HSBC Holdings Plc

The Capital Requirements (Country-by-Country reporting) Regulations 2013
31 December 2025

HSBC

This report has been prepared for HSBC Holdings plc and its subsidiaries (the 'HSBC Group') to comply with The Capital Requirements (Country-by-Country Reporting) Regulations 2013, which implement article 89 of the Capital Requirements Directive IV ('CRD IV').

The HSBC Group is one of the largest international banking and financial services organisations in the world. Full details of the nature of our business activities are set out in pages 16-24 of HSBC Holdings plc's Annual Report and Accounts 2025.

This report shows the turnover, profit before tax, corporation tax paid and average number of employees on a full-time equivalent basis for the entities located in the countries in which we operate.

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1 Basis of preparation

(a) Country

Each subsidiary or branch is allocated to the country in which it is subject to tax on its profits. The data is aggregated for all of the subsidiaries and branches allocated to each country.

(b) Turnover and profit before tax

Turnover and profit before tax are compiled from the HSBC Holdings plc consolidated financial statements for the year ended 31 December 2025, which are prepared in accordance with International Financial Reporting Standards ('IFRSs'). Consolidation adjustments and the elimination of intra-HSBC transactions are shown within the 'Group Accounting Adjustments' section of the report. Turnover represents 'Net operating income before change in expected credit losses and other credit impairment charges', excluding losses arising on business disposals, impairments of investments in subsidiaries and dividend income (holding companies' Turnover excludes dividends received from subsidiaries, but includes all other dividend income).

(c) Corporation tax paid

Corporation tax paid represents the net cash taxes paid to, or received from, the tax authority in each country in respect of corporate income taxes.

Corporation tax paid is reported on a cash basis and will normally differ from the tax expense recorded for accounts purposes due to two main types of timing difference:

- Differences arising from the due dates for tax payments in each country and the basis on which those payments are calculated. These requirements vary between countries. For example, the local requirement may be to make payments calculated on estimated taxable profit for the current period or, alternatively, on the taxable profit of the prior year. Due dates may be designed so that the full tax liability is paid during the year, after the year end or partly in the current year and partly after the year end.
- Differences between when income and expenses are accounted for under IFRSs and when they become taxable. These timing differences may be due to the application of local tax rules or differences between IFRSs and local accounting rules, on which tax returns are based.

(d) Full-time equivalent employees ('FTEs')

FTEs are allocated to the country in which they are primarily based for the performance of their employment duties. The figures disclosed represent the average number of FTEs in each country during the period.

(e) Public subsidies received

There were no public subsidies received during the period.

2 Country-by-Country Reporting

Country–by–Country Reporting

	Year ended 31 December 2025			
	Turnover[11]	Average FTEs[8]	Profit/(loss) before tax[1]	Corporation tax paid/ (refunded)[7]
	US$m		US$m	US$m
Europe				
United Kingdom[2, 9]	**26,299**	**32,625**	**8,145**	**761**
– Of which: reversal of impairment of subsidiaries	**—**	**—**	**3,993**	**—**
Germany	**1,248**	**2,049**	**150**	**71**
France	**938**	**2,871**	**(1,144)**	**(6)**
– Of which: impairment of subsidiaries and goodwill	**—**	**—**	**(200)**	**—**
Poland	**814**	**4,753**	**111**	**18**
Jersey	**621**	**574**	**442**	**42**
Switzerland	**557**	**702**	**(76)**	**9**
Luxembourg	**464**	**300**	**(595)**	**55**
Guernsey	**259**	**133**	**120**	**8**
– Of which: impairment of goodwill	**—**	**—**	**(23)**	**—**
Malta	**249**	**866**	**121**	**78**
Ireland	**245**	**257**	**150**	**18**
Netherlands	**163**	**71**	**127**	**39**
Spain	**85**	**96**	**26**	**7**
Italy	**52**	**60**	**7**	**7**
Isle of Man	**41**	**80**	**28**	**4**
Belgium	**26**	**19**	**12**	**2**
Czechia	**25**	**48**	**10**	**4**
Sweden	**14**	**21**	**3**	**—**
Denmark	**2**	**2**	**—**	**—**
Asia				
Hong Kong[3]	**26,779**	**26,049**	**13,979**	**1,133**
– Of which: impairment of subsidiaries	**—**	**—**	**(368)**	**—**
India	**5,200**	**46,410**	**1,848**	**533**
Mainland China	**4,896**	**32,850**	**1,117**	**51**
Singapore	**3,081**	**3,831**	**1,533**	**211**
Australia	**1,318**	**1,725**	**664**	**202**
Malaysia	**1,177**	**5,843**	**530**	**125**
Taiwan	**785**	**2,207**	**411**	**73**
Indonesia	**450**	**2,331**	**174**	**29**
Philippines	**422**	**5,732**	**140**	**14**
Republic of Korea	**408**	**523**	**240**	**47**
Vietnam	**319**	**1,363**	**164**	**27**
Thailand	**252**	**387**	**138**	**3**
Japan	**242**	**334**	**97**	**26**
Bangladesh	**228**	**791**	**134**	**49**
Sri Lanka	**185**	**3,172**	**63**	**35**
Mauritius	**106**	**137**	**84**	**19**
– Of which: reversal of impairment of subsidiaries	**—**	**—**	**2**	**—**
New Zealand	**92**	**117**	**60**	**22**
Macau	**79**	**259**	**22**	**3**
Maldives	**—**	**1**	**2**	**1**

