



# Opening up a world of opportunity

HSBC is one of the largest banking and financial services organisations in the world.

Guided by our purpose of opening up a world of opportunity, our ambition is to become the world's most trusted bank globally, putting customers at the heart of everything we do.

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### A reminder

The currency we report in is US dollars.

### Use of alternative performance measures

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

► Further explanation may be found on pages 5 and 29.

### Financial targets

For our financial targets, medium term is defined as between three to five years, and long term as five to six years, from 1 January 2026.

► See pages 2 and 5 for further details.

None of the websites referred to in this Interim Report for the half-year ended 30 June 2026, including where a link is provided, nor any of the information contained on such websites, is incorporated by reference in this report.

## Financial performance indicators in 1H26

Return on average tangible equity (annualised) ♦

18.2%

(1H25: 14.7%)

Profit before tax

\$19.5bn

(1H25: \$15.8bn)

Common equity tier 1 capital ratio

14.1%

(31 Dec 2025: 14.9%)

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

19.1%

(1H25: 18.2%)

Constant currency profit before tax excluding notable items ♦

\$20.4bn

(1H25: \$19.3bn)

Second interim dividend per share

\$0.10

(2Q25 dividend per share: \$0.10)

# Highlights

## Financial performance in 1H26

- **Profit before tax increased by \$3.7bn or 23% to \$19.5bn compared with 1H25.** The increase primarily reflected a year-on-year net favourable impact of \$2.2bn from notable items. The increase also reflected growth in banking net interest income ('banking NII') and higher fee and other income, primarily in Wealth and Wholesale Transaction Banking ('WTB'). This was partly offset by higher expected credit losses and other credit impairment charges ('ECL'), and a planned increase in operating expenses. **Profit after tax of \$15.3bn was \$2.9bn or 23% higher compared with 1H25.**
- In 1H26, notable items included disposal losses of \$0.3bn recognised on classification to held for sale associated with the planned sale of our business in Malta, restructuring costs associated with our organisational simplification of \$0.3bn, and losses of \$0.2bn from the recycling of foreign currency translation reserves following the completion of the sale of our UK life insurance business. In 1H25, notable items included dilution and impairment losses of \$2.1bn related to our associate Bank of Communications Co., Limited ('BoCom'), and restructuring costs associated with our organisational simplification of \$0.6bn.
- **Constant currency profit before tax excluding notable items increased by \$1.1bn to \$20.4bn compared with 1H25.**
- **Revenue increased by \$3.6bn or 11% to \$37.7bn compared with 1H25,** including a year-on-year net favourable impact of notable items of \$0.8bn and the favourable impact of foreign currency translation differences of \$0.7bn. The remaining increase reflected higher banking NII, and strong growth in Wealth fee and other income in our International Wealth and Premier Banking ('IWPB') and Hong Kong business segments, supported by higher customer activity. The increase also included a one-off property asset disposal gain of \$0.2bn. **Constant currency revenue excluding notable items rose by \$2.0bn to \$38.2bn compared with 1H25.**
- **Net interest income ('NII') increased by \$1.4bn compared with 1H25,** primarily driven by deposit balance growth and the benefit of reinvestment of our structural hedge at higher yields. There was also a favourable impact from foreign currency translation differences of \$0.4bn, partly offset by the impact of an adverse \$0.1bn one-off item. The impact of lower market interest rates on the funding deployed to the trading book was broadly offset by higher trading balances. **Banking NII, which excludes the funding costs associated with the trading book and insurance NII, increased by \$1.6bn to \$22.9bn.**
- **Net interest margin ('NIM') of 1.61% was 4 basis points ('bps') higher compared with 1H25,** mainly due to the impact from foreign currency translation differences and the benefit of our structural hedge, partly offset by lower market interest rates.
- **ECL of \$2.4bn were \$0.4bn higher than in 1H25.** The 1H26 charge primarily reflected stage 3 charges on wholesale exposures, including a \$0.4bn fraud-related, secondary, securitisation exposure with a financial sponsor in the UK in our Corporate and Institutional Banking ('CIB') business, and \$0.2bn related to the Hong Kong commercial real estate ('CRE') sector. 1H26 also included allowances to reflect uncertainty due to the ongoing conflict in the Middle East. ECL in 1H25 included charges related to the Hong Kong CRE sector of \$0.5bn, as well as allowance increases relating to geopolitical tensions and higher trade tariffs.
- **Operating expenses of \$17.4bn were \$0.4bn or 2% higher than in 1H25,** including an adverse impact from foreign currency translation differences of \$0.4bn. The increase was driven by higher planned spend and investment in technology, and the impact of inflation. These increases were partly mitigated by cost reductions from our organisational simplification and a year-on-year favourable impact from notable items.
- **Target basis operating expenses were \$0.4bn or 2% higher than in 1H25,** including the impact of inflation and higher planned spend and investment in technology, partly offset by cost reductions from our organisational simplification.
- **Customer lending balances increased by \$34bn compared with 31 December 2025,** including adverse foreign currency translation differences of \$6bn. On a constant currency basis, lending balances increased by \$40bn, reflecting growth across all our business segments, particularly in our main entity in Hong Kong. This was partly offset by the classification to held for sale of loans from the planned sale of our business in Malta.
- **Customer accounts increased by \$41bn compared with 31 December 2025,** including adverse foreign currency translation differences of \$15bn. On a constant currency basis, customer accounts increased by \$56bn, primarily reflecting growth in our CIB business, partly offset by the classification to held for sale of deposits from the planned sale of our business in Malta and our retail banking business in Indonesia.
- **Common equity tier 1 ('CET1') capital ratio of 14.1% decreased by 0.8 percentage points compared with 31 December 2025,** reflecting the impact of the privatisation of Hang Seng Bank Limited ('Hang Seng Bank'), dividends and an increase in risk-weighted assets ('RWAs'), partly offset by regulatory profit.
- The Board has approved a **second interim dividend of \$0.10 per share.** We also intend to **initiate a share buy-back of up to \$1bn,** which we expect to complete by our third quarter 2026 results announcement.

► For detailed commentary, see page 7.

## Financial performance in 2Q26

- **Profit before tax increased by \$3.8bn or 60% to \$10.1bn compared with 2Q25,** primarily reflecting a net favourable impact from notable items of \$2.6bn. The increase also reflected growth in banking NII, and higher fee and other income primarily in Wealth and WTB. **Profit after tax increased by \$3.1bn or 63% to \$7.9bn compared with 2Q25.**
- In 2Q26, notable items included restructuring costs associated with our organisational simplification of \$0.2bn. In 2Q25, notable items included dilution and impairment losses of \$2.1bn related to our associate BoCom, and restructuring costs associated with our organisational simplification of \$0.5bn.
- **Revenue increased by \$2.6bn to \$19.1bn compared with 2Q25,** including a year-on-year net favourable impact of \$1.3bn from notable items. The increase also reflected a rise in banking NII, and strong growth in Wealth fee and other income in our IWPB and Hong Kong business segments, supported by higher customer activity. Revenue grew in Debt and Equity Markets and WTB in our CIB business. **Constant currency revenue excluding notable items rose by \$1.3bn to \$19.0bn.**
- **ECL of \$1.1bn were stable compared with 2Q25.** The charge in 2Q26 primarily comprised stage 3 charges, including \$0.2bn related to the Hong Kong CRE sector. The ECL charge in 2Q25 included charges of \$0.4bn related to the Hong Kong CRE sector.
- **Operating expenses of \$8.7bn were \$0.2bn or 2% lower compared with 2Q25,** reflecting lower restructuring costs together with the resultant cost reduction benefits from our organisational simplification, and the phasing of performance-related pay accrual relative to 2Q25. These reductions were partly offset by higher planned spend and investment in technology, the impact of inflation and an adverse impact from foreign currency translation differences of \$0.1bn.
- **Customer lending increased by \$20bn compared with 1Q26 on a reported basis,** reflecting growth across all segments.
- **Customer accounts increased by \$46bn compared with 1Q26 on a reported basis,** primarily reflecting growth in our CIB business, notably in Hong Kong, partly offset by the classification of deposits from the planned sale of our retail banking business in Indonesia to held for sale.



## Outlook

### Group financial targets

- We remain confident in achieving the targets we set out in February 2026, including a **return on average tangible equity ('RoTE') of 17% or better for 2026, 2027 and 2028, excluding notable items.**
- We continue to target **year-on-year growth in revenue from 2026 to 2028, rising to 5% growth in 2028 compared with 2027**, excluding notable items and on a constant currency basis.
- We maintain our **dividend payout ratio target basis of 50% in 2026, 2027 and 2028.** Our target basis payout ratio is calculated as a percentage of earnings per share ('EPS') excluding material notable items and related impacts.

### In respect of 2026

- We now expect **banking NII of at least \$46bn in 2026**, reflecting a continued favourable interest rate outlook, while

recognising the outlook remains volatile and uncertain. We had previously provided banking NII guidance of around \$46bn for 2026.

- We continue to expect an **ECL charge as a percentage of average gross customer loans to be around 45bps** (including held for sale loan balances) for 2026, reflecting ongoing uncertainty in the outlook. Over the medium term, we retain our planning range of 30-40bps.
- **The Group remains on track to deliver year-on-year growth in operating expenses of approximately 1% in 2026 on a target basis.** Should strong business performance continue, we may consider additional performance-related pay which would increase 2026 target basis cost growth modestly. Our target basis operating expenses measure excludes notable items and includes the impact of simplification-related saves associated with our announced strategic reorganisation.

- We intend to continue to manage the **CET1 capital ratio within our medium-term target range of 14% to 14.5%.**

- ▶ 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 2026) and rates of foreign exchange, as well as customer behaviour and activity levels.
- ▶ We do not reconcile our forward guidance on RoTE excluding notable items, target basis operating expenses, dividend payout ratio target basis or banking NII to their equivalent reported measures.
- ▶ See pages 41 to 44 for a further explanation of RoTE excluding notable items, banking NII, target basis operating expenses and dividend payout ratio target basis. For further information on our CET1 ratio, see page 70.

## Reshaping the Group for growth

### Privatisation of Hang Seng Bank

- On 26 January 2026, we completed our privatisation of Hang Seng Bank, following shareholder and Court approval. **Hang Seng Bank is now a wholly-owned subsidiary of the HSBC Group and Hang Seng Bank shares have been withdrawn from the Hong Kong Stock Exchange.**
- Through the privatisation of Hang Seng Bank, **we expect to realise \$0.5bn in pre-tax revenue and cost synergies across both our brands in Hong Kong by the end of 2028.** We expect to incur associated restructuring costs of \$0.6bn, of which one-off income statement impacts would be reported as material notable items.
- We also have an ambition to generate further revenue and cost opportunities of **around \$0.4bn by the end of 2028** across both our brands in Hong Kong.

### Organisational simplification

- At our 2024 full-year results we announced measures to simplify the Group, **committing to deliver an annualised reduction of around \$1.5bn in our cost base by the end of 2026**, spending an associated \$1.8bn in restructuring and other related costs.
- At our 2025 full-year results we indicated that **we expected to have taken actions to deliver the annualised savings earlier than planned, by 1H26.**
- At 1H26, the actions we have taken **will deliver annualised cost savings of \$1.7bn, spending associated restructuring and other related costs of \$1.4bn.** These actions have resulted in a reduction of \$0.6bn in operating expenses in the income statement in 2025, and a \$0.5bn reduction in 1H26.

- **We have now revised our simplification savings commitment and intend to action around \$2.0bn of annualised savings through the programme, by the end of 2026, spending up to our originally expected \$1.8bn of restructuring costs.**

- The additional saves we are bringing into the programme generate capacity that we will use to support the growth of our four businesses.

### Strategic transactions

- We remain focused on opportunities where we have a clear competitive advantage and accretive returns, and **we aim to redeploy approximately \$1.8bn of additional costs from non-strategic activities into these areas over the medium term.** This includes an additional \$0.3bn of cost savings from synergies expected following the privatisation of Hang Seng Bank.
- During 1H26, we completed the sales of our UK life insurance business, our business in South Africa, our retail banking business in Sri Lanka, and the wind-down of our retail banking business in Bangladesh. We also agreed the sale of our retail banking business in Indonesia.
- **In July 2026, we announced the sale of HSBC Life Singapore. We also concluded the targeted strategic review of our Australia retail banking business,** by announcing the sale of our portfolio of home and personal loans, the planned wind-down of the remaining retail business and transfer of our CIB, Private Banking and Asset Management businesses in Australia to the Sydney branch of The Hongkong and Shanghai Banking Corporation Limited, simplifying our entity footprint. **In August 2026, we concluded the targeted strategic review and announced the sale of our retail banking business in Egypt.** The completion of announced disposals and related actions remains subject to relevant regulatory and other approvals.

- We have commenced a strategic review of our retail business and domestic-focused small and mid-sized corporate banking operations in Türkiye. **Our international wholesale client business in Türkiye is unaffected by this review.**

### Progress in growth areas

- In Wealth, we are continuing to invest in wealth centres and relationship managers. From 1 January 2026 we have updated our definition of Wealth balances to exclude Asset Management third-party distribution assets. On this new basis, **Wealth balances across all our business segments were \$1.6tn, stable compared with 31 December 2025. Within this, we have attracted net new money ('NNM') of \$64bn, with \$57bn booked in Asia.**
- Transaction banking continues to perform well as we leverage our network and capabilities to capture opportunities from changing trade and capital flows. In 1H26, **fee and other income in WTB rose by 6% compared with 1H25**, or by 4% on a constant currency basis, with growth across all products.
- ▶ For more details on our businesses held for sale and disposal groups, see Note 15 on the Financial Statements on page 102.



# Group CEO's shareholder letter



Georges Elhedery  
Group CEO

**RoTE (annualised) ♦**  
**18.2%**

(1H25: 14.7%)

**RoTE excluding notable items (annualised) ♦**  
**19.1%**

(1H25: 18.2%)

**Revenue**  
**\$37.7bn**

(1H25: \$34.1bn)

## Dear fellow shareholders,

HSBC is becoming the stronger bank we set out to build. We are executing our strategic priorities with pace, precision and discipline. This is allowing our four businesses to focus on their core strengths, grow, work together more effectively and deepen customer relationships. The result is a bank capable of achieving more. The first half of 2026 shows what a stronger HSBC can achieve.

## Performance with discipline

On a reported basis, profit before tax was \$19.5bn, up 23% compared with 1H25. Revenue grew 11% to \$37.7bn. Annualised RoTE was 18.2%, or 19.1% excluding notable items.

Our deposit franchise grew by \$129bn on a constant currency basis, including held-for-sale balances, over the last year. We are also seeing encouraging growth in loans, particularly in Hong Kong and the UK.

We also grew fee and other income. Wholesale Transaction Banking increased by 4% on a constant currency basis. As the world's trade bank, this resilient growth shows the central role we are playing as businesses adapt to new patterns of trade and investment. Wealth grew by 18% on a constant currency basis, reflecting our market-leading Asia franchise.

We delivered strong returns to our shareholders. Our 18.2% annualised RoTE reflects a strong performance. We are paying another 10 cents per share quarterly interim dividend. We have also resumed share buy-backs (up to \$1bn), three quarters after we paused them following the Hang Seng Bank privatisation announcement.

Our strong performance in the first half gives us the capacity to continue investing for growth while safeguarding the hallmark financial strength and cost discipline that our customers and shareholders expect.

## Compounding our strengths

HSBC creates greater value when more of our capabilities work together for our customers. That is why over the past two years we have sharpened our focus, simplified the organisation and are directing investment towards the businesses and markets where HSBC is strongest.

As recent uncertainty has reshaped patterns of trade and investment, we have seen that our customers are adapting the way they do business. New networks of trade, investment and growth are emerging across the global economy.

As they do, our customers increasingly need a banking partner that can connect financing, payments, markets and wealth seamlessly across borders, ensuring they remain resilient and agile enough to adapt to fast-changing circumstances.

We see this every day. A manufacturer reshaping its supply chain. An entrepreneur expanding into a new market. An investor allocating capital across regions.

The better we connect HSBC, the more value we can create. Better outcomes deepen relationships. Deeper relationships create more opportunities to support our customers' ambitions and compound value over time.

## Connecting the enterprise

In a more complex world, our customers need more of HSBC working together on their behalf. We are making that easier.

HSBC Access is one example. It brings together the capabilities of our Private Bank, Innovation Banking and Corporate and Institutional Banking to give eligible customers access to a broader range of investment opportunities through a single relationship.

More broadly, shared capabilities are helping successful ideas to move faster across businesses and markets. Our simplification actions are also creating clearer accountability and enabling quicker decisions.

“HSBC is becoming the stronger bank we set out to build. We are executing our strategic priorities with pace, precision and discipline. This is allowing our four businesses to focus on their core strengths, grow, work together more effectively and deepen customer relationships. The result is a bank capable of achieving more.”

For customers, that means more relevant solutions and easier access to our network and expertise. For colleagues, it means greater clarity and more time to focus on customers. For shareholders, it means more opportunities for focused, sustainable growth.

The more effectively HSBC works together, the more we can achieve.

#### **Innovation at scale**

Innovation creates value when it moves from possibility to practical use.

Artificial intelligence will play an increasingly important role in how we personalise our services for customers and run the bank. We are equipping colleagues with tools that amplify their expertise, improve decisions and reduce complexity. We are also strengthening the data, technology and controls needed to deploy these capabilities safely and at scale.

We are applying the same ambition to the next generation of financial infrastructure. This year, the UK Government selected HSBC to provide the technology for its first digital government bond. It shows that innovation developed inside HSBC can help shape the infrastructure of the market itself.

We also expanded our tokenised deposits services into the US and the UAE, taking a capability first developed in Asia to six markets across our international network. This enables customers to move money frictionlessly across borders in real time, 24 hours a day, seven days a week.

During the first half, HSBC was also granted a stablecoin issuer licence in Hong Kong, becoming one of the first banks able to issue stablecoins under the new regulatory framework. We plan to issue in the second half of the year.

These are different technologies, but they reflect the same discipline: identify a real need, demonstrate the value and scale what works.

#### **Building for tomorrow**

My first two years have been about building a stronger HSBC. The next phase is about putting more of those strengths to work.

The completion of the Hang Seng Bank privatisation is one example of that. It brings together the strengths of two iconic banks for the benefit of customers and shareholders.

We begin this next phase knowing where HSBC is strongest, where we should invest and where we can create the greatest value.

Our intention is to grow more consistently by compounding those strengths. To do this, we will continue to invest with discipline in our people, technology and international network. These investments will help us deepen customer relationships, strengthen our competitive position and support future growth. By doing so, we will unlock more of HSBC's potential.

Finally, none of the progress described in this report would be possible without the skill, judgement and dedication of our colleagues around the world. Every day, they earn the trust our customers place in HSBC and bring our strategy to life. I would like to thank them for everything they do. I would also like to thank our customers for their trust and our shareholders for their continued support.

**Georges Elhedery**  
**Group CEO**

4 August 2026

# Financial overview

## Group financial targets for 2026 to 2028

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

# 19.1%

(1H25: 18.2%)

We are targeting a RoTE excluding notable items of 17% or better for each of 2026, 2027 and 2028.

In 1H26, RoTE (annualised) was 18.2%, an increase of 3.5 percentage points from 1H25.

RoTE excluding notable items (annualised) was 19.1%, an increase of 0.9 percentage points compared with 1H25.

- ▶ We do not reconcile our forward-looking targets on RoTE or revenue excluding notable items, or dividend payout ratio target basis to their equivalent reported measures.
- ▶ See page 42 for further details on RoTE excluding notable items.

**Year-on-year percentage growth in revenue, on a constant currency basis excluding notable items ♦**

# 6%

We are focused on growth opportunities within our strategy that play to our strengths, while maintaining tight cost discipline and continuing to invest in growth and efficiency. We are targeting revenue growth rising to 5% year-on-year by 2028 on a constant currency basis excluding notable items.

In 1H26, revenue growth was 11% compared with 1H25, on a reported basis.

Revenue growth on a constant currency basis and excluding notable items was 6% compared with 1H25.

- ▶ See page 42 for further detail on constant currency revenue excluding notable items.
- ▶ See page 29 for further details on notable items.

**Dividend payout ratio target**

**Second interim dividend per ordinary share in respect of 2026**

# \$0.10

Our business model is designed to be capital generative. Our primary use of capital generation is to pay an ordinary dividend of 50% of basic earnings per share, excluding material notable items and related impacts (our dividend payout ratio target basis). Our preferred use of capital after paying the dividend is to support the growth of our four businesses.

Alongside our 1H26 results, the Board has announced a second interim dividend of \$0.10 per ordinary share.

- ▶ See page 44 for a reconciliation of basic earnings per share to basic earnings per share excluding material notable items and related impacts.

## Basis of presentation

### Constant currency performance

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

### Notable items and material notable items

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

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

Material notable items in 1H26 or relevant comparative periods relate to the operating expenses associated with actions to exit or wind down non-strategic businesses. They also include a dilution loss and the recognition of an impairment of our investment in BoCom in 1H25.

### Impact of strategic transactions

In addition to the items categorised as material notable items, the impacts of strategic transactions include the distorting impact observed between the periods of the operating income statement results related to acquisitions, wind-downs and disposals that affect period-on-period comparisons.

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

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

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

On page 8, we provide a summarised management view of revenue for the Group's results, on reported foreign exchange rates, to supplement the Group's reported revenue performance using the product grouping that is used to manage and assess our segmental performance.

- ▶ See page 32 for further details on the impact of strategic transactions.
- ▶ See pages 20, 29 and 41 for further details on basis of preparation and use of alternative performance measures.
- ▶ See pages 29 and 37 for details of notable items in our business segments and legal entities.



## Key financial metrics

| Reported results                                                                                                   | Half-year to |             |
|--------------------------------------------------------------------------------------------------------------------|--------------|-------------|
|                                                                                                                    | 30 Jun 2026  | 30 Jun 2025 |
| Profit before tax (\$m)                                                                                            | 19,522       | 15,810      |
| Profit after tax (\$m)                                                                                             | 15,321       | 12,441      |
| Net operating income before change in expected credit losses and other credit impairment charges ('revenue') (\$m) | 37,742       | 34,122      |
| Cost efficiency ratio (%)                                                                                          | 46.2         | 49.9        |
| Net interest margin (%)                                                                                            | 1.61         | 1.57        |
| Basic earnings per share (\$)                                                                                      | 0.85         | 0.65        |
| Diluted earnings per share (\$)                                                                                    | 0.85         | 0.65        |
| Dividend per ordinary share (in respect of the period) (\$)                                                        | 0.20         | 0.20        |

### Alternative performance measures ♦

|                                                                                                                                                            |        |        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|
| Constant currency profit before tax (\$m)                                                                                                                  | 19,522 | 16,001 |
| Constant currency revenue (\$m)                                                                                                                            | 37,742 | 34,812 |
| Constant currency banking net interest income (\$m)                                                                                                        | 22,896 | 21,820 |
| Constant currency cost efficiency ratio (%)                                                                                                                | 46.2   | 50.1   |
| Constant currency profit before tax excluding notable items (\$m)                                                                                          | 20,395 | 19,267 |
| Constant currency revenue excluding notable items (\$m)                                                                                                    | 38,168 | 36,149 |
| Constant currency profit before tax excluding notable items and strategic transactions (\$m)                                                               | 20,395 | 19,072 |
| Constant currency revenue excluding notable items and strategic transactions (\$m)                                                                         | 38,168 | 35,805 |
| Expected credit losses and other credit impairment charges (annualised) as % of average gross loans and advances to customers, including held for sale (%) | 0.47   | 0.42   |
| Basic earnings per share excluding material notable items and related impacts (\$)                                                                         | 0.88   | 0.78   |
| Return on average ordinary shareholders' equity (annualised) (%)                                                                                           | 16.9   | 13.7   |
| Return on average tangible equity (annualised) (%)                                                                                                         | 18.2   | 14.7   |
| Return on average tangible equity excluding notable items (annualised) (%)                                                                                 | 19.1   | 18.2   |
| Target basis operating expenses (\$m)                                                                                                                      | 16,979 | 16,607 |

| Balance sheet                                                  | At          |             |
|----------------------------------------------------------------|-------------|-------------|
|                                                                | 30 Jun 2026 | 31 Dec 2025 |
| Total assets (\$m)                                             | 3,438,161   | 3,233,034   |
| Net loans and advances to customers (\$m)                      | 1,022,105   | 988,399     |
| Constant currency net loans and advances to customers (\$m)    | 1,022,105   | 981,950     |
| Customer accounts (\$m)                                        | 1,827,703   | 1,786,828   |
| Constant currency customer accounts (\$m)                      | 1,827,703   | 1,771,972   |
| Average interest-earning assets, year to date (\$m)            | 2,280,838   | 2,190,078   |
| Loans and advances to customers as % of customer accounts (%)  | 55.9        | 55.3        |
| Total shareholders' equity (\$m)                               | 196,682     | 198,225     |
| Tangible ordinary shareholders' equity (\$m)                   | 160,652     | 165,153     |
| Net asset value per ordinary share at period end (\$)          | 10.08       | 10.36       |
| Tangible net asset value per ordinary share at period end (\$) | 9.36        | 9.64        |

### Capital, leverage and liquidity

|                                                                              |         |         |
|------------------------------------------------------------------------------|---------|---------|
| Common equity tier 1 capital ratio (%) <sup>1,2</sup>                        | 14.1    | 14.9    |
| Risk-weighted assets (\$m) <sup>1,2</sup>                                    | 906,417 | 888,647 |
| Total capital ratio (%) <sup>1,2</sup>                                       | 19.7    | 20.5    |
| Leverage ratio (%) <sup>1,2</sup>                                            | 4.9     | 5.3     |
| High-quality liquid assets (liquidity value, average) (\$m) <sup>1,2,3</sup> | 713,669 | 702,123 |
| Liquidity coverage ratio (average) (%) <sup>1,2,3</sup>                      | 134     | 137     |

### Share count

|                                                                                                                                                  |        |        |
|--------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|
| Period end basic number of \$0.50 ordinary shares outstanding, after deducting own shares held (millions)                                        | 17,164 | 17,140 |
| Period end basic number of \$0.50 ordinary shares outstanding and dilutive potential ordinary shares, after deducting own shares held (millions) | 17,267 | 17,276 |
| Average basic number of \$0.50 ordinary shares outstanding, after deducting own shares held (millions)                                           | 17,146 | 17,427 |

► For reconciliations of our reported results to a constant currency basis, including lists of notable items, see page 29. For detail on other alternative performance measures, including definitions and calculations, see 'Reconciliation of alternative performance measures' on page 41.

