                                                                             | (11)                     | (7)               | 270                                                                                         | 323          | (4)                    | 345                         | 865          |
| – net income or losses from financial instruments held for trading or managed on a fair value basis                                            | —                        | (7)               | —                                                                                           | 323          | (4)                    | 345                         | 865          |
| – net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss | —                        | —                 | 223                                                                                         | —            | —                      | —                           | —            |
| – changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss                               | —                        | —                 | 47                                                                                          | —            | —                      | —                           | —            |
| – gains less losses from financial investments held at fair value through other comprehensive income                                           | (11)                     | —                 | —                                                                                           | —            | —                      | —                           | —            |
| Total gains/(losses) recognised in other comprehensive income ('OCI')                                                                          | (73)                     | (48)              | (102)                                                                                       | (22)         | (4)                    | (77)                        | (30)         |
| – financial investments: fair value gains/(losses)                                                                                             | (18)                     | —                 | —                                                                                           | —            | —                      | 31                          | —            |
| – exchange differences                                                                                                                         | (55)                     | (48)              | (102)                                                                                       | (22)         | (4)                    | (108)                       | (30)         |
| Purchases                                                                                                                                      | 351                      | 1,030             | 3,694                                                                                       | —            | 135                    | —                           | —            |
| New issuances                                                                                                                                  | —                        | —                 | —                                                                                           | —            | —                      | 3,378                       | —            |
| Sales                                                                                                                                          | (30)                     | (633)             | (183)                                                                                       | —            | (293)                  | —                           | —            |
| Settlements                                                                                                                                    | (406)                    | (615)             | (1,738)                                                                                     | (147)        | (164)                  | (1,898)                     | (136)        |
| Transfers out                                                                                                                                  | (80)                     | (281)             | (213)                                                                                       | (265)        | (29)                   | (1,039)                     | (353)        |
| Transfers in                                                                                                                                   | 45                       | 328               | 105                                                                                         | 553          | 11                     | 522                         | 566          |
| <b>At 30 Jun 2024</b>                                                                                                                          | <b>2,414</b>             | <b>4,080</b>      | <b>21,621</b>                                                                               | <b>2,511</b> | <b>130</b>             | <b>12,159</b>               | <b>3,481</b> |
| Unrealised gains or losses recognised in profit or loss relating to assets and liabilities held at 30 Jun 2024                                 | —                        | (12)              | (302)                                                                                       | (2,157)      | 5                      | (167)                       | (541)        |
| – net income or losses from financial instruments held for trading or managed on a fair value basis                                            | —                        | (12)              | —                                                                                           | (2,157)      | 5                      | —                           | (541)        |
| – changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss                               | —                        | —                 | (302)                                                                                       | —            | —                      | (167)                       | —            |

1 Included in 'financial investments: fair value gains/(losses)' in the current year and 'exchange differences' in the consolidated statement of comprehensive income.

2 Includes \$2.3bn of transfers in representing enhancements to the application of our levelling methodology, primarily impacting our Insurance business.

Transfers between levels of the fair value hierarchy are deemed to occur at the end of each quarterly reporting period. Transfers into and out of levels of the fair value hierarchy are primarily attributable to observability of valuation inputs and price transparency.

## Effect of changes in significant unobservable assumptions to reasonably possible alternatives

The following table shows the sensitivity of Level 3 fair values to reasonably possible alternative assumptions:

### Sensitivity of fair values to reasonably possible alternative assumptions

|                                                                                                                     | Reflected in profit or loss |                      | Reflected in OCI   |                      |
|---------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------|--------------------|----------------------|
|                                                                                                                     | Favourable changes          | Unfavourable changes | Favourable changes | Unfavourable changes |
|                                                                                                                     | \$m                         | \$m                  | \$m                | \$m                  |
| Derivatives, trading assets and trading liabilities <sup>1</sup>                                                    | 524                         | (309)                | —                  | —                    |
| Financial assets and liabilities designated and otherwise mandatorily measured at fair value through profit or loss | 1,873                       | (1,470)              | —                  | —                    |
| Financial investments                                                                                               | 19                          | (19)                 | 52                 | (55)                 |
| <b>At 30 Jun 2025</b>                                                                                               | <b>2,416</b>                | <b>(1,798)</b>       | <b>52</b>          | <b>(55)</b>          |
| Derivatives, trading assets and trading liabilities <sup>1</sup>                                                    | 546                         | (309)                | —                  | —                    |
| Financial assets and liabilities designated and otherwise mandatorily measured at fair value through profit or loss | 1,664                       | (1,255)              | —                  | —                    |
| Financial investments                                                                                               | 18                          | (18)                 | 42                 | (45)                 |
| <b>At 30 Jun 2024</b>                                                                                               | <b>2,228</b>                | <b>(1,582)</b>       | <b>42</b>          | <b>(45)</b>          |
| Derivatives, trading assets and trading liabilities <sup>1</sup>                                                    | 481                         | (313)                | —                  | —                    |
| Financial assets and liabilities designated and otherwise mandatorily measured at fair value through profit or loss | 1,434                       | (1,141)              | —                  | —                    |
| Financial investments                                                                                               | 21                          | (21)                 | 47                 | (50)                 |
| <b>At 31 Dec 2024</b>                                                                                               | <b>1,936</b>                | <b>(1,475)</b>       | <b>47</b>          | <b>(50)</b>          |

1 'Derivatives, trading assets and trading liabilities' are presented as one category to reflect the manner in which these financial instruments are risk-managed.

The sensitivity analysis aims to measure a range of fair values consistent with the application of a 95% confidence interval. Methodologies take account of the nature of the valuation technique employed, as well as the availability and reliability of observable proxy and historical data.

When the fair value of a financial instrument is affected by more than one unobservable assumption, the table above reflects the most favourable or the most unfavourable change from varying the assumptions individually.

## Key unobservable inputs to Level 3 financial instruments

The following table lists key unobservable inputs to Level 3 financial instruments and provides the range of those inputs at 30 June 2025. There has been no change to the key unobservable inputs to Level 3 financial instruments and inter-relationships therein, which are detailed on pages 391 and 392 of the Annual Report and Accounts 2024.

### Quantitative information about significant unobservable inputs in Level 3 valuations

|                                                                | Fair value    |                    |                                 |                             | 30 Jun 2025             |        | 31 Dec 2024             |        |
|----------------------------------------------------------------|---------------|--------------------|---------------------------------|-----------------------------|-------------------------|--------|-------------------------|--------|
|                                                                | Assets<br>\$m | Liabilities<br>\$m | Key valuation<br>techniques     | Key unobservable<br>inputs  | Full range of<br>inputs |        | Full range of<br>inputs |        |
|                                                                |               |                    |                                 |                             | Lower                   | Higher | Lower                   | Higher |
| Private equity including<br>strategic investments <sup>1</sup> | 19,951        | 1                  | Price – Net asset value         | Current Value/<br>Cost      | 0                       | 75     | 0                       | 291    |
| Asset-backed securities                                        | 331           | —                  |                                 |                             |                         |        |                         |        |
| – collateralised loan/debt obligation                          | 99            | —                  | Market proxy                    | Price                       | 0                       | 100    | 0                       | 97     |
| – other ABSs                                                   | 232           | —                  | Market proxy                    | Price                       | 0                       | 255    | 0                       | 248    |
| Loans held for securitisation                                  | —             | —                  |                                 |                             |                         |        |                         |        |
| Structured notes                                               | —             | 9,017              |                                 |                             |                         |        |                         |        |
| – equity-linked notes                                          | —             | 6,250              | Model – Option model            | Equity volatility           | 5%                      | 67%    | 6%                      | 70%    |
|                                                                |               |                    | Model – Option model            | Equity correlation          | 10%                     | 100%   | 15%                     | 100%   |
| – foreign exchange ('FX')-linked<br>notes                      | —             | 993                | Model – Option model            | FX volatility               | 4%                      | 19%    | 3%                      | 35%    |
| – other structured notes                                       | —             | 1,774              |                                 |                             |                         |        |                         |        |
| Other derivatives                                              | 2,634         | 3,671              |                                 |                             |                         |        |                         |        |
| – interest rate derivatives                                    | 1,000         | 1,055              |                                 |                             |                         |        |                         |        |
| – securitisation swaps                                         | 143           | 324                | Model – Discounted<br>cash flow | Prepayment rate             | 5%                      | 10%    | 5%                      | 10%    |
| – long-dated swaptions                                         | 89            | 91                 | Model – Option model            | Interest rate<br>volatility | 9%                      | 30%    | 9%                      | 30%    |
| – other interest rate derivatives                              | 768           | 640                |                                 |                             |                         |        |                         |        |
| – FX derivatives                                               | 547           | 470                |                                 |                             |                         |        |                         |        |
| – FX options                                                   | 318           | 249                | Model – Option model            | FX volatility               | 1%                      | 19%    | 1%                      | 26%    |
| – other foreign exchange derivatives                           | 229           | 221                |                                 |                             |                         |        |                         |        |
| – equity derivatives                                           | 819           | 1,494              |                                 |                             |                         |        |                         |        |
| – long-dated single stock options                              | 421           | 549                | Model – Option model            | Equity volatility           | 5%                      | 119%   | 6%                      | 118%   |
| – other equity derivatives                                     | 398           | 945                |                                 |                             |                         |        |                         |        |
| – credit derivatives                                           | 260           | 650                |                                 |                             |                         |        |                         |        |
| – total return swaps                                           | 213           | 527                | Market proxy                    | Price                       | 73                      | 106    | 0                       | 104    |
| – other credit derivatives                                     | 47            | 123                |                                 |                             |                         |        |                         |        |
| – other derivatives                                            | 8             | 2                  |                                 |                             |                         |        |                         |        |
| Other portfolios                                               | 11,651        | 49                 |                                 |                             |                         |        |                         |        |
| – repurchase agreements                                        | 427           | —                  | Model – Discounted<br>cash flow | Interest rate curve         | 0%                      | 3%     | 0%                      | 26%    |
| – bonds                                                        | 6,807         | 39                 | Market proxy                    | Price                       | 0                       | 126    | 0                       | 140    |
| – loans and deposits                                           | 2,412         | —                  | Market proxy                    | Price                       | 0                       | 111    | 0                       | 103    |
| – other <sup>2</sup>                                           | 2,005         | 10                 |                                 |                             |                         |        |                         |        |
| At 30 Jun 2025                                                 | 34,567        | 12,738             |                                 |                             |                         |        |                         |        |

1 'Private equity including strategic investments' includes private equity, private credit and private equity funds, primarily held as part of our Insurance business and for strategic investments.

2 'Other' includes a range of smaller asset holdings.

## 7 Fair values of financial instruments not carried at fair value

The bases for measuring the fair values of loans and advances to banks and customers, financial investments, deposits by banks, customer accounts, debt securities in issue, subordinated liabilities and non-trading repurchase and reverse repurchase agreements are explained on page 394 of the Annual Report and Accounts 2024.

### Fair values of financial instruments not carried at fair value on the balance sheet

|                                             | At 30 Jun 2025         |                   | At 31 Dec 2024         |                   |
|---------------------------------------------|------------------------|-------------------|------------------------|-------------------|
|                                             | Carrying amount<br>\$m | Fair value<br>\$m | Carrying amount<br>\$m | Fair value<br>\$m |
| <b>Assets</b>                               |                        |                   |                        |                   |
| Loans and advances to banks                 | 107,582                | 107,585           | 102,039                | 102,055           |
| Loans and advances to customers             | 981,722                | 975,671           | 930,658                | 917,643           |
| Reverse repurchase agreements – non-trading | 283,204                | 283,340           | 252,549                | 252,598           |
| Financial investments – at amortised cost   | 166,209                | 165,142           | 153,973                | 151,060           |
| <b>Liabilities</b>                          |                        |                   |                        |                   |
| Deposits by banks                           | 97,782                 | 97,812            | 73,997                 | 74,025            |
| Customer accounts                           | 1,718,604              | 1,718,745         | 1,654,955              | 1,655,151         |
| Repurchase agreements – non-trading         | 195,532                | 195,498           | 180,880                | 180,873           |
| Debt securities in issue                    | 102,129                | 102,898           | 105,785                | 106,643           |
| Subordinated liabilities                    | 27,569                 | 30,114            | 25,958                 | 28,262            |

## Fair values of financial instruments not carried at fair value on the balance sheet – assets and disposal groups held for sale

|                                           | At 30 Jun 2025         |                   | At 31 Dec 2024         |                   |
|-------------------------------------------|------------------------|-------------------|------------------------|-------------------|
|                                           | Carrying amount<br>\$m | Fair value<br>\$m | Carrying amount<br>\$m | Fair value<br>\$m |
| <b>Assets</b>                             |                        |                   |                        |                   |
| Loans and advances to banks               | 169                    | 169               | 144                    | 144               |
| Loans and advances to customers           | 2,287                  | 2,289             | 977                    | 977               |
| Financial investments – at amortised cost | —                      | —                 | —                      | —                 |
| <b>Liabilities</b>                        |                        |                   |                        |                   |
| Deposits by banks                         | 103                    | 103               | —                      | —                 |
| Customer accounts                         | 19,088                 | 19,088            | 5,399                  | 5,399             |

Other financial instruments not carried at fair value are typically short term in nature and reprice to current market rates frequently. Accordingly, their carrying amount is a reasonable approximation of fair value.

