

25 February 2026

## HSBC CONTINENTAL EUROPE 2025 ANNUAL AND SECOND HALF RESULTS

On 24 February 2026, the Board of Directors of HSBC Continental Europe reviewed the results for the second half of the year and approved the consolidated financial statements for 2025.

Revenue performance in 2025 was strong with increased client activity and deposit growth in Corporate and Institutional Banking ('CIB') offsetting the impacts of lower interest rates on net interest margins.

During the year, HSBC Continental Europe accelerated the execution of its strategy, completing the sale of the life insurance business and the legacy retail portfolio in France, as well as the private banking business in Germany. HSBC Continental Europe also signed agreements to sell its custody and fund administration businesses in Germany and its majority stake in HSBC Bank Malta p.l.c. and simplified its organisation to make it more agile by bringing together Commercial Banking and Global Banking and Markets activities. These strategic actions resulted in a reported loss for the year ending 2025.

The HSBC Group is focused on increasing its leadership and market share in areas where it has a clear competitive advantage, and where it has the greatest opportunity to grow and support its clients. This includes connecting European clients to opportunities across the HSBC Group's international network and supporting the needs of the HSBC Group's global client base in Europe.

HSBC Continental Europe has been recognised as the #1 Trade Finance Provider in Western Europe (Euromoney, 2026) and the Best Bank for Cash and Liquidity Management in Europe (Treasury Management International, 2026).

**Net operating income before change in expected credit losses and other credit impairment charges<sup>1</sup>** was €3,683m, up compared to €3,547m in 2024, this increase being driven by the gain on sale of the private banking business in Germany. CIB revenues were stable with growth in markets activities and deposit balances, offset by the impact of lower interest rates on net interest margins. International Wealth and Premier Banking ('IWPB') revenues were stable excluding the gain on sale of the private banking business in Germany.

**Change in expected credit losses and other credit impairment charges<sup>1</sup>** was a charge of €166m, compared with a charge of €91m in 2024. The cost of risk<sup>2</sup>, at 39 basis points, was driven by higher stage 3 provisions. The credit risk profile of the portfolio remains diversified and stable.

**Operating expenses<sup>1</sup>** were €2,792m in 2025, up compared to €2,318m in 2024, due to restructuring costs of €473m<sup>3</sup> and investment in technology.

**Profit before tax**, in respect of continuing operations, was €725m, compared to €1,138m in 2024 driven by the above-mentioned restructuring costs.

**Loss after tax**, in respect of continuing and discontinued operations, was €644m, compared to a profit of €603m in 2024, and included the loss on sale of the life insurance business and the retained portfolio of home and certain other loans in France.

**The consolidated balance sheet** of HSBC Continental Europe showed total assets of €251bn at 31 December 2025, compared to €265bn at 31 December 2024.

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<sup>1</sup> In respect of continuing operations in accordance with IFRS 5.

<sup>2</sup> Change in expected credit losses and other credit impairment charges divided by customer loans outstanding at the end of the period.

<sup>3</sup> Includes provisions for termination benefits, impairment of non-financial assets, and other costs related to business disposals.

At 31 December 2025, HSBC Continental Europe reported an average liquidity coverage ratio (LCR)<sup>4</sup> of 147% and a net stable funding ratio (NSFR)<sup>4</sup> of 164%. The common equity tier 1 (CET1)<sup>5</sup> ratio was 16.4% and the total capital ratio<sup>5</sup> was 21.6%. The leverage ratio<sup>5</sup> was 4.3%.

### **2025 second half results**

**Net operating income before change in expected credit losses and other credit impairment charges<sup>6</sup>** was €1,771m compared to €1,848m in the second half of 2024 driven by lower net interest income.

**Change in expected credit losses and other credit impairment charges<sup>6</sup>** was a charge of €96m in the second half of 2025, compared to a charge of €78m in the second half of 2024, mainly driven by additional stage 3 provisions. The credit risk profile of the portfolio remains diversified and stable.

