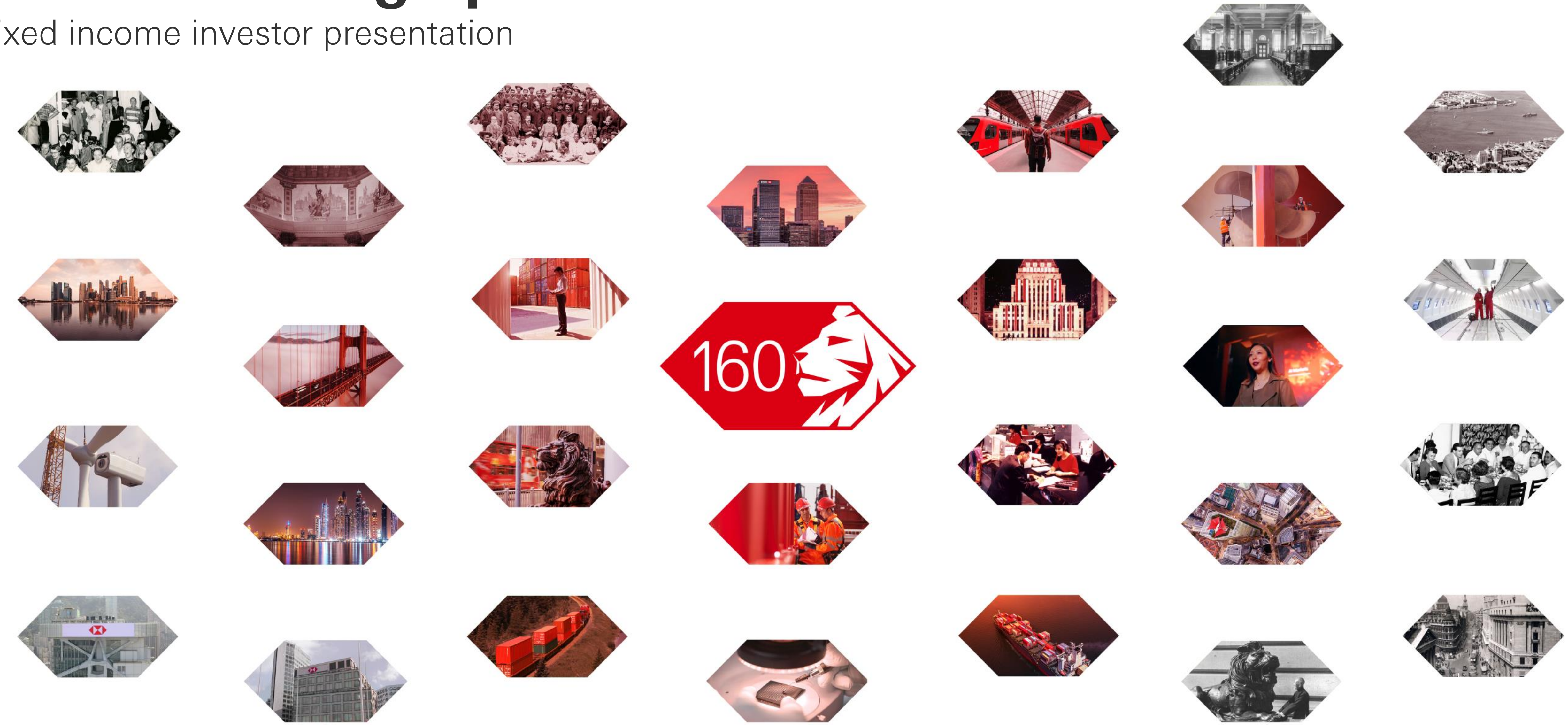
HSBC Holdings plc 2Q25 results

Fixed income investor presentation



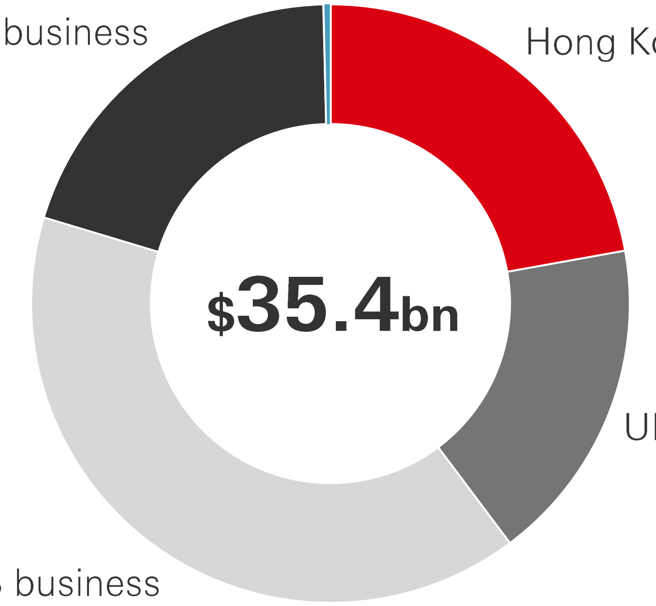
Results
& strategy

HSBC

A diversified and capital-generative business

1H25 revenue

$34.1bn revenue / $35.4bn excl. notable items



Balance sheet strength

Strong 1H25 capital	**14.6%** CET1 ratio[1]	**32.6%** MREL ratio[1]
Highly liquid; well funded	**$678bn** Average HQLA in entities	**57.1%** Loan / deposit ratio
Prudent approach to credit risk	**75%** Proportion of customer loans classified as 'Strong' or 'Good' credit quality	**90%** Proportion of personal loan book secured[2]

Organic capital generation

14.7 % RoTE[3]
(**18.2%** excl. notable items)

$9.5bn
Distribution to shareholders in respect of 1H25[4]

The remainder of the presentation unless otherwise stated, is presented on a constant currency basis
Figures throughout this presentation may be subject to rounding adjustments and therefore may not sum precisely to totals given in charts, tables or commentary

Navigating this period of economic uncertainty from a position of strength

Putting the changing needs of our customers at the heart of everything we do

Hallmark financial strength

Unique deposit franchise; deep customer relationships

- Strong deposit base of $1.7tn
  - +$15bn / +1% QoQ (including held-for-sale balances)
- 300k new-to-bank customers in HK during Q2, +70% YoY*

High-quality loan portfolio

- $992bn gross loans and advances to customers
  - 95% rated strong, good or satisfactory
- Remain confident in our HK CRE exposure of $32bn
  - We are focused in particular on the $1.5bn sub-standard and credit impaired exposure that is >70% LTV

Resilient, recurring earnings

Reiterating FY25 Banking NII guidance of ~$42bn

- Despite HIBOR headwinds, other tailwinds have given us the confidence to reiterate guidance†

Resilient growth in Wholesale Transaction Banking fee and other income, +5% YoY

- Trade +4% YoY, benefitting from our expertise (5,000 trade specialists), and our positioning across the fastest growing trade routes and the rapidly growing services trade sector

Wealth — positioned for growth across our footprint; investing for, and delivering growth

- Wealth fee and other income +22% YoY
- $22bn NNIA in Q2 / $75bn NNIA in the last 4 quarters

Reiterating our mid-teens RoTE target for 2025, 2026 and 2027, excluding notable items

* Unless otherwise stated, comparisons on this slide reflect 2Q25 performance vs. 2Q24
† HIBOR refers to Hong Kong Interbank Offered Rate. Further detail on slides 8, 28 and 29

Simple and agile — focused on delivering organisational simplification with discipline and at pace

We are on track to deliver ~$1.5bn cost saves by YE26*

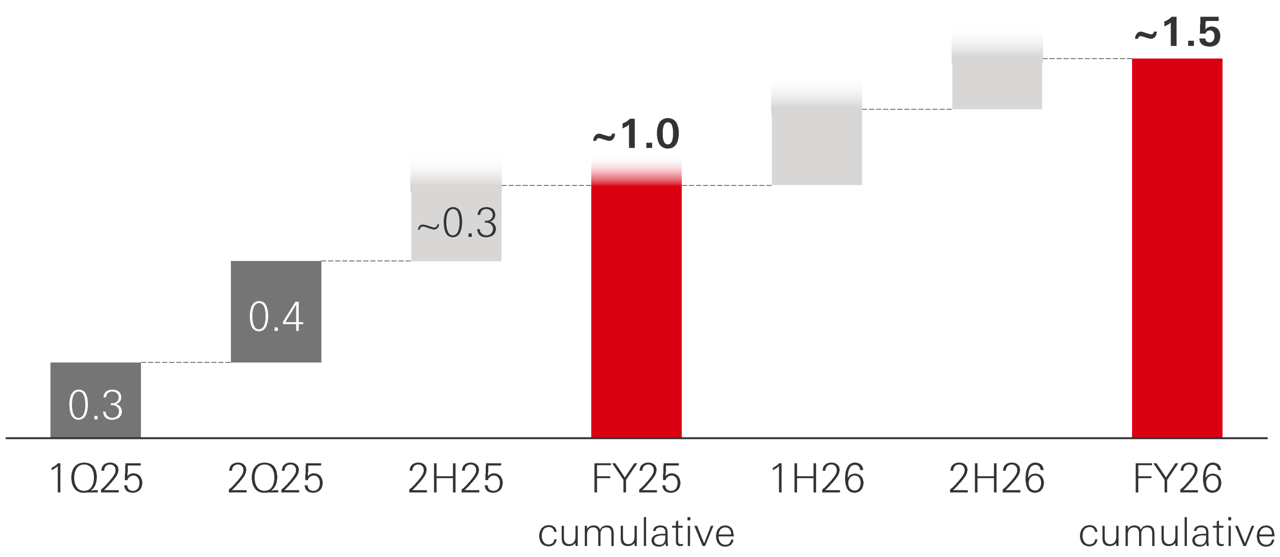
February 2025 announcement: c.8% of payroll cost saves, to be achieved by YE26*. Immaterial impact on revenue

Building a simpler, more agile, focused organisation. Progressing at pace

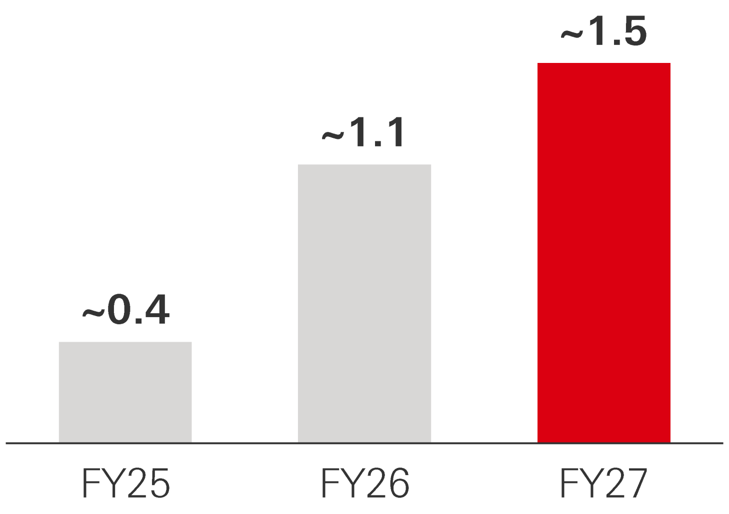
Operating through four new simplified businesses, each rooted in our strengths, and well positioned for growth

Committed to deliver ~$1.5bn of simplification savings by YE26 (annualised), to be taken to the bottom line, including **~$0.4bn** to be realised in the FY25 P&L (previously ~$0.3bn)

Progress update: saves actioned and targeted[1], $bn



Expected saves realisation in the P&L, $bn



* Annualised

Simple and agile — exit of non-strategic activities

We are progressing at pace to exit non-strategic and low return activities

February 2025 announcement:

Over the medium term, we aim to exit non-strategic activities which have costs of ~$1.5bn

Costs to be re-allocated to priority growth areas where we have clear competitive advantages and generate accretive returns

Update

We commenced targeted strategic reviews of our **retail** activities in Australia, Indonesia and Sri Lanka. Our Corporate and Institutional business in these markets is unaffected by these reviews

Exits announced in 2025

	Target completion
UK life insurance	1H26
German custody business	2H27†
German fund administration	2H26
Stake in Grupo Galicia	Completed during 2Q25
French home and other loans	2H25
Bangladesh retail banking	1H26
Uruguay	2H26

Announced 2025, prior to 1Q25 results:

ECM and M&A in US, UK & Europe	Ongoing
Bahrain retail banking	2H25

* Transactions in active execution are those where strategic divestment options are available and being actively pursued, but no decisions have been made yet or announced
† Transaction is expected to be completed in a phased manner, starting in 1Q26

2Q25 summary: $9.2bn PBT excl. notable items

Income statement

- $17.7bn revenue excl. notables +5% YoY, driven by fee and other income
- $6.3bn PBT / $9.2bn excl. notable items, stable YoY
- 17.7% RoTE excl. notable items in 2Q25 / 18.2% YTD, +1.2ppts YoY

Notable items

- $(2.8)bn, including: $(2.1)bn BoCom dilution and impairment losses; $(0.7)bn cost notables, incl. restructuring (see slide 27)

Balance sheet

- Deposits +$2bn QoQ / +$15bn incl. held-for-sale balances
- Loans +$5bn QoQ

Capital & distributions

- 14.6% CET1 ratio
- $0.10 DPS
- Announcing an up to $3bn share buyback

Income statement, $bn	2Q24	2Q25	Δ, $	Δ, %
Revenue	16.7	16.5	(0.2)	(1)%
ECL	(0.3)	(1.1)	(0.7)	>(100)%
Costs	(8.2)	(8.9)	(0.7)	(8)%
Associates	0.9	(0.2)	(1.0)	>(100)%
PBT	9.0	6.3	(2.7)	(30)%
Profit attrib. to ordinary shareholders	6.4	4.6	(1.8)	(29)%
Revenue excl. notable items	**16.9**	**17.7**	**0.8**	**5%**
Target basis costs	(8.1)	(8.3)	(0.1)	(2)%
PBT excl. notable items	**9.2**	**9.2**	**0.0**	**0%**

Balance sheet	1Q25	2Q25	Δ, $	Δ, %
Customer loans, $bn	976	982	5	1%
Customer deposits, $bn	1,717	1,719	2	0%
CET1 ratio, %	14.7	14.6		(0.1)ppts

Key financial metrics	2Q24	2Q25	Δ
EPS, $	0.35	0.26	$(0.09)
EPS excl. material notable items*, $	0.35	0.39	$0.04
DPS, $	0.31†	0.10	$(0.21)
RoTE excl. notable items‡, %	17.0	18.2	+1.2ppts
TNAV per share, $	8.35	9.17	$0.82

* Excluding material notable items and related impacts
† Includes special dividend of $0.21
‡ YTD annualised

Revenue

+5% YoY growth driven by fee and other income*

$bn	2Q24	2Q25	Δ
Banking NII	**11.0**	**10.7**	**(0.2)**
Fee and other income	**5.9**	**6.9**	**1.0**
— Wholesale Transaction Banking	2.7	2.8	0.1
— Wealth	1.9	2.3	0.4
— Other	1.4	1.9	0.5
Revenue excluding notable items	**16.9**	**17.7**	**0.8**
Notable items	(0.2)	(1.2)	(1.0)
Revenue	**16.7**	**16.5**	**(0.2)**