## 8 Derivatives

## Notional contract amounts and fair values of derivatives by product contract type held by HSBC

|                                | Notional contract amount |                | Fair value amount |                |                |                |                |                |
|--------------------------------|--------------------------|----------------|-------------------|----------------|----------------|----------------|----------------|----------------|
|                                | Assets and liabilities   |                | Assets            |                | Liabilities    |                |                |                |
|                                | Trading<br>\$m           | Hedging<br>\$m | Trading<br>\$m    | Hedging<br>\$m | Total<br>\$m   | Trading<br>\$m | Hedging<br>\$m | Total<br>\$m   |
| Foreign exchange               | 14,089,219               | 102,052        | 119,794           | 592            | 120,386        | 120,166        | 2,114          | 122,280        |
| Interest rate                  | 18,843,944               | 444,352        | 216,249           | 5,315          | 221,564        | 212,818        | 5,083          | 217,901        |
| Equities                       | 868,213                  | —              | 16,443            | —              | 16,443         | 24,133         | —              | 24,133         |
| Credit                         | 151,437                  | —              | 1,237             | —              | 1,237          | 2,106          | —              | 2,106          |
| Commodity and other            | 148,870                  | —              | 4,292             | —              | 4,292          | 5,431          | —              | 5,431          |
| <b>Gross total fair values</b> | <b>34,101,683</b>        | <b>546,404</b> | <b>358,015</b>    | <b>5,907</b>   | <b>363,922</b> | <b>364,654</b> | <b>7,197</b>   | <b>371,851</b> |
| Offset                         |                          |                |                   |                | (114,250)      |                |                | (114,250)      |
| <b>At 30 Jun 2025</b>          | <b>34,101,683</b>        | <b>546,404</b> | <b>358,015</b>    | <b>5,907</b>   | <b>249,672</b> | <b>364,654</b> | <b>7,197</b>   | <b>257,601</b> |
| Foreign exchange               | 11,706,591               | 82,161         | 142,055           | 2,738          | 144,793        | 133,910        | 75             | 133,985        |
| Interest rate                  | 17,316,173               | 406,109        | 209,794           | 4,790          | 214,584        | 212,980        | 4,930          | 217,910        |
| Equities                       | 768,732                  | —              | 17,116            | —              | 17,116         | 20,643         | —              | 20,643         |
| Credit                         | 143,136                  | —              | 1,756             | —              | 1,756          | 1,769          | —              | 1,769          |
| Commodity and other            | 118,180                  | —              | 3,134             | —              | 3,134          | 2,887          | —              | 2,887          |
| Gross total fair values        | 30,052,812               | 488,270        | 373,855           | 7,528          | 381,383        | 372,189        | 5,005          | 377,194        |
| Offset                         |                          |                |                   |                | (112,746)      |                |                | (112,746)      |
| <b>At 31 Dec 2024</b>          | <b>30,052,812</b>        | <b>488,270</b> | <b>373,855</b>    | <b>7,528</b>   | <b>268,637</b> | <b>372,189</b> | <b>5,005</b>   | <b>264,448</b> |

The notional contract amounts of derivatives held for trading purposes and derivatives designated in hedge accounting relationships indicate the nominal value of transactions outstanding at the balance sheet date. They do not represent amounts at risk.

## Hedge accounting derivatives

The notional contract amounts of derivatives held for hedge accounting purposes indicate the nominal value of transactions outstanding at the balance sheet date, not amounts at risk.

## Notional contract amounts of derivatives held for hedging purposes by product type

|                  | At 30 Jun 2025          |                          | At 31 Dec 2024          |                          |
|------------------|-------------------------|--------------------------|-------------------------|--------------------------|
|                  | Cash flow hedges<br>\$m | Fair value hedges<br>\$m | Cash flow hedges<br>\$m | Fair value hedges<br>\$m |
| Foreign exchange | 58,047                  | —                        | 47,194                  | —                        |
| Interest rate    | 207,144                 | 237,208                  | 215,777                 | 190,332                  |
| <b>Total</b>     | <b>265,191</b>          | <b>237,208</b>           | <b>262,971</b>          | <b>190,332</b>           |

The Group applies hedge accounting in respect of certain consolidated net investments in foreign operations. Hedging is undertaken using forward foreign exchange contracts or by financing with foreign currency borrowings. At 30 June 2025, the notional contract value of outstanding derivative financial instruments designated as hedges of net investments in foreign operations was \$44,005m (31 December 2024: \$34,967m).

## 9 Financial investments

### Carrying amounts of financial investments

|                                                                                 | 30 Jun 2025<br>\$m | 31 Dec 2024<br>\$m |
|---------------------------------------------------------------------------------|--------------------|--------------------|
| Financial investments measured at fair value through other comprehensive income | <b>381,746</b>     | 339,193            |
| – treasury and other eligible bills                                             | <b>117,390</b>     | 112,705            |
| – debt securities                                                               | <b>262,226</b>     | 224,496            |
| – equity securities                                                             | <b>1,697</b>       | 1,569              |
| – other instruments                                                             | <b>433</b>         | 423                |
| Debt instruments measured at amortised cost                                     | <b>166,209</b>     | 153,973            |
| – treasury and other eligible bills                                             | <b>21,243</b>      | 22,148             |
| – debt securities                                                               | <b>144,966</b>     | 131,825            |
| <b>At the end of the period</b>                                                 | <b>547,955</b>     | 493,166            |

## 10 Interests in associates and joint ventures

At 30 June 2025, the carrying amount of HSBC's interests in associates and joint ventures was \$28,202m (31 December 2024: \$28,909m).

### Principal associates of HSBC

|                                     | At 30 Jun 2025         |                                | At 31 Dec 2024         |                                |
|-------------------------------------|------------------------|--------------------------------|------------------------|--------------------------------|
|                                     | Carrying amount<br>\$m | Fair value <sup>1</sup><br>\$m | Carrying amount<br>\$m | Fair value <sup>1</sup><br>\$m |
| Bank of Communications Co., Limited | <b>21,348</b>          | <b>13,145</b>                  | 22,367                 | 11,631                         |
| Saudi Awwal Bank                    | <b>5,245</b>           | <b>5,724</b>                   | 5,027                  | 5,705                          |

1 Principal associates are listed on recognised stock exchanges. The fair values are based on the quoted market prices of the shares held (Level 1 in the fair value hierarchy).

### Share of profit in associates and joint ventures

|                                                         | Half year to       |                    |
|---------------------------------------------------------|--------------------|--------------------|
|                                                         | 30 Jun 2025<br>\$m | 30 Jun 2024<br>\$m |
| Bank of Communications Co., Limited                     | <b>1,260</b>       | 1,257              |
| Saudi Awwal Bank                                        | <b>345</b>         | 317                |
| Other associates and joint ventures                     | <b>46</b>          | 52                 |
| <b>Share of profit in associates and joint ventures</b> | <b>1,651</b>       | 1,626              |
| Less: Impairment of interest in BoCom                   | <b>(1,000)</b>     | —                  |

## Bank of Communications Co., Limited

The results for the period ended 30 June 2025 included a \$1.1bn loss from the dilution of our shareholding and a \$1.0bn impairment to the carrying value of the Group's interest in BoCom.

The Group's interest in BoCom reduced from 19.03% to 16.00% following the completion of a capital issuance by BoCom on 17 June 2025. The dilution of the Group's interest resulted in a pre-tax loss of \$1.1bn, recognised in 'Other operating (expense)/income' in the Group's consolidated income statement. The loss is not deductible for tax purposes as a consequence of our shareholding in BoCom being held for long-term investment purposes.

In addition, the Group performed an impairment test on the carrying amount at 30 June 2025, which resulted in an impairment of \$1.0bn, as the recoverable amount as determined by a value-in-use calculation was lower than the carrying value, recognised within 'Impairment of interest in associate'. Consistent with prior periods, our value-in-use calculation uses both historical experience and market participant views to estimate future cash flows, relevant discount rates and associated capital assumptions.

We remain strategically committed to mainland China and continue our valued, strategic partnership with BoCom.

### HSBC's Interest

The Group's investment in BoCom continues to be classified as an associate. Significant influence in BoCom was established with consideration of all relevant factors, including the Group's latest shareholding, representation on BoCom's Board of Directors, and participation in a resource and experience sharing agreement. Investments in associates are recognised using the equity method of accounting in accordance with IAS 28 'Investments in Associates and Joint Ventures', whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Group's share of associate's net assets. An impairment test is required if there is any indication of impairment or reversal.

The fair value of the Group's investment in BoCom had been below its carrying amount. No impairment (or reversal) was required for the year ended 31 December 2024.

If the Group did not have significant influence in BoCom, the investment would be carried at fair value rather than the current carrying amount.

## Impairment testing

At 30 June 2025, the Group concluded that there were indications of impairment. As part of this assessment, the Group performed an impairment test on the carrying amount with an updated VIU calculation, which resulted in an impairment of \$1.0bn, as the recoverable amount as determined by the VIU calculation was lower than the carrying amount. The impairment was recognised within 'Impairment of interest in associate'. The carrying amount of the investment after impairment was \$21.3bn (31 December 2024: \$22.4bn) with a fair value of \$13.1bn (31 December 2024: \$11.6bn). The impairment loss is not deductible for tax purposes.

## Basis of recoverable amount

The VIU calculation uses discounted cash flow projections based on management's best estimates of future earnings available to ordinary shareholders prepared in accordance with IAS 36 'Impairment of Assets'. Those cash flows used estimates based on BoCom's current condition and so do not include estimated cash flows arising from uncommitted future actions that may affect the performance of the investment, which will be considered at the relevant time should they arise. Significant management judgement is required in arriving at the best estimate.

The VIU may increase or decrease depending on the effect of changes to model inputs. The main model inputs are described below and are based on factors observed at period-end. The factors that could result in increases or reductions in the VIU include changes in BoCom's short-term performance, a change in regulatory capital requirements or revisions to the forecast of BoCom's future profitability.

There are two main components to the VIU calculation. The first component is management's best estimate of BoCom's earnings. Forecast earnings growth over the short to medium term continues to be lower than recent (within the last five years) actual growth, and reflects the impact of recent macroeconomic, policy and industry factors in mainland China. As a result of management's intent to continue to retain its investment for the long term, earnings beyond the short to medium term are extrapolated into perpetuity using a long-term growth rate to derive a terminal value, which comprises the majority of the VIU. The second component is the capital maintenance charge ('CMC'), which is management's forecast of the earnings that need to be withheld in order for BoCom to meet capital requirements over the forecast period, meaning that CMC is deducted when arriving at management's estimate of future earnings available to ordinary shareholders. The CMC reflects the revised capital requirements arising from revisions of the ratio of risk-weighted assets to total assets assumption. The principal inputs to the CMC calculation include estimates of asset growth, the ratio of risk-weighted assets to total assets and the expected capital requirements. An increase in the CMC as a result of a change to these principal inputs would reduce VIU. Additionally, management considers other qualitative factors, to ensure that the inputs to the VIU calculation remain appropriate.

## Key assumptions in value-in-use calculation

We used a number of assumptions in our VIU calculation, in accordance with the requirements of IAS 36:

- Long-term profit growth rate: 3.00% (31 December 2024: 3.00%) for periods after 2028, which does not exceed forecast GDP growth in mainland China and is similar to forecasts by external analysts.
- Long-term asset growth rate: 3.25% (31 December 2024: 3.25%) for periods after 2028, which is the rate that assets are expected to grow to achieve long-term profit growth of 3.00%.
- Discount rate: 8.08% (31 December 2024: 8.53%), which is based on a capital asset pricing model ('CAPM'), using market data. The discount rate used is within the range of 7.1% to 8.9% (31 December 2024: 7.1% to 8.8%) indicated by the CAPM, and decreased primarily as a consequence of a market-driven reduction in the risk-free rate.
- Expected credit losses ('ECL') as a percentage of loans and advances to customers: ranges from 0.74% to 0.88% (31 December 2024: 0.74% to 0.93%) in the short to medium term, reflecting reported credit experience in mainland China. For periods after 2028, the ratio is 0.87% (31 December 2024: 0.97%), reflecting the anticipated continuation of BoCom's lower average ECL as a percentage of loans and advances to customers experienced in recent years.
- Risk-weighted assets as a percentage of total assets: ranges from 62.0% to 63.3% (31 December 2024: 62.0% to 62.5%) in the short to medium term, reflecting higher risk-weights in the short term followed by an expected reversion to recent historical levels. For periods after 2028, the ratio is 62.0% (31 December 2024: 62.0%), which is similar to BoCom's actual results in recent years.
- Loans and advances to customers growth rate: ranges from 8.0% to 9.0% (31 December 2024: 7.5% to 9.5%) in the short to medium term, which is similar to BoCom's actual results in recent years. Increases in the forecast growth rate of loans and advances to customers results in higher forecast ECL.
- Operating income growth rate: ranges from 1.9% to 9.1% (31 December 2024: 0.1% to 9.9%) in the short to medium term, which is similar to BoCom's actual results in recent years. The projected net interest income over the medium term reduced to reflect forecasted pressure on net interest margin compared with the prior period, which led to a net reduction in the VIU.
- Cost-income ratio: ranges from 35.0% to 39.5% (31 December 2024: 34.6% to 39.8%) in the short to medium term. These ratios are similar to BoCom's actual results in recent years and forecasts disclosed by external analysts.
- Long-term effective tax rate: 15.0% (31 December 2024: 15.0%) for periods after 2028, which is higher than the recent historical average, and aligned to the minimum tax rate as proposed by the OECD/Group of 20 ('G20') Inclusive Framework on Base Erosion and Profit Shifting.
- Capital requirements: capital adequacy ratio of 12.5% (31 December 2024: 12.5%) and tier 1 capital adequacy ratio of 9.5% (31 December 2024: 9.5%), based on BoCom's capital risk appetite and capital requirements respectively.

The VIU is highly sensitive to the assumptions above. To indicate the scale of that sensitivity, we also disclose the reasonably possible range of VIU-based changes to these assumptions. This is based on impacts arising from the favourable/unfavourable change in the earnings in the short to medium term, the expected credit losses as a percentage of loans and advances to customers, and a 50bps increase/decrease in the discount rate. At 30 June 2025, we estimate that the reasonably possible range of VIU is \$11.0bn to \$29.6bn (31 December 2024: \$13.5bn to \$30.8bn), acknowledging that the fair value of the Group's investment has ranged from \$6.8bn to \$13.1bn over the last five years as at the date of the impairment test. All other long-term assumptions, and the basis of the CMC, have been kept unchanged when determining the reasonably possible range of the VIU.

## Saudi Awwal Bank

The Group's investment in Saudi Awwal Bank ('SAB') is classified as an associate. HSBC is the largest shareholder in SAB with a shareholding of 31%. Significant influence in SAB is established via representation on the Board of Directors. Investments in associates are recognised using the equity method of accounting in accordance with IAS 28, as described previously for BoCom.