Country–by–Country Reporting (continued)

	Year ended 31 December 2025			
	Turnover[11] US$m	Average FTEs[8]	Profit/(loss) before tax[1] US$m	Corporation tax paid/ (refunded)[7] US$m
Middle East and Africa				
United Arab Emirates	**2,116**	**2,753**	**798**	**160**
Egypt	**828**	**3,955**	**548**	**176**
Turkey	**462**	**1,413**	**194**	**91**
Qatar	**275**	**260**	**150**	**14**
Saudi Arabia	**225**	**257**	**106**	**19**
Bahrain	**196**	**150**	**113**	**5**
South Africa	**103**	**101**	**56**	**15**
Israel	**101**	**103**	**45**	**29**
Kuwait	**60**	**62**	**30**	**—**
Algeria	**41**	**88**	**23**	**11**
Oman	**9**	**40**	**(10)**	**—**
Lebanon	**1**	**3**	**(2)**	**—**
North America				
United States[9]	**6,539**	**5,417**	**1,450**	**206**
Bermuda	**265**	**300**	**135**	**41**
Canada	**85**	**334**	**6**	**1**
British Virgin Islands[4]	**2**	**—**	**2**	**—**
Cayman Islands[4]	**1**	**1**	**—**	**—**
Latin America				
Mexico	**3,703**	**16,047**	**655**	**186**
Uruguay	**131**	**248**	**57**	**8**
Brazil	**123**	**197**	**46**	**12**
Chile	**47**	**96**	**21**	**8**
Group Accounting Adjustments[5]				
Intra-HSBC transactions eliminated on consolidation	**(24,463)**	**—**	**—**	**—**
Elimination of impairments of investments in subsidiaries and goodwill	**—**	**—**	**(3,402)**	**—**
Share of profit in associates and joint ventures[10]	**(1,112)**	**—**	**799**	**—**
Other[6]	**646**	**—**	**(950)**	**—**
Total	**68,505**	**211,414**	**29,907**	**4,702**

1 A geographical analysis of profit before tax is provided on page 90 of the HSBC Holdings plc Annual Report and Accounts 2025. That analysis by country is different from the table above, which is based on country of tax residence.
2 The UK profit before tax includes $6,533m for HSBC UK Bank plc, $(1,843)m for HSBC Holdings plc and $(1,036)m for HSBC Bank plc. The UK profit before tax includes impairments of investments in subsidiaries in several entities including HSBC Overseas Holdings UK ($2,752m reversal of impairment), HSBC Holdings plc ($2,720m reversal of impairment), HSBC Bank plc ($1,102m impairment) and HSBC UK Bank plc ($274m impairment) which are offset in the Group Accounting Adjustments section of this report. As a result of timing differences, some impairments of investments in subsidiaries are recorded in entities' solus financial statements in a different period from that in which they are reflected for Country-by-Country Reporting.
3 Hong Kong Special Administrative Region of the People's Republic of China. Corporation tax paid in Hong Kong was lower than in the previous year primarily due to the 2025 corporate income tax assessments for the Group's entities in Hong Kong being received and paid in January 2026, whereas the 2024 assessments were received and settled during 2024.
4 Local statutory tax rate is 0%.
5 Accounting adjustments arising on group consolidation and not included in the results of any jurisdiction.
6 This mainly relates to impacts of differences in hedging designations between consolidated and subsidiary level and elimination of fair value gains and losses on holdings of intra-group securities.
7 The cash flow statement contained within the HSBC Holdings plc Annual Report and Accounts 2025 shows tax paid of $5,058m. That figure also includes withholding taxes paid.
8 FTEs as at 31 December 2025 as reported on page 71 of the HSBC Holdings plc Annual Report and Accounts 2025 was 208,720. The FTEs figure above was the average for the year.
9 The cash tax liability for this period was reduced by the utilisation of tax losses which were incurred in prior periods.
10 Profit before tax includes $20m in respect of Bank of Communications Co., Ltd (which is net of a $1.0bn impairment of investment and a $1.1bn dilution loss, which is also reflected in Turnover) and $665m in respect of Saudi Awwal Bank.
11 Due to the specific definition of Turnover applied in this report, Total Turnover as shown above is not a figure disclosed on the face of the consolidated income statement within the HSBC Holdings plc Annual Report and Account 2025.

