HSBC

Press Release

30 July 2025

HSBC CONTINENTAL EUROPE
INTERIM RESULTS 2025

On 29 July 2025, HSBC Continental Europe's Board of Directors approved the consolidated financial statements for the first half of 2025.

Performance during the first half of 2025 reflected strong revenue growth in Corporate and Institutional Banking[1] driven by increased client activity. This was partly offset by investment in technology and restructuring costs.

Since the beginning of the year and as previously announced, HSBC Continental Europe has signed agreements to sell its custody and fund administration businesses in Germany and the retained portfolio of home and certain other loans in France[2].

These initiatives form part of the HSBC Group's simplification strategy announced in October 2024. HSBC 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 HSBC's international network and supporting the needs of HSBC's global client base in Continental Europe.

Profit after tax for the period was €373m, stable compared to €370m in the first half of 2024.

Net operating income before change in expected credit losses and other credit impairment charges[3] was €1,912m, up from €1,699m in the first half of 2024, driven by higher revenues in Corporate and Institutional Banking, with growth in Markets and Investment Banking, partly offset by lower net interest income.

Change in expected credit losses and other credit impairment charges[3] was a charge of €70m, compared with a charge of €13m in the first half of 2024. The cost of risk[4] was 30 basis points, from a low level of 7 basis points in the first half of 2024, the increase being driven by specific provisions (stage 3).

Operating expenses[3] were €1,352m, up from €1,137m in the first half of 2024, due to restructuring costs and investment in technology, partly offset by reversals of prior period impairments.

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[1] Following the announcement by the HSBC Group of a new organisational structure in October 2024, and effective 1 January 2025, HSBC Continental Europe now operates through two new business lines: 'Corporate and Institutional Banking' covering the clients and products previously served by Commercial Banking, Global Banking, Markets and Securities Services, and 'International Wealth and Premier Banking' replacing Wealth and Personal Banking.
[2] See appendix for details on business disposals.
[3] In respect of continuing operations.
[4] Annualised change in expected credit losses and other credit impairment charges divided by customer loans outstanding at the end of the period.

Profit before tax[3] was €490m, compared to €549m in the first half of 2024.

The consolidated balance sheet of HSBC Continental Europe showed total assets of €280bn at 30 June 2025, compared to €265bn at 31 December 2024.

At 30 June 2025, HSBC Continental Europe reported an average liquidity coverage ratio (LCR)[5] of 144% and a net stable funding ratio (NSFR)[6] of 145%. The bank's fully loaded common equity tier 1 (CET1) ratio was 15.5% and the total capital ratio was 19.8%. The fully loaded leverage ratio was 4.8%. The solvency ratio of its life insurance subsidiary in France was 299%[7].

[5] Computed in respect of the EU Delegated act.
[6] Computed in respect of CRR II (Regulation EU 2019/876).
[7] LCR, NSFR and the solvency ratio of the life insurance subsidiary in France are unaudited.

Appendix

Interim accounts were subject to a limited review by the statutory auditors.

Summary consolidated income statement

€m	**Half year to 30 June 2025**	Half year to 30 June 2024
Continuing operations		
Net interest income	**710**	931
Net fee income	**648**	601
Net income from financial instruments held for trading or managed on a fair value basis	**468**	113
Other operating income/(expense)	**86**	54
Net operating income before change in expected credit losses and other credit impairment charges	**1,912**	**1,699**
Change in expected credit losses and other credit impairment charges	**(70)**	(13)
Total operating expenses	**(1,352)**	(1,137)
Profit/(loss) before tax	**490**	**549**
Tax expense	**(90)**	(145)
Profit/(loss) after tax in respect of continuing operations	**400**	404
Profit/(loss) after tax in respect of discontinued operations	**(27)**	(34)
Profit/(loss) after tax for the period	**373**	**370**
Profit/(loss) attributable to shareholders of the parent company	**360**	**350**
Profit/(loss) attributable to non-controlling interests	**13**	20

Profit/(loss) for the period by global business

	Continuing Operations			
	Corporate and Institutional Banking	**International Wealth and Premier Banking**	**Corporate Centre**	**Total**
€m	**Half year to 30 June 2025**			
Net operating income before change in expected credit losses and other credit impairment charges	**1,583**	**224**	**105**	**1,912**
o/w net interest income/(expense)	***725***	***89***	***(104)***	***710***
Change in expected credit losses and other credit impairment charges	**(74)**	**4**	**—**	**(70)**
Total operating expenses	**(1,074)**	**(199)**	**(79)**	**(1,352)**
Profit/(loss) before tax	**435**	**29**	**26**	**490**
	Half year to 30 June 2024			
Net operating income before change in expected credit losses and other credit impairment charges	1,492	243	(36)	1,699
o/w net interest income/(expense)	*823*	*105*	*3*	*931*
Change in expected credit losses and other credit impairment charges	(19)	5	1	(13)
Total operating expenses	(905)	(192)	(40)	(1,137)
Profit/(loss) before tax	568	56	(75)	549

Business disposals

On 23 September 2024, HSBC Continental Europe reached an agreement to sell its private banking business in Germany to BNP Paribas. The sale is expected to be completed in the second half of 2025.

On 20 December 2024, HSBC Continental Europe signed a memorandum of understanding regarding 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.

On 27 June 2025, HSBC Continental Europe reached an agreement to sell its custody business in Germany to BNP Paribas. The planned sale is 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.

Post-balance sheet events

On 11 July 2025, HSBC Continental Europe reached an agreement to sell its fund administration business in Germany, Internationale Kapitalanlagegesellschaft mbH (INKA), to BlackFin Capital Partners S.A.S. 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.

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.

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.

At 30 June 2025, HSBC Continental Europe judged that the sale of its private banking business in Germany, its life insurance business in France, its custody business in Germany and the retained portfolio of home and certain other loans in France were highly probable. As such, and in accordance with IFRS 5, the disposal groups that included €32bn of assets and €36bn of liabilities were classified as held for sale and re-measured at the lower of the carrying amount and fair value less costs to sell.

The life insurance business and the retained portfolio of home and certain other loans in France also met the criteria of discontinued operations classification and presentation under IFRS 5, and accordingly, the profit/(loss) of the discontinued operations has been reported separately in the income statement.

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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 HSBC 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 57 countries and territories. With assets of US$3,214bn at 30 June 2025, HSBC is one of the world's largest banking and financial services organisations.