## Impairment testing

There were no indicators of impairment at 30 June 2025. The fair value of the Group's investment in SAB of \$5.7bn was above the carrying amount of \$5.2bn.

## 11 Provisions

|                                                                  | Restructuring costs<br>\$m | Legal proceedings and regulatory matters<br>\$m | Customer remediation<br>\$m | Other provisions<br>\$m | Total<br>\$m |
|------------------------------------------------------------------|----------------------------|-------------------------------------------------|-----------------------------|-------------------------|--------------|
| <b>Provisions (excluding contractual commitments)</b>            |                            |                                                 |                             |                         |              |
| At 1 Jan 2025                                                    | 199                        | 295                                             | 85                          | 457                     | 1,036        |
| Additions                                                        | <b>647</b>                 | <b>79</b>                                       | <b>6</b>                    | <b>69</b>               | <b>801</b>   |
| Amounts utilised                                                 | <b>(167)</b>               | <b>(100)</b>                                    | <b>(12)</b>                 | <b>(46)</b>             | <b>(325)</b> |
| Unused amounts reversed                                          | <b>(50)</b>                | <b>(29)</b>                                     | <b>(26)</b>                 | <b>(21)</b>             | <b>(126)</b> |
| Exchange and other movements                                     | <b>27</b>                  | <b>24</b>                                       | <b>5</b>                    | <b>11</b>               | <b>67</b>    |
| <b>At 30 Jun 2025</b>                                            | <b>656</b>                 | <b>269</b>                                      | <b>58</b>                   | <b>470</b>              | <b>1,453</b> |
| <b>Contractual commitments<sup>1</sup></b>                       |                            |                                                 |                             |                         |              |
| At 1 Jan 2025                                                    |                            |                                                 |                             |                         | 688          |
| Net change in expected credit loss provision and other movements |                            |                                                 |                             |                         | <b>(16)</b>  |
| <b>At 30 Jun 2025</b>                                            |                            |                                                 |                             |                         | <b>672</b>   |
| <b>Total provisions</b>                                          |                            |                                                 |                             |                         |              |
| At 31 Dec 2024                                                   |                            |                                                 |                             |                         | 1,724        |
| <b>At 30 Jun 2025</b>                                            |                            |                                                 |                             |                         | <b>2,125</b> |

1 Contractual commitments include the expected credit loss provision in relation to off-balance sheet financial guarantee contracts and commitments where HSBC has become party to an irrevocable commitment, as defined under IFRS 9 'Financial Instruments'; and provisions for performance and other guarantee contracts.

Further details of 'Legal proceedings and regulatory matters' are set out in Note 13. Legal proceedings include civil court, arbitration or tribunal proceedings brought against HSBC companies (whether by way of claim or counterclaim); or civil disputes that may, if not settled, result in court, arbitration or tribunal proceedings. 'Regulatory matters' refers to investigations, reviews and other actions carried out by, or in response to, the actions of regulators or law enforcement agencies in connection with alleged wrongdoing by HSBC.

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

For further details of the impact of IFRS 9 on undrawn loan commitments and financial guarantees, presented in 'Contractual commitments', see Note 12. Further analysis of the movement in the ECL provision is disclosed within the 'Reconciliation of changes in gross carrying/nominal amount and allowances for loans and advances to banks and customers including loan commitments and financial guarantees' table on page 55.

## Brazil PIS and COFINS tax matters

Beginning in the late 1990s, HSBC Bank Brasil S.A. – Banco Múltiplo ('HSBC Brazil') and other financial services firms brought legal proceedings in Brazil challenging the assessment of Contribution to the Social Integration Programme ('PIS') and Contribution for the Financing of Social Security ('COFINS') taxes, which are federal taxes imposed on gross revenues earned by legal entities in Brazil. The Supreme Court of Brazil selected three cases – one involving an insurer, in 2007, and two involving other banks, in 2011 – to set standards that would apply to all of these proceedings. In June 2023, the court ruled against the financial services firms in all three cases. The standards set by the court in this ruling have not yet been applied to HSBC Brazil's legacy cases, liability for which remained with HSBC after the sale of HSBC's operations in Brazil to Bradesco in 2016. In May 2025, the first instance judicial court delivered a favourable judgment in HSBC Brazil's second largest legacy PIS and COFINS case. This judgment is subject to appeal by the Brazilian Tax Authority. There are many factors that may affect the range of outcomes and any resulting financial impact for HSBC. Based upon the information currently available, a provision was recognised in respect of one legacy case. The remaining additional tax liability subject to challenge on all legacy PIS and COFINS cases is up to \$0.4bn, and no provision has been booked for this amount.

## 12 Contingent liabilities, contractual commitments and guarantees

|                                                                  | At<br>30 Jun 2025<br>\$m | At<br>31 Dec 2024<br>\$m |
|------------------------------------------------------------------|--------------------------|--------------------------|
| <b>Guarantees and other contingent liabilities:</b>              |                          |                          |
| – financial guarantees                                           | <b>16,605</b>            | 16,998                   |
| – performance and other guarantees                               | <b>98,103</b>            | 92,723                   |
| – other contingent liabilities                                   | <b>299</b>               | 298                      |
| <b>At the end of the period</b>                                  | <b>115,007</b>           | 110,019                  |
| <b>Commitments:<sup>1</sup></b>                                  |                          |                          |
| – documentary credits and short-term trade-related transactions  | <b>6,489</b>             | 7,096                    |
| – forward asset purchases and forward deposits placed            | <b>110,784</b>           | 61,017                   |
| – standby facilities, credit lines and other commitments to lend | <b>822,726</b>           | 793,465                  |
| <b>At the end of the period</b>                                  | <b>939,999</b>           | 861,578                  |

1 Includes \$691,705m of commitments at 30 June 2025 (31 December 2024: \$619,367m), to which the impairment requirements in IFRS 9 are applied where HSBC has become party to an irrevocable commitment.

The preceding table discloses the nominal principal amounts of off-balance sheet liabilities and commitments for the Group, which represent the maximum amounts at risk should the contracts be fully drawn upon and the clients default. As a significant portion of guarantees and commitments is expected to expire without being drawn upon, the total of the nominal principal amounts is not indicative of future liquidity requirements. The expected credit loss provision relating to guarantees and commitments under IFRS 9 is disclosed in Note 11.

The majority of the guarantees have a term of less than one year, while guarantees with terms of more than one year are subject to HSBC's annual credit review process.

Contingent liabilities arising from legal proceedings and regulatory and other matters against Group companies are excluded from this note but are disclosed in Notes 11 and 13.

## 13 Legal proceedings and regulatory matters

HSBC is party to legal proceedings and regulatory matters in a number of jurisdictions arising out of its normal business operations. Apart from the matters described below, HSBC considers that none of these matters are material. The recognition of provisions is determined in accordance with the accounting policies set out in Note 1 of the Annual Report and Accounts 2024. While the outcomes of legal proceedings and regulatory matters are inherently uncertain, management believes that, based on the information available to it, appropriate provisions have been made in respect of these matters as at 30 June 2025 (see Note 11). Where an individual provision is material, the fact that a provision has been made is stated and quantified, except to the extent that doing so would be seriously prejudicial. Any provision recognised does not constitute an admission of wrongdoing or legal liability. It is not practicable to provide an aggregate estimate of potential liability for our legal proceedings and regulatory matters as a class of contingent liabilities.

### Bernard L. Madoff Investment Securities LLC

Various non-US HSBC companies provided custodial, administration and similar services to a number of funds incorporated outside the US whose assets were invested with Bernard L. Madoff Investment Securities LLC ('Madoff Securities'). Based on information provided by Madoff Securities as at 30 November 2008, the purported aggregate value of these funds was \$8.4bn, including fictitious profits reported by Madoff. Based on information available to HSBC, the funds' actual transfers to Madoff Securities minus their actual withdrawals from Madoff Securities during the time HSBC serviced the funds are estimated to have totalled approximately \$4bn. Various HSBC companies have been named as defendants in lawsuits arising out of Madoff Securities' fraud.

**Trustee litigation:** The Madoff Securities trustee (the 'Trustee') has brought lawsuits in the US against various HSBC companies and others seeking recovery of alleged transfers from Madoff Securities to the HSBC companies in the amount of \$543m (plus interest), and these lawsuits remain pending in the US Bankruptcy Court for the Southern District of New York.

The Trustee has filed a claim against various HSBC companies in the High Court of England and Wales seeking recovery of alleged transfers from Madoff Securities to the HSBC companies. The claim has not yet been served and the amount claimed has not been specified.

**Fairfield Funds litigation:** Fairfield Sentry Limited, Fairfield Sigma Limited and Fairfield Lambda Limited (each in liquidation and together, the 'Fairfield Funds') have brought lawsuits in the US against various HSBC companies and others seeking recovery of alleged transfers from the Fairfield Funds to the HSBC companies (that acted as nominees for clients) in the amount of \$382m (plus interest). Fairfield Funds' claims against most of the HSBC companies have been dismissed, but remain pending on appeal before the US Court of Appeals for the Second Circuit. Fairfield Funds' claims against HSBC Private Bank (Suisse) SA and HSBC Securities Services Luxembourg ('HSSL') have not been dismissed and are ongoing before the US Bankruptcy Court for the Southern District of New York. HSBC Private Bank (Suisse) SA and HSSL have appealed the decision not to dismiss them and these appeals are pending before the US Court of Appeals for the Second Circuit.

**Herald Fund SPC ('Herald') litigation:** HSSL and HSBC Bank plc are defending an action brought by Herald (in liquidation) before the Luxembourg District Court seeking restitution of securities and cash in the amount of \$2.5bn (plus interest), or damages in the amount of \$5.6bn (plus interest). In 2013, the Luxembourg District Court dismissed Herald's securities restitution claim and stayed the cash restitution and damages claims. In December 2024, the Luxembourg Court of Appeal reversed the Luxembourg District Court's dismissal and determined that Herald's claims for restitution of securities and cash against HSSL were founded in principle. HSSL has appealed this decision and a hearing before the Luxembourg Court of Cassation is listed for September 2025. Herald's claim against HSBC Bank plc is pending.

**Alpha Prime Fund Limited ('Alpha Prime') litigation:** Various HSBC companies are defending a number of actions brought by Alpha Prime in the Luxembourg District Court seeking damages for alleged breach of contract and negligence in the amount of \$1.16bn (plus interest). These matters are currently pending before the Luxembourg District Court.

In November 2024, Alpha Prime served various HSBC companies with a lawsuit filed in the Bermuda Supreme Court seeking damages for unspecified amounts for alleged breach of contract and negligence. This claim is currently stayed.

**Senator Fund SPC ('Senator') litigation:** HSSL and the Luxembourg branch of HSBC Bank plc are defending a number of actions brought by Senator before the Luxembourg District Court seeking restitution of securities in the amount of \$625m (plus interest), or damages in the amount of \$188m (plus interest). These matters are currently pending before the Luxembourg District Court.

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

### US Anti-Terrorism Act litigation

Since November 2014, a number of lawsuits have been filed in federal courts in the US against various HSBC companies and others on behalf of plaintiffs who are, or are related to, alleged victims of terrorist attacks in the Middle East. In each case, it is alleged that the defendants aided and abetted the unlawful conduct of various sanctioned parties in violation of the US Anti-Terrorism Act, or provided banking services to customers alleged to have connections to terrorism financing. Seven actions, which seek damages for unspecified amounts, remain pending and HSBC's motions to dismiss have been granted in three of these cases. These dismissals are subject to appeals and/or the plaintiffs re-pleading their claims. The four other actions are at an early stage.

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

## US dollar Libor litigation

Beginning in 2011, HSBC and other panel banks have been named as defendants in a number of individual and putative class action lawsuits filed in federal and state courts in the US with respect to the setting of US dollar Libor. The complaints assert claims under various US federal and state laws, including antitrust and racketeering laws and the US Commodity Exchange Act ('CEA'). HSBC has concluded class settlements with five groups of plaintiffs, and several class action lawsuits brought by other groups of plaintiffs have been voluntarily dismissed. Two individual US dollar Libor-related actions seeking damages from HSBC for unspecified amounts remain pending.

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

## Foreign exchange-related investigations and litigation

In December 2016, Brazil's Administrative Council of Economic Defense initiated an investigation into the onshore foreign exchange market and identified a number of banks, including HSBC, as subjects of its investigation, which remains ongoing. Lawsuits alleging foreign exchange-related misconduct remain pending against HSBC and other banks in courts in Brazil.

Since 2017, HSBC Bank plc, among other financial institutions, has been defending a complaint filed by the Competition Commission of South Africa before the South African Competition Tribunal for alleged anti-competitive behaviour in the South African foreign exchange market. In 2020, a revised complaint was filed which also named HSBC Bank USA N.A. ('HSBC Bank USA') as a defendant. In January 2024, the South African Competition Appeal Court dismissed HSBC Bank USA from the revised complaint but denied HSBC Bank plc's application to dismiss. Both the Competition Commission and HSBC Bank plc have appealed to the Constitutional Court of South Africa.

HSBC Bank plc and HSBC Holdings have reached a settlement with plaintiffs in Israel to resolve a class action filed in the local courts alleging foreign exchange-related misconduct. The settlement remains subject to court approval.

In February 2024, HSBC Bank plc and HSBC Holdings were joined to an existing claim brought in the UK Competition Appeals Tribunal against various other banks alleging historical anti-competitive behaviour in the foreign exchange market and seeking approximately £3bn in damages from all the defendants. This matter is at an early stage.

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

## Precious metals fix-related litigation

**US litigation:** HSBC and other members of The London Silver Market Fixing Limited are defending a class action pending in the US District Court for the Southern District of New York alleging that, from January 2007 to December 2013, the defendants conspired to manipulate the price of silver and silver derivatives for their collective benefit in violation of US antitrust laws, the CEA and New York state law. In May 2023, this action, which seeks damages for unspecified amounts, was dismissed but remains pending on appeal.