The main subsidiaries of HSBC Holdings plc, their main business activities and their country of operation as at 31 December 2025 are as follows:

Main subsidiary	Country	Business segment[1]
Europe		
HSBC Bank plc	United Kingdom	CIB, IWPB
HSBC UK Bank plc	United Kingdom	UK
HSBC Continental Europe	France	CIB, IWPB
Asia		
Hang Seng Bank Limited	Hong Kong	Hong Kong, CIB, IWPB
HSBC Bank (China) Company Limited	Mainland China	CIB, IWPB
HSBC Bank Malaysia Berhad	Malaysia	CIB, IWPB
HSBC Life (International) Limited	Hong Kong[2]	IWPB
The Hongkong and Shanghai Banking Corporation Limited	Hong Kong	Hong Kong, CIB, IWPB
Middle East and North Africa		
HSBC Bank Middle East Limited	United Arab Emirates	CIB, IWPB
North America		
HSBC Bank USA, N.A.	United States	CIB, IWPB
Latin America		
HSBC Mexico, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC	Mexico	CIB, IWPB

1 HSBC's four principal business segments are Hong Kong, UK, Corporate and Institutional Banking ('CIB') and International Wealth and Premier Banking ('IWPB'). Our Hong Kong business comprises Retail Banking and Wealth and Commercial Banking.Our UK business comprises UK Retail Banking and Wealth and UK Commercial Banking.
2 HSBC Life (International) Limited is resident in Hong Kong for tax purposes. Bermuda is the company's place of incorporation.

Details of all HSBC subsidiaries, as required under Section 409 of the Companies Act 2006, are set out on pages 348–353 of the HSBC Holdings plc Annual Report and Accounts 2025.

Independent auditors' report to the directors of HSBC Holdings plc

Report on the audit of the country-by-country information

Opinion

In our opinion, HSBC Holdings plc's country-by-country information for the year ended 31 December 2025 has been properly prepared, in all material respects, in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

We have audited the country-by-country information for the year ended 31 December 2025 in the Country-by-Country Report.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800 and ISA (UK) 805, and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the country-by-country information section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of HSBC Holdings plc ("the company") in accordance with the ethical requirements that are relevant to our audit of the country-by-country information in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - Basis of preparation

In forming our opinion on the country-by-country information, which is not modified, we draw attention to note 1 of the country-by-country information which describes the basis of preparation. The country-by-country information is prepared for the directors for the purpose of complying with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013. The country-by-country information has therefore been prepared in accordance with a special purpose framework and, as a result, the country-by-country information may not be suitable for another purpose.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- performing a risk assessment to identify factors that could impact the going concern basis of accounting, including both internal risks (e.g. strategy execution) and external risks (e.g. macroeconomic conditions);
- understanding and reviewing the group's financial forecasts, including assessing the historical accuracy of these forecasts;
- understanding and evaluating multiple credit rating agency ratings and actions to obtain an independent evaluation of the Group's creditworthiness;
- understanding and evaluating the Group's stress testing of liquidity and regulatory capital, including the severity of the stress scenarios that were used as part of the annual Group-wide Internal Stress Tests. We also reviewed the Group's Internal Liquidity and Capital Adequacy Assessment Processes;
- review of correspondence with and reports from regulators, including the Prudential Regulation Authority ('PRA') and Financial Conduct Authority ('FCA'); and
- reading and evaluating the adequacy of the disclosures made in the financial statements in relation to going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from the date on which the country-by-country information is authorised for issue.

In auditing the country-by-country information, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the country-by-country information is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Country-by-Country Report other than the country-by-country information and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the country-by-country information does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the country-by-country information, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the country-by-country information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the country-by-country information or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the country-by-country information and the audit

Responsibilities of the directors for the country-by-country information

The directors are responsible for the preparation of the country-by-country information in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013 as explained in the basis of preparation in note 1 to the country-by-country information, and for determining that the basis of preparation and accounting policies are acceptable in the circumstances. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of country-by-country information that is free from material misstatement, whether due to fraud or error.