- 1 Regulatory ratios and requirements are based on the Prudential rules in force at the time.
- 2 Regulatory numbers and ratios are as presented at the date of reporting. Small changes may exist between these numbers and ratios and those subsequently submitted in regulatory filings. Where differences are significant, we may restate in subsequent periods.
- 3 The liquidity coverage ratio is based on the average value of the preceding 12 months.

# Income statement results

## 1H26 compared with 1H25

### Movement in reported profit before tax compared with 1H25

| Reported results                                                 | Half-year to    |             | Variance      |                |                                              |
|------------------------------------------------------------------|-----------------|-------------|---------------|----------------|----------------------------------------------|
|                                                                  | 30 Jun 2026     | 30 Jun 2025 | 1H26 vs. 1H25 |                |                                              |
|                                                                  |                 |             |               |                | of which strategic transactions <sup>1</sup> |
|                                                                  | \$m             | \$m         | \$m           | %              | \$m                                          |
| <b>Revenue</b>                                                   | <b>37,742</b>   | 34,122      | <b>3,620</b>  | <b>11</b>      | <b>(611)</b>                                 |
| – of which: net interest income ('NII')                          | <b>18,233</b>   | 16,821      | <b>1,412</b>  | <b>8</b>       | <b>(15)</b>                                  |
| ECL                                                              | <b>(2,353)</b>  | (1,941)     | <b>(412)</b>  | <b>(21)</b>    | <b>2</b>                                     |
| <b>Net operating income</b>                                      | <b>35,389</b>   | 32,181      | <b>3,208</b>  | <b>10</b>      | <b>(609)</b>                                 |
| Total operating expenses                                         | <b>(17,426)</b> | (17,022)    | <b>(404)</b>  | <b>(2)</b>     | <b>267</b>                                   |
| <b>Operating profit/(loss)</b>                                   | <b>17,963</b>   | 15,159      | <b>2,804</b>  | <b>18</b>      | <b>(342)</b>                                 |
| Share of profit in associates and joint ventures less impairment | <b>1,559</b>    | 651         | <b>908</b>    | <b>&gt;100</b> | <b>–</b>                                     |
| <b>Profit before tax</b>                                         | <b>19,522</b>   | 15,810      | <b>3,712</b>  | <b>23</b>      | <b>(342)</b>                                 |
| Tax expense                                                      | <b>(4,201)</b>  | (3,369)     | <b>(832)</b>  | <b>(25)</b>    | <b>–</b>                                     |
| <b>Profit/(loss) after tax</b>                                   | <b>15,321</b>   | 12,441      | <b>2,880</b>  | <b>23</b>      | <b>–</b>                                     |
| <b>Revenue excluding notable items ♦</b>                         | <b>38,168</b>   | 35,397      | <b>2,771</b>  | <b>8</b>       | <b>–</b>                                     |
| <b>Profit before tax excluding notable items ♦</b>               | <b>20,395</b>   | 18,928      | <b>1,467</b>  | <b>8</b>       | <b>–</b>                                     |

1 For details, see 'Strategic transactions supplementary analysis' on page 32.

### Reported profit

Reported profit before tax of \$19.5bn was \$3.7bn higher than in 1H25, primarily reflecting a \$2.2bn net favourable impact from notable items.

In 1H26, notable items included disposal losses of \$0.3bn recognised on classification to held for sale associated with the planned sale of our business in Malta, restructuring costs associated with our organisational simplification of \$0.3bn, and losses of \$0.2bn from the recycling of foreign currency translation reserves following the completion of the sale of our UK life insurance business.

In 1H25, notable items included dilution and impairment losses of \$2.1bn related to our associate BoCom, restructuring costs associated with our organisational simplification of \$0.6bn, along with \$0.1bn of fair value losses on American Depositary Receipts ('ADRs') received as part of the sale consideration for our business in Argentina.

On a constant currency basis, profit before tax of \$19.5bn was \$3.5bn higher than in 1H25.

On the same basis and excluding notable items, profit before tax of \$20.4bn was \$1.1bn or 6% higher compared with 1H25.

### Reported revenue

Reported revenue of \$37.7bn was \$3.6bn or 11% higher than in 1H25 including a \$0.8bn year-on-year net favourable impact of notable items which primarily related to the non-recurrence of a dilution loss of \$1.1bn on BoCom recognised in 1H25, partly offset by net losses from business disposals in 1H26.

Revenue excluding notable items increased by \$2.8bn or 8%, reflecting higher banking NII, and strong growth in fee and other income. The fee and other income growth reflected a strong performance in investment distribution in both our IWPB and Hong Kong business segments, and an increase in Private Bank supported by higher customer activity. In addition, there was growth in Insurance fee and other income, driven primarily by higher contractual service margin ('CSM') release as a result of strong new business growth in Hong Kong.

Fee and other income increased in WTB reflecting growth across all products and also in Corporate Centre due to a one-off property asset disposal gain of \$0.2bn. These increases were partly offset by a reduction in fee and other income in Investment Banking due to the wind-down of Mergers and Acquisitions ('M&A') and Equity Capital Markets ('ECM') in the UK, Europe and the US.

### Net interest income

NII increased by \$1.4bn compared with 1H25, primarily driven by deposit balance growth and the benefit of reinvestment of our structural hedge at higher yields. There was also a favourable impact from foreign currency translation differences of \$0.4bn, partly offset by the impact of an adverse \$0.1bn one-off item. The funding costs associated with generating trading and fair value income were \$4.8bn, broadly stable compared with 1H25 as the impact of lower market interest rates was broadly offset by higher trading balances. Banking NII, which excludes these costs and insurance NII, increased by \$1.6bn to \$22.9bn.

On a constant currency basis, revenue increased by \$2.9bn or 8%, and banking NII rose by \$1.1bn.

### Notable items – on a reported basis

|                                                          | Half-year to |             |
|----------------------------------------------------------|--------------|-------------|
|                                                          | 30 Jun 2026  | 30 Jun 2025 |
|                                                          | \$m          | \$m         |
| <b>Revenue</b>                                           |              |             |
| Disposals, wind-downs, acquisitions and related costs    | <b>(426)</b> | (139)       |
| Dilution loss of interest in BoCom associate             | –            | (1,136)     |
| Currency translation on revenue notable items            | –            | (62)        |
| <b>Operating expenses</b>                                |              |             |
| Disposals, wind-downs, acquisitions and related costs    | <b>(129)</b> | (227)       |
| Restructuring and other related costs                    | <b>(318)</b> | (616)       |
| Currency translation on operating expenses notable items | –            | (19)        |
| <b>Associates and joint ventures</b>                     |              |             |
| Impairment losses of interest in BoCom associate         | –            | (1,000)     |
| Currency translation on associates and joint ventures    | –            | (67)        |

**Reported ECL**

Reported ECL charges of \$2.4bn were \$0.4bn or 21% higher than in 1H25. The charge in 1H26 primarily reflected stage 3 charges on wholesale exposures, including a \$0.4bn fraud-related, secondary, securitisation exposure with a financial sponsor in the UK in our CIB business, and \$0.2bn related to the Hong Kong CRE sector. The 1H26 period also included allowances to reflect uncertainty due to the ongoing conflict in the Middle East. ECL in 1H25 included charges related to the Hong Kong CRE sector of \$0.5bn, as well as allowance increases relating to geopolitical tensions and higher trade tariffs.

**Reported operating expenses**

Reported operating expenses of \$17.4bn were \$0.4bn or 2% higher than 1H25, including an adverse impact from foreign currency

translation differences of \$0.4bn. The increase was driven by higher planned spend and investment in technology, and the impacts of inflation. These increases were partly mitigated by cost reductions from our organisational simplification.

Restructuring and other related costs associated with our organisational simplification of \$0.3bn were \$0.3bn lower compared with 1H25. **Target basis operating expenses were \$0.4bn or 2% higher than in 1H25.**

**Reported share of profit from associates and joint ventures less impairment**

Reported share of profit from associates and joint ventures less impairment of \$1.6bn increased by \$0.9bn mainly due to the non-recurrence of an impairment loss of \$1.0bn recognised on BoCom in 1H25.

**Tax expense**

Tax in 1H26 was a charge of \$4.2bn, representing an effective tax rate of 21.5%, which compared with a charge of \$3.4bn in 1H25, representing an effective tax rate of 21.3%. Both periods included certain material notable items that were not subject to tax, excluding which, the effective rate for 1H26 was 20.9%, compared with 19.7% for 1H25.

► For further details on tax notable items, see page 24.

**Second interim dividend for 2026**

On 4 August 2026, the Board announced a second interim dividend for 2026 of \$0.10 per ordinary share. For further details, see page 107.

**Supplementary management view of reported revenue**

|                                                    | Half-year to       |                    | 1H26 vs. 1H25 |           |                                                     |
|----------------------------------------------------|--------------------|--------------------|---------------|-----------|-----------------------------------------------------|
|                                                    | 30 Jun 2026<br>\$m | 30 Jun 2025<br>\$m | \$m           | %         | of which strategic transactions <sup>1</sup><br>\$m |
| <b>Banking NII<sup>2</sup></b>                     | <b>22,896</b>      | 21,313             | <b>1,583</b>  | <b>7</b>  | <b>(15)</b>                                         |
| <b>Fee and other income</b>                        | <b>15,272</b>      | 14,084             | <b>1,188</b>  | <b>8</b>  | <b>(307)</b>                                        |
| – Wealth                                           | 5,462              | 4,563              | 899           | 20        | (134)                                               |
| – Wholesale Transaction Banking                    | 6,062              | 5,695              | 367           | 6         | (4)                                                 |
| – Other                                            | 3,748              | 3,826              | (78)          | (2)       | (169)                                               |
| <b>Revenue excluding notable items<sup>3</sup></b> | <b>38,168</b>      | 35,397             | <b>2,771</b>  | <b>8</b>  | <b>(322)</b>                                        |
| Notable items                                      | (426)              | (1,275)            | 849           | 67        | (289)                                               |
| <b>Revenue</b>                                     | <b>37,742</b>      | 34,122             | <b>3,620</b>  | <b>11</b> | <b>(611)</b>                                        |

1 For details, see 'Strategic transactions supplementary analysis' on page 32.

2 Banking NII is a non-GAAP financial measure. For a reconciliation of banking NII to reported NII, see page 23. Banking NII in our supplementary management view of revenue excludes notable items, which were nil in 1H26 (1H25: nil).

3 For a reconciliation of reported revenue to revenue excluding notable items, see page 42.

**Movement in profit before tax compared with 1H25 – constant currency basis**

|                                                                  | Half-year to       |                    | 1H26 vs. 1H25 |           |                                                     |
|------------------------------------------------------------------|--------------------|--------------------|---------------|-----------|-----------------------------------------------------|
|                                                                  | 30 Jun 2026<br>\$m | 30 Jun 2025<br>\$m | \$m           | %         | of which strategic transactions <sup>1</sup><br>\$m |
| <b>Results – on a constant currency basis ♦</b>                  |                    |                    |               |           |                                                     |
| Revenue                                                          | 37,742             | 34,812             | 2,930         | 8         | (630)                                               |
| ECL                                                              | (2,353)            | (2,015)            | (338)         | (17)      | 2                                                   |
| Total operating expenses                                         | (17,426)           | (17,451)           | 25            | –         | 275                                                 |
| <b>Operating profit</b>                                          | <b>17,963</b>      | 15,346             | <b>2,617</b>  | <b>17</b> | <b>(353)</b>                                        |
| Share of profit in associates and joint ventures less impairment | 1,559              | 655                | 904           | >100      | –                                                   |
| <b>Profit before tax</b>                                         | <b>19,522</b>      | 16,001             | <b>3,521</b>  | <b>22</b> | <b>(353)</b>                                        |

1 For details, see 'Strategic transactions supplementary analysis' on page 32.



## 2Q26 compared with 2Q25

### Movement in reported profit before tax compared with 2Q25

|                                                                  | Quarter ended      |                    |                    | 2Q26 vs. 2Q25 |                |                                                     |
|------------------------------------------------------------------|--------------------|--------------------|--------------------|---------------|----------------|-----------------------------------------------------|
|                                                                  | 30 Jun 2026<br>\$m | 30 Jun 2025<br>\$m | 31 Mar 2026<br>\$m | \$m           | %              | of which strategic transactions <sup>1</sup><br>\$m |
| <b>Reported results</b>                                          |                    |                    |                    |               |                |                                                     |
| <b>Revenue</b>                                                   | <b>19,118</b>      | 16,473             | 18,624             | <b>2,645</b>  | <b>16</b>      | <b>(39)</b>                                         |
| – of which: net interest income ('NII')                          | <b>9,288</b>       | 8,519              | 8,945              | <b>769</b>    | <b>9</b>       | <b>(20)</b>                                         |
| ECL                                                              | <b>(1,052)</b>     | (1,065)            | (1,301)            | <b>13</b>     | <b>1</b>       | <b>1</b>                                            |
| <b>Net operating income</b>                                      | <b>18,066</b>      | 15,408             | 17,323             | <b>2,658</b>  | <b>17</b>      | <b>(38)</b>                                         |
| Total operating expenses                                         | <b>(8,705)</b>     | (8,920)            | (8,721)            | <b>215</b>    | <b>2</b>       | <b>190</b>                                          |
| <b>Operating profit/(loss)</b>                                   | <b>9,361</b>       | 6,488              | 8,602              | <b>2,873</b>  | <b>44</b>      | <b>152</b>                                          |
| Share of profit in associates and joint ventures less impairment | <b>785</b>         | (162)              | 774                | <b>947</b>    | <b>&gt;100</b> | <b>–</b>                                            |
| <b>Profit before tax</b>                                         | <b>10,146</b>      | 6,326              | 9,376              | <b>3,820</b>  | <b>60</b>      | <b>152</b>                                          |
| Tax income/(expense)                                             | <b>(2,219)</b>     | (1,455)            | (1,982)            | <b>(764)</b>  | <b>(53)</b>    |                                                     |
| <b>Profit/(loss) after tax</b>                                   | <b>7,927</b>       | 4,871              | 7,394              | <b>3,056</b>  | <b>63</b>      |                                                     |

1 For details, see 'Strategic transactions supplementary analysis' on page 32.

#### Reported profit

Reported profit before tax of \$10.1bn was \$3.8bn or 60% higher than in 2Q25, primarily reflecting a net favourable impact from notable items. In 2Q26 notable items included restructuring costs associated with our organisational simplification of \$0.2bn.

In 2Q25, notable items included dilution and impairment losses of \$2.1bn relating to our associate BoCom, and restructuring costs associated with our organisational simplification of \$0.5bn.

On a constant currency basis, profit before tax was \$3.9bn higher than in 2Q25. On the same basis and excluding notable items, profit before tax was \$1.2bn higher than in 2Q25.

#### Reported revenue

Reported revenue increased by \$2.6bn or 16% to \$19.1bn, which included a year-on-year net favourable impact of \$1.3bn from notable items, which primarily related to the non-recurrence of a dilution loss of \$1.1bn on BoCom recognised in 2Q25, along with net gains from business disposals in 2Q26.

Revenue excluding notable items increased by \$1.4bn or 8%, reflecting a rise in banking NII, and strong growth in Wealth fee and other income in our IWPB and Hong Kong business segments, supported by higher customer activity. Revenue also grew in Debt and Equity Markets and WTB in our CIB business.

#### Net interest income

NII increased by \$0.8bn compared with 2Q25, primarily driven by deposit balance growth and the benefit of reinvestment of our structural hedge at higher yields. The funding costs associated with generating trading and fair value income were \$2.4bn, an increase of \$0.1bn compared with 2Q25 reflecting the impact of lower market interest rates on the funding deployed to the trading book, partly offset by higher balances. Banking NII, which excludes these costs and insurance NII, increased by \$0.9bn to \$11.6bn.

Banking NII increased by \$0.8bn on a constant currency basis.

### Notable items

|                                                          | Quarter ended      |                    |                    |
|----------------------------------------------------------|--------------------|--------------------|--------------------|
|                                                          | 30 Jun 2026<br>\$m | 30 Jun 2025<br>\$m | 31 Mar 2026<br>\$m |
| <b>Revenue</b>                                           |                    |                    |                    |
| Disposals, wind-downs, acquisitions and related costs    | <b>75</b>          | (48)               | (501)              |
| Dilution loss of interest in BoCom associate             | –                  | (1,136)            | –                  |
| Currency translation on revenue notable items            | –                  | (61)               | 2                  |
| <b>Operating expenses</b>                                |                    |                    |                    |
| Disposals, wind-downs, acquisitions and related costs    | <b>(79)</b>        | (177)              | (50)               |
| Restructuring and other related costs                    | <b>(190)</b>       | (475)              | (128)              |
| Currency translation on operating expenses notable items | –                  | (12)               | –                  |
| <b>Associates and joint ventures</b>                     |                    |                    |                    |
| Impairment losses of interest in BoCom associate         | –                  | (1,000)            | –                  |
| Currency translation on associates and joint ventures    | –                  | (67)               | –                  |

#### Reported ECL

Reported ECL in 2Q26 of \$1.1bn were stable compared with 2Q25. The charge in 2Q26 primarily comprised stage 3 charges, including \$0.2bn related to the Hong Kong CRE sector. The ECL charge in 2Q25 included charges of \$0.4bn related to the Hong Kong CRE sector.

#### Reported operating expenses

Reported operating expenses of \$8.7bn were \$0.2bn or 2% lower than in 2Q25. The decrease reflected lower restructuring costs, together with the cost reduction benefits from our organisational simplification, and the phasing of performance-related pay accrual relative to 2Q25. These reductions were partly offset by higher planned spend and investment in technology, the impact of inflation and an adverse impact from foreign currency translation differences of \$0.1bn.

#### Target basis operating expenses were

**\$0.1bn or 1% higher than in 2Q25**, primarily due to the impacts of inflation and higher planned spend and investment in technology, partly offset by the cost reduction benefits from our organisational simplification.

### Reported share of profit from associates and joint ventures less impairment

Reported share of profit from associates and joint ventures less impairment of \$0.8bn was \$0.9bn higher, mainly due to the non-recurrence of an impairment loss of \$1.0bn recognised on BoCom in 2Q25.

### Tax expense

Tax in 2Q26 was a charge of \$2.2bn, representing an effective tax rate of 21.9%, which compared with a charge of \$1.5bn in 2Q25, representing an effective tax rate of 23.0%. The 2Q25 period included the impacts of strategic transactions that were not subject

to tax, excluding which the effective tax rate for 2Q25 was 19.2%.

► For further details on tax notable items, see page 24.

### Supplementary management view of reported revenue

|                                        | Quarter ended |             |             | 2Q26 vs. 2Q25                                |                |              |
|----------------------------------------|---------------|-------------|-------------|----------------------------------------------|----------------|--------------|
|                                        | 30 Jun 2026   | 30 Jun 2025 | 31 Mar 2026 | of which strategic transactions <sup>1</sup> |                |              |
|                                        | \$m           | \$m         | \$m         | \$m                                          | %              | \$m          |
| <b>Banking NII<sup>2</sup></b>         | <b>11,643</b> | 10,714      | 11,253      | <b>929</b>                                   | <b>9</b>       | <b>(17)</b>  |
| <b>Fee and other income</b>            | <b>7,400</b>  | 6,943       | 7,872       | <b>457</b>                                   | <b>7</b>       | <b>(145)</b> |
| – Wealth                               | <b>2,765</b>  | 2,273       | 2,697       | <b>492</b>                                   | <b>22</b>      | <b>(98)</b>  |
| – Wholesale Transaction Banking        | <b>2,981</b>  | 2,783       | 3,081       | <b>198</b>                                   | <b>7</b>       | <b>(3)</b>   |
| – Other                                | <b>1,654</b>  | 1,887       | 2,094       | <b>(233)</b>                                 | <b>(12)</b>    | <b>(44)</b>  |
| <b>Revenue excluding notable items</b> | <b>19,043</b> | 17,657      | 19,125      | <b>1,386</b>                                 | <b>8</b>       | <b>(162)</b> |
| Notable items                          | <b>75</b>     | (1,184)     | (501)       | <b>1,259</b>                                 | <b>&gt;100</b> | <b>123</b>   |
| <b>Revenue</b>                         | <b>19,118</b> | 16,473      | 18,624      | <b>2,645</b>                                 | <b>16</b>      | <b>(39)</b>  |

1 For details, see 'Strategic transactions supplementary analysis' on page 32.

2 Banking NII is a non-GAAP financial measure. For a reconciliation of banking NII to reported NII, see page 23. Banking NII in our supplementary management view of revenue excludes notable items, which were nil in 2Q26 (2Q25: nil, 1Q26: nil).

## 2Q26 compared with 2Q25 – constant currency basis

### Movement in profit before tax compared with 2Q25 – constant currency basis

|                                                                  | Quarter ended  |             |             | 2Q26 vs. 2Q25                                |                |             |
|------------------------------------------------------------------|----------------|-------------|-------------|----------------------------------------------|----------------|-------------|
|                                                                  | 30 Jun 2026    | 30 Jun 2025 | 31 Mar 2026 | of which strategic transactions <sup>1</sup> |                |             |
|                                                                  | \$m            | \$m         | \$m         | \$m                                          | %              | \$m         |
| <b>Results – on a constant currency basis ♦</b>                  |                |             |             |                                              |                |             |
| Revenue                                                          | <b>19,118</b>  | 16,492      | 18,548      | <b>2,626</b>                                 | <b>16</b>      | <b>(43)</b> |
| ECL                                                              | <b>(1,052)</b> | (1,092)     | (1,301)     | <b>40</b>                                    | <b>4</b>       | <b>1</b>    |
| Total operating expenses                                         | <b>(8,705)</b> | (8,998)     | (8,691)     | <b>293</b>                                   | <b>3</b>       | <b>196</b>  |
| <b>Operating profit</b>                                          | <b>9,361</b>   | 6,402       | 8,556       | <b>2,959</b>                                 | <b>46</b>      | <b>154</b>  |
| Share of profit in associates and joint ventures less impairment | <b>785</b>     | (189)       | 785         | <b>974</b>                                   | <b>&gt;100</b> | <b>—</b>    |
| <b>Profit before tax</b>                                         | <b>10,146</b>  | 6,213       | 9,341       | <b>3,933</b>                                 | <b>63</b>      | <b>154</b>  |

1 For details, see 'Strategic transactions supplementary analysis' on page 32.

## Balance sheet and capital

### Balance sheet strength

Total assets of \$3.4tn were \$205bn higher than at 31 December 2025 on a reported basis, and \$232bn higher on a constant currency basis. The increase included growth in trading assets, financial investments and higher settlement balances.