**Canada litigation:** HSBC and other financial institutions are defending putative class actions filed in the Ontario and Quebec Superior Courts of Justice alleging that the defendants conspired to manipulate the price of silver, gold and related derivatives in violation of the Canadian Competition Act and common law. These actions each seek CA\$1bn in damages plus CA\$250m in punitive damages. Two of the actions are proceeding and the others have been stayed.

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

## Tax-related investigations

Since 2023, the French National Financial Prosecutor has been investigating a number of banks, including HSBC Continental Europe and the Paris branch of HSBC Bank plc, in connection with alleged tax fraud related to the dividend withholding tax treatment of certain trading activities. HSBC Bank plc and the German branch of HSBC Continental Europe also continue to cooperate with investigations by the German public prosecutor into numerous financial institutions and their employees, in connection with the dividend withholding tax treatment of certain trading activities.

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

## Gilts trading investigation and litigation

Since 2018, the UK Competition and Markets Authority ('CMA') has been investigating HSBC and four other banks for suspected anti-competitive conduct in relation to the historical trading of gilts and related derivatives. In February 2025, the CMA announced the conclusion of its investigation and imposed a £23.4m fine on HSBC, which has been paid. This matter is now closed.

In June 2023, HSBC Bank plc and HSBC Securities (USA) Inc., among other banks, were named as defendants in a putative class action filed in the US District Court for the Southern District of New York by plaintiffs alleging anti-competitive conduct in the gilts market and seeking damages for unspecified amounts. Certain of the defendants, including HSBC Bank plc and HSBC Securities (USA) Inc., have reached a settlement with the plaintiffs to resolve this matter. The settlement remains subject to final court approval.

## Korean short selling indictment

In March 2024, the Korean Prosecutors' Office issued a criminal indictment against The Hongkong and Shanghai Banking Corporation Limited ('HBAP') and three current and former employees for breaching short selling rules under the Financial Investment Services and Capital Markets Act in connection with trades carried out between August 2021 and December 2021. In February 2025, the Korean court acquitted HBAP of all charges. The Korean Prosecutors' Office has appealed this decision. Proceedings against the individual defendants have been suspended.

## Investigations involving HSBC Private Bank (Suisse) SA

Law enforcement authorities in Switzerland and France are investigating HSBC Private Bank (Suisse) SA in connection with alleged money laundering offences in respect of two historical banking relationships. These investigations are at an early stage.

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

## First Citizens litigation

In May 2023, First-Citizens Bank & Trust Company ('First Citizens') brought a lawsuit in the US District Court for the Northern District of California against various HSBC companies and seven US-based HSBC employees who had previously worked for Silicon Valley Bank ('SVB'). The lawsuit seeks \$1bn in damages and alleges, among other things, that the various HSBC companies conspired with the individual defendants to solicit employees from First Citizens and that the individual defendants took confidential information belonging to SVB and/or First Citizens. In July 2024, the court dismissed several of First Citizens' claims and also dismissed certain defendants for lack of jurisdiction, but allowed limited discovery into whether some of these defendants may be subject to jurisdiction. The remaining claims are proceeding against certain defendants.

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

## US mortgage securitisation litigation

Beginning in 2014, a number of lawsuits were filed in various state and federal courts in the US against HSBC Bank USA, as a trustee of more than 280 mortgage securitisation trusts, seeking unspecified damages for losses in collateral value allegedly sustained by the trusts. Nearly all of these lawsuits have either been settled or dismissed; one action remains pending in a New York state court.

HSBC Bank USA and certain of its affiliates continue to defend a mortgage loan repurchase action seeking unspecified damages and specific performance brought by the trustee of a mortgage securitisation trust in New York state court.

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

## Mexican government bond litigation

HSBC Mexico S.A. and other banks are named as defendants in a consolidated putative class action pending in the US District Court for the Southern District of New York alleging anti-competitive conduct related to Mexican government bond transactions between 2010 and 2014 and seeking unspecified damages. In January 2025, the court denied the defendants' motion to dismiss the plaintiffs' third amended complaint, and this action is proceeding.

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

## Other regulatory investigations, reviews and litigation

HSBC Holdings and/or certain of its affiliates are also subject to a number of other enquiries and examinations, requests for information, investigations and reviews by various tax authorities, regulators, competition and law enforcement authorities, as well as legal proceedings including litigation, arbitration and other contentious proceedings, in connection with various matters arising out of their businesses and operations.

At the present time, HSBC does not expect the ultimate resolution of any of these matters to be material to the Group's financial position; however, given the uncertainties involved in legal proceedings and regulatory matters, there can be no assurance regarding the eventual outcome of a particular matter or matters.

## 14 Transactions with related parties

There were no changes in the related party transactions described in the Annual Report and Accounts 2024 that have had a material effect on the financial position or performance of HSBC in the half-year to 30 June 2025. All related party transactions that took place in the half-year to 30 June 2025 were similar in nature to those disclosed in the Annual Report and Accounts 2024.

## 15 Assets held for sale, liabilities of disposal groups held for sale and business acquisitions

|                                                     | At            |             |
|-----------------------------------------------------|---------------|-------------|
|                                                     | 30 Jun 2025   | 31 Dec 2024 |
|                                                     | \$m           | \$m         |
| Disposal groups                                     | <b>38,716</b> | 27,126      |
| Unallocated impairment losses <sup>1</sup>          | <b>(79)</b>   | (31)        |
| Non-current assets held for sale                    | <b>341</b>    | 139         |
| <b>Assets held for sale</b>                         | <b>38,978</b> | 27,234      |
| <b>Liabilities of disposal groups held for sale</b> | <b>46,165</b> | 29,011      |

1 This represents impairment losses in excess of the carrying value of the non-current assets, excluded from the measurement scope of IFRS 5.

## Disposal groups

### Retained portfolio of home and certain other loans in France

Following the sale of our retail banking operations on 1 January 2024, HSBC Continental Europe retained a portfolio of home and certain other loans, with a carrying value of €7.1bn (\$8.3bn) at the time of sale. During the fourth quarter of 2024, we began actively marketing the retained portfolio for sale. As a result, on 1 January 2025 we reclassified the portfolio to a hold-to-collect-and-sell business model, measuring it at fair value through other comprehensive income.

Since reclassification, we have recognised a fair value pre-tax loss in other comprehensive income of \$1.4bn on the remeasurement of the financial instruments, which resulted in an approximately 0.2 percentage point reduction in the Group's CET1 ratio, and a \$0.1bn mark-to-market gain in 'net income from financial instruments held for trading or managed on a fair value basis' on non-qualifying economic hedges entered into in December 2024, hedging interest rate risk on the portfolio.

On 18 July 2025, HSBC Continental Europe signed a memorandum of understanding with a consortium comprising Rothesay Life plc and CCF regarding the sale of the portfolio. The potential transaction, which remains subject to relevant information and consultation processes with respective works councils, is expected to complete in the fourth quarter of 2025. At 30 June 2025, given the advanced stage of agreement on deal terms and that completion was expected within 12 months, \$6.2bn in loans met the criteria to be classified as held for sale in accordance with IFRS 5. Upon completion, the cumulative fair value changes recognised through other comprehensive income will recycle to the income statement.

### Other disposals

On 27 June 2025, HSBC Continental Europe reached an agreement to sell its custody business in Germany to BNP Paribas, subject to customary regulatory and anti-trust approvals and the conclusion of negotiations with the works council in Germany. Following these, it is anticipated that the sale will be completed in a phased manner, starting in the first quarter of 2026. While client consent and related operational requirements may extend the timing for completion of all client transfers, given the signing of a sale and purchase agreement, the disposal group met the held for sale criteria at 30 June 2025. As a result, \$1bn in assets and \$12.6bn in liabilities were classified as held for sale. The sale is expected to generate an estimated pre-tax gain on disposal of \$0.1bn, which will be recognised in line with completion of client transfers.

On 3 July 2025, HSBC Bank plc, a wholly-owned subsidiary of HSBC Holdings plc, entered into a binding agreement to sell its UK life insurance entity, HSBC Life (UK) Limited, to Chesnara plc. The disposal group, comprising \$6.2bn in assets and \$5.9bn in liabilities at 30 June 2025, is expected to be classified as held for sale in the third quarter of 2025, reflecting commitment by the parties to the sale in July 2025, when we will recognise an estimated pre-tax loss on disposal of \$0.1bn. The transaction, which remains subject to regulatory approval, is expected to complete in early 2026. Upon completion, foreign currency translation reserve losses, which stood at \$0.2bn at 30 June 2025, will recycle to the income statement.

On 11 July 2025, HSBC Continental Europe reached an agreement to sell its fund administration business, Internationale Kapitalanlagegesellschaft mbH, to BlackFin Capital Partners S.A.S. The disposal group, comprising \$0.1bn in assets and \$0.1bn in liabilities at 30 June 2025, is expected to be classified as held for sale in the third quarter of 2025, reflecting commitment by the parties to the sale in July 2025. Completion of the potential sale is subject to customary regulatory and competition approvals as well as the conclusion of negotiations with the German works council, and is expected in the second half of 2026, at which point an immaterial gain on disposal will be recognised.

On 27 July 2025, HSBC Latin America Holdings (UK) Limited, a direct subsidiary of HSBC Holdings plc, entered into a binding agreement for the sale of its direct subsidiary, HSBC Bank (Uruguay) S.A., to a subsidiary of BTG Pactual Holding SA. The planned sale, which remains subject to regulatory approval, is targeted for completion in the second half of 2026. The disposal group, comprising \$2.2bn in assets and \$2.0bn in liabilities at 30 June 2025, is expected to be classified as held for sale in the second half of 2025, when we will recognise an immaterial loss on disposal.

On 23 September 2024, HSBC Continental Europe, a wholly-owned subsidiary of HSBC Bank plc, announced the reaching of an agreement to sell its private banking business in Germany to BNP Paribas. The disposal group met held for sale criteria in the third quarter of 2024, with balances remaining classified as held for sale at 30 June 2025 of \$2.7bn in assets and \$2.7bn in liabilities. This sale is expected to complete in the second half of 2025 and generate an estimated pre-tax gain on disposal of \$0.2bn, which will be recognised on completion.

On 25 September 2024, HSBC reached an agreement to transfer its business in South Africa to local lender FirstRand Bank Ltd. The disposal group met held for sale criteria in the fourth quarter of 2024, with balances remaining classified as held for sale at 30 June 2025 of \$0.8bn in assets and \$3.2bn in liabilities. The transaction, which has received regulatory and governmental approvals, is now expected to complete in the first quarter of 2026. At closing, cumulative foreign currency translation reserves and other reserves will recycle to the income statement. At 30 June 2025, foreign currency translation reserve and other reserve losses stood at \$0.2bn.

On 20 December 2024, HSBC Continental Europe signed a memorandum of understanding for the planned sale of its French life insurance business, HSBC Assurances Vie (France), to Matmut Société d'Assurance Mutuelle. The Share Sale Agreement for the transaction was signed on 21 March 2025 following completion of all relevant employee information and consultation processes. The transaction, which has received regulatory approvals, is expected to complete in the second half of 2025. The disposal group met held for sale criteria in the fourth quarter of 2024, with balances remaining classified as held for sale at 30 June 2025 of \$27.9bn in assets and \$26.9bn in liabilities. The transaction is estimated to generate a pre-tax loss of \$0.2bn inclusive of migration costs and the recycling of related reserves, largely on completion. The transaction is structured on the basis of a price fixed on the reference date of 30 June 2024. Between this date and completion the loss on disposal will be adjusted for changes in the net asset value, including the entity's earnings, which will continue to be consolidated into the Group's results until disposal.

On 18 February 2025, HSBC Bank Middle East, Bahrain branch, entered into a binding agreement to transfer its retail banking business in Bahrain to Bank of Bahrain and Kuwait B.S.C. The transaction, which has received regulatory approval, is expected to complete in the second half of 2025. The sale is expected to generate an estimated pre-tax gain on disposal of \$0.1bn, which will be recognised on completion.

At 30 June 2025, the major classes of assets and associated liabilities of disposal groups held for sale, including allocated impairment losses, were as follows:

|                                                                                                     | French life insurance business<br>\$m | German private banking business<br>\$m | South Africa <sup>1</sup><br>\$m | Bahrain retail banking business<br>\$m | Germany custody business <sup>2</sup><br>\$m | French portfolio of home and certain other loans<br>\$m | Total<br>\$m  |
|-----------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------------------|----------------------------------|----------------------------------------|----------------------------------------------|---------------------------------------------------------|---------------|
| <b>Assets of disposal groups held for sale</b>                                                      |                                       |                                        |                                  |                                        |                                              |                                                         |               |
| Cash and balances at central banks                                                                  | —                                     | 2,305                                  | —                                | —                                      | —                                            | —                                                       | 2,305         |
| Financial assets designated and otherwise mandatorily measured at fair value through profit or loss | 16,972                                | —                                      | —                                | —                                      | —                                            | —                                                       | 16,972        |
| Derivatives                                                                                         | 44                                    | —                                      | 7                                | —                                      | —                                            | —                                                       | 51            |
| Loans and advances to banks                                                                         | 59                                    | —                                      | —                                | —                                      | 110                                          | —                                                       | 169           |
| Loans and advances to customers                                                                     | —                                     | 359                                    | 758                              | 181                                    | 864                                          | —                                                       | 2,162         |
| Financial investments <sup>3</sup>                                                                  | 9,663                                 | —                                      | —                                | —                                      | —                                            | 6,191                                                   | 15,854        |
| Goodwill                                                                                            | —                                     | 5                                      | —                                | —                                      | —                                            | —                                                       | 5             |
| Prepayments, accrued income and other assets                                                        | 1,122                                 | 19                                     | 11                               | —                                      | 40                                           | 6                                                       | 1,198         |
| <b>Total assets at 30 Jun 2025</b>                                                                  | <b>27,860</b>                         | <b>2,688</b>                           | <b>776</b>                       | <b>181</b>                             | <b>1,014</b>                                 | <b>6,197</b>                                            | <b>38,716</b> |
| <b>Liabilities of disposal groups held for sale</b>                                                 |                                       |                                        |                                  |                                        |                                              |                                                         |               |
| Deposits by banks                                                                                   | —                                     | —                                      | —                                | —                                      | 103                                          | —                                                       | 103           |
| Customer accounts                                                                                   | —                                     | 2,662                                  | 3,210                            | 824                                    | 12,392                                       | —                                                       | 19,088        |
| Financial liabilities designated at fair value                                                      | 13                                    | —                                      | —                                | —                                      | —                                            | —                                                       | 13            |
| Derivatives                                                                                         | —                                     | —                                      | 12                               | —                                      | —                                            | —                                                       | 12            |
| Insurance contract liabilities                                                                      | 24,928                                | —                                      | —                                | —                                      | —                                            | —                                                       | 24,928        |
| Accruals, deferred income and other liabilities                                                     | 1,917                                 | 21                                     | 22                               | 3                                      | 58                                           | —                                                       | 2,021         |
| <b>Total liabilities at 30 Jun 2025</b>                                                             | <b>26,858</b>                         | <b>2,683</b>                           | <b>3,244</b>                     | <b>827</b>                             | <b>12,553</b>                                | <b>—</b>                                                | <b>46,165</b> |
| Expected date of completion                                                                         | Second half of 2025                   | Second half of 2025                    | First quarter of 2026            | Second half of 2025                    | Second half of 2027                          | Second half of 2025                                     |               |
| Operating segment                                                                                   | IWPB                                  | IWPB                                   | CIB and Corporate Centre         | IWPB                                   | CIB                                          | Corporate Centre                                        |               |