+5%

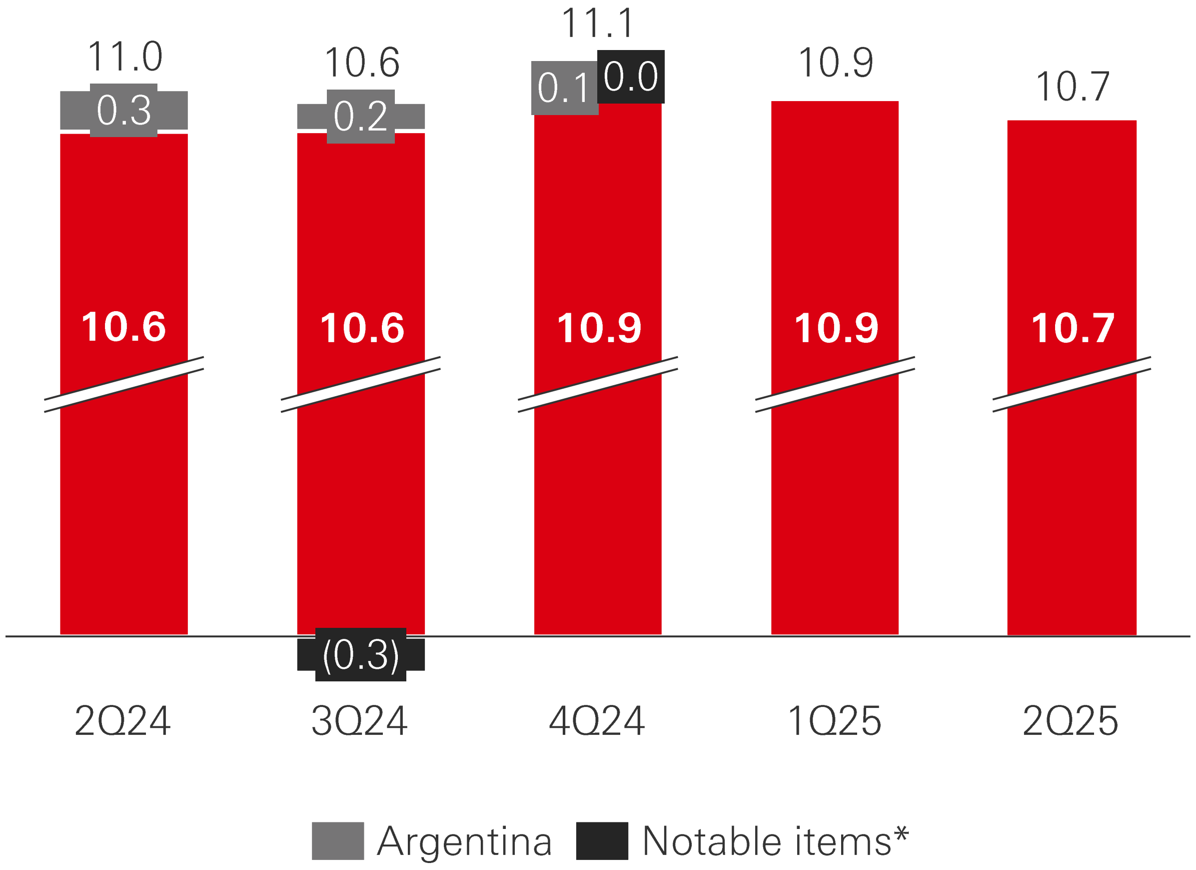
- +$0.5bn 'Other' includes:
  - +$0.1bn IB, Debt and Equity markets
  - +$0.1bn Markets Treasury income
  - +$0.2bn non-recurrence of Argentina hyperinflation
  - +$0.1bn fair value move on interest rate hedges related to the sale of our retained French home loan portfolio
- $(1.2)bn 2Q25 revenue notable items primarily $(1.1)bn BoCom dilution loss (impairment of $(1.0)bn recognised through associates)

* Excluding notable items

Banking NII

Continue to expect ~$42bn for FY25

Banking NII, $bn



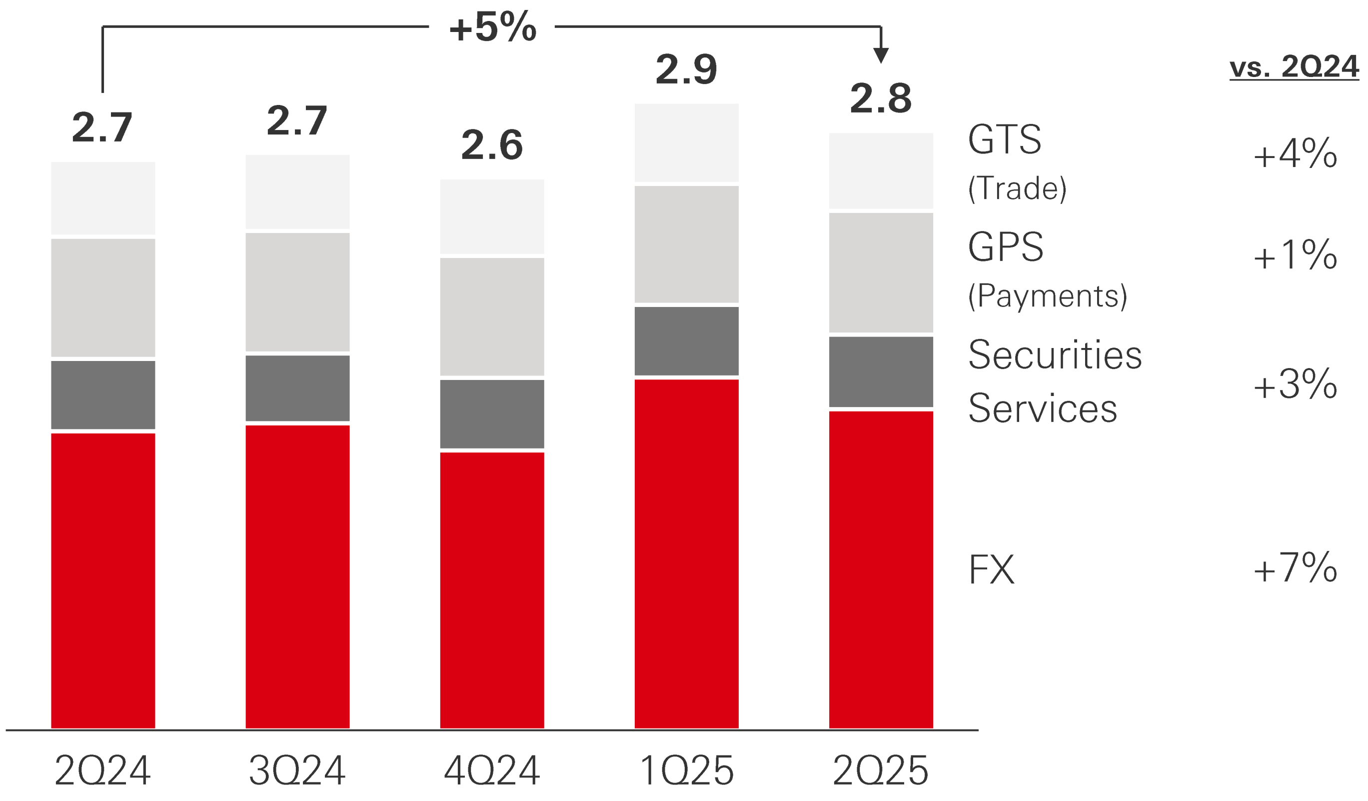
- **$(0.2)bn QoQ**, largely reflecting lower interest rates, partly offset by the repricing of structural hedge assets
- **Structural hedge notional $578bn**, +$18bn QoQ (ex. FX) — see slide 28
- **Unchanged FY25 Banking NII guidance ~$42bn**
  - Includes favourable impact of FX, broadly offset by lower HIBOR
  - 1m HIBOR at ~1% adversely impacts Banking NII by ~$(100)m per month
  - Further detail on Hong Kong switchable mortgages on slide 29

* 3Q24 and 4Q24 included notable items related to the early redemption of legacy securities

Wholesale Transaction Banking

Growth across all products

Fee and other income, $bn

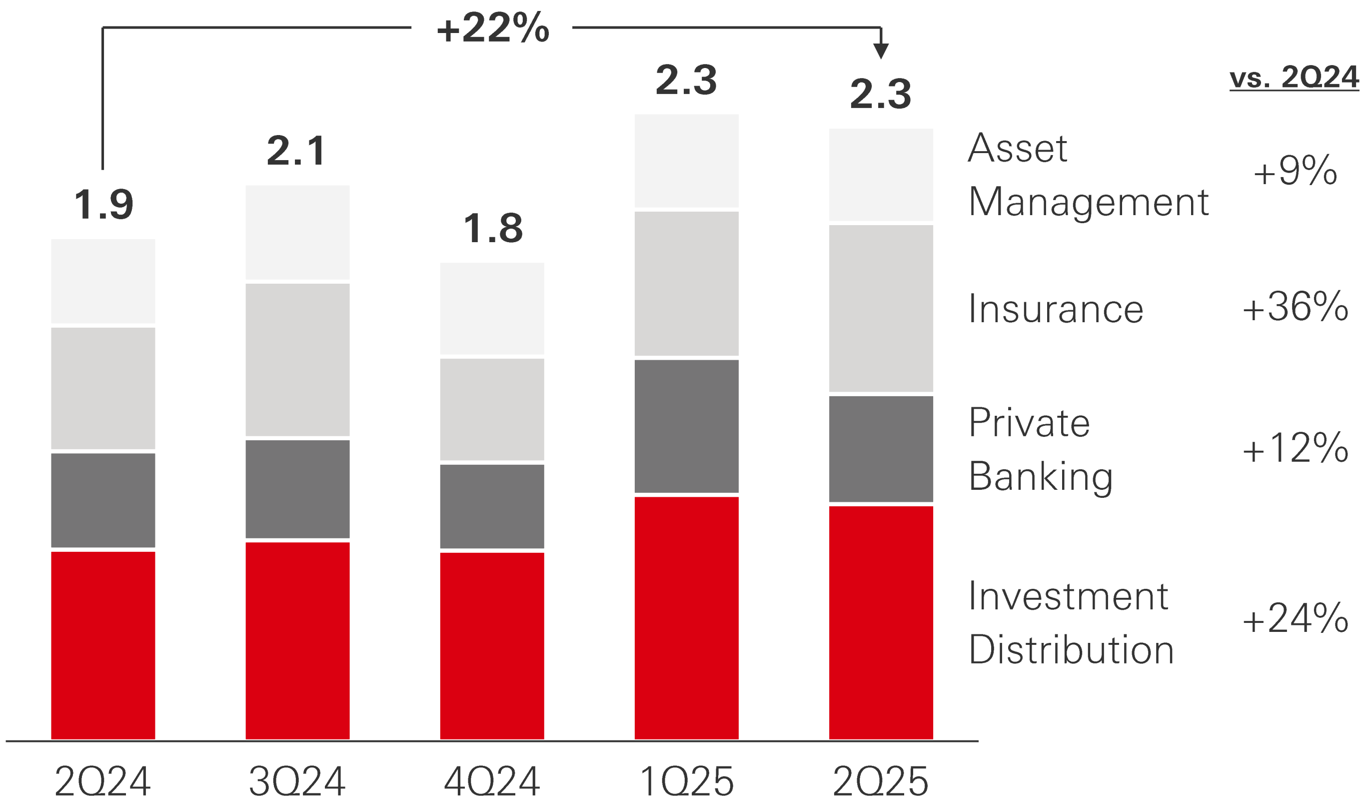


- **+7% FX**, capturing elevated client activity due to market volatility and geopolitical events
- **+4% GTS**, driven by guarantees, supporting clients as they expand infrastructure and production capabilities
- **+3% Securities Services**, due to higher asset balances as a result of improved valuations and new customer mandates, particularly in Asia and the Middle East
- **+1% GPS**, including higher volumes in cross-border and real-time payments

Wealth

+22% YoY, with broad-based growth across products and markets

Fee and other income, $bn



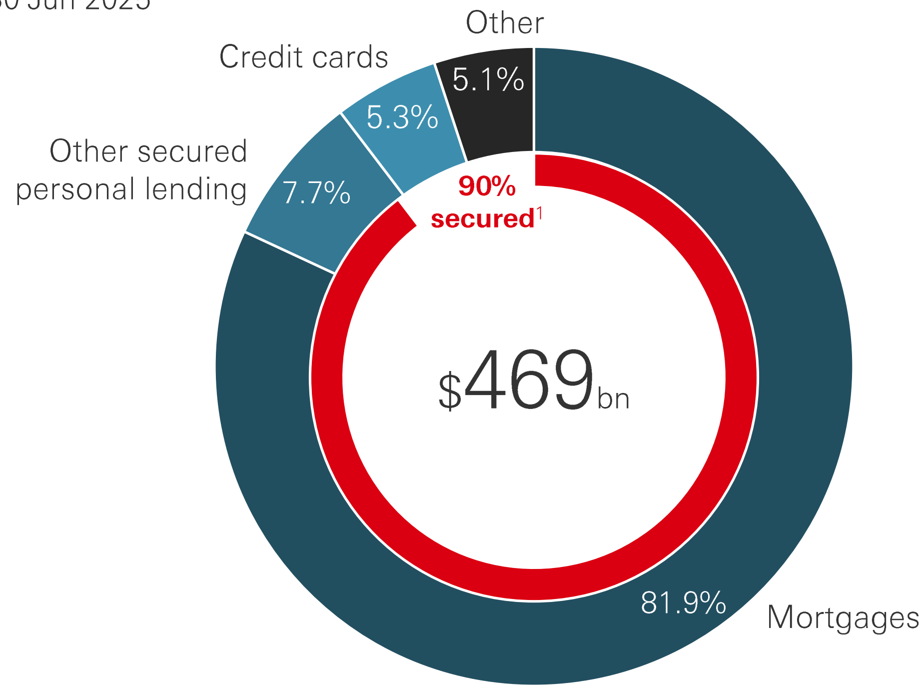
- Strong performance as we captured high levels of client activity during the quarter
- Executing at pace to deliver our strategic ambitions
- Strong insurance performance driven by continued CSM growth and favourable net investment result
- Key metrics:
  - **300k** new-to-bank customers in HK (2Q24: 177k)
  - **$0.9bn** insurance manufacturing new business CSM (2Q24: $0.6bn)
  - **$13.5bn** insurance manufacturing CSM balance (1Q25: $12.8bn)
  - **$22bn** net new invested assets, including $11bn in Asia (2Q24: $6bn, including $19bn Asia)

Insurance manufacturing new business CSM, CSM balance, net new invested assets and invested assets are all on a reported FX basis

Gross customer lending

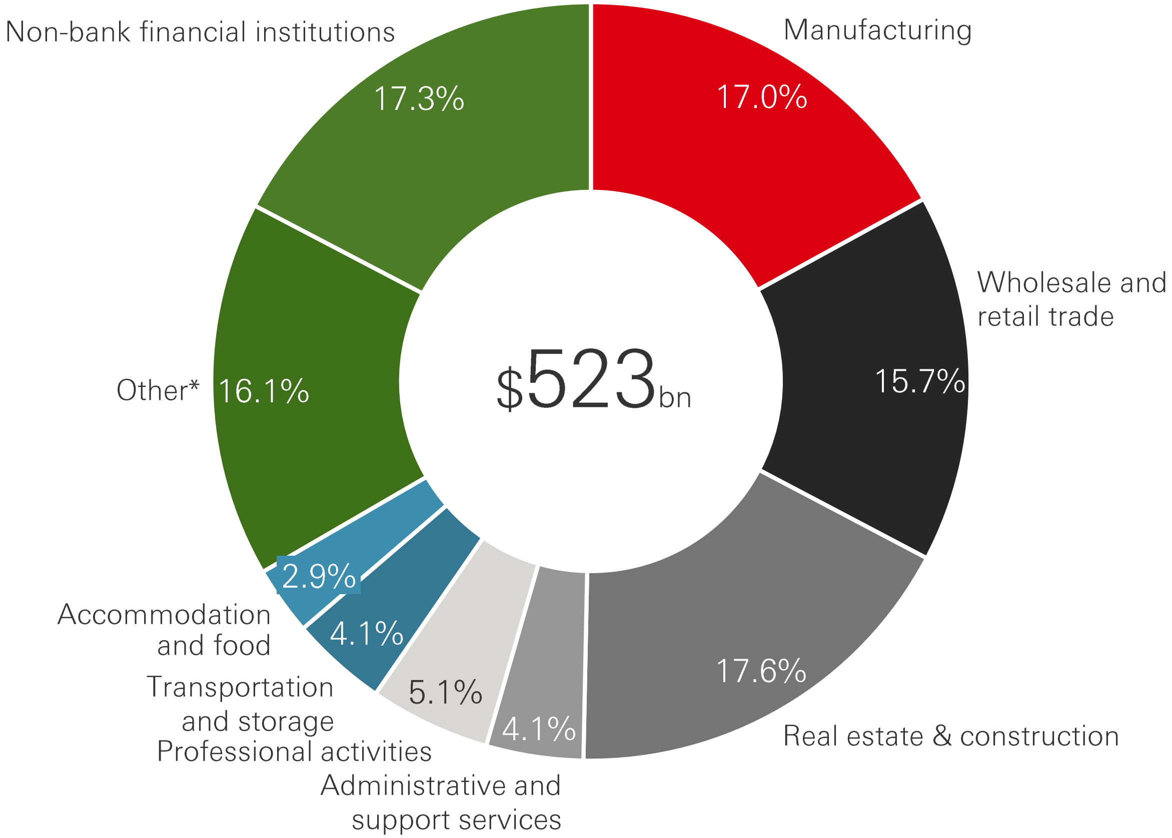
Personal loan book, $bn

At 30 Jun 2025



Wholesale loan book, $bn

At 30 Jun 2025



Retail mortgage average LTVs (portfolio, indexed FY24)