**Operating expenses<sup>6</sup>** were €1,440m, up compared to €1,181m in the second half of 2024, driven by restructuring costs. Excluding these items, operating expenses were down compared to the second half of 2024.

**Profit before tax**, in respect of continuing operations, was €235m, down compared to €589m in the second half of 2024 driven by the above-mentioned restructuring costs.

**Loss after tax**, for the period in respect of continuing and discontinued operations, was €1,017m, compared to a profit of €233m in the second half of 2024, and included the loss on sale of the life insurance business and the retained portfolio of home and certain other loans in France.

### **Business disposals**

On 3 October 2025, HSBC Continental Europe completed the sale of its private banking business in Germany to BNP Paribas<sup>6</sup>.

On 31 October 2025, HSBC Continental Europe completed the sale of its portfolio of home and certain other loans retained after the disposal of the retail banking business in France to a consortium comprising Rothesay Life plc and CCF<sup>7</sup>.

On 31 October 2025, HSBC Continental Europe completed the sale of its French life insurance business, HSBC Assurances Vie (France), to Matmut Société d'Assurance Mutuelle<sup>7</sup>.

On 16 September 2025, HSBC Continental Europe signed a put option agreement with CrediaBank S.A. regarding the potential sale of its majority shareholding of 70.03% in HSBC Bank Malta plc. On 22 December 2025, pursuant to the terms of the put option agreement and following completion of HSBC Continental Europe's employee information and consultation process in France, a Sale and Purchase Agreement for the transaction was signed. This planned Transaction would be expected to complete in the first half of 2027, subject to obtaining corporate and regulatory approvals<sup>6</sup>.

On 11 July 2025, HSBC Continental Europe reached an agreement to sell its fund administration business in Germany, Internationale Kapitalanlagegesellschaft mbH, to BlackFin Capital Partners S.A.S. The disposal group met the held for sale criteria in the third quarter of 2025, with immaterial balances remaining classified as held for sale at 31 December 2025. This transaction, which remains subject to regulatory approval, is expected to complete in the second half of 2026, at which point an immaterial gain on disposal will be recognised<sup>6</sup>.

On 27 June 2025, HSBC Continental Europe reached an agreement to sell its custody business in Germany to BNP Paribas. This transaction is anticipated to be completed in a phased manner, starting in the first quarter of 2026<sup>6</sup>.

### **2025 results per business line<sup>6</sup>**

#### **Corporate and Institutional Banking ('CIB')**

Profit before tax was €658m compared to €1,003m in 2024, with stable revenues offset by higher expected credit losses, restructuring costs and investment in technology.

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<sup>4</sup> Computed in respect of CRR II (Regulation EU 2019/876).

<sup>5</sup> Including phasing in accordance with applicable CRR3/CRD6 rules, transposing the final Basel III text.

<sup>6</sup> In respect of continuing operations in accordance with IFRS 5.

<sup>7</sup> In respect of discontinued operations in accordance with IFRS 5.

At 31 December 2025, customer loan balances were €38.6bn, down €1.8bn compared to prior year, and customer deposits were €101.5bn, up €11.1bn. 2025 customer deposits included €10.5bn from the custody business in Germany that was classified as held for sale in accordance with IFRS 5.

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### **International Wealth and Premier Banking ('IWPB')**

Profit before tax was €131m compared to €63m in 2024, driven by the gain on sale of the private banking business in Germany.

At 31 December 2025, customer loan balances of €4.2bn were stable and customer deposits of €6.5bn were down €0.6bn.

### **Corporate Centre ('CC')**

The Corporate Centre comprises operating income and expense items that are not allocated to the global businesses. The loss before tax was €64m, compared to a profit of €72m in 2024.

## Appendix

The audit procedures relating to the accounts and sustainability are ongoing.

### Summary consolidated income statement

The life insurance business and the retained portfolio of home and certain other loans in France were re-classified as discontinued operations in accordance with IFRS 5 and accordingly the profit/(loss) of the discontinued operations is reported separately in the income statement.

As a result, and in compliance with IFRS 5, the 2024 comparative data of continuing and discontinued operations have been restated accordingly.