At 31 December 2024, the major classes of assets and associated liabilities of disposal groups held for sale, excluding allocated impairment losses, were as follows:

|                                                                                                     | French life insurance business<br>\$m | German private banking business<br>\$m | South Africa <sup>1</sup><br>\$m | Other<br>\$m | Total<br>\$m  |
|-----------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------------------|----------------------------------|--------------|---------------|
| <b>Assets of disposal groups held for sale</b>                                                      |                                       |                                        |                                  |              |               |
| Cash and balances at central banks                                                                  | —                                     | 1,896                                  | —                                | —            | 1,896         |
| Financial assets designated and otherwise mandatorily measured at fair value through profit or loss | 14,560                                | —                                      | —                                | —            | 14,560        |
| Derivatives                                                                                         | 26                                    | —                                      | 10                               | —            | 36            |
| Loans and advances to banks                                                                         | 144                                   | —                                      | —                                | —            | 144           |
| Loans and advances to customers                                                                     | —                                     | 309                                    | 656                              | —            | 965           |
| Financial investments <sup>3</sup>                                                                  | 8,500                                 | —                                      | —                                | —            | 8,500         |
| Goodwill                                                                                            | —                                     | 5                                      | —                                | —            | 5             |
| Prepayments, accrued income and other assets                                                        | 992                                   | 21                                     | 7                                | —            | 1,020         |
| <b>Total assets at 31 Dec 2024</b>                                                                  | <b>24,222</b>                         | <b>2,231</b>                           | <b>673</b>                       | <b>—</b>     | <b>27,126</b> |
| <b>Liabilities of disposal groups held for sale</b>                                                 |                                       |                                        |                                  |              |               |
| Customer accounts                                                                                   | —                                     | 2,085                                  | 3,294                            | 20           | 5,399         |
| Financial liabilities designated at fair value                                                      | 11                                    | 119                                    | —                                | —            | 130           |
| Derivatives                                                                                         | —                                     | —                                      | 19                               | —            | 19            |
| Insurance contract liabilities                                                                      | 21,811                                | —                                      | —                                | —            | 21,811        |
| Accruals, deferred income and other liabilities                                                     | 1,598                                 | 22                                     | 32                               | —            | 1,652         |
| <b>Total liabilities at 31 Dec 2024</b>                                                             | <b>23,420</b>                         | <b>2,226</b>                           | <b>3,345</b>                     | <b>20</b>    | <b>29,011</b> |

- Under the financial terms of the sale of our South Africa business, HSBC Bank plc will transfer the business with a net asset value of \$0.8bn for book value less any provisions. The purchase price will be satisfied by the transfer of agreed liabilities of \$3.2bn. Any required increase to the net asset value of the business to achieve this will be satisfied by the inclusion of additional cash. Based upon the net liabilities of the disposal group at 30 June 2025, HSBC would be expected to include a cash contribution of \$2.4bn.
- Under the financial terms of the sale of our custody business in Germany, HSBC Continental Europe will transfer a nil net asset value for each client transferred, by way of inclusion of additional cash.
- Represents financial investments measured at fair value through other comprehensive income.

## 16 Events after the balance sheet date

A second interim dividend for 2025 of \$0.10 per ordinary share in respect of the financial year ending 31 December 2025 was approved by the Directors on 30 July 2025, as described in Note 3. On 30 July 2025, HSBC Holdings announced its intention to initiate a share buy-back to purchase its ordinary shares up to a maximum consideration of \$3.0bn, which is expected to commence shortly and complete by our third quarter 2025 results announcement.

On 3 July 2025, HSBC Bank plc, a wholly owned subsidiary of HSBC Holdings plc, entered into a binding agreement to sell its UK life insurance entity, HSBC Life (UK) Limited, to Chesnara plc. The transaction is expected to complete in early 2026.

On 11 July 2025, HSBC Continental Europe reached an agreement to sell its fund administration business, Internationale Kapitalanlagegesellschaft mbH, to BlackFin Capital Partners S.A.S. The potential transaction is subject to customary regulatory and competition approvals as well as the conclusion of negotiations with the German works council, and is expected to complete in the second half of 2026.

On 18 July 2025, HSBC Continental Europe signed a memorandum of understanding with a consortium comprising Rothesay Life plc and CCF regarding the sale of its portfolio of home and certain other loans retained after the sale of its French retail banking operations. The potential transaction, which remains subject to relevant information and consultation processes with respective works councils, is expected to complete in the fourth quarter of 2025, when cumulative fair value losses recognised through other comprehensive income would recycle to the income statement. These stood at \$1.4bn at 30 June 2025.

On 27 July 2025, HSBC Latin America Holdings (UK) Limited, a direct subsidiary of HSBC Holdings plc, entered into a binding agreement for the sale of its direct subsidiary, HSBC Bank (Uruguay) S.A., to a subsidiary of BTG Pactual Holding SA. The planned sale, which remains subject to regulatory approval, is targeted for completion in the second half of 2026.

## 17 Interim Report 2025 and statutory accounts

The information in this Interim Report 2025 is unaudited and does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. This Interim Report 2025 was approved by the Board of Directors on 30 July 2025. The unaudited interim condensed consolidated financial statements included in the Interim Report 2025 have been reviewed by the Group's auditor, PwC, in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom. The statutory accounts of HSBC Holdings plc for the year ended 31 December 2024 have been delivered to the Registrar of Companies in England and Wales in accordance with section 447 of the Companies Act 2006. The Group's auditor, PwC, has reported on those accounts. Its report was unqualified, did not include a reference to any matters to which PwC drew attention by way of emphasis without qualifying its report and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

# Shareholder information

## Directors' interests

According to the register of Directors' interests maintained by HSBC Holdings pursuant to section 352 of the Securities and Futures Ordinance of Hong Kong, at 30 June 2025 the Directors of HSBC Holdings had the following interests, all beneficial unless otherwise stated, in the shares or debentures of HSBC Holdings and its associated corporations:

### Directors' interests – shares and debentures

|                                           | At 1 Jan 2025<br>or date of<br>appointment,<br>if later |                  | At 30 Jun 2025 or date of retirement, if earlier |                           |         |                 |
|-------------------------------------------|---------------------------------------------------------|------------------|--------------------------------------------------|---------------------------|---------|-----------------|
|                                           | Total interests                                         | Beneficial owner | Child under 18 or spouse                         | Jointly with spouse/other | Trustee | Total interests |
| <b>HSBC Holdings ordinary shares</b>      |                                                         |                  |                                                  |                           |         |                 |
| Geraldine Buckingham <sup>1</sup>         | 15,000                                                  | 15,000           | —                                                | —                         | —       | 15,000          |
| Rachel Duan <sup>1</sup>                  | 15,000                                                  | 15,000           | —                                                | —                         | —       | 15,000          |
| Georges Elhedery <sup>2</sup>             | 966,017                                                 | 1,109,810        | —                                                | —                         | —       | 1,109,810       |
| Dame Carolyn Fairbairn                    | 15,000                                                  | 15,000           | —                                                | —                         | —       | 15,000          |
| James Forese <sup>1</sup>                 | 115,000                                                 | 115,000          | —                                                | —                         | —       | 115,000         |
| Ann Godbehere <sup>1</sup>                | 15,000                                                  | —                | —                                                | 15,000                    | —       | 15,000          |
| Steven Guggenheimer <sup>1</sup>          | 15,000                                                  | —                | —                                                | 15,000                    | —       | 15,000          |
| Manveen (Pam) Kaur <sup>2</sup>           | 801,296                                                 | 986,625          | —                                                | —                         | —       | 986,625         |
| José Antonio Meade Kuribreña <sup>1</sup> | 15,000                                                  | 15,000           | —                                                | —                         | —       | 15,000          |
| Kalpana Morparia <sup>1</sup>             | 15,000                                                  | 15,000           | —                                                | —                         | —       | 15,000          |
| Eileen Murray <sup>1</sup>                | 75,000                                                  | 75,000           | —                                                | —                         | —       | 75,000          |
| Brendan Nelson                            | 15,000                                                  | 15,000           | —                                                | —                         | —       | 15,000          |
| Swee Lian Teo                             | 15,200                                                  | 15,200           | —                                                | —                         | —       | 15,200          |
| Sir Mark Tucker                           | 307,352                                                 | 307,352          | —                                                | —                         | —       | 307,352         |

1 Geraldine Buckingham has an interest in 3,000, Rachel Duan in 3,000, James Forese in 23,000, Ann Godbehere in 3,000, Steven Guggenheimer in 3,000, José Antonio Meade Kuribreña in 3,000, Kalpana Morparia in 3,000 and Eileen Murray in 15,000 listed American Depositary Shares ('ADSs'), which are categorised as equity derivatives under Part XV of the Securities and Futures Ordinance of Hong Kong. Each ADS represents five HSBC Holdings ordinary shares.

2 Executive Directors' other interests in HSBC Holdings ordinary shares arising from the HSBC Holdings Savings-Related Share Option Plan (UK) and the HSBC Share Plan 2011 are set out on the following pages. At 30 June 2025, the aggregate interests under the Securities and Futures Ordinance of Hong Kong in HSBC Holdings ordinary shares, including interests arising through employee share plans, were: Georges Elhedery – 3,938,444 and Pam Kaur – 2,771,470. Each Director's total interests represents approximately 0.02% of the shares in issue and 0.02% of the shares in issue, respectively.

## HSBC Holdings Savings-Related Share Option Plan (UK)

Currently no executive Directors participate in a Savings-Related Share Option Plan.

## HSBC Share Plan 2011

### Share awards

Vesting of deferred share awards is normally subject to the Director remaining an employee on the vesting date and no other performance conditions apply to the awards unless specified. The awards may vest at an earlier date in certain circumstances. Under the Securities and Futures Ordinance of Hong Kong, interests in conditional share awards are categorised as the interests of the beneficial owner.

### Deferred share, immediate share and fixed pay allowance awards granted to Directors

|                    | Dates of award           | Award price (£) <sup>1</sup> | Usually vesting |             | HSBC Holdings ordinary shares |                   |                  |                  |                     |                |
|--------------------|--------------------------|------------------------------|-----------------|-------------|-------------------------------|-------------------|------------------|------------------|---------------------|----------------|
|                    |                          |                              | from            | to          | At 1 Jan 2025                 | Granted in period | Vested in period | Lapsed in period | Cancelled in period | At 30 Jun 2025 |
| Georges Elhedery   | 24 Feb 2020 <sup>2</sup> | 5.622                        | 1 Mar 2023      | 31 Mar 2027 | 88,597                        | —                 | 29,532           | —                | —                   | 59,065         |
|                    | 1 Mar 2021 <sup>3</sup>  | 4.262                        | 1 Mar 2024      | 31 Mar 2028 | 244,419                       | —                 | 61,104           | —                | —                   | 183,315        |
|                    | 28 Feb 2022 <sup>4</sup> | 5.380                        | 1 Mar 2025      | 31 Mar 2029 | 273,163                       | —                 | 54,632           | —                | —                   | 218,531        |
|                    | 4 Mar 2025 <sup>5</sup>  | 9.070                        |                 | 4 Mar 2025  | —                             | 92,447            | 92,447           | —                | —                   | —              |
| Manveen (Pam) Kaur | 26 Feb 2018 <sup>6</sup> | 7.234                        | 1 Mar 2021      | 31 Mar 2025 | 15,633                        | —                 | 15,633           | —                | —                   | —              |
|                    | 25 Feb 2019 <sup>7</sup> | 6.235                        | 1 Mar 2022      | 31 Mar 2026 | 37,310                        | —                 | 18,655           | —                | —                   | 18,655         |
|                    | 24 Feb 2020 <sup>2</sup> | 5.622                        | 1 Mar 2023      | 31 Mar 2027 | 58,909                        | —                 | 19,635           | —                | —                   | 39,274         |
|                    | 1 Mar 2021 <sup>3</sup>  | 4.262                        | 1 Mar 2024      | 31 Mar 2028 | 169,555                       | —                 | 42,388           | —                | —                   | 127,167        |
|                    | 28 Feb 2022 <sup>4</sup> | 5.380                        | 1 Mar 2025      | 31 Mar 2029 | 210,542                       | —                 | 42,108           | —                | —                   | 168,434        |
|                    | 27 Feb 2023 <sup>8</sup> | 6.357                        | 1 Mar 2026      | 31 Mar 2030 | 65,843                        | —                 | —                | —                | —                   | 65,843         |
|                    | 26 Feb 2024 <sup>9</sup> | 5.972                        | 1 Mar 2027      | 31 Mar 2031 | 100,798                       | —                 | —                | —                | —                   | 100,798        |
|                    | 4 Mar 2025 <sup>5</sup>  | 9.070                        |                 | 4 Mar 2025  | —                             | 186,052           | 186,052          | —                | —                   | —              |