UK: 53%

New lending: 69%

HK: 63%

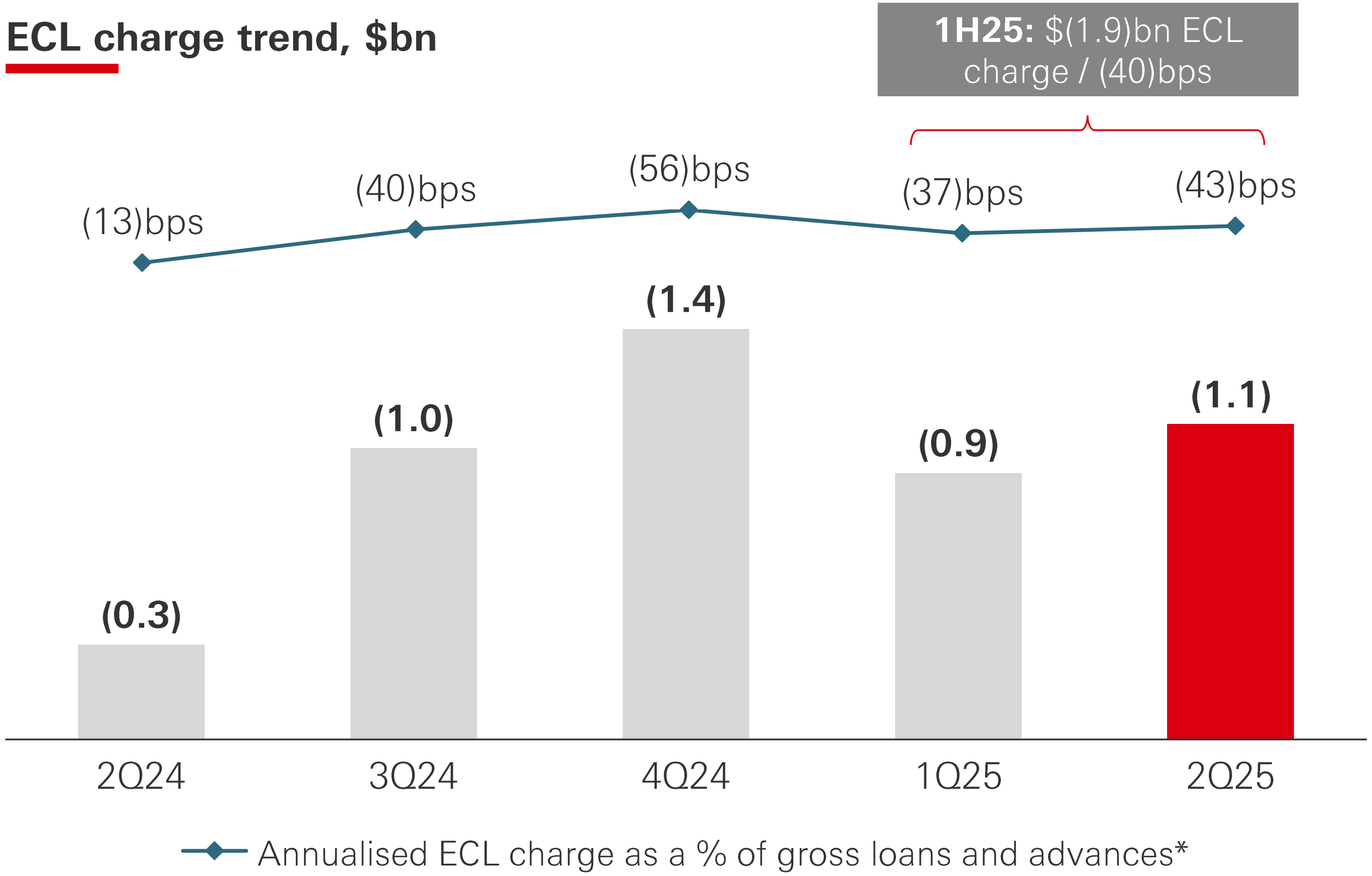
New lending: 67%

* 'Other' comprises 14 individual sectors, none of which are greater than 5% of total wholesale loans and advances to customers

Credit performance

Revising FY25 guidance to ~(40)bps*

ECL charge trend, $bn



- **$(1.1)bn 2Q25 ECL charge** includes:
  - $(0.4)bn Hong Kong CRE, reflecting: $(0.1)bn model updates; stage 3 defaults; downward pressure on non-residential rents and capital values — see slide 30
  - $(0.2)bn UK business, reflecting a normalised level of ECL compared to releases of provisions for forward economic guidance against retail exposures in 1H24

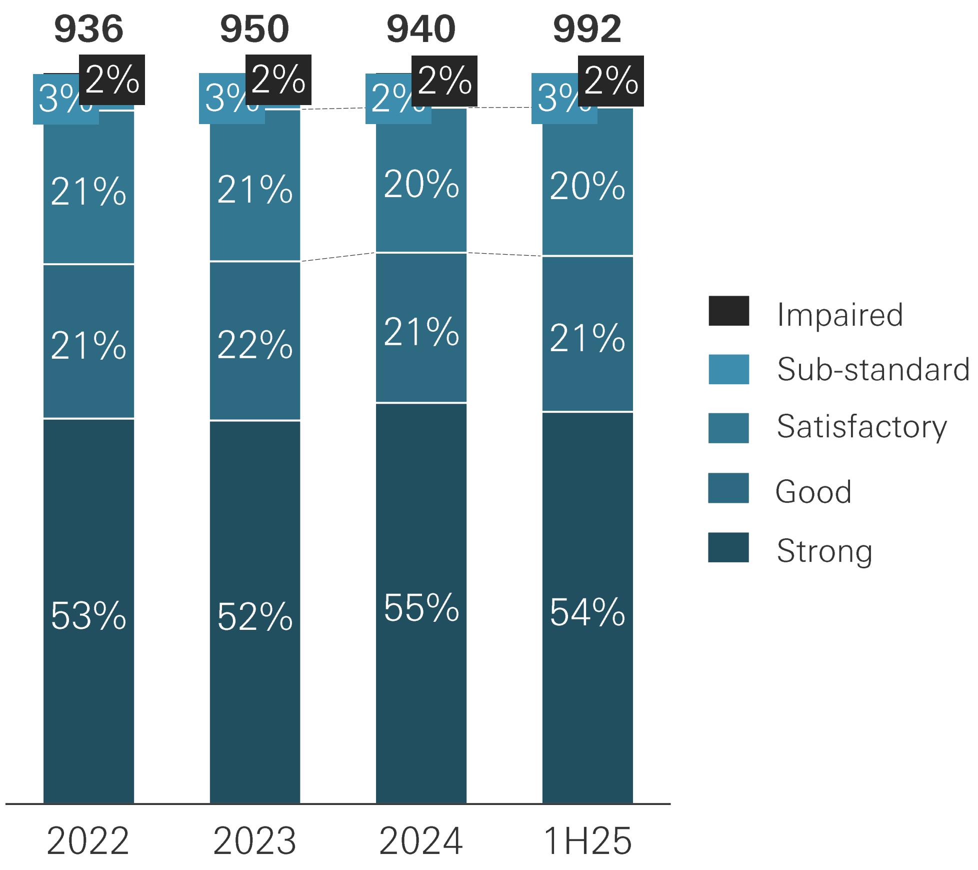
Revised guidance

- **FY25 ECL charge ~(40)bps***, incorporates market conditions in the Hong Kong CRE sector

* As a percentage of average gross loans and advances to customers, including held-for-sale loan balances

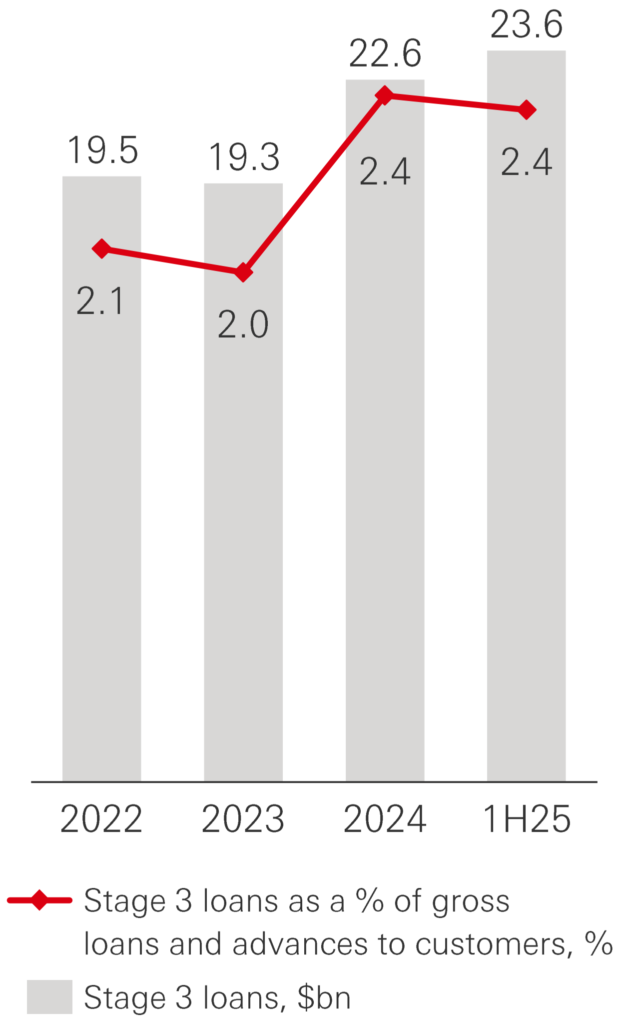
Asset quality

Gross loans to customers by credit quality classification trend, $bn

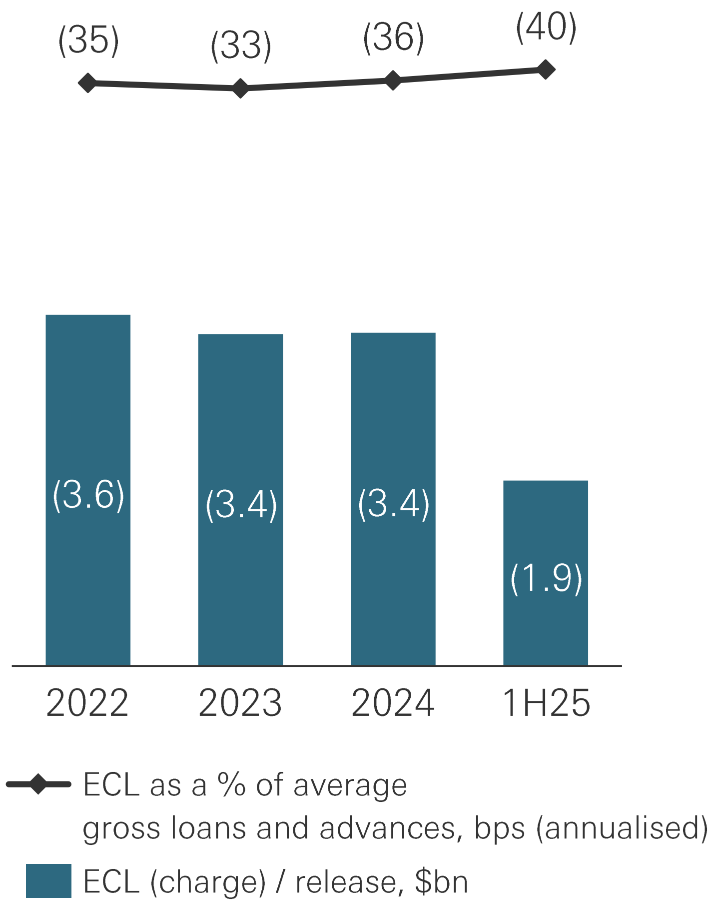


Wholesale loans classified as Strong or Good credit quality are equivalent to an investment grade rating from an external credit rating agency

Stage 3 loans to customers



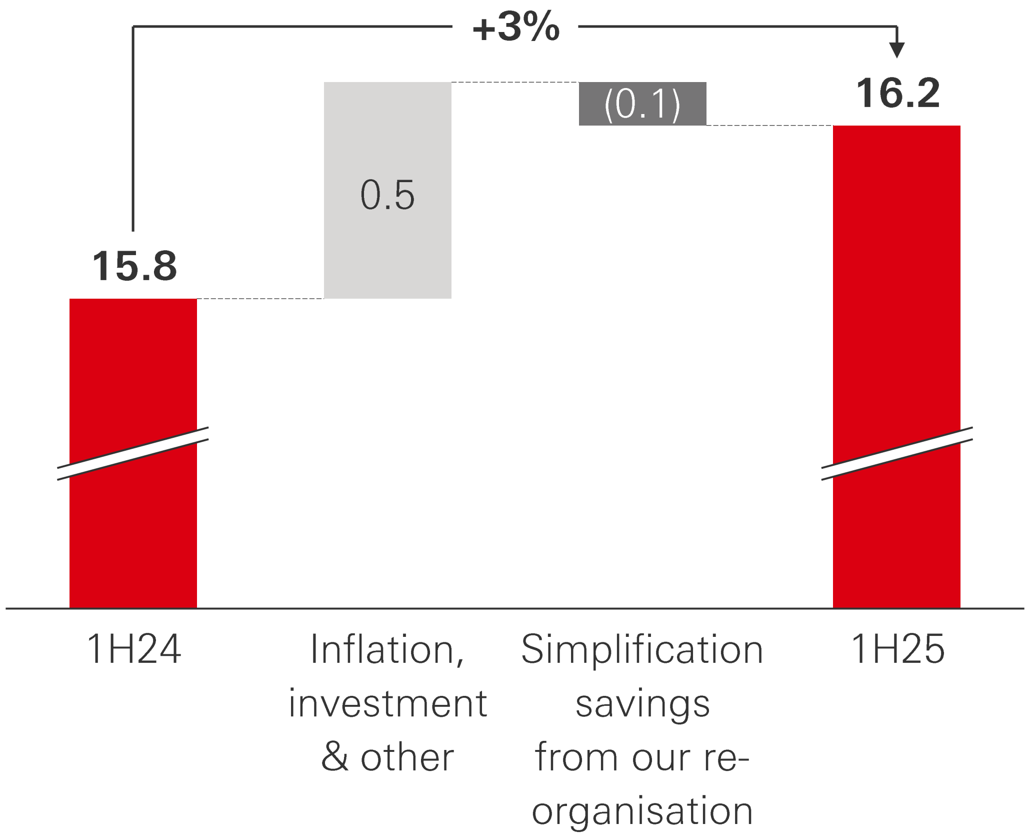
Reported ECL (charge) / release



Costs

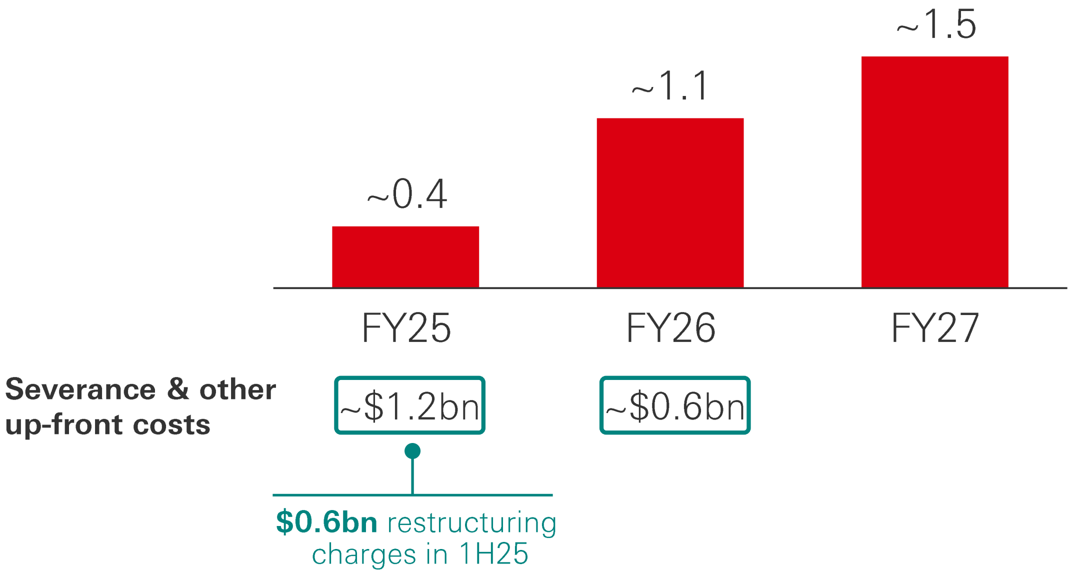
On track for FY25 cost guidance; now expect ~$0.4bn of simplification savings in FY25 P&L