In preparing the country-by-country information, the directors are responsible for assessing the company'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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the country-by-country information

It is our responsibility to report on whether the country-by-country information has been properly prepared in accordance with the relevant requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Our objectives are to obtain reasonable assurance about whether the country-by-country information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this country-by-country information.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of financial crime laws and regulations and regulatory compliance, including regulatory reporting requirements and conduct of business, and we considered the extent to which non-compliance might have a material effect on the country-by-country information. We also considered those laws and regulations that have a direct impact on the country-by-country information such as applicable tax legislation and the Capital Requirements (Country-by-Country Reporting) Regulations 2013. We evaluated management's incentives and opportunities for fraudulent manipulation of the country-by-country information (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries in relation to costs and income. Audit procedures performed included:

- review of correspondence with and reports from regulators, including the Prudential Regulation Authority ('PRA') and Financial Conduct Authority ('FCA');
- review of reporting to the Group Audit Committee and Group Risk Committee in respect of compliance and legal matters;
- enquiry of management and those charged with governance, and review of internal audit reports insofar as they related to the financial statements;
- obtaining legal confirmations from legal advisors relating to material litigation and compliance matters;
- assessing matters reported on the Group's whistleblowing programmes and the results of management's investigation of such matters, insofar as they related to the financial statements;
- challenging assumptions and judgements made by management in certain significant accounting estimates, in

particular in relation to the valuation of investments in associates, expected credit losses, and the impairment assessment of investment in subsidiaries;
- obtaining confirmations from third parties to confirm the existence of a sample of transactions and balances;
- identifying and testing journal entries, including those posted with certain descriptions, posted and approved by the same individual, backdated journals or posted by infrequent and unexpected users; and
- incorporating unpredictability into the nature, timing and/or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the country-by-country information. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the country-by-country information is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the company's directors in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013 and for no other purpose. We do not, in giving this opinion, 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.

The engagement partner responsible for this audit is Jennifer March.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
4 August 2026

HSBC's approach to tax

Introduction

This UK Tax Strategy applies to HSBC Holdings plc and its subsidiaries for the year ended 31 December 2026, and is published in accordance with the requirements of paragraph 16(2) of Schedule 19 FA2016.

Approach to Tax Risk Management

Tax risk is managed under our Risk Management Framework (RMF) which includes the following five mandatory tax risk policies:

Tax Compliance – failure to meet tax filing, reporting, withholding, charging or payment obligations, or criteria for tax-favoured product status.

Transfer Pricing – failure to apply arm's length pricing that reflects economic substance, using agreed and documented methodologies.

HSBC Tax Avoidance – obtaining a tax advantage that may comply with the letter but not the spirit or intent of the law.

Customer Tax Avoidance – A customer obtaining a tax advantage that may comply with the letter but not the spirit or intent of the law.

Customer Tax Reporting – failure to meet domestic or cross-border customer tax reporting requirements.

We seek to manage these risks and maintain an effective control environment proportionate to the complexity of the business and risk profile, by:

- setting tax risk appetite and mandatory policies
- maintaining effective controls, oversight and escalation processes
- investigating and resolving issues and errors when they occur, taking mitigating actions where appropriate to avoid recurrences, and
- employing an experienced in-house tax team supported by external advisers when required.

Tax Evasion risk is managed under the Financial Crime risk section of the RMF alongside other financial crime risks.

Our Global Internal Audit function provides independent assurance over tax risk management.

Risk Appetite

We have adopted the UK Code of Practice for the Taxation of Banks and seek to comply with the letter and spirit of all applicable tax laws. We seek to engage openly and transparently with tax authorities, including:

- sharing information on business activities and key developments as they arise
- responding to queries and enquiries in a timely manner
- engaging constructively in consultations relating to emerging legislation either directly or via industry bodies; and
- where possible, meeting regularly to openly discuss relevant matters and maintain a strong relationship

We aim to:

- file complete, accurate and timely tax returns and make timely and accurate payments; and
- minimise the number of tax disputes and operational losses

Risks outside of our appetite include:

- knowingly either breaching tax laws or acting outside of the spirit or intent of those laws
- using aggressive tax structures; and
- assisting customers to inappropriately avoid tax

Tax Planning

We will use tax incentives or opportunities for obtaining tax efficiencies where these:

- are aligned with the intended policy objectives of the relevant government; and
- are aligned with business or operational objectives.

We do not seek to undertake any tax avoidance transactions.

This strategy has been reviewed and approved by our Group Disclosure Committee and Group Audit Committee.

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