- The award price is the closing price on the day before the grant date for awards made in 2024 and prior. The price for awards made from 2025 is the average closing price of the week prior to the grant date. In all cases the purchase price is nil.
- The award vests in five equal annual tranches. The third tranche vested on 10 March 2025 at a market value of £8.6138. Shares equivalent in number to those that vest under the award (net of tax liabilities) must be retained for one year from the vesting date. The closing price of the shares immediately before the date on which the awards were vested was £8.764.
- The award vests in five equal annual tranches. The second tranche vested on 10 March 2025 at a market value of £8.6138. Shares equivalent in number to those that vest under the award (net of tax liabilities) must be retained for one year from the vesting date. The closing price of the shares immediately before the date on which the awards were vested was £8.764.
- The award vests in five equal annual tranches. The first tranche vested on 11 March 2025 at a market value of £8.4415. Shares equivalent in number to those that vest under the award (net of tax liabilities) must be retained for one year from the vesting date. The closing price of the shares immediately before the date on which the awards were vested was £8.548.
- The non-deferred award vested immediately on 4 March 2025 and was based on the market value of £9.2551. Shares equivalent in number to those that vest under the award (net of tax liabilities) must be retained for one year from the vesting date. The closing price of the shares immediately before the date on which the awards were granted and vested, was £9.425. The fair value of the awards granted on 4 March 2025 was £9.1630 based on IFRS 2 accounting standards.
- The award vested in five equal annual tranches. The final tranche vested on 10 March 2025 at a market value of £8.6138. Shares equivalent in number to those that vest under the award (net of tax liabilities) must be retained for one year from the vesting date. The closing price of the shares immediately before the date on which the awards were vested was £8.764.
- The award vests in five equal annual tranches. The fourth tranche vested on 10 March 2025 at a market value of £8.6138. Shares equivalent in number to those that vest under the award (net of tax liabilities) must be retained for six months from the vesting date. The closing price of the shares immediately before the date on which the awards were vested was £8.764.
- The award will vest in five equal tranches commencing in 2026. Shares equivalent in number to those that vest under the award (net of tax liabilities) must be retained for one year from the vesting date.
- The award will vest in five equal tranches commencing in 2027. Shares equivalent in number to those that vest under the award (net of tax liabilities) must be retained for one year from the vesting date.

## Long-term incentive awards

The long-term incentive award is an award of shares with a three-year performance period. At the end of this performance period and subject to the award terms, the number of shares that vest will be determined based on an assessment against financial and non-financial measures. Details of these measures can be found in the Directors' remuneration report in the Annual Report and Accounts. Subject to that assessment, the shares will vest in five equal annual instalments, with the first instalment vesting on or around the third anniversary of the grant date and the last instalment vesting on or around the seventh anniversary of the grant date. On vesting, awards are subject to a retention period of up to one year. Under the Securities and Futures Ordinance of Hong Kong, interests in share awards are categorised as interests of the beneficial owner.

### Long-term incentive awards granted to Directors

|                    | Dates of award          | Award price (£) <sup>1</sup> | Usually vesting from to |             | HSBC Holdings ordinary shares |                   |                     |                  |                     |                |
|--------------------|-------------------------|------------------------------|-------------------------|-------------|-------------------------------|-------------------|---------------------|------------------|---------------------|----------------|
|                    |                         |                              |                         |             | At 1 Jan 2025                 | Granted in period | Vested in period    | Lapsed in period | Cancelled in period | At 30 Jun 2025 |
| Georges Elhedery   | 28 Feb 2022             | 5.380                        | 1 Mar 2025              | 31 Mar 2029 | 223,989                       | —                 | 33,597 <sup>2</sup> | 55,998           | —                   | 134,394        |
|                    | 27 Feb 2023             | 6.357                        | 1 Mar 2026              | 31 Mar 2030 | 251,474                       | —                 | —                   | —                | —                   | 251,474        |
|                    | 26 Feb 2024             | 5.972                        | 1 Mar 2027              | 31 Mar 2031 | 569,177                       | —                 | —                   | —                | —                   | 569,177        |
|                    | 7 May 2025 <sup>3</sup> | 9.070 <sup>4</sup>           | 1 Mar 2028              | 31 Mar 2032 | —                             | 1,367,880         | —                   | —                | —                   | 1,367,880      |
| Manveen (Pam) Kaur | 28 Feb 2022             | 5.380                        | 1 Mar 2025              | 31 Mar 2029 | 168,077                       | —                 | 25,211 <sup>2</sup> | 42,020           | —                   | 100,846        |
|                    | 27 Feb 2023             | 6.357                        | 1 Mar 2026              | 31 Mar 2030 | 146,393                       | —                 | —                   | —                | —                   | 146,393        |
|                    | 26 Feb 2024             | 5.972                        | 1 Mar 2027              | 31 Mar 2031 | 185,889                       | —                 | —                   | —                | —                   | 185,889        |
|                    | 7 May 2025 <sup>3</sup> | 9.070 <sup>4</sup>           | 1 Mar 2028              | 31 Mar 2032 | —                             | 797,930           | —                   | —                | —                   | 797,930        |

- The award price is the closing price on the day before the grant date for awards made in 2024 and prior. The price for awards made from 2025 is the average closing price of the week prior to the grant date. In all cases the purchase price is nil.
- The performance conditions were assessed and confirmed at 75%. The remaining 25% of the award was forfeited. Shares equivalent in number to those that vest under the award (net of tax liabilities) must be retained for one year from the vesting date. The award vests in five equal annual tranches which commenced in 2025. The first tranche vested on 11 March 2025 at a market value of £8,4415. The closing price of the shares immediately before the date on which the awards were vested was £8.548.
- The closing price of the shares immediately before the date on which the awards were granted was £8.465. The fair value of the awards was £3.185 based on IFRS 2 accounting standards.
- Awards were granted following approval of the Directors' Remuneration Policy at the 2025 AGM on 2 May 2025. The number of shares under award was calculated using the same award price determined for other long-term incentive grants made in March 2025.

No Directors held any short position (as defined in the Securities and Futures Ordinance of Hong Kong) in the shares or debentures of HSBC Holdings and its associated corporations. Save as stated in the tables above, none of the Directors had an interest in any shares or debentures of HSBC Holdings or any associates at the beginning or at the end of the period, and none of the Directors or members of their immediate families were awarded or exercised any right to subscribe for any shares or debentures in any HSBC corporation during the period.

There have been no changes in the shares or debentures of the Directors from 30 June 2025 to the date of this report.

## Employee share plans

Summaries of the share options and share awards granted, exercised/vested or lapsed during the first half of 2025 and other details required to be disclosed pursuant to Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ('HKEx'), including detailed summaries of the HSBC share plans, are available on our website at [www.hsbc.com/who-we-are/leadership-and-governance/remuneration](http://www.hsbc.com/who-we-are/leadership-and-governance/remuneration) and on the website of HKEx at [www.hkex.com.hk](http://www.hkex.com.hk), or can be obtained on request from the Group Company Secretary and Chief Governance Officer, 8 Canada Square, London, E14 5HQ.

Particulars of options held by Directors of HSBC Holdings are set out on page 103.

## Share buy-back

(Reviewed)

On 31 October 2024, HSBC Holdings commenced a further share buy-back of its ordinary shares of up to a maximum consideration of \$3.0bn. The share buy-back continued in 2025 and was concluded on 11 February 2025, with 53,412,510 ordinary shares repurchased for cancellation on UK trading venues and 48,119,200 ordinary shares repurchased for cancellation on HKEx from 1 January to 11 February 2025.

On 21 February 2025, HSBC Holdings commenced a further share buy-back of its ordinary shares of up to a maximum consideration of \$2.0bn. This share buy-back concluded on 25 April 2025 with 90,226,199 ordinary shares repurchased for cancellation on UK trading venues and 89,362,400 ordinary shares repurchased for cancellation on HKEx.

On 7 May 2025, HSBC Holdings commenced a further share buy-back of its ordinary shares of up to a maximum consideration of \$3.0bn. As at 30 June 2025, 119,313,076 ordinary shares had been repurchased for cancellation on UK trading venues and 78,638,800 ordinary shares were repurchased for cancellation on HKEx.

The purpose of the share buy-backs was to reduce HSBC's number of outstanding ordinary shares.

As at 30 June 2025, the total number of ordinary shares repurchased during the year was 479,072,185, representing a nominal value of \$239,536,093 and an aggregate consideration paid by HSBC of £2,240,783,616 on UK trading venues and HK\$18,698,644,580 on HKEx. The ordinary shares repurchased represent 2.741% of the ordinary shares in issue as at 30 June 2025. Of the repurchased ordinary shares, 20,746,000 shares were awaiting cancellation as at 30 June 2025.

The table that follows outlines details of the ordinary shares purchased and cancelled on a monthly basis during 2025.

#### Share buy-back – UK venues

|              | Number of shares<br>purchased | Highest price<br>paid per share<br>£ | Lowest price<br>paid per share<br>£ | Average price<br>paid per share<br>£ | Aggregate<br>price paid<br>£ |
|--------------|-------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|------------------------------|
| Jan 2025     | 53,412,510                    | 8.2800                               | 7.6770                              | 7.9835                               | 426,418,493                  |
| Feb 2025     | 17,354,614                    | 9.2790                               | 8.7210                              | 8.9940                               | 156,088,219                  |
| Mar 2025     | 48,866,970                    | 9.4300                               | 8.3510                              | 8.8567                               | 432,798,143                  |
| Apr 2025     | 24,004,615                    | 8.8940                               | 6.9890                              | 7.8260                               | 187,859,442                  |
| May 2025     | 68,401,165                    | 8.9150                               | 8.3530                              | 8.6873                               | 594,221,859                  |
| Jun 2025     | 50,911,911                    | 8.8730                               | 8.6010                              | 8.7091                               | 443,397,460                  |
| <b>Total</b> | <b>262,951,785</b>            |                                      |                                     |                                      | <b>2,240,783,616</b>         |

#### Share buy-back – Hong Kong venues

|              | Number of shares<br>purchased | Highest price<br>paid per share<br>HK\$ | Lowest price<br>paid per share<br>HK\$ | Average price<br>paid per share<br>HK\$ | Aggregate<br>price paid<br>HK\$ |
|--------------|-------------------------------|-----------------------------------------|----------------------------------------|-----------------------------------------|---------------------------------|
| Jan 2025     | 29,455,200                    | 79.9500                                 | 74.8000                                | 76.9614                                 | 2,266,914,703                   |
| Feb 2025     | 33,403,600                    | 89.8000                                 | 79.4500                                | 84.2625                                 | 2,814,671,080                   |
| Mar 2025     | 54,995,200                    | 92.5500                                 | 83.9500                                | 88.6511                                 | 4,875,383,400                   |
| Apr 2025     | 19,627,600                    | 89.1000                                 | 70.0500                                | 79.7185                                 | 1,564,683,760                   |
| May 2025     | 48,790,000                    | 93.6500                                 | 86.2500                                | 90.6985                                 | 4,425,181,117                   |
| Jun 2025     | 29,848,800                    | 93.9000                                 | 90.9000                                | 92.1917                                 | 2,751,810,520                   |
| <b>Total</b> | <b>216,120,400</b>            |                                         |                                        |                                         | <b>18,698,644,580</b>           |

## Other equity instruments

### Additional tier 1 capital – contingent convertible securities

HSBC Holdings continues to issue contingent convertible securities that are included in its capital base as fully CRR II-compliant additional tier 1 capital securities. These securities are marketed principally and subsequently allotted to corporate investors and fund managers. The net proceeds of the issuances are typically used for HSBC Holdings' general corporate purposes and to maintain or further strengthen its capital base pursuant to requirements under CRR II. These securities bear a fixed rate of interest until their initial reset dates (unless previously redeemed in accordance with their terms). If not redeemed, the securities will bear interest at a rate fixed on each reset date for the subsequent 5-year period, equal to the sum of the applicable reference rate at the time of reset and a credit spread set at issuance. Interest on the contingent convertible securities will be due and payable only at the sole discretion of HSBC Holdings, and HSBC Holdings has sole and absolute discretion at all times to cancel for any reason (in whole or part) any interest payment that would otherwise be payable on any payment date. Distributions will not be paid if they are prohibited under UK banking regulations or if the Group has insufficient reserves or fails to meet the solvency conditions defined in the securities' terms.

The contingent convertible securities are undated and are repayable at the option of HSBC Holdings in whole typically at the initial call date or on any fifth anniversary after this date. In addition, the securities are repayable at the option of HSBC in whole for certain regulatory or tax reasons. Any repayments require the prior consent of the PRA. These securities rank pari passu with HSBC Holdings' sterling preference shares and therefore rank ahead of ordinary shares. The contingent convertible securities will be converted into fully paid ordinary shares of HSBC Holdings at a predetermined price, should HSBC's consolidated CET1 ratio fall below 7.0%. Therefore, in accordance with the terms of the securities, if HSBC's consolidated CET1 ratio breaches the 7.0% trigger, the securities will convert into ordinary shares at fixed contractual conversion prices in the currency of the relevant securities, subject to anti-dilution adjustments. During the first half of 2025, HSBC Holdings issued \$1,500m 6.950%, SGD800m 5.000% and \$2,000m 7.050% in aggregate principal amount of contingent convertible securities.

## Notifiable interests in share capital

Between 1 January 2025 and 30 June 2025, HSBC Holdings did not receive any notification of major holdings of voting rights pursuant to the requirements of Rule 5 of the Disclosure, Guidance and Transparency Rules ('DTR'), which had not been amended or withdrawn. No further DTR notifications had been received between 30 June 2025 and 18 July 2025.

Previous DTR notifications received, which have not been amended or withdrawn, are as follows:

- BlackRock, Inc. gave notice on 3 March 2020 that on 2 March 2020 it had the following: an indirect interest in HSBC Holdings ordinary shares of 1,235,558,490; qualifying financial instruments with 7,294,459 voting rights that may be acquired if the instruments are exercised or converted; and financial instruments with a similar economic effect to qualifying financial instruments, which refer to 2,441,397 voting rights, representing 6.07%, 0.03% and 0.01%, respectively, of the total voting rights at 2 March 2020.
- Ping An Asset Management Co., Ltd. gave notice on 6 December 2017 that on 4 December 2017 it had an indirect interest in HSBC Holdings ordinary shares of 1,007,946,172, representing 5.04% of the total voting rights at 4 December 2017.