Loans and advances to customers also increased, and as a percentage of customer accounts they were 56%, compared with 55% at 31 December 2025.

► For detailed balance sheet commentary, see page 26.

### Distributable reserves

The distributable reserves of HSBC Holdings at 30 June 2026 were \$36.2bn, a \$10.0bn decrease since 31 December 2025. The decrease was primarily driven by dividends on ordinary shares and additional tier 1 coupon distributions of \$10.0bn. The profits generated in HSBC Holdings of \$10.0bn in 1H26 will be reflected in the distributable reserves as at 31 December 2026.

### Capital and liquidity position

Our CET1 ratio at 30 June 2026 was 14.1%, down from 14.9% at 31 December 2025.

The average high-quality liquid assets ('HQLA') we held was \$713.7bn. This excludes HQLA in legal entities that are not transferable due to local restrictions.

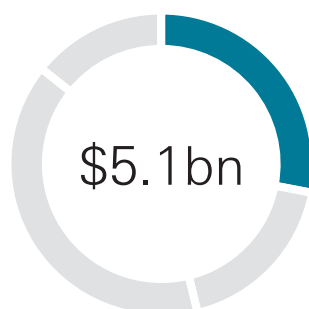
► For further details, see 'Capital overview' on page 70.

# Business segments

## Hong Kong

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

### Contribution to Group profit before tax ♦



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

### Divisional highlights

# 22%

Growth in Wealth fee and other income compared with 1H25, on a constant currency basis.

# 6%

Growth in deposits compared with 30 June 2025, on a constant currency basis.

### Results – on a constant currency basis ♦

|                          | Half-year to |              | 1H26 vs. 1H25                                |           |          |
|--------------------------|--------------|--------------|----------------------------------------------|-----------|----------|
|                          | 30 Jun 2026  | 30 Jun 2025  | of which strategic transactions <sup>1</sup> |           |          |
|                          | \$m          | \$m          | \$m                                          | %         | \$m      |
| Revenue                  | 8,132        | 7,666        | 466                                          | 6         | —        |
| ECL                      | (540)        | (857)        | 317                                          | 37        | —        |
| Total operating expenses | (2,454)      | (2,298)      | (156)                                        | (7)       | —        |
| <b>Profit before tax</b> | <b>5,138</b> | <b>4,511</b> | <b>627</b>                                   | <b>14</b> | <b>—</b> |

1 Impact of strategic transactions classified as material notable items. For further details, see 'Strategic transactions supplementary analysis' on page 32.

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

|                                                                  | Half-year to |              | 1H26 vs. 1H25                                |           |          |
|------------------------------------------------------------------|--------------|--------------|----------------------------------------------|-----------|----------|
|                                                                  | 30 Jun 2026  | 30 Jun 2025  | of which strategic transactions <sup>1</sup> |           |          |
|                                                                  | \$m          | \$m          | \$m                                          | %         | \$m      |
| <b>Banking NII<sup>2</sup></b>                                   | <b>5,975</b> | <b>5,724</b> | <b>251</b>                                   | <b>4</b>  | <b>—</b> |
| <b>Fee and other income<sup>3</sup></b>                          | <b>2,157</b> | <b>1,942</b> | <b>215</b>                                   | <b>11</b> | <b>—</b> |
| – Retail Banking and Wealth                                      | 1,581        | 1,357        | 224                                          | 17        | —        |
| – Retail Banking                                                 | 204          | 175          | 29                                           | 17        | —        |
| – Wealth                                                         | 1,333        | 1,097        | 236                                          | 22        | —        |
| – Other <sup>4</sup>                                             | 44           | 85           | (41)                                         | (48)      | —        |
| – Commercial Banking                                             | 576          | 585          | (9)                                          | (2)       | —        |
| – Wholesale Transaction Banking                                  | 384          | 362          | 22                                           | 6         | —        |
| – Credit and Lending                                             | 38           | 41           | (3)                                          | (7)       | —        |
| – Other <sup>4</sup>                                             | 154          | 182          | (28)                                         | (15)      | —        |
| <b>Revenue excluding notable items</b>                           | <b>8,132</b> | <b>7,666</b> | <b>466</b>                                   | <b>6</b>  | <b>—</b> |
| Notable items                                                    | —            | —            | —                                            | n/a       | —        |
| <b>Revenue</b>                                                   | <b>8,132</b> | <b>7,666</b> | <b>466</b>                                   | <b>6</b>  | <b>—</b> |
| <b>RoTE (annualised)<sup>5</sup> (%)</b>                         | <b>44.3</b>  | <b>34.3</b>  |                                              |           |          |
| <b>RoTE excluding notable items (annualised)<sup>5</sup> (%)</b> | <b>44.3</b>  | <b>34.3</b>  |                                              |           |          |

1 Impact of strategic transactions classified as material notable items. For further details, see 'Strategic transactions supplementary analysis' on page 32.

2 For a description of how we derive banking NII, see page 23. In the Hong Kong business, there are no adjustments to NII to derive banking NII.

3 For supplementary analysis of fee and other income, see page 31.

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

5 For details of our RoTE calculation by business segment, see page 43.

## Notable items

|                                                          | Half-year to       |                    |
|----------------------------------------------------------|--------------------|--------------------|
|                                                          | 30 Jun 2026<br>\$m | 30 Jun 2025<br>\$m |
| <b>Operating expenses</b>                                |                    |                    |
| Restructuring and other related costs                    | (7)                | (9)                |
| Currency translation on operating expenses notable items | —                  | —                  |

## Financial performance

Profit before tax of \$5.1bn increased by \$0.6bn or 14% compared with 1H25 on a constant currency basis.

Revenue of \$8.1bn was \$0.5bn or 6% higher on a constant currency basis.

Banking NII of \$6.0bn increased by \$0.3bn or 4%. The increase was due to the impact of deposit balance growth and higher lending balances, partly offset by margin compression on deposits, and an adverse one-off impact of \$0.1bn in 1H26.

Fee and other income of \$2.2bn was up by \$0.2bn or 11% primarily driven by growth in Wealth, underpinned by strong performance in investment distribution reflecting higher customer activity and invested asset balance growth.

ECL of \$0.5bn in 1H26 were \$0.3bn lower than in 1H25 on a constant currency basis, primarily reflecting lower charges related to the Hong Kong CRE sector.

Operating expenses of \$2.5bn increased by \$0.2bn on a constant currency basis, driven by continued investment in our Wealth business and the impacts of inflation. These increases were partly mitigated by cost reductions from our organisational simplification.

## UK

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

## Contribution to Group profit before tax ♦

## Divisional highlights



7%

Growth in loans and advances to customers compared with 1H25, on a constant currency basis.

6%

Growth in banking NII compared with 1H25, on a constant currency basis. ♦

► For a description of how we derive banking NII, see page 23. In the UK business, there are no adjustments to NII to derive banking NII.

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

## Results – on a constant currency basis ♦

|                          | Half-year to       |                    | 1H26 vs. 1H25 |          |                                                     |
|--------------------------|--------------------|--------------------|---------------|----------|-----------------------------------------------------|
|                          | 30 Jun 2026<br>\$m | 30 Jun 2025<br>\$m | \$m           | %        | of which strategic transactions <sup>1</sup><br>\$m |
| Revenue                  | 6,530              | 6,241              | 289           | 5        | —                                                   |
| ECL                      | (505)              | (340)              | (165)         | (49)     | —                                                   |
| Total operating expenses | (2,693)            | (2,672)            | (21)          | (1)      | (1)                                                 |
| <b>Profit before tax</b> | <b>3,332</b>       | <b>3,229</b>       | <b>103</b>    | <b>3</b> | <b>(1)</b>                                          |

1 Impact of strategic transactions classified as material notable items. For further details, see 'Strategic transactions supplementary analysis' on page 32.



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

|                                                                  | Half-year to |             | 1H26 vs. 1H25                                |            |     |
|------------------------------------------------------------------|--------------|-------------|----------------------------------------------|------------|-----|
|                                                                  | 30 Jun 2026  | 30 Jun 2025 | of which strategic transactions <sup>1</sup> |            |     |
|                                                                  | \$m          | \$m         | \$m                                          | %          | \$m |
| <b>Banking NII<sup>2</sup></b>                                   | <b>5,681</b> | 5,353       | <b>328</b>                                   | <b>6</b>   | —   |
| <b>Fee and other income<sup>3</sup></b>                          | <b>849</b>   | 888         | <b>(39)</b>                                  | <b>(4)</b> | —   |
| – Retail Banking and Wealth                                      | 328          | 327         | 1                                            | —          | —   |
| – Retail Banking                                                 | 133          | 138         | (5)                                          | (4)        | —   |
| – Wealth                                                         | 178          | 181         | (3)                                          | (2)        | —   |
| – Other <sup>4</sup>                                             | 17           | 8           | 9                                            | >100       | —   |
| – Commercial Banking                                             | 521          | 561         | (40)                                         | (7)        | —   |
| – Wholesale Transaction Banking                                  | 419          | 431         | (12)                                         | (3)        | —   |
| – Credit and Lending                                             | 122          | 113         | 9                                            | 8          | —   |
| – Other <sup>4</sup>                                             | (20)         | 17          | (37)                                         | >(100)     | —   |
| <b>Revenue excluding notable items</b>                           | <b>6,530</b> | 6,241       | <b>289</b>                                   | <b>5</b>   | —   |
| Notable items                                                    | —            | —           | —                                            | n/a        | —   |
| <b>Revenue</b>                                                   | <b>6,530</b> | 6,241       | <b>289</b>                                   | <b>5</b>   | —   |
| <b>RoTE (annualised)<sup>5</sup> (%)</b>                         | <b>20.8</b>  | 22.5        |                                              |            |     |
| <b>RoTE excluding notable items (annualised)<sup>5</sup> (%)</b> | <b>20.8</b>  | 22.8        |                                              |            |     |

1 Impact of strategic transactions classified as material notable items. For further details, see 'Strategic transactions supplementary analysis' on page 32.

2 For a description of how we derive banking NII, see page 23. In the UK business, there are no adjustments to NII to derive banking NII.

3 For supplementary analysis of fee and other income, see page 31.

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

5 For details of our RoTE calculation by business segment, see page 43.

## Notable items

|                                                          | Half-year to |             |
|----------------------------------------------------------|--------------|-------------|
|                                                          | 30 Jun 2026  | 30 Jun 2025 |
|                                                          | \$m          | \$m         |
| <b>Operating expenses</b>                                |              |             |
| Disposals, wind-downs, acquisitions and related costs    | —            | 1           |
| Restructuring and other related costs                    | (9)          | (48)        |
| Currency translation on operating expenses notable items | —            | (1)         |

## Financial performance

Profit before tax of \$3.3bn was \$0.1bn or 3% higher than in 1H25 on a constant currency basis.

Revenue of \$6.5bn was \$0.3bn or 5% higher on a constant currency basis.

Banking NII of \$5.7bn increased by \$0.3bn or 6% reflecting the continued benefit of our structural hedge, higher corporate and retail lending balances, and growth in deposit balances, partly offset by the impact of lower market interest rates.

Fee and other income of \$0.8bn was \$39m or 4% lower compared with 1H25, reflecting lower allocated income from Markets Treasury, together with strategic actions taken to support small business account clients in Commercial Banking.

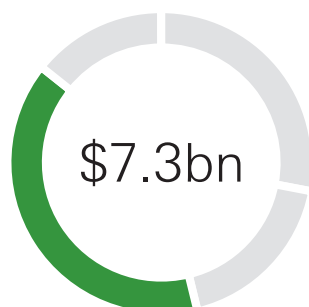
ECL of \$0.5bn in 1H26 increased by \$0.2bn compared with 1H25 on a constant currency basis. The 1H26 period included the addition of allowances to reflect the ongoing uncertainty of impacts related to the conflict in the Middle East.

Operating expenses of \$2.7bn increased by \$21m or 1% on a constant currency basis, with an increase in costs incurred on branch security, continued investment in technology and the impact of inflation. These increases were partly mitigated by cost reductions from our organisational simplification.

## Corporate and Institutional Banking

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

### Contribution to Group profit before tax ♦



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

### Divisional highlights

# 16%

Growth in customer deposits compared with 1H25, on a constant currency basis.

# 18.7%

RoTE (annualised) up 1.1 percentage points compared with 1H25. ♦

### Results – on a constant currency basis ♦

|                          | Half-year to       |                    | 1H26 vs. 1H25 |          |                                                     |
|--------------------------|--------------------|--------------------|---------------|----------|-----------------------------------------------------|
|                          | 30 Jun 2026<br>\$m | 30 Jun 2025<br>\$m | \$m           | %        | of which strategic transactions <sup>1</sup><br>\$m |
| Revenue                  | 15,609             | 14,819             | 790           | 5        | (87)                                                |
| ECL                      | (894)              | (313)              | (581)         | >(100)   | —                                                   |
| Total operating expenses | (7,465)            | (7,701)            | 236           | 3        | 300                                                 |
| <b>Profit before tax</b> | <b>7,250</b>       | <b>6,805</b>       | <b>445</b>    | <b>7</b> | <b>213</b>                                          |

1 Impact of strategic transactions classified as material notable items. For further details, see 'Strategic transactions supplementary analysis' on page 32.

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

|                                                                  | Half-year to       |                    | 1H26 vs. 1H25 |          |                                                     |
|------------------------------------------------------------------|--------------------|--------------------|---------------|----------|-----------------------------------------------------|
|                                                                  | 30 Jun 2026<br>\$m | 30 Jun 2025<br>\$m | \$m           | %        | of which strategic transactions <sup>1</sup><br>\$m |
| <b>Banking NII<sup>2</sup></b>                                   | <b>8,023</b>       | <b>7,458</b>       | <b>565</b>    | <b>8</b> | <b>(34)</b>                                         |
| <b>Fee and other income<sup>3</sup></b>                          | <b>7,564</b>       | <b>7,361</b>       | <b>203</b>    | <b>3</b> | <b>(75)</b>                                         |
| – Wholesale Transaction Banking                                  | 5,259              | 5,014              | 245           | 5        | (6)                                                 |
| – Investment Banking                                             | 542                | 550                | (8)           | (1)      | (70)                                                |
| – Debt and Equity Markets                                        | 1,586              | 1,548              | 38            | 2        | (1)                                                 |
| – Wholesale Credit and Lending                                   | 280                | 284                | (4)           | (1)      | —                                                   |
| – Other <sup>4</sup>                                             | (103)              | (35)               | (68)          | >(100)   | 2                                                   |
| <b>Revenue excluding notable items</b>                           | <b>15,587</b>      | <b>14,819</b>      | <b>768</b>    | <b>5</b> | <b>(109)</b>                                        |
| Notable items                                                    | 22                 | —                  | 22            | n/a      | 22                                                  |
| <b>Revenue</b>                                                   | <b>15,609</b>      | <b>14,819</b>      | <b>790</b>    | <b>5</b> | <b>(87)</b>                                         |
| <b>RoTE (annualised)<sup>5</sup> (%)</b>                         | <b>18.7</b>        | <b>17.6</b>        |               |          |                                                     |
| <b>RoTE excluding notable items (annualised)<sup>5</sup> (%)</b> | <b>18.9</b>        | <b>18.6</b>        |               |          |                                                     |

1 Impact of strategic transactions classified as material notable items. For further details, see 'Strategic transactions supplementary analysis' on page 32.

2 For a description of how we derive banking NII, see page 23. In CIB, there are no adjustments to NII to derive banking NII. The internal funding costs of trading and fair value net assets are recorded in 'fee and other income'. On consolidation, this funding is eliminated in Corporate Centre. In 1H26, this funding cost was \$4.8bn (1H25: \$4.8bn).

3 For supplementary analysis of fee and other income, see page 31.

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

5 For details of our RoTE calculation by business segment, see page 43.

### Notable items

|                                                          | Half-year to       |                    |
|----------------------------------------------------------|--------------------|--------------------|
|                                                          | 30 Jun 2026<br>\$m | 30 Jun 2025<br>\$m |
| <b>Revenue</b>                                           |                    |                    |
| Disposals, wind-downs, acquisitions and related costs    | 22                 | —                  |
| Currency translation on revenue notable items            | —                  | —                  |
| <b>Operating expenses</b>                                |                    |                    |
| Disposals, wind-downs, acquisitions and related costs    | (18)               | (179)              |
| Restructuring and other related costs                    | (44)               | (217)              |
| Currency translation on operating expenses notable items | —                  | (10)               |

## Financial performance

Profit before tax of \$7.3bn was \$0.4bn or 7% higher than in 1H25 on a constant currency basis.

Revenue of \$15.6bn was \$0.8bn or 5% higher on a constant currency basis.

Banking NII of \$8.0bn increased by \$0.6bn or 8%, driven by balance growth across GPS, GTS and Securities Services reflecting strong customer demand. Banking NII also rose from increased funding deployed into trading activities on higher bullion balances, as well as from strong financing demand. This was partly offset by lower Credit and Lending banking NII, due to reduced balances and the impact of lower market interest rates across our main legal entities in Europe, Mexico and the US.

Fee and other income of \$7.6bn increased by \$0.2bn or 3%.

- In WTB, fee and other income increased by \$0.2bn or 5%, primarily reflecting an increase in volumes and new mandates across Securities Services, GPS and GTS, as well as fee and other income growth in Global Foreign Exchange. There was also a one-off recovery fee in GTS.
- In Debt and Equity Markets, fee and other income of \$1.6bn was broadly stable compared with 1H25, with higher Equity Derivatives income, together with Prime Finance income from higher volumes, which were broadly offset by higher funding costs due to increased bullion balances.
- In Investment Banking, fee and other income of \$0.5bn was broadly stable as growth in financing was offset by the impact of the wind-down of M&A and ECM in the UK, Europe and the US.

- In Other, fee and other income decreased by \$0.1bn compared with 1H25, reflecting the impact of hyperinflationary accounting in Türkiye in 1H25 and lower allocated Markets Treasury fee and other income.

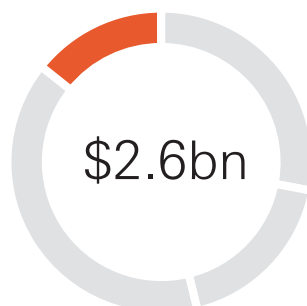
ECL of \$0.9bn in 1H26 increased by \$0.6bn compared with 1H25 on a constant currency basis. The charge in 1H26 included a \$0.4bn charge for a fraud-related, secondary, securitisation exposure with a financial sponsor in the UK, higher charges in Asia, as well as an increase in allowances to reflect uncertainty due to the ongoing conflict in the Middle East.

Operating expenses of \$7.5bn were \$0.2bn or 3% lower than in 1H25 on a constant currency basis, reflecting cost reductions from our organisational simplification and a favourable movement in notable items, including lower restructuring and other related costs and a reduction in severance associated with the wind-down of M&A and ECM in the UK, Europe and the US. This was partly offset by higher planned spend and investment in technology, and the impact of inflation.

## International Wealth and Premier Banking

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

### Contribution to Group profit before tax ♦



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

### Divisional highlights

# 18%

Growth in wealth fees and other income compared with 1H25, on a constant currency basis.

# 49%

Growth in Insurance manufacturing new business CSM compared with 1H25, up \$1.0bn.

### Results – on a constant currency basis ♦

|                                                                  | Half-year to |              | 1H26 vs. 1H25                                |           |              |
|------------------------------------------------------------------|--------------|--------------|----------------------------------------------|-----------|--------------|
|                                                                  | 30 Jun 2026  | 30 Jun 2025  | of which strategic transactions <sup>1</sup> |           |              |
|                                                                  | \$m          | \$m          | \$m                                          | %         | \$m          |
| Revenue                                                          | 7,739        | 7,284        | 455                                          | 6         | (240)        |
| ECL                                                              | (413)        | (503)        | 90                                           | 18        | 2            |
| Total operating expenses                                         | (4,727)      | (4,647)      | (80)                                         | (2)       | 7            |
| Share of profit in associates and joint ventures less impairment | 17           | 2            | 15                                           | >100      | –            |
| <b>Profit before tax</b>                                         | <b>2,616</b> | <b>2,136</b> | <b>480</b>                                   | <b>22</b> | <b>(231)</b> |

1 Impact of strategic transactions classified as material notable items. For further details, see 'Strategic transactions supplementary analysis' on page 32.

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

|                                                                  | Half-year to |              | 1H26 vs. 1H25                                |            |              |
|------------------------------------------------------------------|--------------|--------------|----------------------------------------------|------------|--------------|
|                                                                  | 30 Jun 2026  | 30 Jun 2025  | of which strategic transactions <sup>1</sup> |            |              |
|                                                                  | \$m          | \$m          | \$m                                          | %          | \$m          |
| <b>Banking NII<sup>2</sup></b>                                   | <b>3,494</b> | <b>3,622</b> | <b>(128)</b>                                 | <b>(4)</b> | <b>(47)</b>  |
| <b>Fee and other income</b>                                      | <b>4,352</b> | <b>3,721</b> | <b>631</b>                                   | <b>17</b>  | <b>(145)</b> |
| – Retail Banking                                                 | 384          | 338          | 46                                           | 14         | (2)          |
| – Wealth                                                         | 3,951        | 3,358        | 593                                          | 18         | (144)        |
| – Other <sup>3</sup>                                             | 17           | 25           | (8)                                          | (32)       | 1            |
| <b>Revenue excluding notable items</b>                           | <b>7,846</b> | <b>7,343</b> | <b>503</b>                                   | <b>7</b>   | <b>(192)</b> |
| Notable items                                                    | (107)        | (59)         | (48)                                         | (1)        | (48)         |
| <b>Revenue</b>                                                   | <b>7,739</b> | <b>7,284</b> | <b>455</b>                                   | <b>6</b>   | <b>(240)</b> |
| <b>RoTE (annualised)<sup>4</sup> (%)</b>                         | <b>24.8</b>  | <b>16.8</b>  |                                              |            |              |
| <b>RoTE excluding notable items (annualised)<sup>4</sup> (%)</b> | <b>27.4</b>  | <b>18.0</b>  |                                              |            |              |

1 Impact of strategic transactions classified as material notable items. For further details, see 'Strategic transactions supplementary analysis' on page 32.

2 For a description of how we derive banking NII, see page 23. Banking NII in IWPB is computed by deducting third-party NII in our insurance business from total IWPB NII, which was \$0.1bn in 1H26 (1H25: \$0.2bn). Total Insurance NII is presented in 'fee and other income' in Wealth.

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

4 For details of our RoTE calculation by business segment, see page 43.

## Notable items

|                                                          | Half-year to |             |
|----------------------------------------------------------|--------------|-------------|
|                                                          | 30 Jun 2026  | 30 Jun 2025 |
|                                                          | \$m          | \$m         |
| <b>Revenue</b>                                           |              |             |
| Disposals, wind-downs, acquisitions and related costs    | (107)        | (57)        |
| Currency translation on revenue notable items            | —            | (2)         |
| <b>Operating expenses</b>                                |              |             |
| Disposals, wind-downs, acquisitions and related costs    | (36)         | (5)         |
| Restructuring and other related costs                    | (66)         | (79)        |
| Currency translation on operating expenses notable items | —            | (2)         |

## Financial performance

Profit before tax of \$2.6bn was \$0.5bn or 22% higher than in 1H25 on a constant currency basis, including an adverse impact of \$0.2bn from strategic transactions, and notable item impacts.

Revenue of \$7.7bn was \$0.5bn or 6% higher on a constant currency basis, including an adverse impact of \$0.2bn from strategic transactions, and notable item impacts.

Banking NII of \$3.5bn decreased by \$0.1bn or 4%, primarily due to lower interest rates on deposits, partly offset by growth in balances.

Fee and other income of \$4.4bn was up by \$0.6bn or 17% driven by Wealth due to growth across all products and in multiple markets, including Hong Kong, the Chinese mainland, Singapore and Taiwan.

In Wealth, fee and other income of \$4.0bn was up by \$0.6bn or 18% including an adverse impact of \$0.1bn from strategic transactions.