	€m	Year 2025	Year 2024 <sup>8</sup>
<b>Continuing operations</b>			
Net interest income		1,382	1,695
Net fee income		1,180	1,214
Net income/(expense) from financial instruments held for trading or managed on a fair value basis		818	484
Other operating income/(expense)		101	81
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>		<b>3,683</b>	<b>3,547</b>
Change in expected credit losses and other credit impairment charges		(166)	(91)
Total operating expenses		(2,792)	(2,318)
<b>Profit/(loss) before tax</b>		<b>725</b>	<b>1,138</b>
Tax expense		(64)	(406)
Profit/(loss) after tax in respect of continuing operations		661	732
Profit/(loss) after tax in respect of discontinued operations		(1,305)	(129)
<b>Profit/(loss) after tax for the period</b>		<b>(644)</b>	<b>603</b>
<b>Profit/(loss) attributable to shareholders of the parent company</b>		<b>(657)</b>	<b>568</b>
Profit/(loss) attributable to non-controlling interests		13	35

### Profit/(loss) for the period by global business

	Continuing operations			
	Year 2025			
	CIB	IWPB	Corporate Centre	Total
	€m	€m	€m	€m
Net operating income before change in expected credit losses and other credit impairment charges	2,971	576	136	3,683
Change in expected credit losses and other credit impairment charges	(172)	5	1	(166)
<b>Net operating income</b>	<b>2,799</b>	<b>581</b>	<b>137</b>	<b>3,517</b>
Total operating expenses	(2,141)	(450)	(201)	(2,792)
<b>Profit/(loss) before tax</b>	<b>658</b>	<b>131</b>	<b>(64)</b>	<b>725</b>
	Year 2024			
Net operating income before change in expected credit losses and other credit impairment charges	2,971	444	132	3,547
Change in expected credit losses and other credit impairment charges	(100)	7	2	(91)
Net operating income	2,871	451	134	3,456
Total operating expenses	(1,868)	(388)	(62)	(2,318)
Profit/(loss) before tax	1,003	63	72	1,138

<sup>8</sup> In compliance with IFRS 5 standards, the comparatives have been represented to reflect discontinued operations related to the retained portfolio of home and certain other loans in France.

### **Accounting policy for classifying non-current assets or disposal groups as 'held for sale'**

HSBC Continental Europe classifies non-current assets or disposal groups (including assets and liabilities) as held for sale when their carrying amounts will be recovered principally through sale rather than through continuing use. To be classified as held for sale, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets or disposal groups, and the sale must be highly probable.

On 11 July 2025, HSBC Continental Europe reached an agreement to sell its fund administration business in Germany, Internationale Kapitalanlagegesellschaft mbH, to BlackFin Capital Partners S.A.S. The disposal group met the held for sale criteria in the third quarter of 2025, with immaterial balances remaining classified as held for sale at 31 December 2025. This transaction, which remains subject to regulatory approval, is expected to complete in the second half of 2026, at which point an immaterial gain on disposal will be recognised.

On 27 June 2025, HSBC Continental Europe reached an agreement to sell its custody business in Germany to BNP Paribas. This transaction is anticipated to be completed in a phased manner, starting in the first quarter of 2026.

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**HSBC Continental Europe**

Headquartered in Paris, HSBC Continental Europe is an indirectly held subsidiary of HSBC Holdings plc. HSBC Continental Europe comprises corporate and institutional banking, private banking, insurance and asset management activities across Continental Europe, including the business activities of 10 European branches (in Belgium, Czech Republic, Germany, Ireland, Italy, Luxembourg, the Netherlands, Poland, Spain and Sweden) and two banking subsidiaries in Luxembourg and Malta. HSBC Continental Europe's mission is to serve both customers in Continental Europe for their needs worldwide and Group customers for their needs in Continental Europe.

**HSBC Holdings plc**

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. HSBC serves customers worldwide from offices in 56 countries and territories. With assets of US\$3,233bn at 31 December 2025, HSBC is one of the world's largest banking and financial services organisations.