At 30 June 2025, according to the register maintained by HSBC Holdings pursuant to section 336 of the Securities and Futures Ordinance of Hong Kong ('SFO'), the following SFO notifications of major holdings have been made to HSBC Holdings and have not been amended or withdrawn:

- BlackRock, Inc. gave notice on 30 June 2025 that on 25 June 2025 it had the following interests in HSBC Holdings ordinary shares: a long position of 1,588,010,670 shares and a short position of 6,645,509 shares, representing 9.09% and 0.04%, respectively, of the ordinary shares in issue at 25 June 2025.
- Ping An Asset Management Co., Ltd. gave notice on 10 May 2024 that on 7 May 2024 it had a long position of 1,502,584,731 in HSBC Holdings ordinary shares, representing 7.98% of the ordinary shares in issue at 7 May 2024.

- The Bank of New York Mellon Corporation gave notice on 7 June 2025 that on 5 June 2025 it had the following interests in HSBC Holdings ordinary shares: a long position of 990,620,238 shares, a short position of 526,819,692 shares and a lending pool of 432,561,788 shares representing 5.65%, 3.00% and 2.47%, respectively, of the ordinary shares in issue at 5 June 2025. The Bank of New York Mellon Corporation is the Depository for the HSBC ADSs. Under the SFO, they are required to report the HSBC ADSs position as both a long and a short position.

Between 30 June 2025 and 22 July 2025, the following SFO notification was received:

- BlackRock, Inc. gave notice on 16 July 2025 that on 11 July 2025 it had the following interests in HSBC Holdings ordinary shares: a long position of 1,586,341,122 shares and a short position of 6,856,029 shares, representing 9.09% and 0.04%, respectively, of the ordinary shares in issue at 11 July 2025.

## Dealings in HSBC Holdings listed securities

HSBC has policies and procedures that, except where permitted by statute and regulation, prohibit it undertaking specified transactions in respect of its securities listed on the HKEx. Except for dealings as intermediaries or as trustees by subsidiaries of HSBC Holdings, or in relation to HSBC Holdings ordinary share buy-backs, neither HSBC Holdings nor any of its subsidiaries has purchased, sold or redeemed any of its securities listed on HKEx during the half-year ended 30 June 2025.

## Second interim dividend for 2025

On 30 July 2025, the Directors approved a second interim dividend in respect of the financial year ending 31 December 2025 of \$0.10 per ordinary share (the 'dividend'), a distribution of approximately \$1.74bn. The dividend will be payable on 26 September 2025 to holders of record on the Principal Register in the UK, the Hong Kong Overseas Branch Register or the Bermuda Overseas Branch Register on 15 August 2025.

The dividend will be payable in US dollars, or in pounds sterling or Hong Kong dollars at the forward exchange rates quoted by HSBC Bank plc in London at or about 11.00am on 15 September 2025. The ordinary shares in London, Hong Kong and Bermuda will be quoted ex-dividend on 14 August 2025. American Depositary Shares ('ADSs') in New York will be quoted ex-dividend on 15 August 2025.

The default currency on the Principal Register in the UK is pounds sterling, and dividends can also be paid in Hong Kong dollars or US dollars, or a combination of these currencies. International shareholders can register to join the Global Dividend Service to receive dividends in their local currencies. Please register and read the terms and conditions at [www.investorcentre.co.uk](http://www.investorcentre.co.uk). UK shareholders can also register their pounds sterling bank mandates at [www.investorcentre.co.uk](http://www.investorcentre.co.uk).

The default currency on the Hong Kong Overseas Branch Register is Hong Kong dollars, and dividends can also be paid in US dollars or pounds sterling, or a combination of these currencies. Shareholders can arrange for direct credit of Hong Kong dollar cash dividends into their bank account, or arrange to send US dollar or pounds sterling cheques to the credit of their bank account. Shareholders can register for these services at [www.investorcentre.com/hk](http://www.investorcentre.com/hk). Shareholders can also download a dividend currency election form from [www.hsbc.com/dividends](http://www.hsbc.com/dividends), [www.investorcentre.com/hk](http://www.investorcentre.com/hk), or [www.hkexnews.hk](http://www.hkexnews.hk).

The default currency on the Bermuda Overseas Branch Register is US dollars, and dividends can also be paid in Hong Kong dollars or pounds sterling, or a combination of these currencies. Shareholders can change their dividend currency election by contacting the Bermuda investor relations team. Shareholders can download a dividend currency election form from [www.hsbc.com/dividends](http://www.hsbc.com/dividends).

Changes to currency elections must be received by 10 September 2025 to be effective for this dividend.

The dividend will be payable on ADSs, each of which represents five ordinary shares, on 26 September 2025 to holders of record on 15 August 2025. The dividend of \$0.50 per ADS will be payable by the depository in US dollars. Alternatively, the cash dividend may be invested in additional ADSs by participants in the dividend reinvestment plan operated by the depository. Elections must be received by 5 September 2025.

Any person who has acquired ordinary shares registered on the Principal Register in the UK, the Hong Kong Overseas Branch Register or the Bermuda Overseas Branch Register but who has not lodged the share transfer with the Principal Registrar in the UK, Hong Kong Overseas Branch Registrar or Bermuda Overseas Branch Registrar should do so before 4.00pm local time on 15 August 2025 in order to receive the dividend.

Ordinary shares may not be removed from or transferred to the Principal Register in the UK, the Hong Kong Overseas Branch Register or the Bermuda Overseas Branch Register on 15 August 2025. Any person wishing to remove ordinary shares to or from each register must do so before 4.00pm local time on 14 August 2025.

Shares repurchased under HSBC Holdings plc buy-backs, which have not yet been cancelled from the Hong Kong custodians' CCASS account as at the record date, will not be eligible for the dividend.

Transfers of ADSs must be lodged with the depository by 11.00am local time on 15 August 2025 in order to receive the dividend. ADS holders who receive a cash dividend will be charged a fee, which will be deducted by the depository, of \$0.005 per ADS per cash dividend.

## Dividend on preference share

A quarterly dividend of £0.01 per Series A sterling preference share is payable on 17 March, 16 June, 15 September and 15 December 2025 for the quarter then ended at the sole and absolute discretion of the Board of HSBC Holdings plc. Accordingly, the Board of HSBC Holdings plc has approved a quarterly dividend to be payable on 15 September 2025 to holders of record on 29 August 2025.

## Proposed interim dividends for 2025

We established and achieved a target basis dividend payout ratio of 50% of earnings per ordinary share ('EPS') for 2023 and 2024, excluding the special dividend paid in 2024. We maintain our 50% target basis payout ratio for 2025, subject to meeting capital requirements. EPS for this purpose excludes material notable items and related impacts. Material notable items in 2025 primarily relate to the income statement impacts associated with actions to exit or wind down certain businesses to redeploy costs from non-strategic activities into areas where we have a

competitive advantage and accretive returns. They also include a dilution loss and the recognition of an impairment of our investment in BoCom, as well as any remaining impacts from transactions that completed in previous periods. Material notable items in 2024 included the impacts related to the sales of our businesses in Canada and Argentina, the sale of our retail banking operations in France and the acquisition of SVB UK.

The Board has adopted a dividend policy designed to provide sustainable cash dividends, while retaining the flexibility to invest and grow the business in the future, supplemented by additional shareholder distributions, if appropriate.

Dividends are declared in US dollars and, at the election of the shareholder, paid in cash in one of US dollars, pounds sterling or Hong Kong dollars.

## Earnings release

An earnings release for the three-month period ending 30 September 2025 is expected to be issued on 28 October 2025.

## Final results

The results for the year to 31 December 2025 are expected to be announced on 25 February 2026.

## Corporate governance

We are subject to corporate governance requirements in both the UK and Hong Kong. Throughout the six months ended 30 June 2025, we complied with the applicable provisions of the 2024 UK Corporate Governance Code, effective 1 January 2025 and also the requirements of the Hong Kong Corporate Governance Code. The UK Corporate Governance Code is available at [www.frc.org.uk](http://www.frc.org.uk) and the Hong Kong Corporate Governance Code is available at [www.hkex.com.hk](http://www.hkex.com.hk). Reporting on compliance with revisions to the Hong Kong Corporate Governance Code, which were implemented by HKEx with effect from 1 July 2025, will commence within our 2026 Annual Report and Accounts to be published in February 2027, consistent with the guidance issued by the HKEx in May 2025.

The Board has codified obligations for transactions in Group securities in accordance with the requirements of the UK Market Abuse Regulation and the rules governing the listing of securities on the HKEx, save that the HKEx has granted waivers from strict compliance with the rules that take into account accepted practices in the UK, particularly in respect of employee share plans.

All Directors have confirmed that they have complied with their obligations in respect of transacting in Group securities throughout the period.

There have been no material changes to the information disclosed in the Annual Report and Accounts 2024 in respect of the remuneration of employees, remuneration policies, bonus and share option plans and training schemes. Details of the number of employees are provided on page 22 of the Interim Report 2025.

## Changes in Directors' details

There have been no changes in Directors' details since the publication of the Annual Report and Accounts 2024, which are required to be disclosed pursuant to Rule 13.51(2) and Rule 13.51B(1) of the Hong Kong Listing Rules.

## Going concern basis

As mentioned in Note 1 'Basis of preparation and material accounting policies' on page 84, the financial statements are prepared on a going concern basis as the Directors are satisfied that the Group and parent company have the resources to continue in business for the foreseeable future. In making this assessment, the Directors considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows, capital requirements and capital resources. These considerations include stressed scenarios that reflect the uncertainty in the macroeconomic environment, including ongoing supply chain disruptions, the impact of the Russia-Ukraine war and conflict in the Middle East, US-China tensions, potential trade restrictions and tariffs, as well as the potential impacts from other top and emerging risks, including climate change, as well as the related impacts on profitability, capital and liquidity.

In particular, HSBC's principal activities, business and operating models, strategic direction, and top and emerging risks are addressed in the Overview section. A financial summary, including a review of the consolidated income statement and consolidated balance sheet, is provided in the 'Interim management report' section. HSBC's objectives, policies and processes for managing credit, liquidity and market risk are described in the 'Risk review' section of the Annual Report and Accounts 2024. HSBC's approach to capital management and allocation is described in the 'Treasury risk' section of the Annual Report and Accounts 2024.

## Telephone and online share dealing service

For shareholders on the Principal Register who are resident in the UK, with a UK postal address, and who hold an HSBC Bank plc personal current account, the HSBC InvestDirect share dealing service is available for buying and selling HSBC Holdings plc ordinary shares. Details are available from: HSBC InvestDirect, Forum 1, Parkway, Whiteley PO15 7PA; or UK telephone: +44 (0) 3456 080848, or from an overseas telephone: +44 (0) 1226 261090; or website: [www.hsbc.co.uk/investments/products-and-services/invest-direct](http://www.hsbc.co.uk/investments/products-and-services/invest-direct).

## Stock symbols

HSBC Holdings plc ordinary shares trade under the following stock symbols:

|                               |         |
|-------------------------------|---------|
| London Stock Exchange         | HSBA    |
| Hong Kong Stock Exchange      | 5       |
| New York Stock Exchange (ADS) | HSBC    |
| Bermuda Stock Exchange        | HSBC.BH |

## Copies of the Interim Report 2025 and shareholder enquiries and communications

Further copies of the Interim Report 2025 may be obtained from Global Communications, HSBC Holdings plc, 8 Canada Square, London E14 5HQ, United Kingdom; from Communications (Asia), The Hongkong and Shanghai Banking Corporation Limited, 1 Queen's Road Central, Hong Kong; or from US Communications, HSBC Bank USA, N.A., 1 West 39th Street, 9th Floor, New York, NY 10018, USA. The Interim Report 2025 may also be downloaded from the HSBC website, [www.hsbc.com](http://www.hsbc.com).

Shareholders may at any time choose to receive corporate communications in printed form or to receive notifications of their availability on HSBC's website. To receive notifications of the availability of a corporate communication on HSBC's website by email, or to revoke or amend an instruction to receive such notifications by email, go to [www.hsbc.com/investors/shareholder-information/manage-your-shareholding](http://www.hsbc.com/investors/shareholder-information/manage-your-shareholding). If you provide an email address to receive electronic communications from HSBC, we will also send notifications of any future dividend entitlements by email. If you received a notification of the availability of this document on HSBC's website and would like to receive a printed copy or, if you would like to receive future corporate communications in printed form, please write or send an email (quoting your shareholder reference number) to the appropriate Registrar at the address given below. Printed copies will be provided without charge.

Any enquiries relating to your shareholdings on the share register (for example transfers of shares, change of name or address, lost share certificates or dividend cheques) should be sent to the Registrar at the address given below. The Registrars offer an online facility, Investor Centre, which enables shareholders to manage their shareholding electronically.

|                                            |                                                                                                                                           |                                                                                                                                                                                                                                                                 |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Principal Register:</b>                 | Computershare Investor Services PLC<br>The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ,<br>United Kingdom                               | Telephone: +44 (0) 370 702 0137<br><a href="http://www.investorcentre.co.uk/contactus">www.investorcentre.co.uk/contactus</a><br>Investor Centre: <a href="http://www.investorcentre.co.uk">www.investorcentre.co.uk</a>                                        |
| <b>Hong Kong Overseas Branch Register:</b> | Computershare Hong Kong Investor<br>Services Limited<br>Rooms 1712-1716, 17th Floor, Hopewell Centre,<br>183 Queen's Road East, Hong Kong | Telephone: +852 2862 8555<br><a href="mailto:hsbc.ecom@computershare.com.hk">hsbc.ecom@computershare.com.hk</a><br>Investor Centre: <a href="http://www.investorcentre.com/hk">www.investorcentre.com/hk</a>                                                    |
| <b>Bermuda Overseas Branch Register:</b>   | Investor Relations Team<br>HSBC Bank Bermuda Limited, 37 Front Street,<br>Hamilton HM 11, Bermuda                                         | <a href="mailto:hbbm.shareholder.services@hsbc.bm">hbbm.shareholder.services@hsbc.bm</a><br><a href="mailto:hbbm.mutual.fund@hsbc.bm">hbbm.mutual.fund@hsbc.bm</a><br>Investor Centre: <a href="http://www.investorcentre.com/bm">www.investorcentre.com/bm</a> |
| <b>ADS Depository:</b>                     | The Bank of New York Mellon<br>Shareowner Services, P.O. Box 43006, Providence<br>RI, 02940-3078, USA                                     | Telephone (US): +1 877 283 5786<br>Telephone (International): +1 201 680 6825<br><a href="mailto:shrrelations@cpushareownerservices.com">shrrelations@cpushareownerservices.com</a>                                                                             |

A Chinese translation of this and future documents may be obtained on request from the Registrar. Please also contact the Registrar if you have received a Chinese translation of this document and do not wish to receive such translations in future.