- Investment distribution rose by \$0.2bn or 37%, primarily due to higher sales of mutual funds and structured products, mainly in Asia.
- Insurance income increased by \$0.2bn or 19%, including the impact of strategic transactions of \$0.1bn. The increase reflected a higher CSM release as a result of strong new business growth, and the non-recurrence of losses from onerous contracts, primarily in the Chinese mainland.
- Private Bank increased by \$0.1bn or 14%, as increased customer activity supported by business initiatives led to strong performances in brokerage and trading, and from higher annuity fees, driven by growth in invested asset balances.

Notable items in 1H26 primarily related to losses of \$0.2bn from the recycling of foreign currency translation reserves following the completion of the sale of our UK life insurance business.

ECL of \$0.4bn in 1H26 were \$0.1bn lower compared with 1H25 on a constant currency basis. This reflected a reduction in charges primarily in Mexico, mainly due to lower unsecured lending, while credit performance across the rest of the portfolio was stable.

Operating expenses of \$4.7bn were \$0.1bn or 2% higher than in 1H25 on a constant currency basis, primarily reflecting continued investments in Wealth, higher planned investment in technology, and the impact of inflation. These increases were partly mitigated by cost reductions from our organisational simplification.

## Corporate Centre

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

### Financial performance

Profit before tax of \$1.2bn was \$1.9bn higher than in 1H25 on a constant currency basis.

Revenue was \$0.9bn higher on a constant currency basis. This included a net favourable impact from notable items of \$0.9bn. In 1H26, notable items mainly reflected a \$0.3bn disposal loss recognised on classification to held for sale of our business in Malta.

In 1H25, notable items were primarily driven by a \$1.1bn loss from the dilution of our shareholding in BoCom. They also included \$0.1bn of fair value losses on ADRs received as part of the sale consideration for our business in Argentina.

Banking NII in 1H26 excluded from NII the internal cost to fund trading and fair value of net assets, predominantly in CIB, of \$4.8bn (1H25: \$4.8bn). Banking NII was favourable by \$0.1bn compared with 1H25 on a constant currency basis, primarily reflecting the impact of the disposal of our retained French portfolio of home and certain other loans in the second half of 2025.

Fee and other income of \$0.4bn was \$0.1bn or 16% lower compared with 1H25, driven by the non-recurrence of \$0.1bn in fair value gains on non-qualifying hedges related to our retained French portfolio of home and certain other loans, valuation losses on financial

instruments and structural foreign exchange hedges, partly offset by a one-off \$0.2bn gain from a property asset disposal.

Operating expenses of \$0.1bn were \$46m lower on a constant currency basis, primarily due to a net favourable impact from notable items, including lower restructuring and other related costs, and cost reductions from our organisational simplification.

Share of profit from associates and joint ventures less impairment of \$1.5bn increased by \$0.9bn on a constant currency basis, primarily due to the non-recurrence of a BoCom impairment.

### Results – on a constant currency basis ♦

|                                                                  | Half-year to |              | 1H26 vs. 1H25                                |                |              |
|------------------------------------------------------------------|--------------|--------------|----------------------------------------------|----------------|--------------|
|                                                                  | 30 Jun 2026  | 30 Jun 2025  | of which strategic transactions <sup>1</sup> |                |              |
|                                                                  | \$m          | \$m          | \$m                                          | %              | \$m          |
| Revenue                                                          | (268)        | (1,198)      | 930                                          | 78             | (303)        |
| ECL                                                              | (1)          | (2)          | 1                                            | 50             | —            |
| Total operating expenses                                         | (87)         | (133)        | 46                                           | 35             | (31)         |
| Share of profit in associates and joint ventures less impairment | 1,542        | 653          | 889                                          | >100           | —            |
| <b>Profit before tax</b>                                         | <b>1,186</b> | <b>(680)</b> | <b>1,866</b>                                 | <b>&gt;100</b> | <b>(334)</b> |

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

|                                                                  | Half-year to |                | 1H26 vs. 1H25                                |           |              |
|------------------------------------------------------------------|--------------|----------------|----------------------------------------------|-----------|--------------|
|                                                                  | 30 Jun 2026  | 30 Jun 2025    | of which strategic transactions <sup>1</sup> |           |              |
|                                                                  | \$m          | \$m            | \$m                                          | %         | \$m          |
| Banking NII <sup>2</sup>                                         | (277)        | (337)          | 60                                           | 18        | 66           |
| Fee and other income <sup>3</sup>                                | 350          | 417            | (67)                                         | (16)      | (109)        |
| Revenue excluding notable items                                  | 73           | 80             | (7)                                          | (9)       | (43)         |
| Notable items                                                    | (341)        | (1,278)        | 937                                          | 73        | (260)        |
| <b>Revenue<sup>4</sup></b>                                       | <b>(268)</b> | <b>(1,198)</b> | <b>930</b>                                   | <b>78</b> | <b>(303)</b> |
| <b>RoTE (annualised)<sup>5</sup> (%)</b>                         | <b>2.4</b>   | <b>(2.8)</b>   |                                              |           |              |
| <b>RoTE excluding notable items (annualised)<sup>5</sup> (%)</b> | <b>4.6</b>   | <b>8.0</b>     |                                              |           |              |

- Impact of strategic transactions classified as material notable items. For further details, see 'Strategic transactions supplementary analysis' on page 32.
- For a description of how we derive banking NII, see page 23. Banking NII in Corporate Centre is computed by deducting the internal cost to fund trading and fair value net assets for which associated revenue is reported in 'Net income from financial instruments held for trading or managed on a fair value basis'. Corporate Centre banking net interest expense includes funding charges on property and technology assets, and the banking NII of the retained French portfolio of home and certain other loans prior to sale in the second half of 2025.
- 'Fee and other income' includes gains and losses on certain transactions, valuation differences on issued long-term debt and associated swaps, fair value movements on financial instruments, revaluation gains and losses on investment properties and property disposals, as well as consolidation adjustments and other revenue items not allocated to business segments. For supplementary analysis of fee and other income, see page 31.
- Revenue from Markets Treasury, HSBC Holdings net interest expense and hyperinflation are allocated out to the business segments, to align them better with their revenue and expense. The total Markets Treasury revenue component of this allocation for 1H26 was \$1,018m (1H25: \$1,229m).
- For details of our RoTE calculation by business segment, see page 43.

### Notable items

|                                                          | Half-year to |             |
|----------------------------------------------------------|--------------|-------------|
|                                                          | 30 Jun 2026  | 30 Jun 2025 |
|                                                          | \$m          | \$m         |
| <b>Revenue</b>                                           |              |             |
| Disposals, wind-downs, acquisitions and related costs    | (341)        | (82)        |
| Dilution loss of interest in BoCom associate             | —            | (1,136)     |
| Currency translation on revenue notable items            | —            | (60)        |
| <b>Operating expenses</b>                                |              |             |
| Disposals, wind-downs, acquisitions and related costs    | (75)         | (44)        |
| Restructuring and other related costs                    | (192)        | (263)       |
| Currency translation on operating expenses notable items | —            | (6)         |
| <b>Associates and joint ventures</b>                     |              |             |
| Impairment losses of interest in BoCom associate         | —            | (1,000)     |
| Currency translation on associates and joint ventures    | —            | (67)        |



# Risk overview

## Managing risk

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

### Geopolitical and macroeconomic risk

Geopolitical developments remain a source of uncertainty and may adversely impact HSBC and our customers. In particular, the conflict in the Middle East has resulted in periodic financial market volatility, higher and more variable oil and gas prices and disruption throughout supply chains.

These developments could constrain global growth and increase the risk of higher and more sustained inflation. For some countries, particularly those in the Middle East region, where travel, logistics and other sectors have been affected, the impact is already significant. Supply chain disruptions have materialised in some corridors and could have long-lasting implications for the direction of trade, and for energy, military and economic security. We keep developments under close review with a focus on potential impacts on our Gulf operations, as well as our customers and suppliers.

We also continue to monitor the Russia-Ukraine war and any indication of other potential military action or conflict elsewhere. Heightened strategic competition between the US and China, including cross-border investment restrictions, is also affecting the configuration of global supply chains, which may in turn affect the Group's operations.

Sanctions and restrictions on trade and investment are continually evolving in response to geopolitical events and may adversely affect the Group, our customers and the markets in which the Group operates. These factors may result in increased legal, regulatory, reputational and market risks, and a more complex operating environment.

Trade and tariff policy developments remain a source of uncertainty for businesses and consumers. Changes to tariff rates, including sector-specific measures, could reduce capital investment and consumer spending, disrupt supply chains and dampen global trade growth. While the reconfiguration of trade and supply routes may create new opportunities for investment and growth, it could also adversely affect the Group and our customers.

We remain subject to interest rate risk, which can affect net interest income, the fair value of our assets and liabilities, and overall financial performance. Interest rate volatility may increase in response to changes in inflation expectations, energy prices, fiscal policy and geopolitical developments, which can alter market expectations for the timing and pace of interest rate changes by major central banks. In the year to date, both the US Federal Reserve

and the Bank of England have left interest rates unchanged, even though they have assessed inflation risks to have increased.

Higher interest rates, or a prolonged period of restrictive policy, could reduce loan demand across key consumer and business segments, weaken credit quality and weigh on real estate and other asset prices. By contrast, lower interest rates, or faster than expected policy easing, could pressure net interest margins and adversely affect profitability. Interest rate uncertainty may also contribute to broader market volatility, affecting funding costs, hedging effectiveness and the valuation of financial instruments. The duration and severity of any market disruption remains uncertain and could change significantly if geopolitical outcomes differ materially from market expectations.

Our risk profile may be influenced by fiscal policies, public deficits and levels of sovereign indebtedness. In many of our major markets, government debt levels have increased, reflecting higher social welfare commitments and increased expenditure on defence, energy security and climate transition. Higher long-term interest rates across major economies could adversely impact fiscal capacity and debt sustainability, particularly for highly-indebted borrowers. Rising government funding costs may also constrain economic growth by increasing the borrowing rates across the economy. Higher borrowing costs could increase refinancing risks for our customers and counterparties, with implications for credit quality and market conditions.

Exchange rate volatility may also affect our risk exposure through mark-to-market changes in trading positions and the translation effects of currency movements.

We continue to monitor investment and developments in the artificial intelligence ('AI') and technology sectors. While AI may improve productivity and support growth, there is a risk that the expected gains will fail to materialise or will take longer than expected. This could contribute to a disruptive correction to the valuations of AI and technology-related assets. AI adoption may also disrupt established business models and labour markets, potentially increasing unemployment in certain sectors and markets. These risks could affect HSBC's risk profile and earnings, including by impairing the creditworthiness of borrowers, increasing the financial vulnerability of customers and decreasing the value of collateral and other claims.

In Hong Kong, real estate market conditions continued to stabilise in the first half of 2026, supported by activity in the residential sector, selected retail segments and prime office sector locations. The recovery nevertheless remains uneven, with ongoing valuation pressure, particularly in non-prime segments. Market liquidity remains tight overall, and demand could soften in response to increased uncertainty over the trajectory of interest rates.

In the first half of 2026, management adjustments to ECL were applied to reflect sector or portfolio risks that are not fully captured by our models. We continue to monitor, and seek to manage, the potential implications of all the above developments on our customers and our business.

### Our risk appetite

At 30 June 2026, our CET1 ratio and ECL charges were within their defined risk appetite thresholds. At 30 June 2026 our CET1 ratio decreased to 14.1% from 14.9% at 31 December 2025, driven by a decrease in CET1 capital and an increase in risk-weighted assets ('RWAs'). Wholesale and Retail ECL charges were within risk appetite at 0.42% and 0.32% of loans and advances to customers and banks as respectively applicable. ECL charges for this metric reflect the total ECL charges over the previous 12 months.

### Our operations

We remain committed to investing in the reliability and resilience of our technology systems and critical services, including our ability to withstand and respond to cyber-attacks. We assess our third parties to help ensure they deliver the service standards required to maintain operational resilience. This helps protect customers and counterparties, and minimise the risk of service disruption. In our approach to defending against these threats, we invest in business and technical controls to help us detect, prevent, respond to, recover and learn from issues in a timely manner within our risk appetite.

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

We continue to focus on the holistic Group data strategy, aiming to build a sustainable data infrastructure that seeks to deliver long-term business benefits and improve the quality and timeliness of the data used to support informed management decisions.

We are advancing our strategic and regulatory change initiatives to help deliver the right outcomes for our customers, people, investors and communities.

- ▶ For further details of our Central and other economic scenarios, see page 50.
- ▶ For further details on our CET1 ratio, see page 70.
- ▶ For further details of our risk management framework, see page 98 of our Annual Report and Accounts 2025.

## Top and emerging risks

We identify and report top and emerging risks so that they can be considered in determining whether any incremental action is needed to either prevent them from materialising, or to limit their effect. Top risks are those that have the potential to have a material adverse impact

on the financial results, reputation or business model of the Group. We actively manage and take actions to mitigate our top risks. Emerging risks are those that, while they could have a material impact on our risk profile were they to occur, are not considered immediate and are not under active management. Our suite of top and emerging risks is subject to

regular review by senior governance forums. We continue to monitor closely the identified risks and agree management actions to remediate and/or reduce them to acceptable levels, as required.

► For further details on our top and emerging risks, see pages 100 to 104 of our Annual Report and Accounts 2025.

| Risk                                                                                                           | Trend | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------------------------------------------|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Externally driven</b>                                                                                       |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Geopolitical and macroeconomic risks                                                                           | ▲     | Our operations and portfolios are subject to risks arising from political instability, civil unrest and military conflict, which may lead to disruption of our operations, physical risk to our staff, and/or physical damage to our assets. We are also subject to macroeconomic risks, which may drive changes to our income growth and asset quality. Heightened geopolitical and macroeconomic risk globally, including uncertainty in international trade policy, is subject to close monitoring and review.                                                                                                                                                                                                                                                                               |
| Technology and cybersecurity risk                                                                              | ▲     | There is an increased risk of service disruption or data loss arising from technology failures or malicious activity by internal or external threat actors. This is driven by a rapidly evolving external threat environment, where AI is enabling cyber activity to become faster and more scalable across both direct and third-party channels. We continue to monitor changes to the technology and threat landscape, including those arising from ongoing geopolitical and macroeconomic events and the impact these may have on risk management. We operate a continuous improvement programme to help support the resilience and stability of our technology operations and counter a fast-evolving and heightened cyber threat environment, including in response to frontier AI models. |
| Environmental, social and governance ('ESG') risks                                                             | ▲     | We are subject to ESG risks, including in relation to climate change, nature and human rights. These risks have increased due to diverging national and political agendas, a more complex and prescriptive regulatory environment across the jurisdictions we operate in, as well as the increasing frequency of severe weather events across the globe. Financial institutions' actions and investment decisions in respect of ESG matters continue to be subject to heightened scrutiny by stakeholders. Failure to meet these evolving expectations may have financial and non-financial impacts, including reputational, legal and regulatory compliance risks.                                                                                                                             |
| Financial crime risk                                                                                           | ▲     | We are exposed to financial crime risk from our customers, staff and third parties engaging in criminal activity. The financial crime risk environment is heightened due to increasingly complex geopolitical challenges, the macroeconomic outlook, the complex and dynamic nature of sanctions and export control compliance, evolving financial crime regulations, rapid technological developments, an increasing number of national data privacy requirements and the increasing sophistication of fraud. As a result, we will continue to face the possibility of regulatory enforcement and reputational risk.                                                                                                                                                                           |
| Digitalisation and technological advances risk                                                                 | ▲     | Developments in technology and the evolving regulatory environment continue to enable new entrants to the banking industry as well as new products and services offered by competitors. This challenges us to continue to innovate with new digital capabilities and evolve our products, to attract, retain and best serve our customers. Along with opportunities, new technology, including generative and agentic AI, can introduce risks and disruption. We seek to manage technology developments with appropriate controls and oversight.                                                                                                                                                                                                                                                |
| Evolving regulatory environment risk                                                                           | ►     | The regulatory and compliance risks are set against continued geopolitical risk and regulatory focus on operational resilience, resolvability, prudential requirements, financial reporting and data, ESG, conduct, as well as sound risk and financial crime risk management practices. The approach to regulation is increasingly fragmented, including in relation to AI and digital assets, and a trend towards deregulation has emerged in some jurisdictions, concurrently with regulatory actions to support business growth.                                                                                                                                                                                                                                                            |
| <b>Internally driven</b>                                                                                       |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Data risk                                                                                                      | ►     | We use data to serve our customers and run our operations, often in real-time within digital experiences and processes. If our data is not accurate and timely, our ability to serve customers, operate with resilience or meet regulatory requirements could be impacted. We seek to ensure that non-public data is kept confidential, and that we comply with the growing number of regulations that govern data privacy and cross-border movement of data.                                                                                                                                                                                                                                                                                                                                   |
| Risks arising from the receipt of services from third parties                                                  | ▲     | We procure goods and services from a range of third parties. In the current macroeconomic and geopolitical climate, the risk of service disruption in supply chains is elevated, partly due to an industry-wide increase in supply chain cyber threats. We continue to strengthen our controls, oversight and risk management policies and processes to select and manage third parties, including our third parties' own supply chains, particularly for key activities that could affect our operational resilience.                                                                                                                                                                                                                                                                          |
| Model risk                                                                                                     | ►     | Model risk arises whenever business decision-making includes reliance on models. We use models in both financial and non-financial contexts, as well as in a range of business applications. Evolving regulatory requirements and enhanced expectations continue to drive changes to the way model risk is managed across the banking industry, with a particular focus on capital and credit loss models. New technologies, including generative AI, are driving a need for enhanced model risk controls.                                                                                                                                                                                                                                                                                      |
| Strategic execution risk                                                                                       | ▲     | Successful execution of our strategy enables us to help address the swiftly changing needs of our customers and stakeholders. We are committed to enhancing the effectiveness of strategic execution risk controls and monitoring. This will help us minimise disruptions during a period of heightened execution risk, driven by the complexity and scale of ongoing strategic, regulatory and technological change.                                                                                                                                                                                                                                                                                                                                                                           |
| Risks associated with workforce capability, capacity and environmental factors with potential impact on growth | ►     | Our businesses, functions and geographies are exposed to risks associated with employee retention and talent availability, the evolving skills requirements of our workforce, and compliance with employment laws and regulations. The skills required across the workforce continue to evolve in response to ongoing strategic, regulatory and technological change, increasing the need for timely upskilling and reskilling to maintain capability and capacity. Voluntary attrition across the Group remains stable, but failure to manage these risks may impact the delivery of our strategic objectives or lead to regulatory sanctions or legal claims, and the risks are heightened during the implementation of organisational change.                                                |

▲ Risk heightened during the first half of 2026    ► Risk remained at the same level as at 31 December 2025

# Financial summary

## Basis of presentation

### Constant currency performance

Constant currency performance is computed by adjusting reported results for the effects of foreign currency translation differences, which reflect the movements of the US dollar against most major currencies during 2026. Excluding these differences allows us to assess balance sheet and income statement performance on a like-for-like basis and to better understand the underlying trends in the business. Foreign currency translation differences at 30 June 2026 are computed by retranslating into US dollars for non-US dollar branches, subsidiaries, joint ventures and associates:

- the income statement for the half-year to 30 June 2025 at the average rate of exchange for the half-year to 30 June 2026; and
- the balance sheets at 30 June 2025 and 31 December 2025 at the prevailing rates of exchange on 30 June 2026.

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

### Notable items and material notable items

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

Certain notable items are classified as 'material notable items', which are a subset of notable items. Categorisation as a material notable item is dependent on the nature of each item in conjunction with the financial impact on the Group's income statement, and are excluded from our target basis dividend payout ratio calculation and earnings per share measure. Material notable items in 1H26 or relevant comparative periods relate to the operating expenses associated with actions to exit or wind down non-strategic businesses. They also include a dilution loss and the recognition of an impairment of our investment in BoCom in 1H25.

- ▶ The tables on pages 29 to 30 and pages 35 to 39 detail the effects of notable items on each of our business segments, legal entities and selected countries/territories in 1H26 and 1H25.

### Impact of strategic transactions

In addition to the items categorised as material notable items, the impacts of strategic transactions include the distorting impact observed between the periods of the operating income statement results related to acquisitions, disposals and wind-downs that affect period-on-period comparisons. Once a transaction has completed or a wind-down has commenced, the impact will include the operating income statement results of each business, which are not classified as notable items, in any comparative period if there are no results in the current period as a result of a transaction, or a reduction in revenue or costs has arisen from the wind-down of a business. We consider the monthly impact of distorting income statement results when calculating the impact of strategic transactions. In the case of wind-downs, or transactions that complete in phased tranches, there may be timing differences between the recognition of operating cost impacts and operating revenue impacts. These would arise in the event that there is a timing lag between the impact of cost actions and the resultant impact on operating revenue.

### Impact of hyperinflationary accounting

We continue to treat Türkiye as a hyperinflationary economy for accounting purposes. The impact of applying International Accounting Standard ('IAS') 29 'Financial Reporting in Hyperinflationary Economies'

and the hyperinflation provisions of IAS 21 'The Effects of Changes in Foreign Exchange Rates' in the current period for our operations in Türkiye was a decrease in the Group's profit before tax of \$106m (1H25: \$78m). The consumer price index at 30 June 2026 for Türkiye was 129.99, with an increase in the period of 31.59 (1H25: 25.54 increase).

## Use of alternative performance measures

Our reported results are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IFRS Accounting Standards'), as detailed in the interim condensed consolidated financial statements starting on page 80.

To measure our performance, we supplement our IFRS Accounting Standards figures with non-IFRS Accounting Standards measures, which constitute alternative performance measures under European Securities and Markets Authority guidance and non-GAAP financial measures defined in, and presented in accordance with, the US Securities and Exchange Commission rules and regulations. These measures include those derived from our reported results that eliminate factors distorting period-on-period comparisons. The 'constant currency performance' measure used throughout this report is described above. Definitions and calculations of other alternative performance measures are included in 'Alternative performance measures' on page 41. Additionally, the insurance-specific non-GAAP measure 'Insurance equity plus CSM net of tax' is provided on page 33, along with its definition and reconciliation to the GAAP measure. All alternative performance measures are reconciled to the closest reported performance measure.

### Return on average tangible equity excluding notable items

The calculation for RoTE excluding notable items adjusts the 'profit attributable to the ordinary shareholders, excluding goodwill and other intangible assets impairment' for the post-tax impact of notable items. To better align with market practice, from our 2025 full-year results, we no longer adjust the 'average tangible equity' for the post-tax impact of notable items in each period. Comparatives have been re-presented.

- ▶ See page 41 for the definition of return on average tangible equity excluding notable items and page 42 for the reconciliation to the GAAP measure.

### Banking net interest income

Banking net interest income ('banking NII') adjusts our NII primarily for the impact of funding trading and fair value activities reported in interest expense. It represents the Group's banking revenue that is directly impacted by changes in interest rates. We use this measure to determine the deployment of our surplus funding, and to help optimise our structural hedging and risk management actions. For more information on banking NII, see page 23.

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

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

The impact of strategic transactions also includes the distorting impact between the periods of the operating income statement results related

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

► See page 42 for the reconciliation to the GAAP measure.

## Target basis operating expenses

Target basis operating expenses includes the impact of simplification-related saves associated with our announced strategic reorganisation, is measured on a constant currency basis and excludes notable items and the impact of retranslating the prior year results of hyperinflationary economies at constant currency, which we consider to be outside of our control. We consider target basis operating expenses to provide useful information to investors by quantifying and excluding the notable items that management considered when setting and assessing cost-related targets.

► See page 44 for the reconciliation to the GAAP measure.

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

We have established a dividend payout ratio target basis of 50% for 2026. For the purposes of computing our dividend payout ratio target basis, we exclude from earnings per share material notable items and related impacts.

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

► See page 32 for the supplementary analysis of the impact of strategic transactions.  
► See page 41 for the definition of basic earnings per share excluding material notable items and related impacts and page 44 for the reconciliation to the GAAP measure.