Target basis costs, $bn



- **On track for ~3% target basis cost growth in FY25**
  - To date, we have taken actions to realise $0.7bn annualised simplification savings; expect these to flow into the P&L as per the phasing below
  - FY24 target cost baseline on updated FX: $(32.4)bn

Expected simplification savings realisation in P&L, $bn

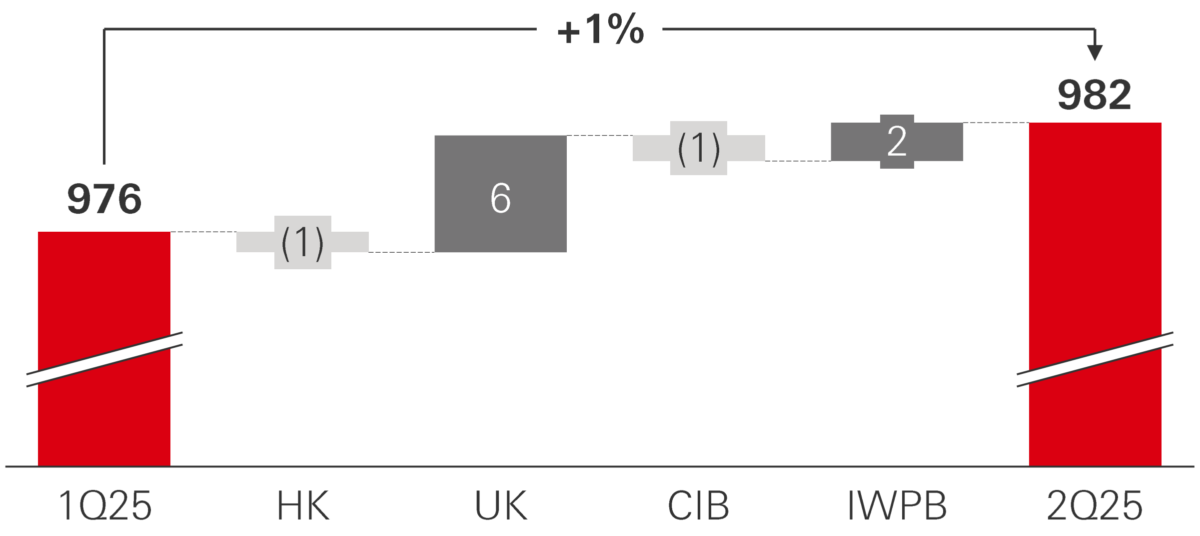


Refer to 2Q25 Presentation to investors and analysts - slide 27 for a reconciliation of constant currency costs to target basis costs

Customer loans and deposits

+$83bn deposits vs. 2Q24 / +5% incl. held-for-sale balances

Loans, $bn

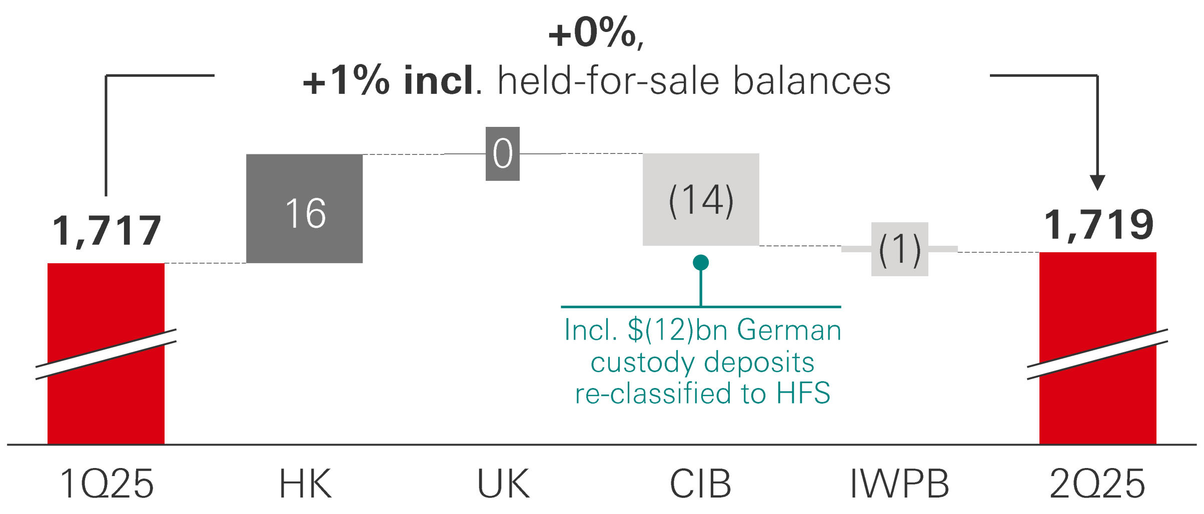


QoQ:

- **+$6bn UK** driven by commercial banking in targeted sectors, as well as growth in mortgages
- **+$2bn IWPB** driven by wealth lending in the Private Bank, notably in Hong Kong

YoY: +1%, or **+2%** incl. held-for-sale balances*

Deposits, $bn



QoQ:

- **+1%** including held-for-sale balances (mainly custody business in Germany)
- **+$16bn HK,** capturing strong capital and wealth inflows into Hong Kong as a wealth hub

YoY: +4%, or **+5%** incl. held-for-sale balances

* Includes $6bn retained portfolio of home and other loans in France

Targets and guidance

Target		**Mid-teens RoTE in each of 2025 to 2027**, excluding notable items
FY25 guidance	**Banking NII**	Around $42bn (market dependent)
	ECL charge	~(40)bps[1] — **Revised guidance**
	Costs	Growth of ~3%, on a target basis[2]
	Dividends	50% of EPS excluding material notable items and related impacts[3]
Medium term guidance	**Wealth**	Grow fee and other income at a double-digit % CAGR
	CET1 ratio	Manage in 14-14.5% target range
	Loan growth	Mid-single digit % CAGR over the medium to long term

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. 2025 Banking NII guidance is 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 medium term is defined as 3-5 years from 1 January 2025

Given current levels of uncertainty and market turmoil, we expect demand for lending to remain muted during 2025. However, over the medium to long term we continue to expect mid-single digit percentage growth for year-on-year customer lending balances

Balance sheet & issuance

Capital position

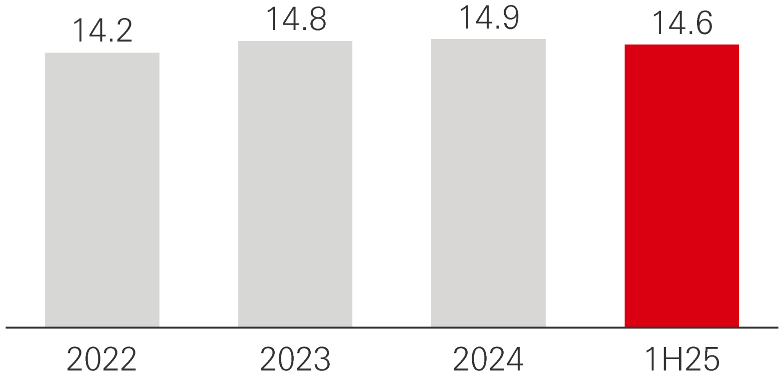
CET1 ratio, %[1]

- **No material impact from BoCom impairment** or dilution loss due to a compensating release of threshold deductions
- RWA drivers: corporate lending in UK and CIB; methodology and policy

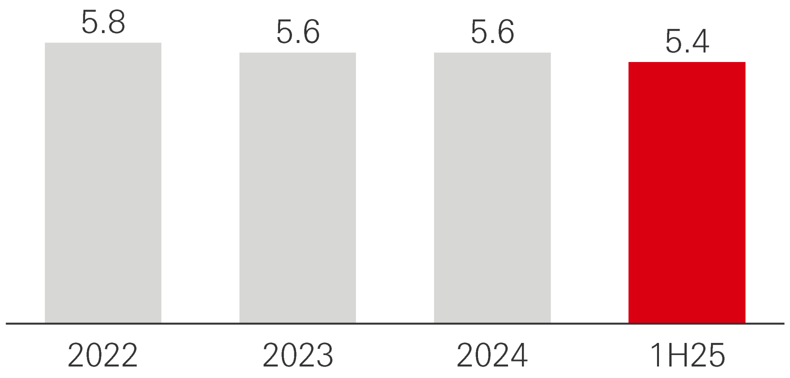
Upcoming impacts

- 3Q25: (0.4)ppts from the up to $3bn share buyback announced with 2Q25 results
- 2H25: FVOCI loss of $(1.4)bn to recycle to the P&L† associated with the sale of our French home loan portfolio — no impact to CET1

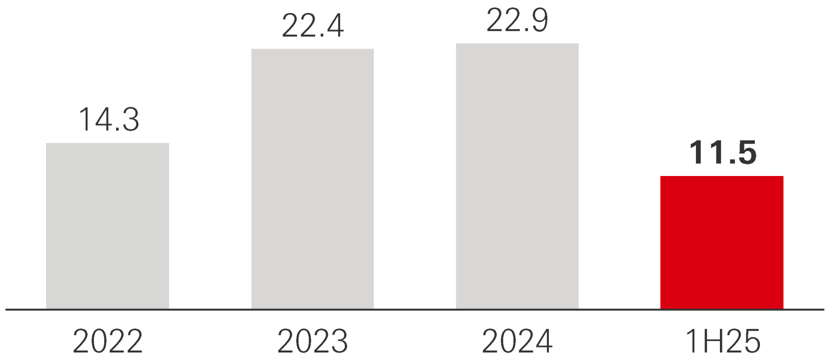
CET1 ratio, %



Leverage ratio[2], %



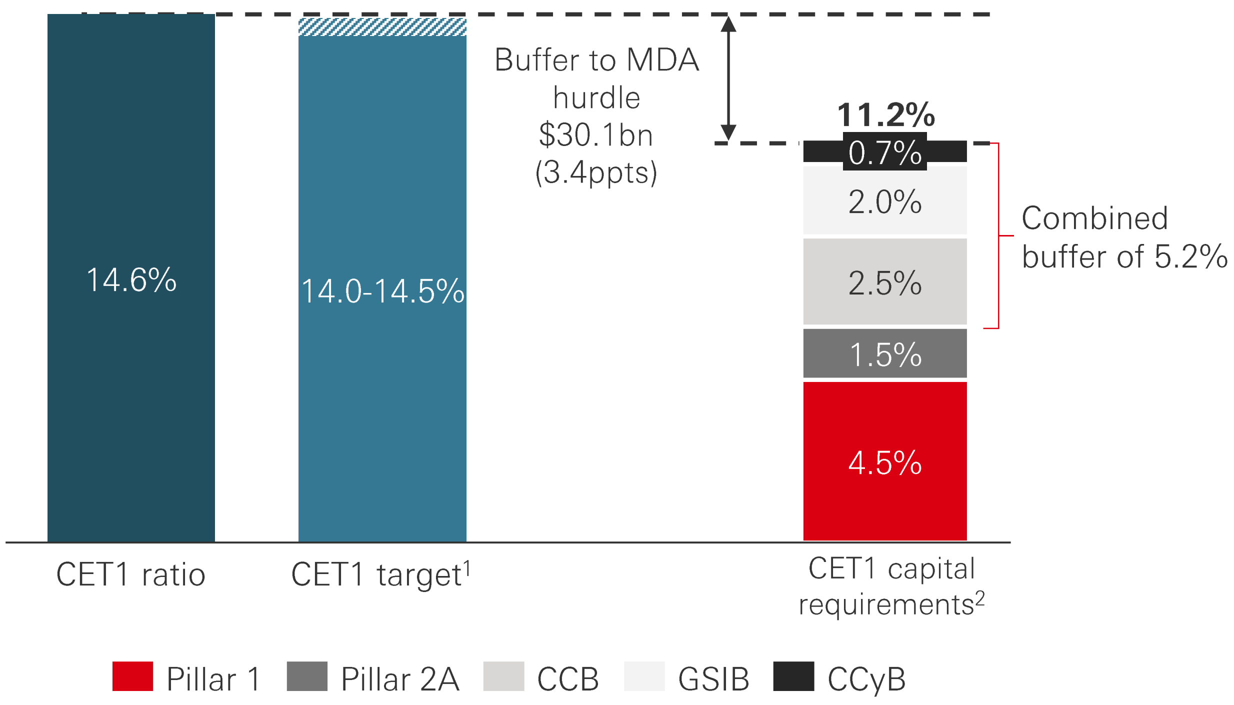
Profit attributable to ordinary shareholders, $bn



† Reflects accumulated fair value losses recognised through other comprehensive income as of 30 June 2025
*The Regulatory profit excludes the impact of the BoCom dilution & impairment and impact of strategic initiatives

1H25 capital position versus requirements

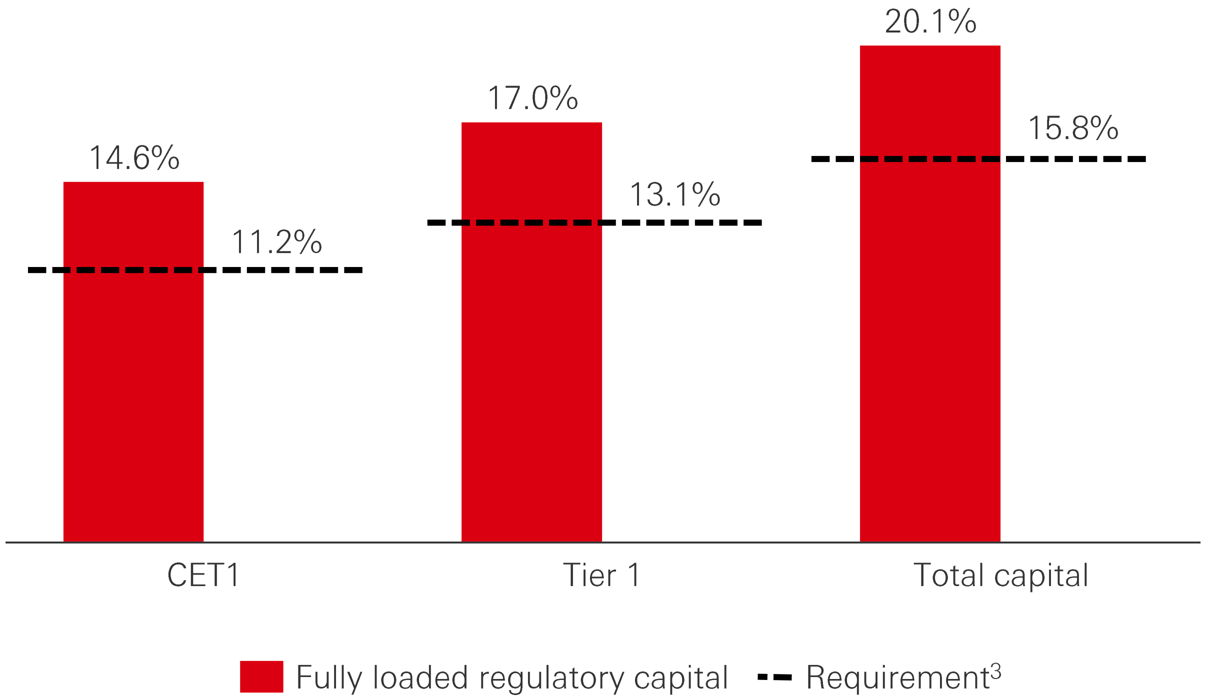
CET1 ratio as a % of RWAs, vs. target and MDA hurdle