Persons whose shares are held on their behalf by another person may have been nominated to receive communications from HSBC pursuant to section 146 of the UK Companies Act 2006 ('nominated person'). The main point of contact for a nominated person remains the registered shareholder (for example your stockbroker, investment manager, custodian or other person who manages the investment on your behalf). Any changes or queries relating to a nominated person's personal details and holding (including any administration thereof) must continue to be directed to the registered shareholder and not HSBC's Registrar. The only exception is where HSBC, in exercising one of its powers under the UK Companies Act 2006, writes to nominated persons directly for a response.

本中期業績報告及日後的相關文件均備有中譯本，如有需要，請向適當的股份登記處索取。股東如收到本報告的中譯本，但不希望再收取此等中譯本，亦請聯絡股份登記處。

## Cautionary statement regarding forward-looking statements

This Interim Report 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; and ESG ambitions, targets and commitments described herein.

Statements that are not historical facts, including statements about HSBC's beliefs and expectations, are forward-looking statements. Words such as 'may', 'will', 'should', 'expects', 'targets', 'anticipates', 'intends', 'plans', 'believes', 'seeks', 'estimates', 'potential' and 'reasonably possible', or the negative thereof, other variations thereon or similar expressions are intended to identify forward-looking statements. These statements are based on current plans, information, data, estimates and projections, and therefore undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made. HSBC makes no commitment to revise or update any forward-looking statements to reflect events or circumstances occurring or existing after the date of any forward-looking statements.

Written and/or oral forward-looking statements may also be made in the periodic reports to the US Securities and Exchange Commission, summary financial statements to shareholders, offering circulars and prospectuses, press releases and other written materials, and in oral statements made by HSBC's directors, officers or employees to third parties, including financial analysts.

Forward-looking statements involve inherent risks and uncertainties. Readers are cautioned that a number of factors could cause actual results

to differ, in some instances materially, from those anticipated or implied in any forward-looking statement. These include, but are not limited to:

- changes in general economic conditions in the markets in which we operate, such as new, continuing or deepening recessions, prolonged inflationary pressures and fluctuations in employment levels and the creditworthiness of customers beyond those factored into consensus forecasts; the Russia-Ukraine war and 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 Russia-Ukraine war and 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 the adverse effect of the recent decline 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 Russia-Ukraine war or the conflict in the Middle

East (including the continuation or escalation thereof) and the related imposition of sanctions, export-control and trade restrictions, supply chain restrictions and disruptions (including as a result of any potential further escalation of the conflict between Iran and Israel), 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 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 lbor contracts 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 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 Overview' on pages 16 to 17 of this Interim Report 2025.

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 this Interim Report 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.

This Interim Report 2025 contains a number of images, graphics, text boxes and credentials which aim to give a high-level overview of certain elements of our disclosures and to improve accessibility for readers. These images, graphics, text boxes and credentials are designed to be read within the context of the Interim Report 2025 as a whole.

## Certain defined terms

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 subsidiary undertakings. 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 of US dollars, respectively.

## Abbreviations

### Currencies

|      |                        |
|------|------------------------|
| £    | British pound sterling |
| CA\$ | Canadian dollar        |
| €    | Euro                   |
| HK\$ | Hong Kong dollar       |
| RMB  | Chinese renminbi       |
| SGD  | Singapore dollar       |
| \$   | United States dollar   |

### Abbreviation

|      |                        |
|------|------------------------|
| 1H24 | First half of 2024     |
| 1H25 | First half of 2025     |
| 1Q24 | First quarter of 2024  |
| 1Q25 | First quarter of 2025  |
| 2H24 | Second half of 2024    |
| 2Q24 | Second quarter of 2024 |
| 2Q25 | Second quarter of 2025 |
| 4Q24 | Fourth quarter of 2024 |

### A

|       |                                        |
|-------|----------------------------------------|
| ABS   | Asset-backed security                  |
| ADR   | American Depositary Receipt            |
| ADS   | American Depositary Share              |
| AI    | Artificial intelligence                |
| AIBL  | Average interest-bearing liabilities   |
| AIEA  | Average interest-earning assets        |
| ANP   | Annualised new business premiums       |
| ASEAN | Association of Southeast Asian Nations |
| AT1   | Additional tier 1                      |

### B

|             |                                                                               |
|-------------|-------------------------------------------------------------------------------|
| Banking NII | Banking net interest income                                                   |
| 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             |
| BoCom       | Bank of Communications Co., Limited, one of China's largest banks             |
| BoE         | Bank of England                                                               |
| Bps         | Basis points. One basis point is equal to one hundredth of a percentage point |

### C

|        |                                                                                                                              |
|--------|------------------------------------------------------------------------------------------------------------------------------|
| CAPM   | Capital asset pricing model                                                                                                  |
| CEA    | Commodity Exchange Act                                                                                                       |
| CET1   | Common equity tier 1                                                                                                         |
| CIB    | Corporate and Institutional Banking, a business segment                                                                      |
| CMA    | UK Competition and Markets Authority                                                                                         |
| CMC    | Capital maintenance charge                                                                                                   |
| CODM   | Chief Operating Decision Maker                                                                                               |
| COFINS | Contribution for the Financing of Social Security, a Brazilian federal corporation tax                                       |
| CPI    | Consumer price index                                                                                                         |
| CRE    | Commercial real estate                                                                                                       |
| CRR    | Customer risk rating                                                                                                         |
| CRR II | The regulatory requirements of the Capital Requirements Regulation and Directive, the CRR II regulation and the PRA Rulebook |
| CSM    | Contractual service margin                                                                                                   |

### D

|     |                                                                           |
|-----|---------------------------------------------------------------------------|
| Dec | December                                                                  |
| DPD | Days past due                                                             |
| DPF | Discretionary participation feature of insurance and investment contracts |
| DTR | Disclosure Guidance and Transparency Rules                                |

### E

|     |                            |
|-----|----------------------------|
| EBA | European Banking Authority |
| ECB | European Central Bank      |

|     |                                                                                                                                                                                                                                                                                              |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ECL | Expected credit losses. In the income statement, ECL is recorded as a change in expected credit losses and other credit impairment charges. In the balance sheet, ECL is recorded as an allowance for financial instruments to which only the impairment requirements in IFRS 9 are applied. |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|     |                                      |
|-----|--------------------------------------|
| EPS | Earnings per ordinary share          |
| ESG | Environmental, social and governance |
| EU  | European Union                       |
| EVE | Economic value of equity             |

### F

|       |                                               |
|-------|-----------------------------------------------|
| FCA   | Financial Conduct Authority (UK)              |
| FRB   | Federal Reserve Board (US)                    |
| FTE   | Full-time equivalent staff                    |
| FVOCI | Fair value through other comprehensive income |
| FX    | Foreign exchange                              |

### G

|         |                                                                                                |
|---------|------------------------------------------------------------------------------------------------|
| GAAP    | Generally accepted accounting principles                                                       |
| Galicia | Grupo Financiero Galicia                                                                       |
| GDP     | Gross domestic product                                                                         |
| GOC     | Group Operating Committee                                                                      |
| GPS     | Global Payments Solutions, the business formerly known as Global Liquidity and Cash Management |
| Group   | HSBC Holdings together with its subsidiary undertakings                                        |
| GTS     | Global Trade Solutions, the business formerly known as Global Trade and Receivables Finance    |

### H

|                         |                                                                           |
|-------------------------|---------------------------------------------------------------------------|
| HIBOR                   | Hong Kong interbank offered rate                                          |
| HKEx                    | The Stock Exchange of Hong Kong Limited                                   |
| HKMA                    | Hong Kong Monetary Authority                                              |
| Holdings ALCO           | HSBC Holdings Asset and Liability Management Committee                    |
| Hong Kong               | 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                   |
| HSBC Bank plc           | HSBC Bank plc, also known as the non-ring-fenced bank                     |
| HSBC Bank Middle East   | HSBC Bank Middle East Limited                                             |
| HSBC Continental Europe | HSBC Continental Europe                                                   |
| HSBC Holdings           | HSBC Holdings plc, the parent company of HSBC                             |
| HSBC UK                 | HSBC UK Bank plc, also known as the ring-fenced bank                      |
| HSSL                    | HSBC Securities Services (Luxembourg)                                     |

### I

|                           |                                                                                                       |
|---------------------------|-------------------------------------------------------------------------------------------------------|
| IAS                       | International Accounting Standards                                                                    |
| IASB                      | International Accounting Standards Board                                                              |
| Ibor                      | Interbank offered rate                                                                                |
| ICAAP                     | Internal capital adequacy assessment process                                                          |
| IFRS Accounting Standards | International Financial Reporting Standards as issued by the International Accounting Standards Board |
| ILAAP                     | Internal liquidity adequacy assessment process                                                        |
| IVB                       | HSBC Innovation Banking                                                                               |
| IWPB                      | International Wealth and Premier Banking, a business segment                                          |

### J

|     |               |
|-----|---------------|
| Jan | January       |
| Jun | June          |
| JV  | Joint venture |

### K

|     |                    |
|-----|--------------------|
| KYC | Know your customer |
|-----|--------------------|

|                      |                                                                                                                               |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------|
| <b>L</b>             |                                                                                                                               |
| LCR                  | Liquidity coverage ratio                                                                                                      |
| Libor                | London interbank offered rate                                                                                                 |
| LTi                  | Long-term incentive                                                                                                           |
| LTV                  | Loan to value                                                                                                                 |
| <b>M</b>             |                                                                                                                               |
| M&A                  | Mergers and acquisitions                                                                                                      |
| Mainland China       | People's Republic of China excluding Hong Kong and Macau                                                                      |
| Mar                  | March                                                                                                                         |
| MENAT                | Middle East, North Africa and Türkiye                                                                                         |
| MREL                 | Minimum requirement for own funds and eligible liabilities                                                                    |
| MSS                  | Markets and Securities Services, HSBC's capital markets and securities services businesses in Global Banking and Markets      |
| <b>N</b>             |                                                                                                                               |
| Net operating income | Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue |
| NII                  | Net interest income                                                                                                           |
| NIM                  | Net interest margin                                                                                                           |
| NSFR                 | Net stable funding ratio                                                                                                      |
| <b>O</b>             |                                                                                                                               |
| OCI                  | Other comprehensive income                                                                                                    |
| <b>P</b>             |                                                                                                                               |
| PD                   | Probability of default                                                                                                        |
| PIS                  | Contribution to the Social Integration Programme, a Brazilian federal corporation tax                                         |
| POCI                 | Purchased or originated credit-impaired financial assets                                                                      |
| PRA                  | Prudential Regulation Authority (UK)                                                                                          |
| Premier              | HSBC Premier, HSBC's premium personal global banking service                                                                  |

|              |                                                                                                            |
|--------------|------------------------------------------------------------------------------------------------------------|
| PwC          | The member firms of the PwC network, including PricewaterhouseCoopers LLP                                  |
| <b>R</b>     |                                                                                                            |
| RAF          | Bank of England's Resolvability Assessment Framework                                                       |
| RES          | Resource and experience sharing agreement                                                                  |
| RoE          | Return on average ordinary shareholders' equity                                                            |
| RoTE         | Return on average tangible equity                                                                          |
| RWAs         | Risk-weighted assets                                                                                       |
| <b>S</b>     |                                                                                                            |
| SAB          | Saudi Awwal Bank                                                                                           |
| SEC          | Securities and Exchange Commission (US)                                                                    |
| ServCo group | Separately incorporated group of service companies established in response to UK ring-fencing requirements |
| SFO          | Securities and Futures Ordinance of Hong Kong                                                              |
| SME          | Small and medium-sized enterprise                                                                          |
| SVaR         | Stressed value at risk                                                                                     |
| SVB UK       | Silicon Valley Bank UK Limited, now HSBC Innovation Bank Limited                                           |
| <b>T</b>     |                                                                                                            |
| TNFD         | Taskforce on Nature-related Financial Disclosures                                                          |
| <b>U</b>     |                                                                                                            |
| UAE          | United Arab Emirates                                                                                       |
| UK           | United Kingdom                                                                                             |
| UN           | United Nations                                                                                             |
| US           | United States of America                                                                                   |
| <b>V</b>     |                                                                                                            |
| VaR          | Value at risk                                                                                              |
| VIU          | Value in use                                                                                               |

This document comprises the Interim Report 2025 and information herein has been filed on Form 6-K with the US Securities and Exchange Commission for HSBC Holdings plc and its subsidiary and associated undertakings.

**HSBC Holdings plc**

Incorporated in England and Wales on 1 January 1959 with limited liability under the UK Companies Act

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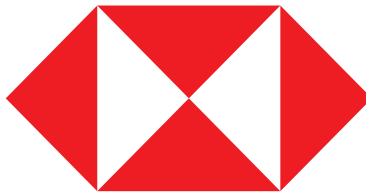
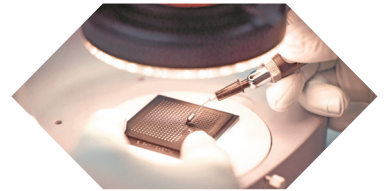
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