## Summary consolidated income statement

|                                                                                                                                              | Half-year to  |               |
|----------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
|                                                                                                                                              | 30 Jun 2026   | 30 Jun 2025   |
|                                                                                                                                              | \$m           | \$m           |
| Net interest income                                                                                                                          | 18,233        | 16,821        |
| Net fee income                                                                                                                               | 7,277         | 6,643         |
| Net income from financial instruments held for trading or managed on a fair value basis <sup>1</sup>                                         | 10,520        | 10,547        |
| Net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss | 6,105         | 5,113         |
| Insurance finance expense                                                                                                                    | (5,838)       | (5,329)       |
| Insurance service result                                                                                                                     | 1,033         | 785           |
| Net losses relating to sale of business operations <sup>2</sup>                                                                              | (433)         | (34)          |
| Other operating income/(expense) <sup>3</sup>                                                                                                | 845           | (424)         |
| <b>Net operating income before change in expected credit losses and other credit impairment charges<sup>4</sup></b>                          | <b>37,742</b> | <b>34,122</b> |
| Change in expected credit losses and other credit impairment charges                                                                         | (2,353)       | (1,941)       |
| <b>Net operating income</b>                                                                                                                  | <b>35,389</b> | <b>32,181</b> |
| Total operating expenses excluding amortisation and impairment of intangible assets                                                          | (15,992)      | (15,752)      |
| Amortisation and impairment of intangible assets                                                                                             | (1,434)       | (1,270)       |
| <b>Operating profit</b>                                                                                                                      | <b>17,963</b> | <b>15,159</b> |
| Share of profit in associates and joint ventures                                                                                             | 1,559         | 1,651         |
| Impairment of interest in associate <sup>3</sup>                                                                                             | —             | (1,000)       |
| <b>Profit before tax</b>                                                                                                                     | <b>19,522</b> | <b>15,810</b> |
| Tax expense                                                                                                                                  | (4,201)       | (3,369)       |
| <b>Profit after tax</b>                                                                                                                      | <b>15,321</b> | <b>12,441</b> |
| Attributable to:                                                                                                                             |               |               |
| – ordinary shareholders of the parent company                                                                                                | 14,626        | 11,510        |
| – other equity holders                                                                                                                       | 633           | 547           |
| – non-controlling interests                                                                                                                  | 62            | 384           |
| <b>Profit after tax</b>                                                                                                                      | <b>15,321</b> | <b>12,441</b> |
|                                                                                                                                              | \$            | \$            |
| Basic earnings per share                                                                                                                     | 0.85          | 0.65          |
| Diluted earnings per share                                                                                                                   | 0.85          | 0.65          |
| Dividend per ordinary share (paid in the period) <sup>5</sup>                                                                                | 0.55          | 0.46          |
|                                                                                                                                              | %             | %             |
| Post-tax return on average total assets (annualised)                                                                                         | 0.9           | 0.8           |
| Return on average ordinary shareholders' equity (annualised)                                                                                 | 16.9          | 13.7          |
| Return on average tangible equity (annualised)                                                                                               | 18.2          | 14.7          |

1 The amount in 1H25 includes a \$0.1bn mark-to-market gain on interest rate hedging of the portfolio of retained loans post sale of our retail banking operations in France and a \$0.1bn fair value loss on Galicia's ADRs received as purchase consideration from the sale of our business in Argentina, which were disposed of in 2Q25.

2 Amounts in 1H26 include \$0.2bn from the recycling of foreign currency translation reserve losses arising on completion of the sale of our UK life insurance business, HSBC Life (UK) Limited, and \$0.3bn of disposal losses recognised upon the 'held for sale' classification of HSBC Continental Europe's shareholding in HSBC Bank Malta p.l.c.

3 The amount in 1H25 'Other operating (expense)/income' includes a loss of \$1.1bn inclusive of reserves recycling as a result of the dilution of our shareholding in BoCom. In the same period we also recognised a \$1.0bn impairment loss following an impairment test on the carrying value of the Group's investment in BoCom in 'Impairment of interest in associate'.

4 Also referred to as revenue.

5 The \$0.55 dividend paid during the period consisted of a fourth interim dividend of \$0.45 per ordinary share in respect of the financial year ended 31 December 2025 paid in April 2026 and a first interim dividend of \$0.10 per ordinary share in respect of the financial year ending 31 December 2026 paid in June 2026.



## Income statement commentary

The following tables and commentary compare Group financial performance for the half-year to 30 June 2026 with the half-year to 30 June 2025, unless otherwise stated. For further financial performance data of our business segments, see pages 29 to 30. For further financial performance data by major legal entity, see pages 35 to 40.

### Net interest income

|                                           | Half-year to  |               | Quarter to   |              |
|-------------------------------------------|---------------|---------------|--------------|--------------|
|                                           | 30 Jun 2026   | 30 Jun 2025   | 30 Jun 2026  | 31 Mar 2026  |
|                                           | \$m           | \$m           | \$m          | \$m          |
| Interest income                           | 48,062        | 49,008        | 24,404       | 23,658       |
| Interest expense                          | (29,829)      | (32,187)      | (15,116)     | (14,713)     |
| <b>Net interest income</b>                | <b>18,233</b> | <b>16,821</b> | <b>9,288</b> | <b>8,945</b> |
| Average interest-earning assets           | 2,280,838     | 2,159,900     | 2,300,049    | 2,261,415    |
|                                           | %             | %             | %            | %            |
| Gross interest yield <sup>1</sup>         | 4.25          | 4.58          | 4.26         | 4.24         |
| Less: gross interest payable <sup>1</sup> | (2.78)        | (3.26)        | (2.80)       | (2.79)       |
| Net interest spread <sup>2</sup>          | 1.47          | 1.32          | 1.46         | 1.45         |
| Net interest margin <sup>3</sup>          | 1.61          | 1.57          | 1.62         | 1.60         |

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

### Summary of interest income by type of asset

|                                                          | Half-year to     |                 |             | Full-year to     |                 |             |
|----------------------------------------------------------|------------------|-----------------|-------------|------------------|-----------------|-------------|
|                                                          | 30 Jun 2026      |                 |             | 30 Jun 2025      |                 |             |
|                                                          | Average balance  | Interest income | Yield       | Average balance  | Interest income | Yield       |
|                                                          | \$m              | \$m             | %           | \$m              | \$m             | %           |
| Short-term funds and loans and advances to banks         | 309,518          | 4,939           | 3.22        | 334,336          | 6,042           | 3.64        |
| Loans and advances to customers                          | 1,018,598        | 22,903          | 4.53        | 957,084          | 23,066          | 4.86        |
| Reverse repurchase agreements – non-trading <sup>1</sup> | 303,327          | 8,594           | 5.71        | 263,723          | 8,034           | 6.14        |
| Financial investments                                    | 576,413          | 10,395          | 3.64        | 524,043          | 10,407          | 4.00        |
| Other interest-earning assets                            | 72,982           | 1,231           | 3.40        | 80,714           | 1,459           | 3.65        |
| <b>Total interest-earning assets</b>                     | <b>2,280,838</b> | <b>48,062</b>   | <b>4.25</b> | <b>2,159,900</b> | <b>49,008</b>   | <b>4.58</b> |

### Summary of interest expense by type of liability

|                                                  | Half-year to     |                  |             | Full-year to     |                  |             |
|--------------------------------------------------|------------------|------------------|-------------|------------------|------------------|-------------|
|                                                  | 30 Jun 2026      |                  |             | 30 Jun 2025      |                  |             |
|                                                  | Average balance  | Interest expense | Cost        | Average balance  | Interest expense | Cost        |
|                                                  | \$m              | \$m              | %           | \$m              | \$m              | %           |
| Deposits by banks <sup>2</sup>                   | 74,864           | 1,127            | 3.04        | 74,321           | 1,318            | 3.58        |
| Customer accounts <sup>3</sup>                   | 1,567,587        | 14,999           | 1.93        | 1,464,045        | 17,301           | 2.38        |
| Repurchase agreements – non-trading <sup>1</sup> | 234,013          | 7,458            | 6.43        | 183,938          | 6,605            | 7.24        |
| Debt securities in issue – non-trading           | 204,510          | 5,117            | 5.05        | 196,936          | 5,556            | 5.69        |
| Other interest-bearing liabilities               | 84,835           | 1,128            | 2.68        | 71,294           | 1,407            | 3.98        |
| <b>Total interest-bearing liabilities</b>        | <b>2,165,809</b> | <b>29,829</b>    | <b>2.78</b> | <b>1,990,534</b> | <b>32,187</b>    | <b>3.26</b> |

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

**Net interest income ('NII')** for 1H26 was \$18.2bn, an increase of \$1.4bn or 8% compared with 1H25, primarily driven by deposit balance growth, and the benefit of reinvestment of our structural hedge at higher yields. There was also a favourable impact from foreign currency translation differences of \$0.4bn, partly offset by the impact of an adverse \$0.1bn one-off item. The funding costs associated with generating trading and fair value income were broadly stable compared with 1H25, as the impact of lower market interest rates was broadly offset by higher trading balances. On a constant currency basis, NII increased by \$1.0bn or 6% compared with 1H25.

NII for 2Q26 was \$9.3bn, up 4% compared with 1Q26. The increase reflected deposit growth, an adverse impact of a one-off item, higher day count and the benefit of reinvestment of our structural hedge at higher yields. On a constant currency basis, NII increased by \$0.4bn or 4% compared with 1Q26.

**Net interest margin ('NIM')** for 1H26 of 1.61% was 4 basis points ('bps') higher compared with 1H25, reflecting the benefit of our structural hedge, partly offset by lower market interest rates.

NIM for 2Q26 was 1.62%, up 2bps compared with 1Q26, reflecting an adverse one-off item in 1Q26 and the benefit of our structural hedge.

**Interest income** for 1H26 of \$48.1bn decreased by \$0.9bn or 2% compared with 1H25. On a constant currency basis, interest income decreased by \$2.1bn or 4%, primarily due to lower market interest rates.

Interest income of \$24.4bn in 2Q26 was \$0.7bn higher compared with 1Q26. On a constant currency basis, it increased by \$0.8bn.

**Interest expense** for 1H26 of \$29.8bn decreased by \$2.4bn or 7% compared with 1H25. On a constant currency basis, interest expense decreased by \$3.1bn or 9%, primarily due to lower market interest rates.

Interest expense of \$15.1bn in 2Q26 was \$0.4bn higher compared with 1Q26. On a constant currency basis, it increased by \$0.4bn.



## Banking net interest income ◆

### Banking net interest income

|                                                                                                                                       | Half-year to  |             | Quarter to    |             |             |
|---------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------|---------------|-------------|-------------|
|                                                                                                                                       | 30 Jun 2026   | 30 Jun 2025 | 30 Jun 2026   | 31 Mar 2026 | 30 Jun 2025 |
|                                                                                                                                       | \$m           | \$m         | \$m           | \$m         | \$m         |
| <b>Net interest income</b>                                                                                                            | <b>18,233</b> | 16,821      | <b>9,288</b>  | 8,945       | 8,519       |
| Banking book funding costs used to generate 'net income from financial instruments held for trading or managed on a fair value basis' | <b>4,755</b>  | 4,710       | <b>2,399</b>  | 2,371       | 2,307       |
| Third-party net interest income from insurance                                                                                        | <b>(92)</b>   | (218)       | <b>(44)</b>   | (48)        | (112)       |
| <b>Banking net interest income</b>                                                                                                    | <b>22,896</b> | 21,313      | <b>11,643</b> | 11,268      | 10,714      |
| Currency translation                                                                                                                  |               | 507         |               | (58)        | 97          |
| <b>Banking net interest income – on a constant currency basis</b>                                                                     | <b>22,896</b> | 21,820      | <b>11,643</b> | 11,210      | 10,811      |
| <b>Banking net interest income – on a reported basis</b>                                                                              | <b>22,896</b> | 21,313      | <b>11,643</b> | 11,268      | 10,714      |
| – of which:                                                                                                                           |               |             |               |             |             |
| The Hongkong and Shanghai Banking Corporation Limited                                                                                 | <b>11,179</b> | 10,615      | <b>5,748</b>  | 5,430       | 5,176       |
| HSBC UK Bank plc                                                                                                                      | <b>6,110</b>  | 5,508       | <b>3,083</b>  | 3,028       | 2,846       |
| HSBC Bank plc                                                                                                                         | <b>2,803</b>  | 2,429       | <b>1,427</b>  | 1,392       | 1,325       |

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

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

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

Banking NII was \$22.9bn in 1H26, an increase of \$1.6bn compared with 1H25, mainly driven by deposit balance growth and the benefit of reinvestment of our structural hedge at higher yields. There was also a favourable impact from foreign currency translation differences of \$0.5bn which was partly offset by the impact of an adverse \$0.1bn one-off item in 1H26. The funding costs associated with generating trading and fair value income were \$4.8bn, broadly stable compared with 1H25, as the impact of lower market interest rates was broadly offset by higher trading balances.

The internally allocated funding to generate trading and fair value income was \$283bn at 30 June 2026, a rise of approximately \$74bn since 30 June 2025, and up \$40bn compared with 31 March 2026. This related to trading, fair value and associated net asset balances, predominantly in CIB.

**Net fee income** of \$7.3bn was \$0.6bn higher than in 1H25. On a constant currency basis, net fee income was \$0.5bn higher. Stronger sales of wealth products resulted in higher fee income from broking and unit trusts, primarily in Asia. In addition, fee income increased across underwriting, cards and funds under management.

**Net income from financial instruments held for trading or managed on a fair value basis** of \$10.5bn was stable compared with 1H25. In CIB, there were increases driven by higher holdings of UK gilts, higher equity valuation gains, and higher foreign exchange

contract valuation gains due to increased volatility, primarily in Europe and the US. These were broadly offset by reductions in Asia, reflecting lower returns on bonds and decreased US Treasury volumes compared with 1H25, together with losses on interest rate derivatives due to rate movements primarily in Hong Kong and the Chinese mainland.

**Net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss** of \$6.1bn was \$1.0bn higher compared with 1H25, reflecting higher equity valuation gains, partly offset by lower returns on fixed income investments as a result of rising market interest rates, primarily in Hong Kong.

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

**Insurance finance expense** of \$5.8bn was \$0.5bn higher than in 1H25, reflecting the impact of investment returns on underlying assets on the value of liabilities to policyholders, which moves inversely with 'net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss'.

**Insurance service result** of \$1.0bn increased by \$0.2bn compared with 1H25, reflecting higher CSM release as a result of strong new business growth in Hong Kong, and the non-recurrence of losses from onerous contracts, primarily in the Chinese mainland.

**Net losses recognised on the sale of business operations** increased by \$0.4bn compared with 1H25. In 1H26, losses included a disposal loss of \$0.3bn associated with the planned sale of our business in Malta following the classification to held for sale, and losses of \$0.2bn from the recycling of foreign currency translation reserves following the completion of the sale of our UK life insurance business.

**Other operating income** of \$0.8bn in 1H26 was \$1.3bn higher compared with 1H25, primarily reflecting the non-recurrence of a dilution loss of \$1.1bn on BoCom following the completion of its capital issuance.

**Change in expected credit losses and other credit impairment charges ('ECL')** of \$2.4bn was \$0.4bn higher than in 1H25. The charge in 1H26 primarily reflected stage 3 charges on wholesale exposures, including a \$0.4bn fraud-related, secondary, securitisation exposure with a financial sponsor in the UK in our CIB business, and \$0.2bn related to the Hong Kong CRE sector. The 1H26 period also included allowances to reflect uncertainty due to the ongoing conflict in the Middle East. ECL in 1H25 included charges related to the Hong Kong CRE sector of \$0.5bn, as well as allowance increases relating to geopolitical tensions and higher trade tariffs.

- For further details on the calculation of ECL, including the measurement uncertainties and significant judgements applied to such calculations, the impact of economic scenarios and management judgemental adjustments, see pages 50 to 58.

## Operating expenses

|                                                  | Half-year to  |               |
|--------------------------------------------------|---------------|---------------|
|                                                  | 30 Jun 2026   | 30 Jun 2025   |
|                                                  | \$m           | \$m           |
| Gross employee compensation and benefits         | 10,637        | 10,752        |
| Capitalised wages and salaries                   | (952)         | (849)         |
| Property and equipment                           | 2,646         | 2,413         |
| Amortisation and impairment of intangible assets | 1,434         | 1,270         |
| UK bank levy                                     | 42            | 25            |
| Legal proceedings and regulatory matters         | 56            | 53            |
| Other operating expenses <sup>1</sup>            | 3,563         | 3,358         |
| <b>Reported operating expenses</b>               | <b>17,426</b> | <b>17,022</b> |
| Currency translation                             | —             | 429           |
| <b>Constant currency operating expenses</b>      | <b>17,426</b> | <b>17,451</b> |

1 Other operating expenses includes professional fees, contractor cost, transaction taxes, marketing and travel expenses.

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

|                                          |                | At             |                |
|------------------------------------------|----------------|----------------|----------------|
|                                          | 30 Jun 2026    | 30 Jun 2025    | 31 Dec 2025    |
| <b>Business segment</b>                  |                |                |                |
| Hong Kong                                | 33,303         | 33,144         | 29,633         |
| UK                                       | 31,259         | 31,511         | 29,922         |
| Corporate and Institutional Banking      | 77,342         | 73,171         | 78,981         |
| International Wealth and Premier Banking | 63,947         | 73,019         | 69,854         |
| Corporate Centre                         | 310            | 285            | 330            |
| <b>Total staff numbers</b>               | <b>206,161</b> | <b>211,130</b> | <b>208,720</b> |
| – of which (by country/territory):       |                |                |                |
| India                                    | 48,114         | 46,162         | 47,423         |
| UK                                       | 30,582         | 32,768         | 32,294         |
| Hong Kong                                | 25,529         | 26,082         | 25,639         |

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

**Operating expenses** of \$17.4bn were \$0.4bn or 2% higher than in 1H25, including an adverse impact from foreign currency translation differences of \$0.4bn. The increase was driven by higher planned spend and investment in technology, and the impact of inflation. These increases were partly mitigated by cost reductions from our organisational simplification and a year-on-year favourable impact from notable items.

Target basis operating expenses were \$17.0bn or 2% higher than in 1H25 due to the impact of inflation and higher planned spend and investment in technology.

The number of employees expressed in full-time equivalent staff at 30 June 2026 was 206,161, a decrease of 2,559 from 31 December

2025. The number of contractors at 30 June 2026 was 3,902, a decrease of 72 from 31 December 2025.

**Share of profit in associates and joint ventures** of \$1.6bn was \$0.1bn lower compared with 1H25, primarily due to the reduction of the Group's shareholding in BoCom during 2025.

**Impairment of interest in associates** was nil in 1H26. This compared with an impairment of \$1.0bn related to BoCom in 1H25.

► For further details of our impairment review process, see Note 10 on the interim condensed consolidated financial statements on page 97.

## Tax expense

|                                              | Half-year to   |                |
|----------------------------------------------|----------------|----------------|
|                                              | 30 Jun 2026    | 30 Jun 2025    |
|                                              | \$m            | \$m            |
| <b>Tax (charge)/credit</b>                   |                |                |
| Reported                                     | (4,201)        | (3,369)        |
| Currency translation                         | —              | (59)           |
| <b>Constant currency tax (charge)/credit</b> | <b>(4,201)</b> | <b>(3,428)</b> |

## Notable items

|                             | Half-year to |             |
|-----------------------------|--------------|-------------|
|                             | 30 Jun 2026  | 30 Jun 2025 |
|                             | \$m          | \$m         |
| <b>Tax</b>                  |              |             |
| Tax credit on notable items | 85           | 379         |

Tax in 1H26 was a charge of \$4.2bn, representing an effective tax rate of 21.5%. The effective tax rate for 1H26 was increased by non-deductible losses on completed and planned business disposals. Excluding these items, the effective tax rate for 1H26 was 20.9%. Tax expense in 1H25 was a charge of \$3.4bn, representing an effective tax rate of 21.3%.

The effective tax rate for 1H25 was increased by the non-deductible impairment and dilution loss in BoCom. Excluding these items, the effective rate for 1H25 was 19.7%.

## Summary consolidated balance sheet

|                                                                                                     | At                 |                    |
|-----------------------------------------------------------------------------------------------------|--------------------|--------------------|
|                                                                                                     | 30 Jun 2026<br>\$m | 31 Dec 2025<br>\$m |
| <b>Assets</b>                                                                                       |                    |                    |
| Cash and balances at central banks                                                                  | 227,800            | 242,859            |
| Trading assets                                                                                      | 423,987            | 366,153            |
| Financial assets designated and otherwise mandatorily measured at fair value through profit or loss | 138,942            | 133,063            |
| Derivatives                                                                                         | 255,995            | 237,740            |
| Loans and advances to banks                                                                         | 110,529            | 108,462            |
| Loans and advances to customers                                                                     | 1,022,105          | 988,399            |
| Reverse repurchase agreements – non-trading                                                         | 311,871            | 298,392            |
| Financial investments                                                                               | 604,759            | 567,211            |
| Assets held for sale                                                                                | 22,732             | 11,115             |
| Other assets                                                                                        | 319,441            | 279,640            |
| <b>Total assets</b>                                                                                 | <b>3,438,161</b>   | <b>3,233,034</b>   |
| <b>Liabilities</b>                                                                                  |                    |                    |
| Deposits by banks                                                                                   | 91,401             | 97,952             |
| Customer accounts                                                                                   | 1,827,703          | 1,786,828          |
| Repurchase agreements – non-trading                                                                 | 276,266            | 204,974            |
| Trading liabilities                                                                                 | 86,363             | 72,122             |
| Financial liabilities designated at fair value                                                      | 173,751            | 158,456            |
| Derivatives                                                                                         | 254,662            | 237,854            |
| Debt securities in issue                                                                            | 105,027            | 99,675             |
| Insurance contract liabilities                                                                      | 130,053            | 122,955            |
| Liabilities of disposal groups held for sale                                                        | 30,097             | 23,382             |
| Other liabilities                                                                                   | 265,757            | 223,170            |
| <b>Total liabilities</b>                                                                            | <b>3,241,080</b>   | <b>3,027,368</b>   |
| <b>Equity</b>                                                                                       |                    |                    |
| Total shareholders' equity                                                                          | 196,682            | 198,225            |
| Non-controlling interests                                                                           | 399                | 7,441              |
| <b>Total equity</b>                                                                                 | <b>197,081</b>     | <b>205,666</b>     |
| <b>Total liabilities and equity</b>                                                                 | <b>3,438,161</b>   | <b>3,233,034</b>   |

### Selected financial information

|                                                                                                      | At                 |                    |
|------------------------------------------------------------------------------------------------------|--------------------|--------------------|
|                                                                                                      | 30 Jun 2026<br>\$m | 31 Dec 2025<br>\$m |
| Called up share capital                                                                              | 8,592              | 8,588              |
| Capital resources <sup>1</sup>                                                                       | 178,776            | 182,371            |
| Preferred securities and dated subordinated loan capital <sup>2</sup>                                | 36,907             | 37,581             |
| Risk-weighted assets                                                                                 | 906,417            | 888,647            |
| Total shareholders' equity                                                                           | 196,682            | 198,225            |
| Less: preference shares and other equity instruments                                                 | (23,708)           | (20,716)           |
| <b>Total ordinary shareholders' equity</b>                                                           | <b>172,974</b>     | <b>177,509</b>     |
| Less: goodwill and intangible assets (net of tax)                                                    | (12,322)           | (12,356)           |
| <b>Tangible ordinary shareholders' equity</b>                                                        | <b>160,652</b>     | <b>165,153</b>     |
| <b>Financial statistics</b>                                                                          |                    |                    |
| Loans and advances to customers as a percentage of customer accounts (%)                             | 55.9               | 55.3               |
| Average total shareholders' equity to average total assets (%)                                       | 5.81               | 5.99               |
| Net asset value per ordinary share at period end (\$) <sup>3</sup>                                   | 10.08              | 10.36              |
| Tangible net asset value per ordinary share at period end (\$) <sup>3</sup>                          | 9.36               | 9.64               |
| Tangible net asset value per fully diluted ordinary share at period end (\$)                         | 9.30               | 9.56               |
| Number of \$0.50 ordinary shares in issue (millions)                                                 | 17,184             | 17,175             |
| Basic number of \$0.50 ordinary shares outstanding (millions)                                        | 17,164             | 17,140             |
| Basic number of \$0.50 ordinary shares outstanding and dilutive potential ordinary shares (millions) | 17,267             | 17,276             |
| <b>Closing foreign exchange translation rates to \$:</b>                                             |                    |                    |
| \$1: £                                                                                               | 0.755              | 0.746              |
| \$1: €                                                                                               | 0.876              | 0.853              |

<sup>1</sup> Capital resources are total regulatory capital, the calculation of which is set out on page 70.

<sup>2</sup> Including perpetual preferred securities.

<sup>3</sup> For the definition, see page 41.