- **Pillar 2A set at 2.6% of RWAs**, of which 1.5% was met by CET1 capital

End-point regulatory capital vs. regulatory requirements

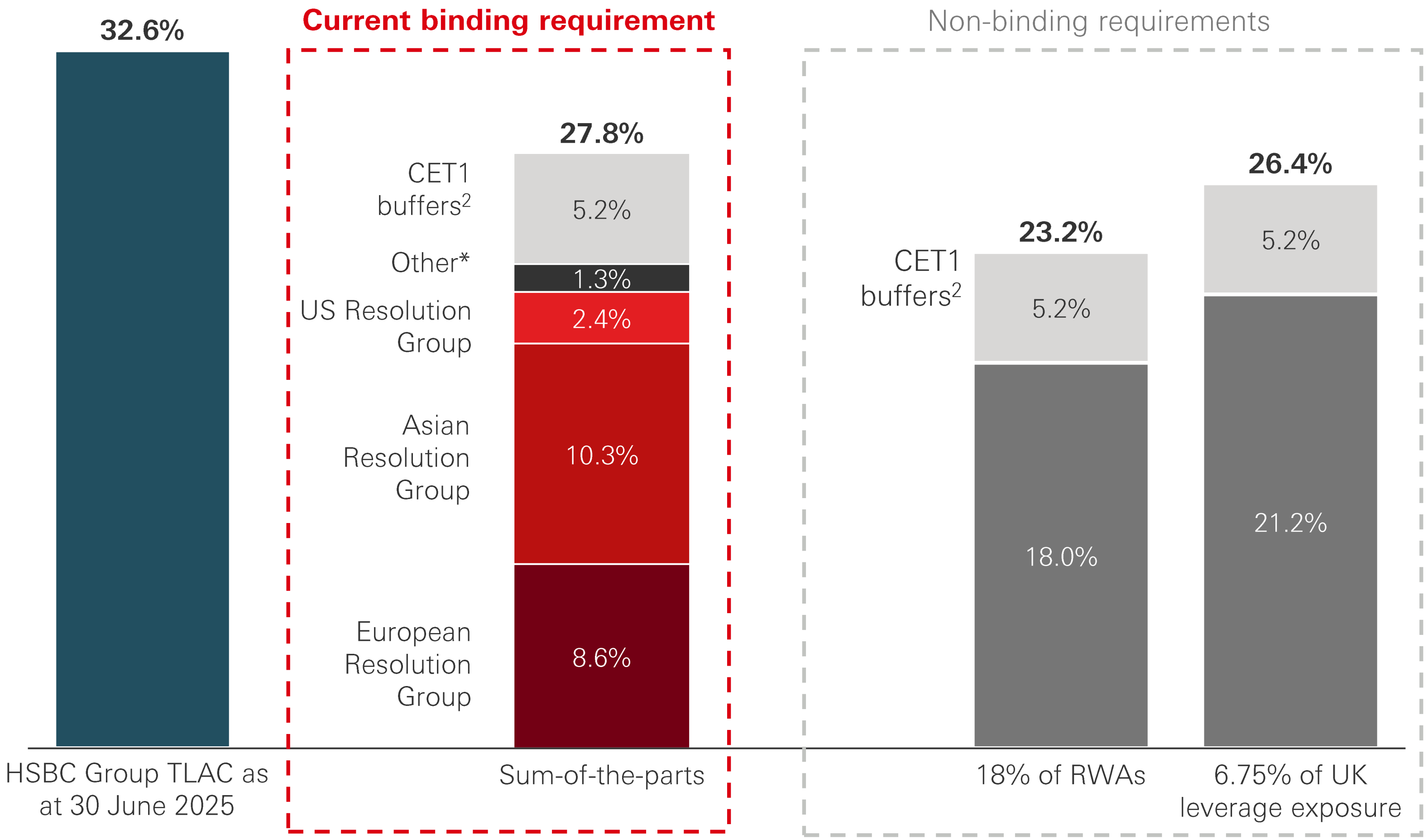
As a % of RWAs



- **The distributable reserves of HSBC Holdings at 30 June 2025 were $14.1bn** compared with $28.3bn at 31 December 2024. $9.2bn of profits generated by HSBC Holdings in 1H25 will be reflected in the distributable reserves at the next relevant accounts.
- Distributable reserves will increase further due to the cancellation of $16.6bn of share premium and capital redemption reserves which took effect in July.

MREL / TLAC position

MREL / TLAC position versus requirements[1] as a % of Group RWAs

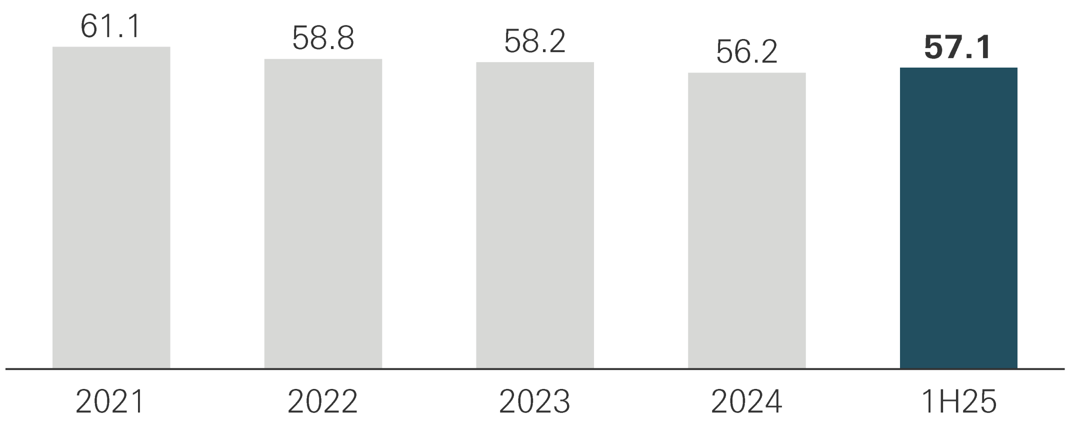


- **4.8ppts / $43bn buffer** to current requirement
- HSBC Group's MREL requirement is the greater of:
  - 18% of RWAs
  - 6.75% of UK leverage exposure
  - The sum of each resolution group's local regulatory requirements and other Group entities' capital requirements (the 'sum-of-the-parts')
- Of the three requirements, the sum-of-the-parts is the current binding constraint
- Expect to maintain a **prudent management buffer** above MREL requirement

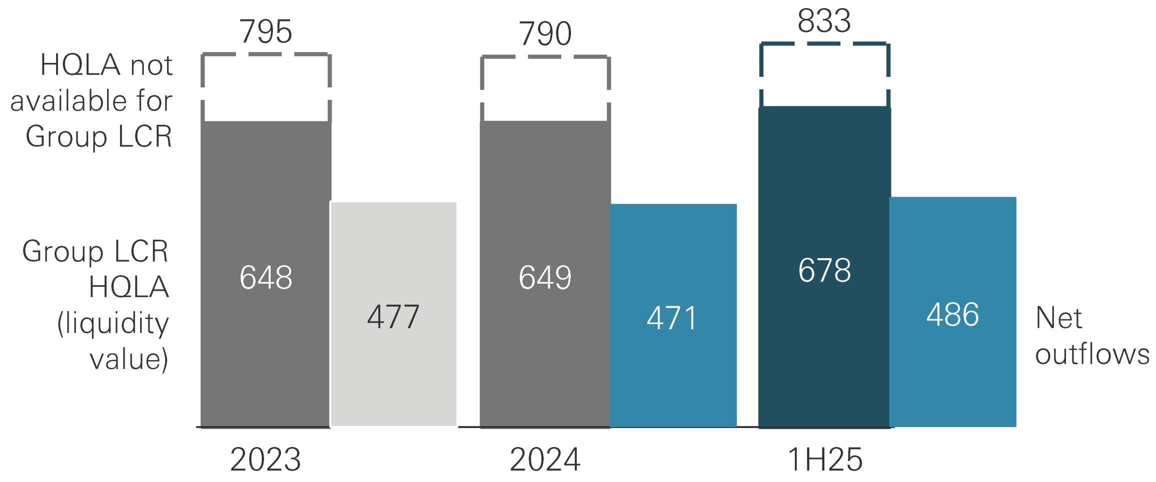
* Capital or TLAC requirements relating to other Group entities

Funding and liquidity

Reported loans to deposits ratio, %



High-quality liquid assets[1], $bn



Operating entities	Average LCR[1]	
%	**FY24**	**1H25**
HSBC UK Bank plc (RFB)	190	186
HSBC Bank plc (NRFB)	148	154
The Hongkong and Shanghai Banking Corporation – Hong Kong branch	191	195
HSBC Singapore[2]	287	252
Hang Seng Bank	299	329
HSBC Bank China	191	193
HSBC Bank USA	167	166
HSBC Continental Europe	149	144
HSBC Bank Middle East Ltd – UAE branch	251	241
HSBC Mexico	164	162
Group consolidated	**138**	**140**

- HSBC primarily manages liquidity at an operating entity level, rather than as a consolidated group. The Group consolidation methodology includes a deduction to reflect the impacts of limitations in the transferability of entity liquidity around the Group
- At 1H25 this resulted in an adjustment of $155bn to liquidity coverage ratio ('LCR') HQLA and $6bn to LCR inflows on an average basis.

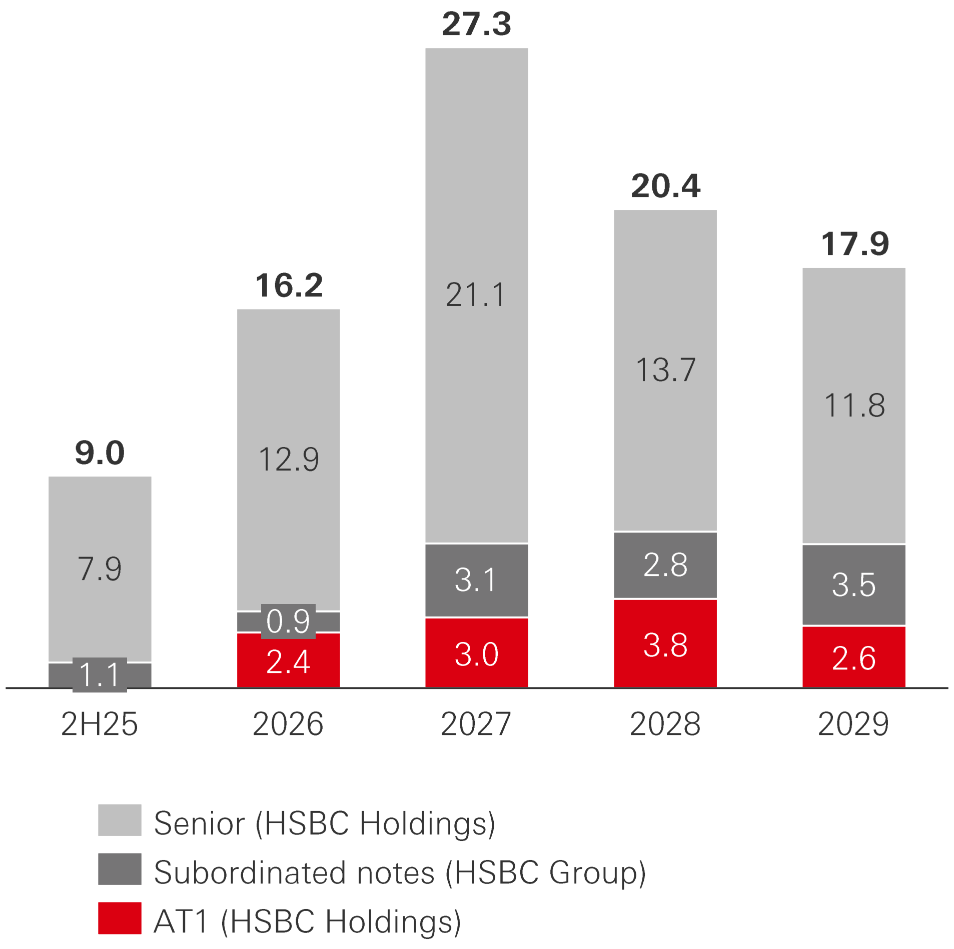
2025 issuance plan

	Planned 2025 gross issuance	2H25 calls and maturities	1H25 gross issuance
HoldCo senior	**$16-18bn**	**$7.9bn**	**$17.4bn**
Tier 2	**$2-3bn**	**$1bn**	**$2.4bn**
AT1	**$3-4bn**	-	**$4.1bn**
OpCo	Expect certain subsidiaries to issue modest senior / secured debt in local markets	-	**Highlights:** ▪ HSBC USA: $1.25bn senior unsecured ▪ HBUK: €750m covered bond

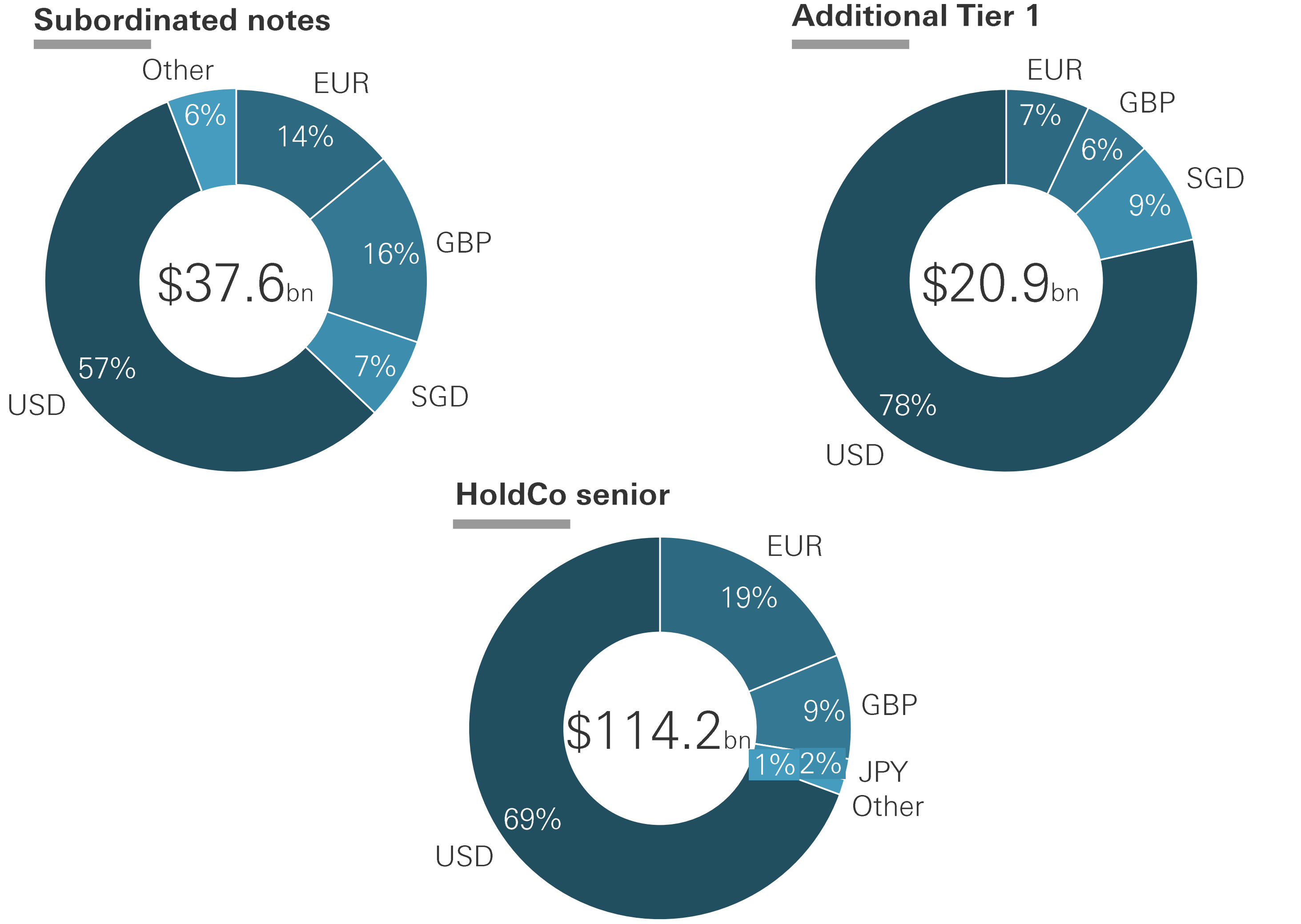
Portfolio instruments

Maturity profile at 1H25[1]