► A detailed consolidated balance sheet is contained in the interim condensed consolidated financial statements on page 82.

## Combined view of customer lending and customer deposits

|                                                                                       | At               |                  |
|---------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                       | 30 Jun 2026      | 31 Dec 2025      |
|                                                                                       | \$m              | \$m              |
| Loans and advances to customers                                                       | 1,022,105        | 988,399          |
| Loans and advances to customers of disposal groups reported in 'Assets held for sale' | 5,321            | 2,190            |
| – Indonesia retail banking business                                                   | 210              | —                |
| – business in Malta                                                                   | 3,071            | —                |
| – Germany custody business                                                            | 651              | 323              |
| – business in South Africa                                                            | —                | 431              |
| – retail banking business in Sri Lanka                                                | —                | 101              |
| – business in Uruguay                                                                 | 1,363            | 1,314            |
| – other                                                                               | 26               | 21               |
| Non-current assets held for sale                                                      | 507              | 1,303            |
| <b>Combined customer lending</b>                                                      | <b>1,027,933</b> | <b>991,892</b>   |
| Currency translation                                                                  | —                | (6,449)          |
| <b>Combined customer lending at constant currency</b>                                 | <b>1,027,933</b> | <b>985,443</b>   |
| Customer accounts                                                                     | 1,827,703        | 1,786,828        |
| Customer accounts reported in 'Liabilities of disposal groups held for sale'          | 18,034           | 16,173           |
| – Indonesia retail banking business                                                   | 1,904            | —                |
| – business in Malta                                                                   | 7,091            | —                |
| – Germany custody business                                                            | 7,510            | 12,316           |
| – business in South Africa                                                            | —                | 2,056            |
| – retail banking business in Sri Lanka                                                | —                | 430              |
| – business in Uruguay                                                                 | 1,528            | 1,369            |
| – other                                                                               | 1                | 2                |
| <b>Combined customer deposits</b>                                                     | <b>1,845,737</b> | <b>1,803,001</b> |
| Currency translation                                                                  | —                | (14,856)         |
| <b>Combined customer deposits at constant currency</b>                                | <b>1,845,737</b> | <b>1,788,145</b> |

## Customer accounts by country/territory

|                         | At               |                  |
|-------------------------|------------------|------------------|
|                         | 30 Jun 2026      | 31 Dec 2025      |
|                         | \$m              | \$m              |
| Hong Kong               | 645,920          | 619,029          |
| UK                      | 577,239          | 568,712          |
| US                      | 102,418          | 99,458           |
| Singapore               | 79,825           | 81,740           |
| Chinese mainland        | 75,328           | 69,473           |
| France                  | 51,188           | 50,880           |
| Australia               | 34,835           | 34,171           |
| Germany <sup>1</sup>    | 16,882           | 15,588           |
| Mexico                  | 28,522           | 29,493           |
| UAE                     | 31,940           | 30,861           |
| India                   | 26,646           | 28,725           |
| Taiwan                  | 21,794           | 18,771           |
| Malaysia                | 19,603           | 20,252           |
| Egypt                   | 5,612            | 5,610            |
| Indonesia <sup>1</sup>  | 3,609            | 5,777            |
| Türkiye                 | 4,309            | 3,624            |
| Other <sup>1</sup>      | 102,033          | 104,664          |
| <b>At end of period</b> | <b>1,827,703</b> | <b>1,786,828</b> |

1 At 30 June 2026, customer accounts of \$18bn met the criteria to be classified as held for sale and are reported within 'Liabilities of disposal groups held for sale' on the balance sheet, of which \$7.5bn, \$7.1bn, \$1.9bn and \$1.5bn belongs to the planned sale of our German custody business, our business in Malta, our Indonesia retail banking business and our business in Uruguay, respectively. See note 15 on page 102 for further details.

## Balance sheet commentary compared with 31 December 2025

At 30 June 2026, total assets of \$3.4tn were \$205bn or 6% higher on a reported basis, and increased by \$232bn or 7% on a constant currency basis.

## Assets

**Cash and balances at central banks** decreased by \$15bn or 6%, including a \$4bn unfavourable impact from foreign currency translation differences. The decrease was mainly in HSBC Bank plc, reflecting higher redeployment to reverse repos in Europe, partly offset by an increase in cash allocated to Markets Treasury in the UK non-ring-fenced bank, driven by increased deposits from banks.

**Trading assets** rose by \$58bn or 16%, including the unfavourable impact of foreign currency translation differences of \$4bn. The rise was driven mainly by a higher equity balance in CIB, reflecting increased

positions and valuation gains in HSBC Bank plc, and our main legal entities in Hong Kong and the US. Debt securities balances also increased in HSBC Bank plc and the US.

**Derivative assets** increased by \$18bn or 8%, which included an unfavourable impact from foreign currency translation differences of \$3bn. The increase was primarily in our CIB business and reflected fair value movements on foreign exchange contracts, driven by foreign exchange rate volatility, together with an increase in underlying contracts in HSBC Bank plc and our main legal entities in Asia.

**Loans and advances to customers** of \$1,022bn were \$34bn higher on a reported basis. This included the unfavourable effects of foreign currency translation differences of \$6bn. On a constant currency basis, customer lending balances increased by \$40bn.

The following movements are on a constant currency basis.

In CIB, customer lending increased by \$18bn, primarily reflecting lending growth in our main legal entities in Hong Kong. There was also lending growth in the US, the Middle East, Singapore and India.

In our UK business, customer lending rose by \$10bn, primarily driven by continued growth in mortgage balances and commercial lending.

In our Hong Kong business, customer lending grew by \$8bn, driven by higher commercial lending reflecting increased trade receivables, and growth in retail mortgage lending.

In IWPB, customer lending growth of \$3bn was driven by increases in Hong Kong and Singapore. This was partly offset by the classification of 'assets to disposal groups held for sale' of loans from the planned sale of our business in Malta.

**Reverse repurchase agreements – non-trading** rose by \$13bn or 5%, primarily reflecting increased client demand in CIB, primarily in HSBC Bank plc. There was also growth in our main legal entities in Hong Kong and the Middle East, partly offset by reductions in the US.

**Financial investments** increased by \$38bn or 7%, reflecting deployment of surplus cash deposits across government bonds, mainly US treasuries in our main legal entities in Hong Kong.

**Assets held for sale** increased by \$12bn or 105% primarily due to reclassification to held for sale of assets associated with the planned sales of our business in Malta, our retail banking business in Indonesia and HSBC Life Singapore.

**Other assets** grew by \$40bn or 14%, primarily reflecting higher settlement account balances, notably in CIB, from higher client-driven trading activity with a corresponding increase in settlement liabilities, compared with the seasonal reduction in December 2025.

## Liabilities

**Deposits by banks** decreased by \$7bn or 7%, reflecting a decrease in client inflows, notably in our CIB and Hong Kong business segments.

**Customer accounts** of \$1,828bn increased by \$41bn or 2% on a reported basis. This included a favourable impact from foreign currency translation differences of \$15bn. On a constant currency basis, customer accounts increased by \$56bn.

The following movements are on a constant currency basis.

In CIB, customer accounts increased by \$53bn. This included growth in GPS deposit balances and new client mandates in Securities Services, partly offset by the classification to held for sale of \$2bn of deposits from the planned sale of our business in Malta.

In our Hong Kong business, customer accounts increased by \$8bn, reflecting inflows into term deposits from retail customers.

In our UK business, customer accounts increased by \$3bn, due to inflows from both commercial and retail customers.

In IWPB, customer accounts decreased by \$8bn, reflecting the classification of liabilities of disposal groups to held for sale. This included \$5bn of deposits related to the planned sale of our business in Malta, and \$2bn related to the planned sale of our retail banking business in Indonesia. The decrease was partly offset by growth in Hong Kong from private bank customers.

**Repurchase agreements – non-trading** increased by \$71bn or 35%, with increases primarily in our CIB business, mainly in our main legal entities in Hong Kong and HSBC Bank plc.

**Financial liabilities designated at fair value rose** by \$15bn or 10%, notably in our CIB business from increased medium-term note issuances in our Debt and Equity Markets business.

**Liabilities of disposal groups held for sale** increased by \$7bn or 29%, primarily due to the reclassification of liabilities in our IWPB business segment to held for sale from the planned sales of our business in Malta, our retail banking business in Indonesia and HSBC Life Singapore.

**Other liabilities** increased by \$43bn or 19%, reflecting higher settlement account balances, notably in CIB, from higher client-driven trading activity, compared with the seasonal reduction in December 2025.

## Equity

**Total shareholders' equity**, including non-controlling interests, decreased by \$9bn or 4% compared with 31 December 2025.

Profit generated of \$15bn was more than offset by the impact of the \$13.7bn privatisation of Hang Seng Bank, which comprised the derecognition of \$7bn in non-controlling interests and a residual \$6.7bn reduction in shareholders' equity, and the impact of dividends paid of \$10bn.

## Financial investments

As part of our interest rate hedging strategy, we hold a portfolio of debt instruments, reported within financial investments, which are classified as hold-to-collect-and-sell. As a result, the change in value of these instruments is recognised through 'debt instruments at fair value through other comprehensive income' in equity. At 1H26, we recognised a pre-tax cumulative unrealised loss reserve through other comprehensive income of \$2.4bn related to these hold-to-collect-and-sell positions, excluding investments held in our insurance business. This compared with an unrealised loss of \$1.1bn at 4Q25, and reflected a \$1.3bn pre-tax loss in 1H26, inclusive of movements on related fair value hedges.

We also hold a portfolio of financial investments measured at amortised cost, which are classified as hold-to-collect and are held to manage our interest rate exposure. At 30 June 2026 the debt instruments within this portfolio had a cumulative unrecognised loss of \$2.1bn, representing a \$1.7bn deterioration during 1H26.

## Risk-weighted assets

RWAs increased by \$17.8bn to \$906.4bn in the first half of 2026. The rise was driven by asset size movements of \$31.2bn from credit risk RWAs of \$39.0bn, mainly due to lending growth in CIB, partly offset by a decrease in market risk RWAs of \$7.8bn, primarily due to a reduction of structural foreign exchange exposures following completion of the privatisation of Hang Seng Bank. Methodology and policy changes and foreign currency translation differences also reduced RWAs by \$5.5bn and \$4.7bn respectively.

► For further details on RWAs, see page 71.

## View of customer accounts by deposit and customer type

The following table shows a view of customer accounts by deposit and customer type. Instant access/demand deposits include current accounts and savings accounts that can be contractually accessed on demand by the customer with no or limited conditions on withdrawal. Fixed term deposits include term deposits, and instant access/demand deposits where withdrawal is contractually permitted but subject to conditions impacting withdrawal.



## Customer deposits – legal entities

| At 30 Jun 2026                            |                     |                  |                                                                         |                                     |                                           |                                              |                              |                  |
|-------------------------------------------|---------------------|------------------|-------------------------------------------------------------------------|-------------------------------------|-------------------------------------------|----------------------------------------------|------------------------------|------------------|
|                                           | HSBC UK<br>Bank plc | HSBC Bank<br>plc | The<br>Hongkong<br>and<br>Shanghai<br>Banking<br>Corporation<br>Limited | HSBC Bank<br>Middle East<br>Limited | HSBC North<br>America<br>Holdings<br>Inc. | Grupo<br>Financiero<br>HSBC, S.A.<br>de C.V. | Other<br>trading<br>entities | Total            |
|                                           | \$m                 | \$m              | \$m                                                                     | \$m                                 | \$m                                       | \$m                                          | \$m                          | \$m              |
| Instant access demand deposits ('IA/D')   | 290,404             | 232,600          | 602,063                                                                 | 29,859                              | 94,897                                    | 19,761                                       | 7,625                        | 1,277,209        |
| – of which: Retail deposits               | 171,136             | 17,314           | 301,479                                                                 | 11,977                              | 34,299                                    | 7,373                                        | 3,152                        | 546,730          |
| – of which: Wholesale deposits            | 119,268             | 215,286          | 300,584                                                                 | 17,882                              | 60,598                                    | 12,388                                       | 4,473                        | 730,479          |
| Fixed term deposits                       | 83,089              | 95,418           | 342,829                                                                 | 9,215                               | 7,521                                     | 8,761                                        | 3,661                        | 550,494          |
| – of which: Retail deposits               | 65,936              | 27,603           | 219,247                                                                 | 4,920                               | 5,056                                     | 6,746                                        | 1,455                        | 330,963          |
| – of which: Wholesale deposits            | 17,153              | 67,815           | 123,582                                                                 | 4,295                               | 2,465                                     | 2,015                                        | 2,206                        | 219,531          |
| <b>Total customer accounts</b>            | <b>373,493</b>      | <b>328,018</b>   | <b>944,892</b>                                                          | <b>39,074</b>                       | <b>102,418</b>                            | <b>28,522</b>                                | <b>11,286</b>                | <b>1,827,703</b> |
| IA/D to total customer accounts ratio (%) | 78                  | 71               | 64                                                                      | 76                                  | 93                                        | 69                                           | 68                           | 70               |
| Loans and advances to customers           | 317,625             | 103,045          | 492,522                                                                 | 24,921                              | 55,360                                    | 24,602                                       | 4,030                        | 1,022,105        |
| Loan to IA/D ratio (%)                    | 109                 | 44               | 82                                                                      | 83                                  | 58                                        | 124                                          | 53                           | 80               |
| Loan to total customer accounts ratio (%) | 85                  | 31               | 52                                                                      | 64                                  | 54                                        | 86                                           | 36                           | 56               |

| At 31 Dec 2025                            |         |         |         |        |        |        |        |           |
|-------------------------------------------|---------|---------|---------|--------|--------|--------|--------|-----------|
| Instant access demand deposits ('IA/D')   | 293,276 | 216,100 | 570,222 | 28,701 | 91,189 | 21,138 | 6,006  | 1,226,632 |
| – of which: Retail deposits               | 174,042 | 20,319  | 303,248 | 11,862 | 35,377 | 8,044  | 3,104  | 555,996   |
| – of which: Wholesale deposits            | 119,234 | 195,781 | 266,974 | 16,839 | 55,812 | 13,094 | 2,902  | 670,636   |
| Fixed term deposits                       | 83,627  | 105,351 | 341,503 | 8,309  | 8,269  | 8,355  | 4,782  | 560,196   |
| – of which: Retail deposits               | 64,925  | 29,631  | 217,340 | 4,658  | 5,296  | 6,674  | 1,629  | 330,153   |
| – of which: Wholesale deposits            | 18,702  | 75,720  | 124,163 | 3,651  | 2,973  | 1,681  | 3,153  | 230,043   |
| Total customer accounts                   | 376,903 | 321,451 | 911,725 | 37,010 | 99,458 | 29,493 | 10,788 | 1,786,828 |
| IA/D to total customer accounts ratio (%) | 78      | 67      | 63      | 78     | 92     | 72     | 56     | 69        |
| Loans and advances to customers           | 310,116 | 106,409 | 467,842 | 22,618 | 52,178 | 25,252 | 3,984  | 988,399   |
| Loan to IA/D ratio (%)                    | 106     | 49      | 82      | 79     | 57     | 119    | 66     | 81        |
| Loan to total customer accounts ratio (%) | 82      | 33      | 51      | 61     | 52     | 86     | 37     | 55        |

# Business segments

## Basis of preparation

Our business segments – Hong Kong, UK, Corporate and Institutional Banking, and International Wealth and Premier Banking – along with Corporate Centre, are our reportable segments under IFRS 8 ‘Operating Segments’. Reconciliations of the total constant currency business segment results to the Group’s reported results are presented on page 89.

The Group Operating Committee is considered the Chief Operating Decision Maker (‘CODM’) for the purposes of identifying the Group’s reportable segments. Business segment results are assessed by the CODM on the basis of constant currency performance. We separately disclose ‘notable items’, as described on page 20.

Our operations are closely integrated and, accordingly, the presentation of data includes internal allocations of certain items of income and expense. These allocations include the costs of certain support services and global infrastructures to the extent that they can be meaningfully attributed to business segments.

While such allocations have been made on a systematic and consistent basis, they necessarily involve a degree of subjectivity. Costs that are not allocated to business segments are included in Corporate Centre.

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

Effective 1 January 2026, we transferred certain clients, primarily in Hong Kong and the UK, to the CIB segment to better meet their needs. This transfer does not change the Group’s reportable segments. Comparative periods have been re-presented accordingly. This representation has no impact on the Group’s consolidated financial results or financial position.

## Constant currency results and notable items by business segment

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

|                                                                  | Half-year to 30 Jun 2026 |              |              |              |                         |               |
|------------------------------------------------------------------|--------------------------|--------------|--------------|--------------|-------------------------|---------------|
|                                                                  | Hong Kong<br>\$m         | UK<br>\$m    | CIB<br>\$m   | IWPB<br>\$m  | Corporate Centre<br>\$m | Total<br>\$m  |
| Revenue                                                          | 8,132                    | 6,530        | 15,609       | 7,739        | (268)                   | 37,742        |
| ECL                                                              | (540)                    | (505)        | (894)        | (413)        | (1)                     | (2,353)       |
| Operating expenses                                               | (2,454)                  | (2,693)      | (7,465)      | (4,727)      | (87)                    | (17,426)      |
| Share of profit in associates and joint ventures less impairment | —                        | —            | —            | 17           | 1,542                   | 1,559         |
| <b>Profit before tax</b>                                         | <b>5,138</b>             | <b>3,332</b> | <b>7,250</b> | <b>2,616</b> | <b>1,186</b>            | <b>19,522</b> |
| Loans and advances to customers (net)                            | 230,495                  | 306,175      | 331,512      | 153,763      | 160                     | 1,022,105     |
| Customer accounts                                                | 536,808                  | 348,342      | 669,711      | 272,646      | 196                     | 1,827,703     |

| Half-year to 30 Jun 2025                                         |         |         |         |         |         |           |
|------------------------------------------------------------------|---------|---------|---------|---------|---------|-----------|
| Revenue                                                          | 7,666   | 6,241   | 14,819  | 7,284   | (1,198) | 34,812    |
| ECL                                                              | (857)   | (340)   | (313)   | (503)   | (2)     | (2,015)   |
| Operating expenses                                               | (2,298) | (2,672) | (7,701) | (4,647) | (133)   | (17,451)  |
| Share of profit in associates and joint ventures less impairment | —       | —       | —       | 2       | 653     | 655       |
| Profit before tax                                                | 4,511   | 3,229   | 6,805   | 2,136   | (680)   | 16,001    |
| Loans and advances to customers (net)                            | 225,442 | 286,036 | 311,033 | 148,341 | 187     | 971,039   |
| Customer accounts                                                | 508,730 | 336,506 | 577,443 | 274,578 | 342     | 1,697,599 |

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

### Notable items

|                                                                    | Half-year to 30 Jun 2026 |           |            |             |                         |              |
|--------------------------------------------------------------------|--------------------------|-----------|------------|-------------|-------------------------|--------------|
|                                                                    | Hong Kong<br>\$m         | UK<br>\$m | CIB<br>\$m | IWPB<br>\$m | Corporate Centre<br>\$m | Total<br>\$m |
| <b>Revenue</b>                                                     |                          |           |            |             |                         |              |
| Disposals, wind-downs, acquisitions and related costs <sup>1</sup> | —                        | —         | 22         | (107)       | (341)                   | (426)        |
| <b>Operating expenses</b>                                          |                          |           |            |             |                         |              |
| Disposals, wind-downs, acquisitions and related costs              | —                        | —         | (18)       | (36)        | (75)                    | (129)        |
| Restructuring and other related costs <sup>3</sup>                 | (7)                      | (9)       | (44)       | (66)        | (192)                   | (318)        |

| Half-year to 30 Jun 2025                                           |     |      |       |      |         |         |
|--------------------------------------------------------------------|-----|------|-------|------|---------|---------|
| Revenue                                                            |     |      |       |      |         |         |
| Disposals, wind-downs, acquisitions and related costs <sup>1</sup> | —   | —    | —     | (57) | (82)    | (139)   |
| Dilution loss of interest in BoCom associate <sup>2</sup>          | —   | —    | —     | —    | (1,136) | (1,136) |
| Operating expenses                                                 |     |      |       |      |         |         |
| Disposals, wind-downs, acquisitions and related costs              | —   | 1    | (179) | (5)  | (44)    | (227)   |
| Restructuring and other related costs <sup>3</sup>                 | (9) | (48) | (217) | (79) | (263)   | (616)   |
| Impairment loss of interest in BoCom associate <sup>2</sup>        | —   | —    | —     | —    | (1,000) | (1,000) |

- The amount in 1H26 includes \$0.2bn from the recycling of foreign currency translation reserve losses arising on completion of the sale of our UK life insurance business, HSBC Life (UK) Limited, and \$0.3bn of disposal losses recognised upon the ‘held for sale’ classification of HSBC Continental Europe’s shareholding in HSBC Bank Malta p.l.c. 1H25 includes \$0.1bn fair value losses on ADRs in Galicia received as a part of the sale consideration for HSBC Argentina, which were sold in 2Q25.
- The amount in 1H25 includes a loss of \$1.1bn inclusive of reserves recycling as a result of the dilution of our shareholding in BoCom. We also recognised a \$1.0bn impairment loss following an impairment test on the carrying value of the Group’s investment in BoCom in ‘Impairment loss of interest in BoCom associate’.
- Amounts relate to organisational simplification provisions recognised in 2026 and 2025.