$bn-equivalent



Outstanding instruments by currency (notional) at 1H25



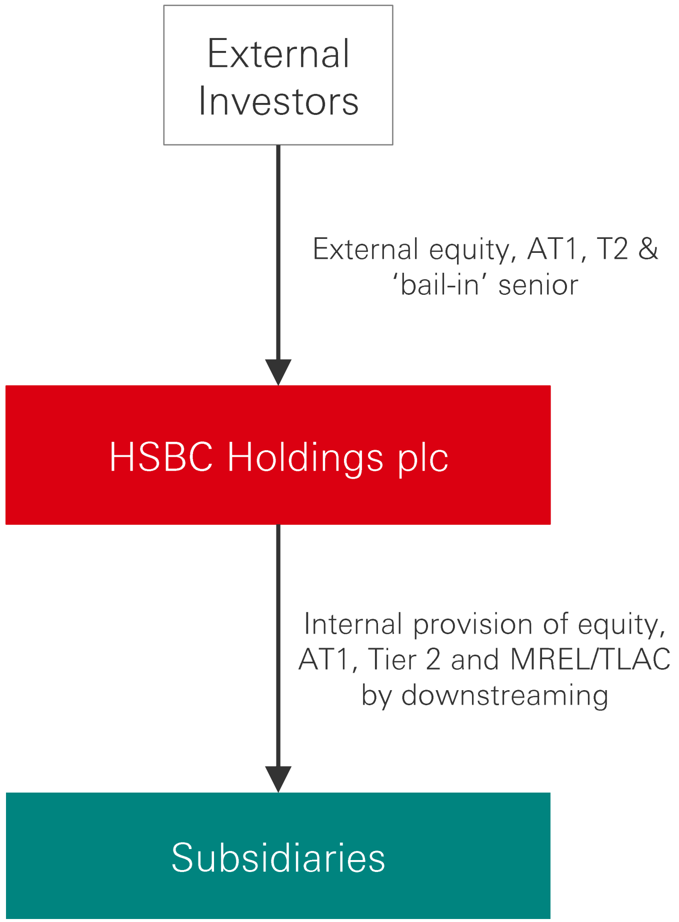
Appendix

MREL / TLAC position

	HSBC Group[1]	US Resolution Group	Europe Resolution Group (Including HSBC Holdings)[1]	Asian Resolution Group
MREL / TLAC position at 1H25	**Total MREL / TLAC: $289.0bn** Of which: non-regulatory capital: $109.4bn	**Total TLAC: $26.1bn** Of which: non-regulatory capital (long-term debt): $12.3bn	**Total MREL / TLAC: $114.7bn** Of which: non-regulatory capital: $66.9bn	**Total TLAC: $116.8bn** Of which: non-regulatory capital: $29.8bn
Balance sheet at 1H25	RWAs: $886.9bn Leverage exposure: $2,792.9bn	RWAs: $110.8bn Average assets: $237.5bn	RWAs: $322.6bn Leverage exposure: $1,123.6bn	RWAs: $383.4bn Leverage exposure: $1,354.3bn
Requirement	The greater of: ▪ 18% of RWAs ▪ 6.75% of UK leverage exposure ▪ Sum-of-the-parts*	TLAC[2]: the greater of: ▪ 18% of RWAs ▪ 9% of average assets Long-Term Debt: the greater of: ▪ 6% of RWAs ▪ 3.5% of average assets	The greater of: ▪ 18% of RWAs ▪ 6.75% of UK leverage exposure ▪ 2 x (P1 + P2A)	Firm specific requirement, subject to TLAC floor of the greater of: ▪ 18% of RWAs ▪ 6.75% of leverage exposure

* Note: the sum-of-the-parts calculation also includes capital requirements or TLAC requirements relating to other Group entities

Approach to issuance



HSBC Holdings plc

- Since 2015, HSBC Holdings has been the Group's issuing entity for external AT1, Tier 2 and MREL / TLAC-eligible senior
- Issuance executed with consideration to our maturity profile

Internal capital and MREL/TLAC

- Proceeds of external debt issued by HSBC Holdings is predominantly used to acquire internal capital and MREL/TLAC instruments issued by its subsidiaries
- HSBC Holdings does not generally provide funding to subsidiaries for day-to-day liquidity needs
- HSBC Holdings retains proceeds for its own liquidity and capital management (**target operating range $19-$24bn**)

External debt issued by subsidiaries

- HSBC will continue to issue senior and secured debt from certain subsidiaries to meet local funding and liquidity requirements. This debt is not intended to constitute MREL/TLAC
- External legacy capital instruments issued by subsidiaries are not eligible as MREL/TLAC

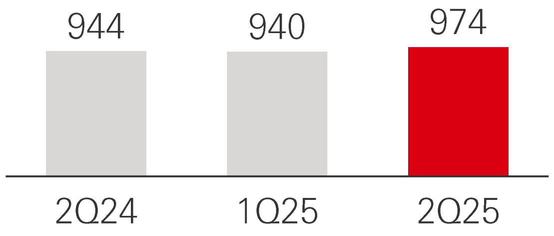
Notable items

$bn	2Q24	2Q25	1H25
Restructuring and other related costs	0.0	(0.5)	(0.6)
BoCom	—	(2.1)	(2.1)
Of which: Dilution loss of interest in associate	—	*(1.1)*	*(1.1)*
Of which: impairment loss of interest in associate	—	*(1.0)*	*(1.0)*
Disposals, wind-downs, acquisitions and related costs	(0.2)	(0.2)	(0.4)
Total	**(0.2)**	**(2.8)**	**(3.1)**

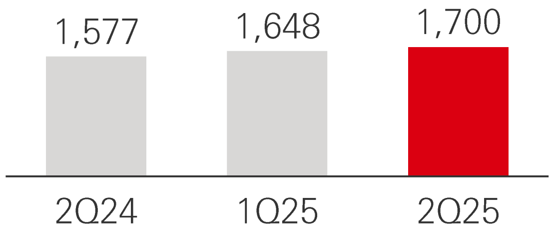
Banking NII — key drivers

Balance sheet

Average customer loans, $bn



Average customer deposits, $bn[1]

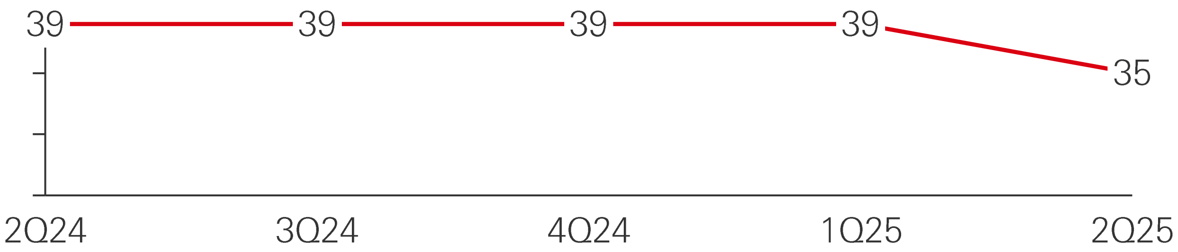


Structural hedge

$bn	Balance	Average yield
Notional balance	578	
— o/w: 3Q25-4Q25 reinvestment	~55	~2.8%
— o/w: FY26 reinvestment	~105	~2.8%
— o/w: FY27 reinvestment	~105	~3.4%

Weighted average life 3.1 years

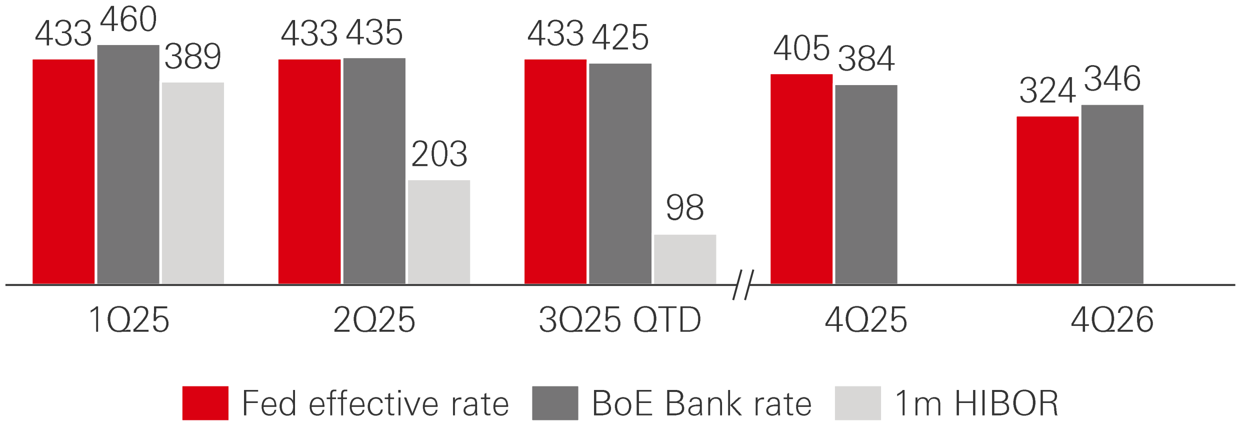
Time deposits as a % of Hong Kong customer deposits*



Interest rates

Key rates — quarterly averages, bps

Source: Bloomberg, as at 25 July 2025[2]



Banking NII – year 1 sensitivity to a (100)bps down-shock†

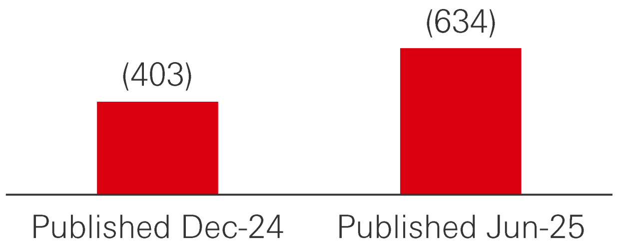
As at 30 June 2025

$m	
USD	(861)
HKD	(634)
GBP	(390)
EUR	(249)
Other	(983)
Total	**(3,117)**

* Relates to Hong Kong (entity)
† Assumptions include a static balance sheet, no management actions and a 50% pass-through – see page 73 of our Interim Report 2025 for further detail

Banking NII — HKD supplementary information

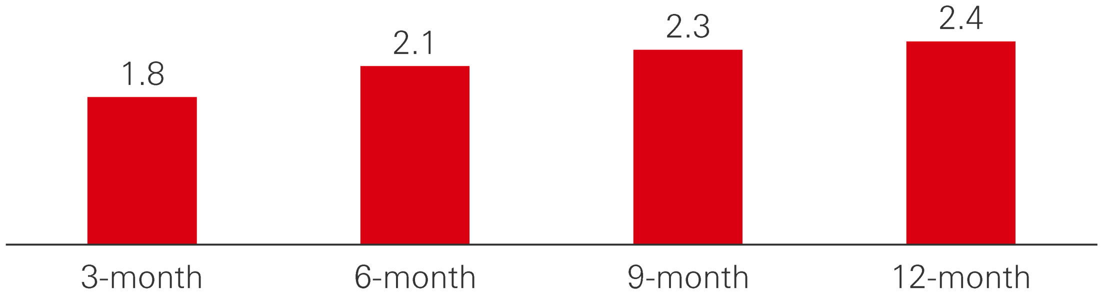
HKD Banking NII sensitivity to a (100)bps down-shock†, $m



- Relative to December 2024, the June 2025 sensitivity has primarily increased due to deposit migration from time deposits to CASA
- As the June 2025 (100)bps sensitivity is based on **market-implied forward rates** which include HIBOR rising, Banking NII sensitivity from the switchable mortgage portfolio (see right-hand side) is not significant

HKD fixed-float interest rate swap vs. 1-month HIBOR, %

Source: Bloomberg, as at 25 July 2025



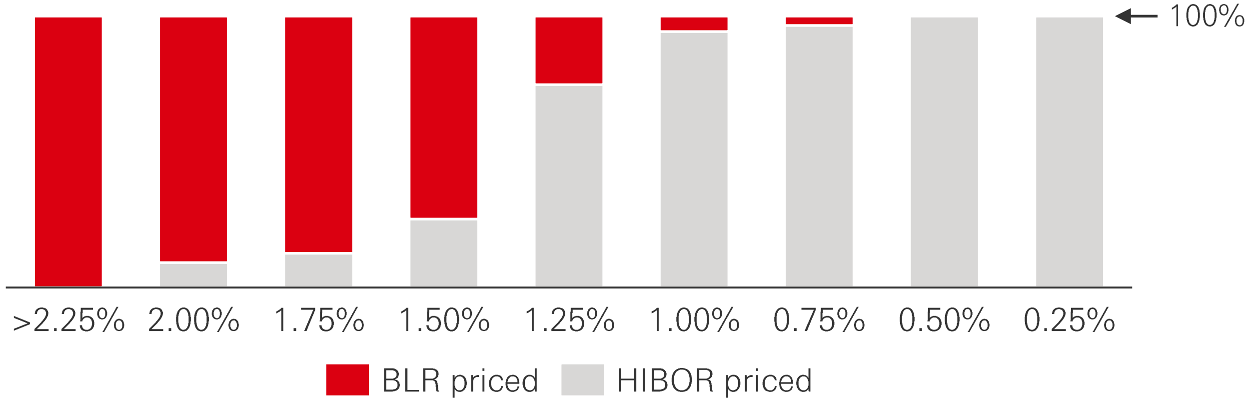
Impact of sustained lower HIBOR

- In 2Q25, HIBOR was significantly lower than the market-implied forward rates
- 1m HIBOR at ~1% adversely impacts Banking NII by ~$(100)m per month

Hong Kong mortgage portfolio

- $87bn switchable between two rates, where customers pay the lower of:
  1. Best Lending Rate (BLR, currently 5.25%), minus ~2.5%*
  2. 1-month HIBOR + 1.3%
- When 1m HIBOR falls to around 2%, mortgages begin to switch from rate 1 to rate 2, resulting in incremental Banking NII sensitivity

Pricing basis of switchable mortgages at different levels of 1m HIBOR



* Average across the portfolio
† Assumptions include a static balance sheet, no management actions and a 50% pass-through – see page 73 of our Interim Report 2025 for further detail