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

|                                                  | Half-year to 30 Jun 2025 |           |            |             |                         |              |
|--------------------------------------------------|--------------------------|-----------|------------|-------------|-------------------------|--------------|
|                                                  | Hong Kong<br>\$m         | UK<br>\$m | CIB<br>\$m | IWPB<br>\$m | Corporate Centre<br>\$m | Total<br>\$m |
| Revenue                                          |                          |           |            |             |                         |              |
| – Reported                                       | 7,688                    | 6,014     | 14,491     | 7,011       | (1,082)                 | 34,122       |
| – Currency translation                           | (22)                     | 227       | 328        | 273         | (116)                   | 690          |
| – Constant currency                              | 7,666                    | 6,241     | 14,819     | 7,284       | (1,198)                 | 34,812       |
| ECL                                              |                          |           |            |             |                         |              |
| – Reported                                       | (858)                    | (328)     | (300)      | (453)       | (2)                     | (1,941)      |
| – Currency translation                           | 1                        | (12)      | (13)       | (50)        | —                       | (74)         |
| – Constant currency                              | (857)                    | (340)     | (313)      | (503)       | (2)                     | (2,015)      |
| Operating expenses                               |                          |           |            |             |                         |              |
| – Reported                                       | (2,301)                  | (2,576)   | (7,513)    | (4,468)     | (164)                   | (17,022)     |
| – Currency translation                           | 3                        | (96)      | (188)      | (179)       | 31                      | (429)        |
| – Constant currency                              | (2,298)                  | (2,672)   | (7,701)    | (4,647)     | (133)                   | (17,451)     |
| Share of profit in associates and joint ventures |                          |           |            |             |                         |              |
| – Reported                                       | —                        | —         | —          | 2           | 649                     | 651          |
| – Currency translation                           | —                        | —         | —          | —           | 4                       | 4            |
| – Constant currency                              | —                        | —         | —          | 2           | 653                     | 655          |
| Profit/(loss) before tax                         |                          |           |            |             |                         |              |
| – Reported                                       | 4,529                    | 3,110     | 6,678      | 2,092       | (599)                   | 15,810       |
| – Currency translation                           | (18)                     | 119       | 127        | 44          | (81)                    | 191          |
| – Constant currency                              | 4,511                    | 3,229     | 6,805      | 2,136       | (680)                   | 16,001       |
| Loans and advances to customers (net)            |                          |           |            |             |                         |              |
| – Reported                                       | 224,867                  | 295,886   | 313,257    | 147,523     | 189                     | 981,722      |
| – Currency translation                           | 575                      | (9,850)   | (2,224)    | 818         | (2)                     | (10,683)     |
| – Constant currency                              | 225,442                  | 286,036   | 311,033    | 148,341     | 187                     | 971,039      |
| Customer accounts                                |                          |           |            |             |                         |              |
| – Reported                                       | 507,657                  | 348,093   | 586,997    | 275,504     | 353                     | 1,718,604    |
| – Currency translation                           | 1,073                    | (11,587)  | (9,554)    | (926)       | (11)                    | (21,005)     |
| – Constant currency                              | 508,730                  | 336,506   | 577,443    | 274,578     | 342                     | 1,697,599    |

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

|                      | At 30 Jun 2026    |            |             |              |                          |               |
|----------------------|-------------------|------------|-------------|--------------|--------------------------|---------------|
|                      | Hong Kong<br>\$bn | UK<br>\$bn | CIB<br>\$bn | IWPB<br>\$bn | Corporate Centre<br>\$bn | Total<br>\$bn |
| Risk-weighted assets |                   |            |             |              |                          |               |
| Reported             | 140.0             | 156.5      | 426.3       | 89.3         | 94.3                     | 906.4         |
| Constant currency    | 140.0             | 156.5      | 426.3       | 89.3         | 94.3                     | 906.4         |

|                      | At 31 Dec 2025 |       |       |       |       |       |
|----------------------|----------------|-------|-------|-------|-------|-------|
| Risk-weighted assets |                |       |       |       |       |       |
| Reported             | 136.2          | 149.6 | 415.4 | 89.9  | 97.5  | 888.6 |
| Currency translation | (0.6)          | (1.9) | (2.7) | (0.1) | (0.2) | (5.5) |
| Constant currency    | 135.6          | 147.7 | 412.7 | 89.8  | 97.3  | 883.1 |

## Fee and other income supplementary analysis

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

|                                                                                                                                       | Half-year to 30 Jun 2026 |            |              |              |                         |               |
|---------------------------------------------------------------------------------------------------------------------------------------|--------------------------|------------|--------------|--------------|-------------------------|---------------|
|                                                                                                                                       | Hong Kong<br>\$m         | UK<br>\$m  | CIB<br>\$m   | IWPB<br>\$m  | Corporate Centre<br>\$m | Total<br>\$m  |
| Net fee income                                                                                                                        | 1,598                    | 843        | 2,338        | 2,463        | 35                      | 7,277         |
| Net income from financial instruments held for trading or managed on a fair value basis                                               | 276                      | (26)       | 4,777        | 398          | 5,095                   | 10,520        |
| Insurance revenue <sup>1</sup>                                                                                                        | 62                       | —          | —            | 1,247        | (9)                     | 1,300         |
| Gain less impairment relating to sale of business operations                                                                          | —                        | —          | (6)          | 42           | —                       | 36            |
| Other operating (expense)/income                                                                                                      | 221                      | 32         | 477          | 3            | (357)                   | 376           |
| <b>Total</b>                                                                                                                          | <b>2,157</b>             | <b>849</b> | <b>7,586</b> | <b>4,153</b> | <b>4,764</b>            | <b>19,509</b> |
| Banking book funding costs used to generate 'net income from financial instruments held for trading or managed on a fair value basis' |                          |            |              |              | (4,755)                 | (4,755)       |
| Third-party net interest income from insurance                                                                                        |                          |            |              | 92           |                         | 92            |
| Notable items                                                                                                                         |                          |            | (22)         | 107          | 341                     | 426           |
| <b>Fee and other income</b>                                                                                                           | <b>2,157</b>             | <b>849</b> | <b>7,564</b> | <b>4,352</b> | <b>350</b>              | <b>15,272</b> |

### Supplementary management view of fee and other income – on a constant currency basis

|                                             |       |     |       |       |     |       |
|---------------------------------------------|-------|-----|-------|-------|-----|-------|
| Wholesale Transaction Banking               | 384   | 419 | 5,259 | —     | —   | 6,062 |
| – Global Foreign Exchange                   | 108   | 103 | 3,059 | —     | —   | 3,270 |
| – Global Payments Solutions                 | 172   | 225 | 799   | —     | —   | 1,196 |
| – Global Trade Solutions                    | 104   | 91  | 622   | —     | —   | 817   |
| – Securities Services                       | —     | —   | 779   | —     | —   | 779   |
| Wealth                                      | 1,333 | 178 | —     | 3,951 | —   | 5,462 |
| – Investment Distribution                   | 1,276 | 173 | —     | 770   | —   | 2,219 |
| – Insurance <sup>1</sup>                    | 57    | 5   | —     | 1,371 | —   | 1,433 |
| – Asset Management                          | —     | —   | —     | 755   | —   | 755   |
| – Private Bank                              | —     | —   | —     | 1,055 | —   | 1,055 |
| Investment Banking, Debt and Equity Markets | —     | —   | 2,128 | —     | —   | 2,128 |
| Retail Banking                              | 204   | 133 | —     | 384   | —   | 721   |
| Wholesale Credit and Lending                | 38    | 122 | 280   | —     | —   | 440   |
| Other                                       | 198   | (3) | (103) | 17    | 350 | 459   |

### Half-year to 30 Jun 2025

|                                                                                                                                       | Hong Kong<br>\$m | UK<br>\$m  | CIB<br>\$m   | IWPB<br>\$m  | Corporate Centre<br>\$m | Total<br>\$m  |
|---------------------------------------------------------------------------------------------------------------------------------------|------------------|------------|--------------|--------------|-------------------------|---------------|
| Net fee income                                                                                                                        | 1,420            | 843        | 2,296        | 2,085        | (1)                     | 6,643         |
| Net income from financial instruments held for trading or managed on a fair value basis                                               | 337              | (17)       | 4,421        | 422          | 5,384                   | 10,547        |
| Insurance revenue <sup>1</sup>                                                                                                        | 41               | —          | —            | 561          | (33)                    | 569           |
| Gain less impairment relating to sale of business operations                                                                          | —                | —          | —            | (56)         | 22                      | (34)          |
| Other operating (expense)/income                                                                                                      | 150              | 30         | 477          | 341          | (1,422)                 | (424)         |
| <b>Total</b>                                                                                                                          | <b>1,948</b>     | <b>856</b> | <b>7,194</b> | <b>3,353</b> | <b>3,950</b>            | <b>17,301</b> |
| Banking book funding costs used to generate 'net income from financial instruments held for trading or managed on a fair value basis' | —                | —          | —            | —            | (4,710)                 | (4,710)       |
| Third-party net interest income from insurance                                                                                        | —                | —          | —            | 218          | —                       | 218           |
| Notable items                                                                                                                         | —                | —          | —            | 57           | 1,218                   | 1,275         |
| Currency translation                                                                                                                  | (6)              | 32         | 167          | 93           | (41)                    | 245           |
| <b>Fee and other income</b>                                                                                                           | <b>1,942</b>     | <b>888</b> | <b>7,361</b> | <b>3,721</b> | <b>417</b>              | <b>14,329</b> |

### Supplementary management view of fee and other income – on a constant currency basis

|                                             |       |     |       |       |     |       |
|---------------------------------------------|-------|-----|-------|-------|-----|-------|
| Wholesale Transaction Banking               | 362   | 431 | 5,014 | —     | —   | 5,807 |
| – Global Foreign Exchange                   | 98    | 98  | 3,015 | —     | —   | 3,211 |
| – Global Payments Solutions                 | 165   | 242 | 741   | —     | —   | 1,148 |
| – Global Trade Solutions                    | 99    | 91  | 571   | —     | —   | 761   |
| – Securities Services                       | —     | —   | 687   | —     | —   | 687   |
| Wealth                                      | 1,097 | 181 | —     | 3,358 | —   | 4,636 |
| – Investment Distribution                   | 1,060 | 177 | —     | 563   | —   | 1,800 |
| – Insurance <sup>1</sup>                    | 37    | 4   | —     | 1,148 | —   | 1,189 |
| – Asset Management                          | —     | —   | —     | 721   | —   | 721   |
| – Private Bank                              | —     | —   | —     | 926   | —   | 926   |
| Investment Banking, Debt and Equity Markets | —     | —   | 2,098 | —     | —   | 2,098 |
| Retail Banking                              | 175   | 138 | —     | 338   | —   | 651   |
| Wholesale Credit and Lending                | 41    | 113 | 284   | —     | —   | 438   |
| Other                                       | 267   | 25  | (35)  | 25    | 417 | 699   |

<sup>1</sup> Includes Group 'net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss', 'insurance finance expense' and 'insurance service result, but excludes the portion of insurance income reported in 'net fee income' (1H26: \$149m, 1H25: \$99m) and 'other operating (expense)/income' (1H26: \$253m, 1H25: \$44m).

## Strategic transactions supplementary analysis

The following table presents the selected impacts of strategic transactions on the Group and our business segments for transactions that are classified as material notable items. See page 20 for further information on material notable items and the impact of strategic transactions.

### Constant currency results

|                                                     | 1H26         | 1H25         | Variance<br>1H26 vs.<br>1H25 | of which     |            |            |              |                     |
|-----------------------------------------------------|--------------|--------------|------------------------------|--------------|------------|------------|--------------|---------------------|
|                                                     | \$m          | \$m          | \$m                          | Hong<br>Kong | UK         | CIB        | IWPB         | Corporate<br>Centre |
| Revenue                                             | (426)        | 204          | (630)                        | —            | —          | (87)       | (240)        | (303)               |
| – distorting impact of operating results            | —            | 344          | (344)                        | —            | —          | (109)      | (192)        | (43)                |
| – notable items                                     | (426)        | (140)        | (286)                        | —            | —          | 22         | (48)         | (260)               |
| ECL                                                 | —            | (2)          | 2                            | —            | —          | —          | 2            | —                   |
| Operating expenses                                  | (129)        | (404)        | 275                          | —            | (1)        | 300        | 7            | (31)                |
| – distorting impact of operating results            | —            | (147)        | 147                          | —            | —          | 109        | 38           | —                   |
| – notable items                                     | (129)        | (257)        | 128                          | —            | (1)        | 191        | (31)         | (31)                |
| Share of profit in associates and joint ventures    | —            | —            | —                            | —            | —          | —          | —            | —                   |
| <b>Profit before tax</b>                            | <b>(555)</b> | <b>(202)</b> | <b>(353)</b>                 | <b>—</b>     | <b>(1)</b> | <b>213</b> | <b>(231)</b> | <b>(334)</b>        |
| – distorting impact of operating results            | —            | 195          | (195)                        | —            | —          | —          | (152)        | (43)                |
| – notable items                                     | (555)        | (397)        | (158)                        | —            | (1)        | 213        | (79)         | (291)               |
| <b>Profit before tax<sup>1</sup></b>                |              |              |                              |              |            |            |              |                     |
| – life insurance business in UK                     | (183)        | 25           | (208)                        | —            | —          | —          | (200)        | (8)                 |
| – wind-down of M&A and ECM in the UK, Europe and US | (6)          | (155)        | 149                          | —            | —          | 149        | —            | —                   |
| – business in Malta                                 | (350)        | —            | (350)                        | —            | —          | —          | —            | (350)               |
| – business in Argentina <sup>2</sup>                | —            | (107)        | 107                          | —            | —          | —          | —            | 107                 |
| – other strategic transactions                      | (16)         | 35           | (51)                         | —            | (1)        | 64         | (31)         | (83)                |

1 Represents the impact on profit before tax due to strategic transactions, inclusive of the notable items impacts and distorting impact of operating results. This does not represent the profit before tax of each disposed business. In the case of wind-downs, there may be timing differences between the recognition of operating cost impacts and operating revenue impacts. These would arise in the event there is a timing lag between the impact of cost actions and the resultant impact on operating revenue.

2 1H25 impacts relate to fair value losses on ADRs in Galicia received as part of the sale consideration for our business in Argentina.

## Supplementary tables for Wealth

### Insurance business performance

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

#### Total insurance revenue (constant currency)

|                                                                                                                                                | Half-year to |              |
|------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
|                                                                                                                                                | 30 Jun 2026  | 30 Jun 2025  |
|                                                                                                                                                | \$m          | \$m          |
| Net fee income                                                                                                                                 | 190          | 154          |
| Insurance service result                                                                                                                       | 1,033        | 791          |
| – release of contractual service margin                                                                                                        | 854          | 728          |
| – risk adjustment release                                                                                                                      | 47           | 33           |
| – experience variance and other                                                                                                                | 99           | 99           |
| – loss from onerous contracts                                                                                                                  | 33           | (69)         |
| Investment income                                                                                                                              | 6,018        | 5,334        |
| – net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss | 6,106        | 5,127        |
| – other investment income/(expense)                                                                                                            | (88)         | 207          |
| Insurance finance expense                                                                                                                      | (5,838)      | (5,349)      |
| Other income                                                                                                                                   | 30           | 259          |
| <b>Revenue<sup>1</sup></b>                                                                                                                     | <b>1,433</b> | <b>1,189</b> |

1 'Revenue' of \$1.4bn (1H25: \$1.2bn) includes \$1.4bn earned within IWPB (1H25: \$1.1bn) and \$0.1bn earned within Hong Kong (1H25: \$0.0bn). This comprises revenue from insurance manufacturing operations of \$1.2bn (1H25: \$1.0bn), and revenue from wealth retail distribution channels and consolidation impacts of \$0.2bn (1H25: \$0.2bn).

### Total insurance revenue

Revenue of \$1.4bn in 1H26 was \$0.2bn higher than in 1H25 reflecting the following:

- Insurance service result of \$1.0bn in 1H26 increased by \$0.2bn compared with 1H25, including the adverse impact of strategic transactions of \$0.1bn, reflecting higher CSM release as a result of strong new business growth in Hong Kong, and the non-recurrence of losses from onerous contracts, primarily in the Chinese mainland.
- Net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss of \$6.1bn increased by \$1.0bn compared with 1H25 reflecting higher equity valuation gains partly offset by lower returns on fixed income investments as a result of rising market interest rates, primarily in Hong Kong. Other investment income decreased by \$0.3bn compared with 1H25, primarily from exchange rate movements.
- This was offset by Insurance finance expense of \$5.8bn, which moves inversely with investment income.



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

### Insurance key performance metrics

|                                                                        | Half-year to |             |
|------------------------------------------------------------------------|--------------|-------------|
|                                                                        | 30 Jun 2026  | 30 Jun 2025 |
|                                                                        | \$m          | \$m         |
| Annualised new business premiums of insurance manufacturing operations | 4,661        | 3,753       |
| Insurance manufacturing new business contractual service margin        | 3,031        | 2,033       |
| Consolidated Group new business contractual service margin             | 3,432        | 2,267       |
| Total insurance profit before tax                                      | 1,076        | 777         |
| Net dividends of insurance manufacturing operations                    | 885          | 262         |
| Insurance equity plus CSM net of tax ♦                                 | 19,318       | 18,881      |

## Insurance key performance metrics

**Annualised new business premiums ('ANP')** is used to assess new insurance premiums generated by the business. It is calculated as 100% of annualised first year regular premiums and 10% of single premiums, before reinsurance ceded. ANP in 1H26 increased by 24% compared with 1H25, primarily from strong new business sales in Hong Kong.

**Consolidated Group new business contractual service margin** reflects new CSM generated in the period through our insurance manufacturing and bank distribution channels. Insurance manufacturing new business CSM increased by \$1.0bn compared with 1H25, reflecting strong sales in Hong Kong and a \$0.5bn increase from entering into new third-party reinsurance contracts (30 June 2025: \$0.1bn increase). Consolidated Group new business CSM increased by \$1.2bn compared with 1H25, reflecting strong sales through our bank distribution channel in Hong Kong.

The stock of insurance manufacturing CSM at 30 June 2026 of \$15.7bn (30 June 2025: \$13.5bn) reflected a \$1.4bn reduction from the classification of our Singapore insurance business to held for sale in 1H26. The stock of consolidated Group CSM after inclusion of our bank distribution channel and other consolidation adjustments stood at \$17.2bn at 30 June 2026 (30 June 2025: \$15.7bn).

**Net dividends of insurance manufacturing operations** represents dividends paid to immediate parent companies net of CET1 qualifying injections to fund business growth. Net dividends of insurance manufacturing operations in 1H26 included dividends paid to immediate parent companies of \$1.0bn (1H25: \$0.4bn) net of CET1 qualifying injections of \$0.1bn (1H25: \$0.1bn). Net dividends increased by \$0.6bn compared with 1H25 due to earlier payment of dividends in 2026.

**Insurance equity plus CSM net of tax** is a non-GAAP alternative performance measure that provides information about our insurance manufacturing operations' net asset value plus the future earnings from in-force business. At 30 June 2026, insurance equity plus CSM net of tax was calculated as follows:

### Insurance equity plus CSM net of tax

|                                           | 30 Jun 2026 | 30 Jun 2025 | 31 Dec 2025 |
|-------------------------------------------|-------------|-------------|-------------|
|                                           | \$m         | \$m         | \$m         |
| Insurance manufacturing operations equity | 6,286       | 7,719       | 6,715       |
| Insurance manufacturing CSM               | 15,743      | 13,466      | 14,598      |
| CSM deferred tax recognised               | (2,711)     | (2,304)     | (2,513)     |
| Insurance equity plus CSM net of tax ♦    | 19,318      | 18,881      | 18,800      |

## Wealth balances

The following table shows our Wealth balances, which include invested assets and Wealth deposits. From 1 January 2026, we have updated the definition of our Wealth balances to exclude Asset Management third-party distribution. This will enhance comparability with industry peers. Comparative data has been re-presented in the updated definition.

### Wealth balances<sup>1</sup>

|                                                                   | At           |              |              |
|-------------------------------------------------------------------|--------------|--------------|--------------|
|                                                                   | 30 Jun 2026  | 30 Jun 2025  | 31 Dec 2025  |
|                                                                   | \$bn         | \$bn         | \$bn         |
| Private Bank invested assets <sup>2</sup>                         | 453          | 430          | 465          |
| Retail invested assets                                            | 515          | 455          | 490          |
| <b>Invested assets<sup>1</sup></b>                                | <b>968</b>   | <b>885</b>   | <b>955</b>   |
| – of which: The Hongkong and Shanghai Banking Corporation Limited | 682          | 592          | 648          |
| <b>Wealth deposits (Premier and Private Bank)<sup>3</sup></b>     | <b>609</b>   | <b>590</b>   | <b>608</b>   |
| – of which: The Hongkong and Shanghai Banking Corporation Limited | 408          | 389          | 407          |
| <b>Total reported wealth balances</b>                             | <b>1,577</b> | <b>1,475</b> | <b>1,563</b> |
| – of which: The Hongkong and Shanghai Banking Corporation Limited | 1,090        | 981          | 1,055        |

- Invested assets are not reported on the Group's balance sheet, except where it is deemed that we are acting as principal rather than agent in our role as investment manager.
- Private Bank client balances, which comprises invested assets and customer deposits were \$554bn (31 December 2025: \$566bn; 30 June 2025: \$529bn).
- Premier and Private Bank deposits, which include Prestige deposits in Hang Seng Bank, form part of the total IWPB, Hong Kong and UK businesses' customer accounts balance on page 30.

## Net new money

Net new money ('NNM') represents our net customer inflows from Private Bank and Retail invested assets and Wealth deposits. It excludes foreign exchange movements and market and other movements not relating to client inflows/outflows, which are reported within 'foreign exchange and others' and 'net market movements', respectively. This metric excludes net customer inflows from Asset Management third-party distribution. From 1 January 2026, we disclose NNM as our key Wealth metric, offering greater comparability to industry peers. We no longer disclose invested assets as a key metric.

### Net new money

|                                                                       |              | Half- year to |              |
|-----------------------------------------------------------------------|--------------|---------------|--------------|
|                                                                       | 30 Jun 2026  | 30 Jun 2025   | 31 Dec 2025  |
|                                                                       | \$bn         | \$bn          | \$bn         |
| Opening balance                                                       | 1,563        | 1,359         | 1,475        |
| Net new money <sup>1</sup>                                            | 64           | 49            | 37           |
| – of which: net new invested assets                                   | 56           | 29            | 17           |
| – of which: change in deposits                                        | 8            | 20            | 20           |
| Net market movements                                                  | 6            | 46            | 45           |
| Foreign exchange and others <sup>2,3</sup>                            | (56)         | 21            | 6            |
| <b>Closing balance</b>                                                | <b>1,577</b> | <b>1,475</b>  | <b>1,563</b> |
| Net new money – The Hongkong and Shanghai Banking Corporation Limited | 57           | 43            | 30           |
| – of which: net new invested assets                                   | 52           | 28            | 13           |
| – of which: change in deposits                                        | 5            | 15            | 17           |

- 1 Clients' assets are translated at the average quarterly rates of foreign exchange applicable to the respective quarters, with the effects of currency translation reported separately.
- 2 Includes \$18bn from the reclassification to held for sale of Wealth balances associated with the planned sales of HSBC Life Singapore, our retail banking business in Indonesia and our business in Malta, as well as foreign exchange impacts on Wealth deposits.
- 3 Includes cancellation of \$25bn of unlisted shares in custody at 31 March 2026, where conversion occurred during the second quarter, noting post-conversion shares are subject to transfer restrictions.

## Asset Management: funds under management

In addition to HSBC-distributed assets reported under Wealth balances, Asset Management also manages third-party distributed assets. The table below shows Asset Management's funds under management, including third-party distributed assets.