Hong Kong commercial real estate

Excluding exposure to mainland China borrowers

Loans and advances to customers by credit quality, $bn

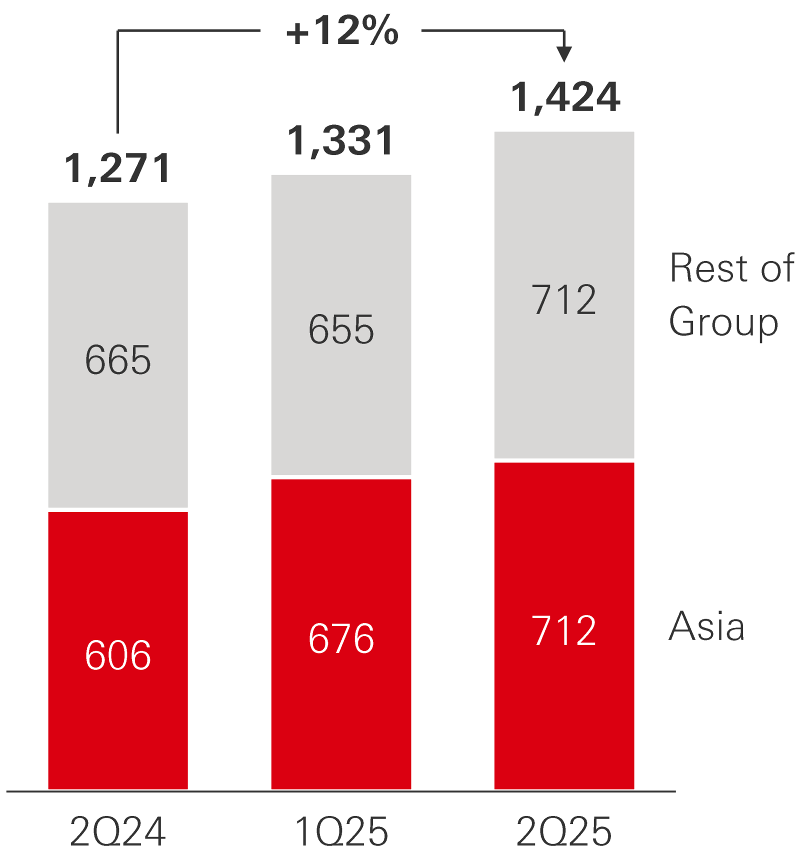
	FY24	1H25
Strong	4.5	4.0
Good	9.8	9.1
Satisfactory	10.7	10.3
Sub-standard	3.7	3.4
— Of which: >70% LTV	*0.1*	*0.0*
Credit impaired	4.6	5.1
— Of which: >70% LTV	*1.2*	*1.4*
Total	**33.2**	**31.9**
Memo items:		
ECL charge	(0.1)	(0.5)
ECL allowance	(0.4)	(0.9)
— Of which: credit impaired	*(0.3)*	*(0.5)*
Average LTV sub-standard	46%	45%
Average LTV credit impaired	58%	67%
% portfolio secured*	**54%**	**58%**

- $(0.5)bn 1H25 ECL charge included $(0.1)bn due to model updates. Also reflects an increase in allowances for stage 3 defaults, as well as over-supply in non-residential property, resulting in downward pressure on rentals and capital values
- Challenges are concentrated in the secured portfolio, particularly with retail and office property collateral; credit migration in 1H25 was predominantly in this book
- Unsecured exposures are typically granted to strong, listed Hong Kong developers which are commonly members of conglomerate groups with diverse cashflows
  - Stable in size and quality, with limited Credit impaired levels and close to 95% rated Strong or Good
- $8.5bn rated sub-standard or credit impaired, including $1.5bn >70% LTV:
  - $3.4bn sub-standard, immaterial balance with LTV >70%
  - $5.1bn credit impaired, of which $1.4bn has an LTV > 70%, primarily in Hang Seng Bank. ECL allowance $(0.5)bn

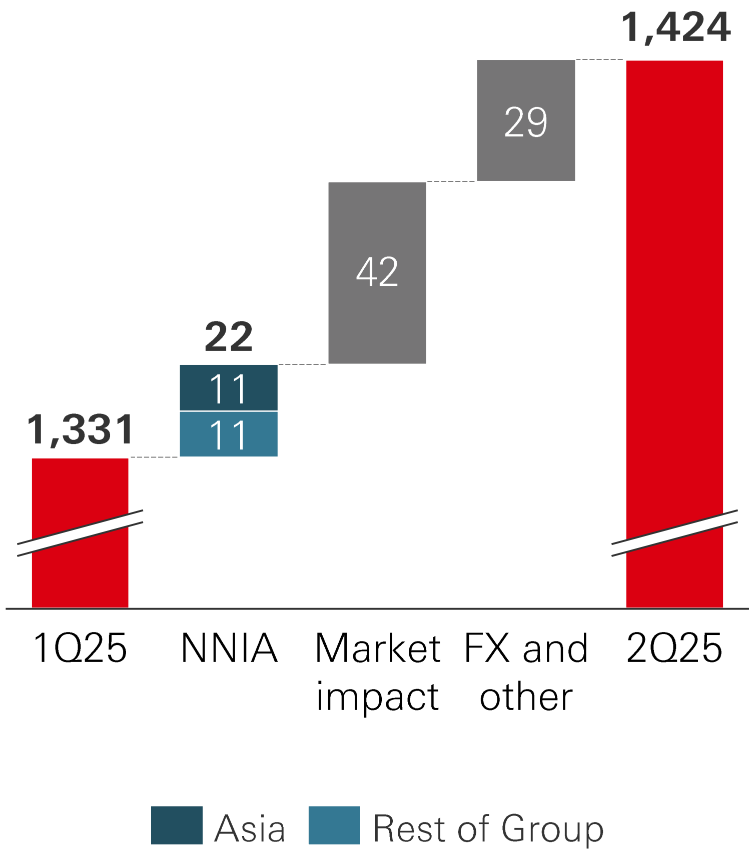
* Based on total limits, including off balance sheet commitments, of $43.9bn (1H25) and $49.2bn (FY24)

Wealth metrics

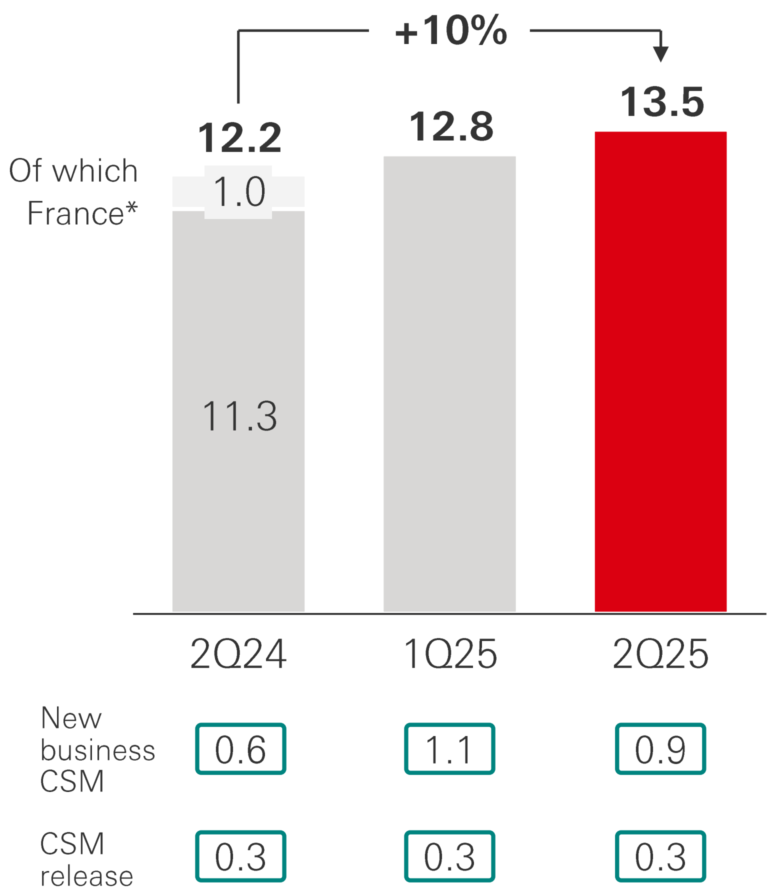
Invested assets, $bn



Invested assets evolution, $bn



Insurance manufacturing CSM balance, $bn



* In 4Q24, the CSM relating to our French life insurance business was re-classified as held-for-sale

BoCom

Dilution loss

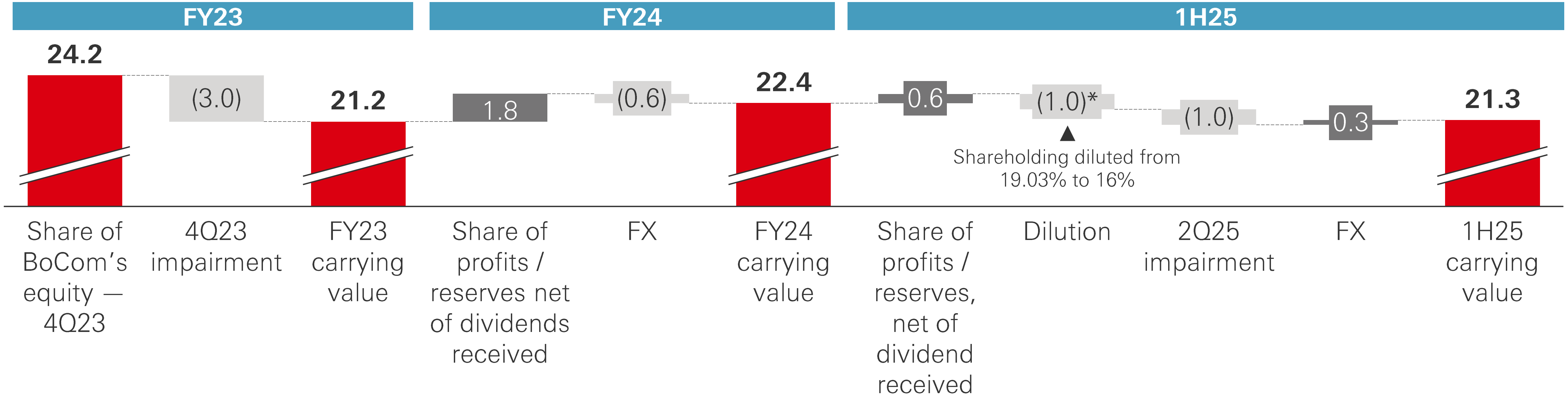
- The Group's interest in BoCom reduced from 19.03% to 16.00% following the completion of a capital issuance by BoCom on 17 June 2025. The dilution of the Group's interest resulted in a pre-tax loss of $(1.1)bn recognised in other operating income*

Impairment

- The Group performed an impairment test on the carrying value at 30 June 2025 which resulted in an impairment of $(1.0)bn, 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†

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

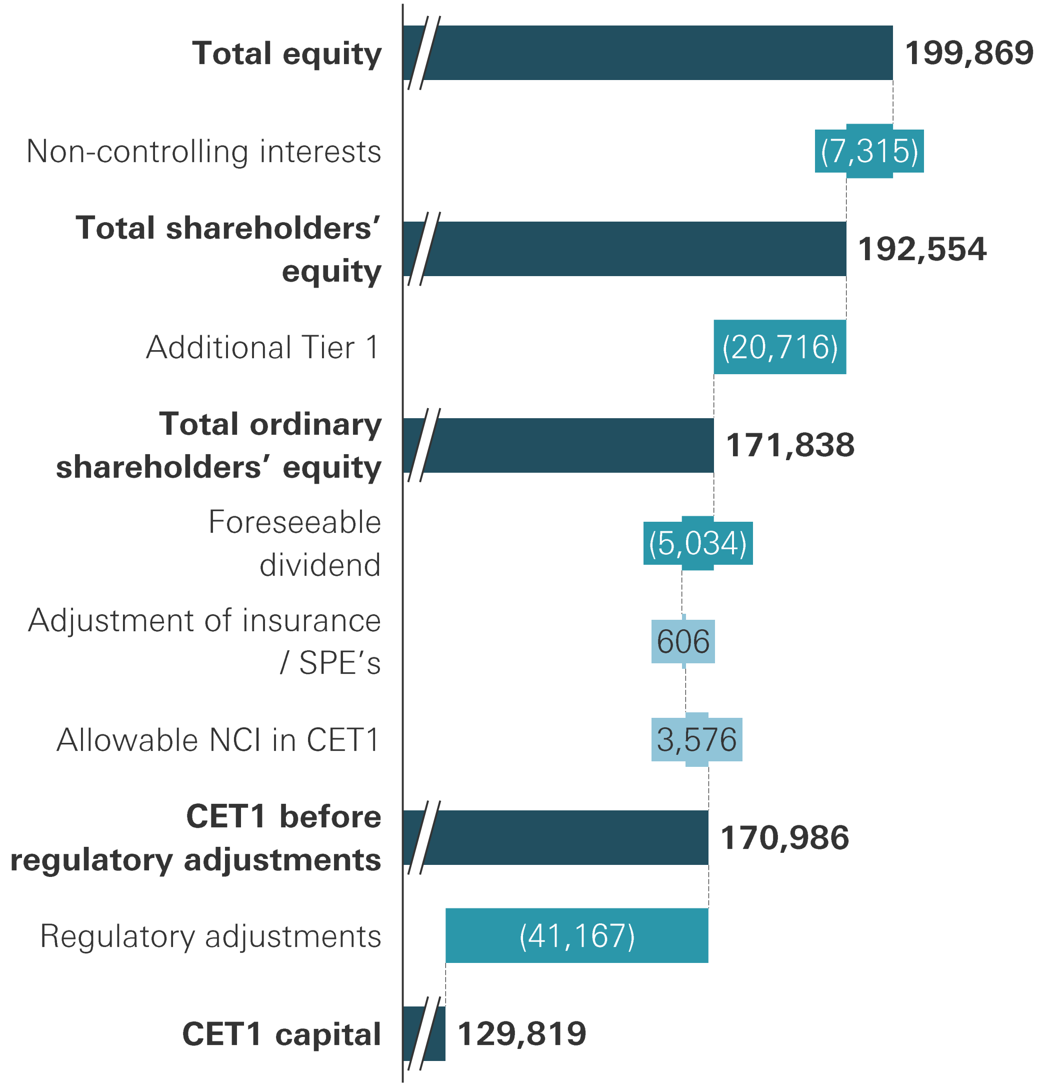
Carrying value FY23 to 1H25, $bn



* $(1.1)bn dilution loss included $(0.1)bn reserve recycling which does not impact BoCom's carrying value
† The fair value of the Group's interest in BoCom was $13.1bn at 30 June 2025

Total shareholders' equity to CET1 capital

2Q25 total equity to CET1 capital (reported FX), $m



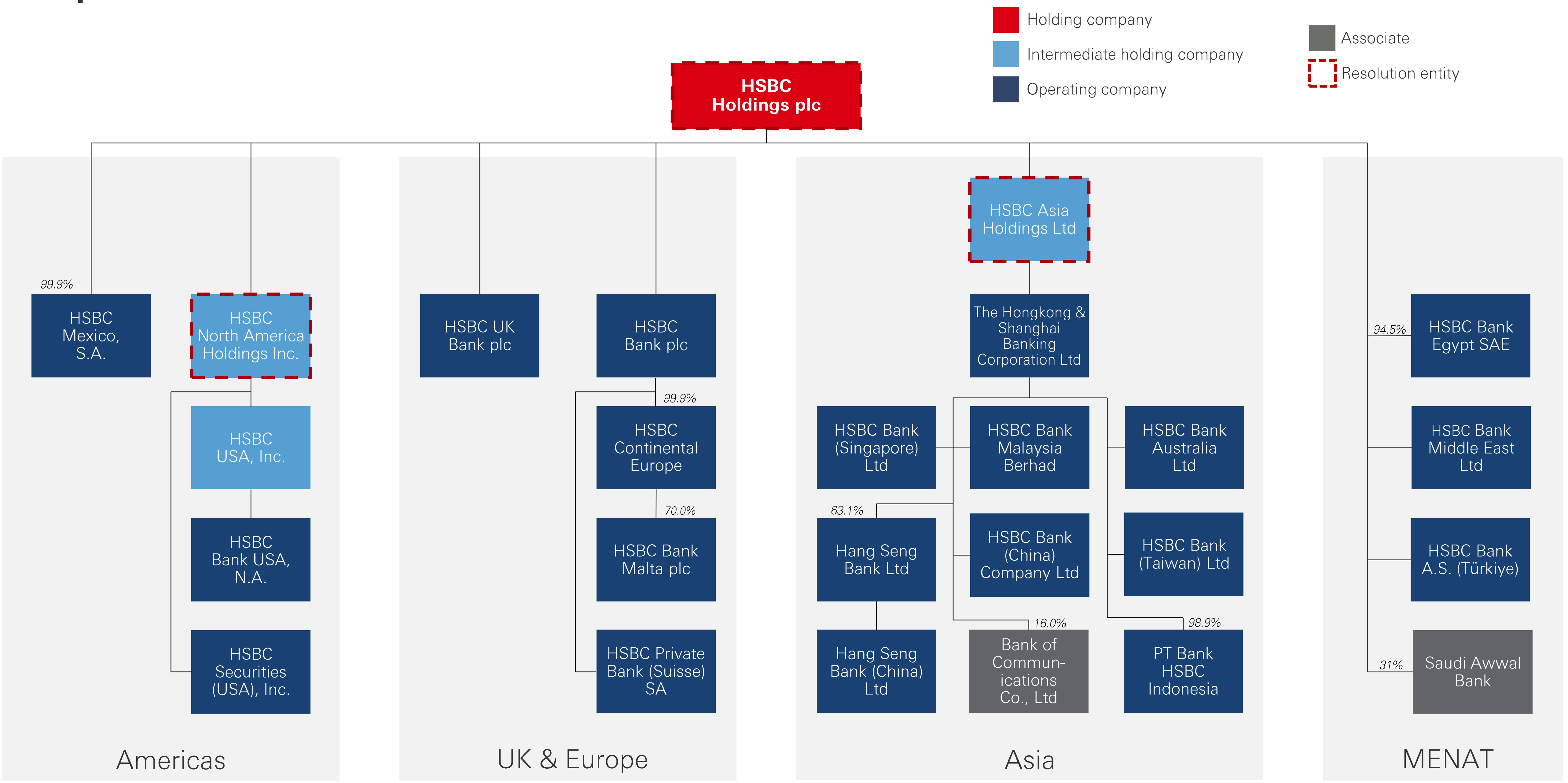
Total equity to CET1 capital walk (reported FX), $m

	4Q24	1Q25	2Q25
Total equity (per balance sheet)	**192,273**	**198,117**	**199,869**
Non-controlling interests	(7,300)	(7,307)	(7,315)
Total shareholders' equity	**184,973**	**190,810**	**192,554**
Additional Tier 1	(19,070)	(18,719)	(20,716)
Total ordinary shareholders' equity ('NAV')	**165,903**	**172,091**	**171,838**
Foreseeable dividend	(6,257)	(9,942)	(5,034)
Adjustment for insurance / SPE's	465	567	606
Allowable NCI in CET1	3,960	3,454	3,576
CET1 before regulatory adjustments	**164,071**	**166,170**	**170,986**
Prudential valuation adjustment	(1,141)	(1,254)	(1,337)
Intangible assets	(12,890)	(12,939)	(13,511)
Deferred tax asset deduction	(3,513)	(3,411)	(3,326)
Cash flow hedge adjustment	1,057	784	(368)
Excess of expected loss	(3,125)	(3,135)	(3,475)
Own credit spread and debt valuation adjustment	1,243	974	1,008
Defined benefit pension fund assets	(5,651)	(5,877)	(5,957)
Direct and indirect holdings of CET1 instruments	(40)	(40)	(40)
Other regulatory adjustments to CET1 capital	(24)	(41)	(45)
Threshold deductions	(15,076)	(15,754)	(14,116)
Regulatory adjustments	**(39,160)**	**(40,693)**	**(41,167)**
CET1 capital	**124,911**	**125,477**	**129,819**

Credit ratings for main issuing entities

Long term senior ratings as at 29 Jul 2025	S&P		Moody's		Fitch	
	Rating	**Outlook**	**Rating**	**Outlook**	**Rating**	**Outlook**
HSBC Holdings plc	A-	STABLE	A3	STABLE	A+	STABLE
The Hongkong and Shanghai Banking Corporation Ltd	AA-	STABLE	Aa3	STABLE	AA-	STABLE
HSBC Bank plc	A+	STABLE	A1	STABLE	AA-	STABLE
HSBC UK Bank plc	A+	STABLE	A1	STABLE	AA-	STABLE
HSBC Continental Europe (formerly HSBC France)	A+	STABLE	A1	STABLE	AA-	STABLE
HSBC Bank USA NA	A+	STABLE	Aa3	STABLE	AA-	STABLE

Simplified structure chart



Glossary

AIEA	Average interest earning assets
APAC	Asia Pacific
AT1	Additional Tier 1
Banking NII	Banking net interest income is an alternative performance measure, and is defined as Group net interest income after deducting: (1) 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; (2) 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; (3) third-party net interest income in our insurance business
BoCom	Bank of Communications Co. Limited, an associate of HSBC
Bps	Basis points. One basis point is equal to one-hundredth of a percentage point
CASA	Current accounts and savings accounts
CET1	Common Equity Tier 1
CIB	Corporate and Institutional Banking
CMB	Commercial Banking, one of our global business which operated until 31 December 2024
CCB	Capital Conservation Buffer
CCyB	Countercyclical Capital Buffer
Corporate Centre	Corporate Centre primarily comprises 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
CRE	Commercial Real Estate
CSM	Contractual Service Margin, a component of the carrying amount of a group of insurance contract assets or liabilities which represents the unearned profit which the Group will recognise as it provides insurance contract services under the insurance contracts in the Group
CSM release	The systematic recognition of the unearned profit of insurance contracts in revenue over the period that services are provided
DPS	Dividend per share
ECLF	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
ECM	Equity capital markets
EPS	Earnings per share
FVOCI	Fair value through other comprehensive income
GBM	Global Banking and Markets, one of our global business which operated until 31 December 2024
GPS	Global Payments Solutions
Group	HSBC Holdings plc and its subsidiary undertakings
GTS	Global Trade Solutions
HBAP	The Hongkong and Shanghai Banking Corporation Limited, our principal operating entity in Asia

HIBOR	Hong Kong Interbank Offered Rate
HoldCo	Holding Company
HQLA	High-quality liquid assets
HSBC Group	HSBC Holdings plc and its subsidiary undertakings
IFRS	International Financial Reporting Standard
IWPB	International Wealth and Premier Banking
LCR	Liquidity coverage ratio
LTV	Loan to value ratio
Markets Treasury	Execution arm of HSBC's Treasury function, responsible for cash and liquidity management, funding, and management of structural interest rate risk of the Group
MENAT	Middle East and North Africa, including Türkiye
MREL	Minimum requirement for own funds and eligible liabilities
MSS	Markets and Securities Services
M&A	Mergers and acquisitions
NBFI	Non-bank financial institution
New business CSM	Insurance new business contractual service margin
NII	Net interest income
NIM	Net interest margin
n.m.	Not meaningful
NNIA	Net new invested assets
NRFB	Non ring-fenced bank in Europe and the UK
OCI	Other Comprehensive Income
OpCo	Operating Company
P1	Pillar 1
P2A	Pillar 2A
PAOS	Profit attributable to ordinary shareholders of the parent company
PBT	Profit before tax
Ppt	Percentage points
TLAC	Total Loss Absorbing Capacity
UK RFB	HSBC UK Bank plc (HSBC UK), the UK ring-fenced bank, established July 2018 as part of ring fenced bank legislation
RoTE	Return on average tangible equity
RWA	Risk-weighted asset
TNAV	Tangible net asset value
TMD	Time deposits
Wholesale Transaction Banking	Comprises the following products in our CIB, Hong Kong and UK businesses: Global Trade Solutions, Global Payments Solutions, Global Foreign Exchange and Securities Services
WPB	Wealth and Personal Banking, one of our global businesses which operated until 31 December 2024

Footnotes

Results and strategy

Slide 2: A diversified and capital-generative business

1. Unless otherwise stated, regulatory capital ratios and requirements are based on the Capital Requirements Regulation in force at the time
2. Secured lending comprises 'first lien residential mortgages' and 'other personal lending which is secured'
3. YTD, annualised
4. $9.5bn includes: $3.5bn ordinary dividends, including $1.8bn for the first interim dividend of 2025, and an estimated amount of $1.7bn for the second interim dividend of 2025, payable on 26 September 2025; $6bn share buybacks, comprising the $3bn buyback announced at 1Q25 results which has been completed, and the up to $3bn buyback announced at 2Q25 results

Slide 4: Simple and agile — focused on delivering organisational simplification with discipline and at pace

1. The annualised staff cost relevant to FTEs who have been put at risk or given notification of intended exit or left the bank, or for those staff populations who are subject to employee consultation processes, where criteria for severance provisioning have been met (such as European Social Plan or a public announcement of specific actions)

Slide 16: Targets and guidance

1. Including held-for-sale loan balances, our medium-term planning range is (30) to (40)bps
2. See 2Q25 Presentation to investors and analysts - slide 27 for a reconciliation of target basis costs
3. See 2Q25 Presentation to investors and analysts - slide 30 for reconciliation of EPS excluding material notable items and related impacts

Balance sheet & issuance

Slide 18: Capital position

1. The sum of the ratio movement parts may not precisely add to the closing CET1 ratio due to the rounding differences
2. Unless otherwise stated, regulatory capital ratios and requirements are based on the Capital Requirements Regulation in force at the time

Slide 19: 1H25 capital position versus requirements

1. We intend to manage the CET1 capital ratio within our medium-term target range of 14% to 14.5%
2. Excludes Pillar 2B requirements. The sum of the requirements may not precisely add to the CET1 capital requirements % of RWAs due to the rounding differences
3. Excludes Pillar 2B requirements

Slide 20: MREL / TLAC position

1. Excludes Pillar 2B requirements
2. Group CET1 buffers are shown in addition to the MREL requirements. The buffers shown in addition to the RWA, leverage and SoTP TLAC/MREL requirement are calculated in accordance with the PRA Supervisory statement 16/16 updated in December 2020

Slide 21: Funding and liquidity

1. LCR is based on average values. The LCR is the average of the preceding 12 months. The liquidity value of the assets for each entity's LCR calculation is shown in the table, along with the individual LCR ratio on a local regulatory requirements basis wherever applicable. Where local regulatory requirements are not applicable, the PRA LCR is shown. The local basis may differ from PRA measures due to differences in the way regulators have implemented the Basel III standards
2. HSBC Singapore includes HSBC Bank Singapore Limited and The Hong Kong and Shanghai Banking Corporation –Singapore branch. Liquidity and funding risk is monitored and controlled at country level in line with the local regulator's approval

Slide 23: Portfolio instruments

1. To next call date if callable; otherwise to maturity

Appendix

Slide 25: MREL / TLAC position

1. From 30 June 2025, the regulatory valuation of Tier 2 capital and TLAC includes the associated accrued interest.
2. The TLAC requirements for our US business are calculated based on the greater of 1) a specified minimum percentage of risk weighted assets, including a buffer of 2.5% of risk weighted assets, and 2) a specified minimum percentage of average total consolidated assets (based on the U.S. tier 1 leverage ratio)

Slide 28: Banking NII — key drivers

1. Includes interest bearing and non-interest bearing customer accounts, as reported in the 'Group NIM' tab of the HSBC Holdings plc 2Q25 Data Pack
2. Rates implied by the price of the relevant 1 month futures contracts (Fed funds for USD; SONIA for GBP) as of 25 July 2025

Disclaimer

Important notice

The information, statements and opinions set out in this presentation and accompanying discussion (this “Presentation”) are for informational and reference purposes only and do not constitute a public offer for the purposes of any applicable law or an offer to sell or solicitation of any offer to purchase any securities or other financial instruments or any advice or recommendation in respect of such securities or other financial instruments.

This Presentation, which does not purport to be comprehensive nor render any form of legal, tax, investment, accounting, financial or other advice, has been provided by HSBC Holdings plc (together with its consolidated subsidiaries, the “Group”) and has not been independently verified by any person. You should consult your own advisers as to legal, tax investment, accounting, financial or other related matters concerning any investment in any securities. No responsibility, liability or obligation (whether in tort, contract or otherwise) is accepted by the Group or any member of the Group or any of their affiliates or any of its or their officers, employees, agents or advisers (each an “Identified Person”) as to or in relation to this Presentation (including the accuracy, completeness or sufficiency thereof) or any other written or oral information made available or any errors contained therein or omissions therefrom, and any such liability is expressly disclaimed.

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Forward-looking statements

This Presentation may contain projections, estimates, forecasts, ambitions, targets, commitments, opinions, prospects, results, returns and forward-looking statements with respect to the financial condition, results of operations, capital position, environmental, social and governance (“ESG”) related matters, strategy and business of the Group which can be identified by the use of forward-looking terminology such as “may”, “will”, “should”, “expect”, “anticipate”, “project”, “plan”, “estimate”, “seek”, “intend”, “target”, “believe”, "potential" and "reasonably possible" or the negatives thereof or other variations thereon or comparable terminology (together, “forward-looking statements”), including the strategic priorities and any financial, investment and capital targets and any ESG ambitions, targets and commitments described herein. Any such forward-looking statements are not a reliable indicator of future performance, as they may involve significant stated or implied assumptions and subjective judgements which may or may not prove to be correct. There can be no assurance that any of the matters set out in forward-looking statements are attainable, will actually occur or will be realised or are complete or accurate. The assumptions and judgments may prove to be incorrect and involve known and unknown risks, uncertainties, contingencies and other important factors, many of which are outside the control of the Group. Actual achievements, results, performance or other future events or conditions may differ materially from those stated, implied and/or reflected in any forward-looking statements due to a variety of risks, uncertainties and other factors (including, without limitation, those which are referable to general market or economic conditions, regulatory and government policy changes (including trade and tariff policies such as the trade policies announced by the US and potential countermeasures that may be adopted by countries, including in the markets where the Group operates), increased volatility in interest rates and inflation levels and other macroeconomic risks, geopolitical tensions such as the Russia-Ukraine war and the conflict in the Middle East and the continuation or escalation thereof, specific economic developments, such as the uncertain performance of the commercial real estate sectors in mainland China and Hong Kong, or as a result of data limitations and changes in applicable methodologies in relation to ESG-related matters). Any such forward-looking statements are based on the beliefs, expectations and opinions of the Group at the date the statements are made, and the Group does not assume, and hereby disclaims, any obligation or duty to update, revise or supplement them if circumstances or management’s beliefs, expectations or opinions should change. For these reasons, recipients should not place reliance on, and are cautioned about relying on, any forward-looking statements. No representations or warranties, expressed or implied, are given by or on behalf of the Group as to the achievement or reasonableness of any projections, estimates, forecasts, ambitions, targets, commitments, prospects or returns contained herein.

Additional detailed information concerning important factors, including but not limited to ESG-related factors, that could cause actual results to differ materially from this Presentation is available in our Annual Report and Accounts for the fiscal year ended 31 December 2024, filed with the Securities and Exchange Commission (the “SEC”) on Form 20-F on 20 February 2025 (the “2024 Form 20-F”), our 1Q 2025 Earnings Release, furnished to the SEC on Form 6-K on 29 April 2025 (the “1Q 2025 Earnings Release”) and our Interim Report for the six months ended 30 June 2025, which we expect to furnish to the SEC on Form 6-K on or around 30 July 2025 (the “2025 Interim Report”).

Alternative Performance Measures

This Presentation contains non-IFRS 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 SEC rules and regulations (“Alternative Performance Measures”). The primary Alternative Performance Measures we use are presented on a “constant currency” basis which is computed by adjusting comparative period reported results for the effects of foreign currency translation differences, which distort period-on-period comparisons.

Reconciliations between Alternative Performance Measures and the most directly comparable measures under IFRS are provided in our 2024 Form 20-F, the 1Q 2025 Earnings Release and the 2025 Interim Report, when filed with the SEC, each of which is available at www.hsbc.com.

Information in this Presentation was prepared as at 30 July 2025.