### Asset Management – reported funds under management

|                                           |             | Half- year to |             |
|-------------------------------------------|-------------|---------------|-------------|
|                                           | 30 Jun 2026 | 30 Jun 2025   | 31 Dec 2025 |
|                                           | \$bn        | \$bn          | \$bn        |
| Wealth balances (HSBC distributed assets) | 306         | 270           | 285         |
| Third-party distributed assets            | 622         | 538           | 581         |
| <b>Total funds under management</b>       | <b>928</b>  | <b>808</b>    | <b>866</b>  |

### Asset Management – invested assets

|                                                                   |             | Half- year to |             |
|-------------------------------------------------------------------|-------------|---------------|-------------|
|                                                                   | 30 Jun 2026 | 30 Jun 2025   | 31 Dec 2025 |
|                                                                   | \$bn        | \$bn          | \$bn        |
| Opening balance                                                   | 866         | 731           | 808         |
| Net new invested assets                                           | 36          | 31            | 28          |
| Net market movements, foreign exchange and other movements        | 26          | 46            | 30          |
| <b>Closing balance</b>                                            | <b>928</b>  | <b>808</b>    | <b>866</b>  |
| – of which: The Hongkong and Shanghai Banking Corporation Limited | 279         | 247           | 260         |

# Legal entities

## Analysis of reported results by legal entities

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

|                                                                                                                                                         | Half-year to 30 Jun 2026 |                  |                                                                         |                                           |                                              |                                              |                              |                                                                                          |               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|------------------|-------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------|----------------------------------------------|------------------------------|------------------------------------------------------------------------------------------|---------------|
|                                                                                                                                                         | HSBC UK<br>Bank plc      | HSBC<br>Bank plc | The<br>Hongkong<br>and<br>Shanghai<br>Banking<br>Corporation<br>Limited | HSBC<br>Bank<br>Middle<br>East<br>Limited | HSBC<br>North<br>America<br>Holdings<br>Inc. | Grupo<br>Financiero<br>HSBC, S.A.<br>de C.V. | Other<br>trading<br>entities | Holding<br>companies,<br>shared<br>service<br>centres and<br>intra-Group<br>eliminations | Total         |
|                                                                                                                                                         | \$m                      | \$m              | \$m                                                                     | \$m                                       | \$m                                          | \$m                                          | \$m                          | \$m                                                                                      | \$m           |
| Net interest income                                                                                                                                     | 6,055                    | 814              | 8,744                                                                   | 775                                       | 1,003                                        | 1,183                                        | 798                          | (1,139)                                                                                  | 18,233        |
| Net fee income                                                                                                                                          | 872                      | 679              | 3,811                                                                   | 283                                       | 894                                          | 346                                          | 478                          | (86)                                                                                     | 7,277         |
| Net income from financial instruments held for trading or managed on a fair value basis                                                                 | 266                      | 3,693            | 5,726                                                                   | 122                                       | 432                                          | 200                                          | 37                           | 44                                                                                       | 10,520        |
| Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit and loss | —                        | 33               | 6,024                                                                   | —                                         | —                                            | 28                                           | 19                           | 1                                                                                        | 6,105         |
| Insurance finance income/(expense)                                                                                                                      | —                        | (33)             | (5,777)                                                                 | —                                         | —                                            | (30)                                         | —                            | 2                                                                                        | (5,838)       |
| Insurance service result                                                                                                                                | —                        | 10               | 979                                                                     | —                                         | —                                            | 45                                           | —                            | (1)                                                                                      | 1,033         |
| Other income/(expense)                                                                                                                                  | 67                       | 97               | 764                                                                     | 80                                        | 267                                          | 96                                           | 104                          | (1,063)                                                                                  | 412           |
| <b>Net operating income before change in expected credit losses and other credit impairment charges</b>                                                 | <b>7,260</b>             | <b>5,293</b>     | <b>20,271</b>                                                           | <b>1,260</b>                              | <b>2,596</b>                                 | <b>1,868</b>                                 | <b>1,436</b>                 | <b>(2,242)</b>                                                                           | <b>37,742</b> |
| Change in expected credit losses and other credit impairment charges                                                                                    | (518)                    | (542)            | (798)                                                                   | (125)                                     | (28)                                         | (315)                                        | (28)                         | 1                                                                                        | (2,353)       |
| <b>Net operating income</b>                                                                                                                             | <b>6,742</b>             | <b>4,751</b>     | <b>19,473</b>                                                           | <b>1,135</b>                              | <b>2,568</b>                                 | <b>1,553</b>                                 | <b>1,408</b>                 | <b>(2,241)</b>                                                                           | <b>35,389</b> |
| Total operating expenses                                                                                                                                | (2,842)                  | (3,605)          | (7,773)                                                                 | (661)                                     | (1,633)                                      | (1,157)                                      | (771)                        | 1,016                                                                                    | (17,426)      |
| <b>Operating profit</b>                                                                                                                                 | <b>3,900</b>             | <b>1,146</b>     | <b>11,700</b>                                                           | <b>474</b>                                | <b>935</b>                                   | <b>396</b>                                   | <b>637</b>                   | <b>(1,225)</b>                                                                           | <b>17,963</b> |
| Share of profit/(loss) in associates and joint ventures less impairment                                                                                 | —                        | 28               | 1,197                                                                   | —                                         | —                                            | 9                                            | 327                          | (2)                                                                                      | 1,559         |
| <b>Profit before tax</b>                                                                                                                                | <b>3,900</b>             | <b>1,174</b>     | <b>12,897</b>                                                           | <b>474</b>                                | <b>935</b>                                   | <b>405</b>                                   | <b>964</b>                   | <b>(1,227)</b>                                                                           | <b>19,522</b> |
|                                                                                                                                                         | %                        | %                | %                                                                       | %                                         | %                                            | %                                            | %                            | %                                                                                        | %             |
| Share of HSBC's profit before tax                                                                                                                       | 20.0                     | 6.0              | 66.1                                                                    | 2.4                                       | 4.8                                          | 2.1                                          | 4.9                          | (6.3)                                                                                    | 100.0         |
| Cost efficiency ratio                                                                                                                                   | 39.1                     | 68.1             | 38.3                                                                    | 52.5                                      | 62.9                                         | 61.9                                         | 53.7                         | 45.3                                                                                     | 46.2          |
| <b>Balance sheet data</b>                                                                                                                               | <b>\$m</b>               | <b>\$m</b>       | <b>\$m</b>                                                              | <b>\$m</b>                                | <b>\$m</b>                                   | <b>\$m</b>                                   | <b>\$m</b>                   | <b>\$m</b>                                                                               | <b>\$m</b>    |
| Loans and advances to customers (net)                                                                                                                   | 317,625                  | 103,045          | 492,522                                                                 | 24,921                                    | 55,360                                       | 24,602                                       | 4,030                        | —                                                                                        | 1,022,105     |
| Total assets                                                                                                                                            | 487,382                  | 1,019,968        | 1,621,991                                                               | 71,896                                    | 273,117                                      | 51,597                                       | 33,934                       | (121,724)                                                                                | 3,438,161     |
| Customer accounts                                                                                                                                       | 373,493                  | 328,018          | 944,892                                                                 | 39,074                                    | 102,418                                      | 28,522                                       | 11,188                       | 98                                                                                       | 1,827,703     |
| Risk-weighted assets <sup>1,2</sup>                                                                                                                     | 165,002                  | 144,610          | 423,252                                                                 | 29,411                                    | 78,317                                       | 31,900                                       | 59,595                       | (3,386)                                                                                  | 906,417       |

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

Half-year to 30 Jun 2025

|                                                                                                                                                         | HSBC UK<br>Bank plc | HSBC<br>Bank plc | The<br>Hongkong<br>and<br>Shanghai<br>Banking<br>Corporation<br>Limited | HSBC<br>Bank<br>Middle<br>East<br>Limited | HSBC<br>North<br>America<br>Holdings<br>Inc. | Grupo<br>Financiero<br>HSBC, S.A.<br>de C.V. | Other<br>trading<br>entities | Holding<br>companies,<br>shared<br>service<br>centres and<br>intra-Group<br>eliminations | Total     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------|-------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------|----------------------------------------------|------------------------------|------------------------------------------------------------------------------------------|-----------|
|                                                                                                                                                         | \$m                 | \$m              | \$m                                                                     | \$m                                       | \$m                                          | \$m                                          | \$m                          | \$m                                                                                      | \$m       |
| Net interest income                                                                                                                                     | 5,453               | 773              | 8,100                                                                   | 762                                       | 1,045                                        | 1,080                                        | 642                          | (1,034)                                                                                  | 16,821    |
| Net fee income                                                                                                                                          | 857                 | 859              | 3,262                                                                   | 261                                       | 731                                          | 304                                          | 477                          | (108)                                                                                    | 6,643     |
| Net income from financial instruments held for trading or managed on a fair value basis                                                                 | 270                 | 3,433            | 6,063                                                                   | 169                                       | 294                                          | 212                                          | 103                          | 3                                                                                        | 10,547    |
| Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit and loss | —                   | 424              | 4,662                                                                   | —                                         | —                                            | 23                                           | 5                            | (1)                                                                                      | 5,113     |
| Insurance finance income/(expense)                                                                                                                      | —                   | (482)            | (4,834)                                                                 | —                                         | —                                            | (15)                                         | —                            | 2                                                                                        | (5,329)   |
| Insurance service result                                                                                                                                | —                   | 90               | 668                                                                     | —                                         | —                                            | 31                                           | —                            | (4)                                                                                      | 785       |
| Other income/(expense) <sup>3</sup>                                                                                                                     | 63                  | 261              | (582)                                                                   | 62                                        | 249                                          | 30                                           | (60)                         | (481)                                                                                    | (458)     |
| Net operating income before change in expected credit losses and other credit impairment charges                                                        | 6,643               | 5,358            | 17,339                                                                  | 1,254                                     | 2,319                                        | 1,665                                        | 1,167                        | (1,623)                                                                                  | 34,122    |
| Change in expected credit losses and other credit impairment charges                                                                                    | (340)               | (99)             | (910)                                                                   | (48)                                      | (150)                                        | (383)                                        | (13)                         | 2                                                                                        | (1,941)   |
| Net operating income                                                                                                                                    | 6,303               | 5,259            | 16,429                                                                  | 1,206                                     | 2,169                                        | 1,282                                        | 1,154                        | (1,621)                                                                                  | 32,181    |
| Total operating expenses                                                                                                                                | (2,685)             | (3,806)          | (7,303)                                                                 | (638)                                     | (1,679)                                      | (958)                                        | (686)                        | 733                                                                                      | (17,022)  |
| Operating profit                                                                                                                                        | 3,618               | 1,453            | 9,126                                                                   | 568                                       | 490                                          | 324                                          | 468                          | (888)                                                                                    | 15,159    |
| Share of profit in associates and joint ventures <sup>3</sup>                                                                                           | —                   | 40               | 258                                                                     | —                                         | —                                            | 6                                            | 349                          | (2)                                                                                      | 651       |
| Profit before tax                                                                                                                                       | 3,618               | 1,493            | 9,384                                                                   | 568                                       | 490                                          | 330                                          | 817                          | (890)                                                                                    | 15,810    |
|                                                                                                                                                         | %                   | %                | %                                                                       | %                                         | %                                            | %                                            | %                            | %                                                                                        | %         |
| Share of HSBC's profit before tax                                                                                                                       | 22.9                | 9.4              | 59.4                                                                    | 3.6                                       | 3.1                                          | 2.1                                          | 5.2                          | (5.7)                                                                                    | 100       |
| Cost efficiency ratio                                                                                                                                   | 40.4                | 71.0             | 42.1                                                                    | 50.9                                      | 72.4                                         | 57.5                                         | 58.8                         | 45.2                                                                                     | 49.9      |
| Balance sheet data                                                                                                                                      | \$m                 | \$m              | \$m                                                                     | \$m                                       | \$m                                          | \$m                                          | \$m                          | \$m                                                                                      | \$m       |
| Loans and advances to customers (net)                                                                                                                   | 305,661             | 107,058          | 459,814                                                                 | 21,736                                    | 57,287                                       | 25,074                                       | 5,092                        | —                                                                                        | 981,722   |
| Total assets                                                                                                                                            | 466,225             | 987,456          | 1,455,104                                                               | 62,470                                    | 281,282                                      | 49,284                                       | 30,587                       | (118,037)                                                                                | 3,214,371 |
| Customer accounts                                                                                                                                       | 371,420             | 306,014          | 871,247                                                                 | 35,390                                    | 96,145                                       | 27,354                                       | 11,001                       | 33                                                                                       | 1,718,604 |
| Risk-weighted assets <sup>1,2</sup>                                                                                                                     | 158,035             | 147,816          | 416,794                                                                 | 25,606                                    | 77,352                                       | 32,711                                       | 53,366                       | 875                                                                                      | 886,860   |

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

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

3 The amount in 1H25 'Other income/(expense)' includes a loss of \$1.1bn inclusive of reserves recycling as a result of the dilution of our shareholding in BoCom. In the same period we also recognised a \$1.0bn impairment loss following an impairment test on the carrying value of the Group's investment in BoCom in 'Share of profit in associates and joint ventures'.

## Summary information – legal entities and selected countries/territories

### Legal entity reported and constant currency results

|                                                                  | Half-year to 30 Jun 2026 |               |                                                       |                               |                                  |                                     |                                     |                                                                        | Total         |
|------------------------------------------------------------------|--------------------------|---------------|-------------------------------------------------------|-------------------------------|----------------------------------|-------------------------------------|-------------------------------------|------------------------------------------------------------------------|---------------|
|                                                                  | HSBC UK Bank plc         | HSBC Bank plc | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited | HSBC North America Holdings Inc. | Grupo Financiero HSBC, S.A. de C.V. | Other trading entities <sup>1</sup> | Holding companies, shared service centres and intra-Group eliminations |               |
|                                                                  | \$m                      | \$m           | \$m                                                   | \$m                           | \$m                              | \$m                                 | \$m                                 | \$m                                                                    | \$m           |
| Revenue                                                          | 7,260                    | 5,293         | 20,271                                                | 1,260                         | 2,596                            | 1,868                               | 1,436                               | (2,242)                                                                | 37,742        |
| ECL                                                              | (518)                    | (542)         | (798)                                                 | (125)                         | (28)                             | (315)                               | (28)                                | 1                                                                      | (2,353)       |
| Operating expenses                                               | (2,842)                  | (3,605)       | (7,773)                                               | (661)                         | (1,633)                          | (1,157)                             | (771)                               | 1,016                                                                  | (17,426)      |
| Share of profit in associates and joint ventures less impairment | —                        | 28            | 1,197                                                 | —                             | —                                | 9                                   | 327                                 | (2)                                                                    | 1,559         |
| <b>Profit/(loss) before tax</b>                                  | <b>3,900</b>             | <b>1,174</b>  | <b>12,897</b>                                         | <b>474</b>                    | <b>935</b>                       | <b>405</b>                          | <b>964</b>                          | <b>(1,227)</b>                                                         | <b>19,522</b> |
| Loans and advances to customers (net)                            | 317,625                  | 103,045       | 492,522                                               | 24,921                        | 55,360                           | 24,602                              | 4,030                               | —                                                                      | 1,022,105     |
| Customer accounts                                                | 373,493                  | 328,018       | 944,892                                               | 39,074                        | 102,418                          | 28,522                              | 11,188                              | 98                                                                     | 1,827,703     |

- 1 Other trading entities includes the results of entities located in Türkiye, Egypt and Saudi Arabia (including our share of the results of Saudi Awwal Bank ('SAB')) which do not consolidate into HSBC Bank Middle East Limited. These entities had an aggregated impact on the Group's reported profit before tax of \$0.7bn.

### Legal entity results: notable items

|                                                                    | Half-year to 30 Jun 2026 |               |                                                       |                               |                                  |                                     |                        |                                                                        | Total |
|--------------------------------------------------------------------|--------------------------|---------------|-------------------------------------------------------|-------------------------------|----------------------------------|-------------------------------------|------------------------|------------------------------------------------------------------------|-------|
|                                                                    | HSBC UK Bank plc         | HSBC Bank plc | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited | HSBC North America Holdings Inc. | Grupo Financiero HSBC, S.A. de C.V. | Other trading entities | Holding companies, shared service centres and intra-Group eliminations |       |
|                                                                    | \$m                      | \$m           | \$m                                                   | \$m                           | \$m                              | \$m                                 | \$m                    | \$m                                                                    | \$m   |
| <b>Revenue</b>                                                     |                          |               |                                                       |                               |                                  |                                     |                        |                                                                        |       |
| Disposals, wind-downs, acquisitions and related costs <sup>1</sup> | —                        | (264)         | 52                                                    | —                             | —                                | —                                   | —                      | (214)                                                                  | (426) |
| <b>Operating expenses</b>                                          |                          |               |                                                       |                               |                                  |                                     |                        |                                                                        |       |
| Disposals, wind-downs, acquisitions and related costs              | —                        | (57)          | (53)                                                  | —                             | (4)                              | —                                   | (3)                    | (12)                                                                   | (129) |
| Restructuring and other related costs <sup>2</sup>                 | (59)                     | (19)          | (96)                                                  | (7)                           | (22)                             | (41)                                | (7)                    | (67)                                                                   | (318) |

- 1 The amount in 1H26 includes \$0.2bn from the recycling of foreign currency translation reserve losses arising on completion of the sale of our UK life insurance business, HSBC Life (UK) Limited, and \$0.3bn of disposal losses recognised upon the 'held for sale' classification of HSBC Continental Europe's shareholding in HSBC Bank Malta p.l.c.
- 2 Amounts relate to organisational simplification provision recognised in 2026.

### Selected country/territory results

|                                                                         | Half-year to 30 Jun 2026 |                                           |              |                  |            |
|-------------------------------------------------------------------------|--------------------------|-------------------------------------------|--------------|------------------|------------|
|                                                                         | UK <sup>1</sup>          | of which: UK operating banks <sup>2</sup> | Hong Kong    | Chinese mainland | US         |
|                                                                         | \$m                      | \$m                                       | \$m          | \$m              | \$m        |
| Revenue                                                                 | 12,135                   | 10,387                                    | 13,168       | 2,536            | 2,534      |
| ECL                                                                     | (1,021)                  | (1,021)                                   | (565)        | (87)             | (28)       |
| Operating expenses                                                      | (7,513)                  | (4,682)                                   | (4,828)      | (1,802)          | (1,633)    |
| Share of profit/(loss) in associates and joint ventures less impairment | 28                       | 27                                        | 7            | 1,190            | —          |
| <b>Profit before tax</b>                                                | <b>3,629</b>             | <b>4,711</b>                              | <b>7,782</b> | <b>1,837</b>     | <b>873</b> |
| Loans and advances to customers (net)                                   | 365,246                  | 365,246                                   | 288,978      | 45,919           | 55,360     |
| Customer accounts                                                       | 577,239                  | 577,672                                   | 645,920      | 75,328           | 102,418    |

- 1 UK comprises our ring-fenced bank, HSBC UK Bank plc, our UK non-ring-fenced bank in HSBC Bank plc, HSBC Holdings plc and the Group's UK-based service companies.
- 2 UK operating banks comprises our ring-fenced bank, HSBC UK Bank plc, and our UK non-ring-fenced bank in HSBC Bank plc.

### Selected country/territory results: notable items

|                                                       | Half-year to 30 Jun 2026 |                              |           |                  |      |
|-------------------------------------------------------|--------------------------|------------------------------|-----------|------------------|------|
|                                                       | UK                       | of which: UK operating banks | Hong Kong | Chinese mainland | US   |
|                                                       | \$m                      | \$m                          | \$m       | \$m              | \$m  |
| <b>Revenue</b>                                        |                          |                              |           |                  |      |
| Disposals, wind-downs, acquisitions and related costs | (151)                    | 4                            | 6         | 5                | —    |
| Restructuring and other related costs                 | 50                       | —                            | 3         | 16               | —    |
| <b>Operating expenses</b>                             |                          |                              |           |                  |      |
| Disposals, wind-downs, acquisitions and related costs | (38)                     | (11)                         | (19)      | (6)              | (4)  |
| Restructuring and other related costs                 | (175)                    | (75)                         | (56)      | (31)             | (22) |



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

| Half-year to 30 Jun 2025                                |                     |                  |                                                                         |                                           |                                              |                                              |                                           |                                                                                          |           |
|---------------------------------------------------------|---------------------|------------------|-------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------|----------------------------------------------|-------------------------------------------|------------------------------------------------------------------------------------------|-----------|
|                                                         | HSBC UK<br>Bank plc | HSBC<br>Bank plc | The<br>Hongkong<br>and<br>Shanghai<br>Banking<br>Corporation<br>Limited | HSBC<br>Bank<br>Middle<br>East<br>Limited | HSBC<br>North<br>America<br>Holdings<br>Inc. | Grupo<br>Financiero<br>HSBC, S.A.<br>de C.V. | Other<br>trading<br>entities <sup>1</sup> | Holding<br>companies,<br>shared<br>service<br>centres and<br>intra-Group<br>eliminations | Total     |
|                                                         | \$m                 | \$m              | \$m                                                                     | \$m                                       | \$m                                          | \$m                                          | \$m                                       | \$m                                                                                      | \$m       |
| Revenue                                                 |                     |                  |                                                                         |                                           |                                              |                                              |                                           |                                                                                          |           |
| – Reported                                              | 6,643               | 5,358            | 17,339                                                                  | 1,254                                     | 2,319                                        | 1,665                                        | 1,167                                     | (1,623)                                                                                  | 34,122    |
| – Currency translation                                  | 244                 | 257              | 7                                                                       | 1                                         | —                                            | 238                                          | (20)                                      | (37)                                                                                     | 690       |
| – Constant currency                                     | 6,887               | 5,615            | 17,346                                                                  | 1,255                                     | 2,319                                        | 1,903                                        | 1,147                                     | (1,660)                                                                                  | 34,812    |
| ECL                                                     |                     |                  |                                                                         |                                           |                                              |                                              |                                           |                                                                                          |           |
| – Reported                                              | (340)               | (99)             | (910)                                                                   | (48)                                      | (150)                                        | (383)                                        | (13)                                      | 2                                                                                        | (1,941)   |
| – Currency translation                                  | (13)                | (6)              | (1)                                                                     | —                                         | —                                            | (54)                                         | 1                                         | (1)                                                                                      | (74)      |
| – Constant currency                                     | (353)               | (105)            | (911)                                                                   | (48)                                      | (150)                                        | (437)                                        | (12)                                      | 1                                                                                        | (2,015)   |
| Operating expenses                                      |                     |                  |                                                                         |                                           |                                              |                                              |                                           |                                                                                          |           |
| – Reported                                              | (2,685)             | (3,806)          | (7,303)                                                                 | (638)                                     | (1,679)                                      | (958)                                        | (686)                                     | 733                                                                                      | (17,022)  |
| – Currency translation                                  | (101)               | (184)            | (52)                                                                    | —                                         | —                                            | (137)                                        | 8                                         | 37                                                                                       | (429)     |
| – Constant currency                                     | (2,786)             | (3,990)          | (7,355)                                                                 | (638)                                     | (1,679)                                      | (1,095)                                      | (678)                                     | 770                                                                                      | (17,451)  |
| Share of profit/(loss) in associates and joint ventures |                     |                  |                                                                         |                                           |                                              |                                              |                                           |                                                                                          |           |
| – Reported                                              | —                   | 40               | 258                                                                     | —                                         | —                                            | 6                                            | 349                                       | (2)                                                                                      | 651       |
| – Currency translation                                  | —                   | —                | 4                                                                       | —                                         | —                                            | 1                                            | (1)                                       | —                                                                                        | 4         |
| – Constant currency                                     | —                   | 40               | 262                                                                     | —                                         | —                                            | 7                                            | 348                                       | (2)                                                                                      | 655       |
| Profit/(loss) before tax                                |                     |                  |                                                                         |                                           |                                              |                                              |                                           |                                                                                          |           |
| – Reported                                              | 3,618               | 1,493            | 9,384                                                                   | 568                                       | 490                                          | 330                                          | 817                                       | (890)                                                                                    | 15,810    |
| – Currency translation                                  | 130                 | 67               | (42)                                                                    | 1                                         | —                                            | 48                                           | (12)                                      | (1)                                                                                      | 191       |
| – Constant currency                                     | 3,748               | 1,560            | 9,342                                                                   | 569                                       | 490                                          | 378                                          | 805                                       | (891)                                                                                    | 16,001    |
| Loans and advances to customers (net)                   |                     |                  |                                                                         |                                           |                                              |                                              |                                           |                                                                                          |           |
| – Reported                                              | 305,661             | 107,058          | 459,814                                                                 | 21,736                                    | 57,287                                       | 25,074                                       | 5,092                                     | —                                                                                        | 981,722   |
| – Currency translation                                  | (10,175)            | (2,966)          | 602                                                                     | (5)                                       | —                                            | 2,056                                        | (194)                                     | (1)                                                                                      | (10,683)  |
| – Constant currency                                     | 295,486             | 104,092          | 460,416                                                                 | 21,731                                    | 57,287                                       | 27,130                                       | 4,898                                     | (1)                                                                                      | 971,039   |
| Customer accounts                                       |                     |                  |                                                                         |                                           |                                              |                                              |                                           |                                                                                          |           |
| – Reported                                              | 371,420             | 306,014          | 871,247                                                                 | 35,390                                    | 96,145                                       | 27,354                                       | 11,001                                    | 33                                                                                       | 1,718,604 |
| – Currency translation                                  | (12,364)            | (8,963)          | (1,430)                                                                 | (18)                                      | —                                            | 2,243                                        | (474)                                     | 1                                                                                        | (21,005)  |
| – Constant currency                                     | 359,056             | 297,051          | 869,817                                                                 | 35,372                                    | 96,145                                       | 29,597                                       | 10,527                                    | 34                                                                                       | 1,697,599 |

1 Other trading entities includes the results of entities located in Türkiye, Egypt and Saudi Arabia (including our share of the results of SAB), which do not consolidate into HSBC Bank Middle East Limited. These entities had an aggregated impact on the Group's reported profit before tax of \$0.8bn and constant currency profit before tax of \$0.8bn.

## Legal entity results: notable items

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

1 Includes \$0.1bn fair value losses on ADRs in Galicia received as a part of the sale consideration for HSBC Argentina, which were sold in 2Q25.

2 Includes a loss of \$1.1bn inclusive of reserves recycling as a result of the dilution of our shareholding in BoCom. We also recognised a \$1.0bn impairment loss following an impairment test on the carrying value of the Group's investment in BoCom in 'Impairment loss of interest in BoCom associate'.

3 Amounts relate to organisational simplification provisions recognised in 2025.

## Selected country/territory results

|                                                         | Half-year to 30 Jun 2025 |                                        |                     |                            |           |
|---------------------------------------------------------|--------------------------|----------------------------------------|---------------------|----------------------------|-----------|
|                                                         | UK<br>\$m                | of which: UK<br>operating banks<br>\$m | Hong<br>Kong<br>\$m | Chinese<br>mainland<br>\$m | US<br>\$m |
| Revenue                                                 |                          |                                        |                     |                            |           |
| – Reported                                              | 12,189                   | 9,415                                  | 12,229              | 987                        | 2,252     |
| – Currency translation                                  | 449                      | 351                                    | (47)                | 63                         | —         |
| – Constant currency                                     | 12,638                   | 9,766                                  | 12,182              | 1,050                      | 2,252     |
| ECL                                                     |                          |                                        |                     |                            |           |
| – Reported                                              | (370)                    | (370)                                  | (742)               | (77)                       | (150)     |
| – Currency translation                                  | (14)                     | (13)                                   | 3                   | (4)                        | —         |
| – Constant currency                                     | (384)                    | (383)                                  | (739)               | (81)                       | (150)     |
| Operating expenses                                      |                          |                                        |                     |                            |           |
| – Reported                                              | (7,394)                  | (4,652)                                | (4,567)             | (1,551)                    | (1,679)   |
| – Currency translation                                  | (263)                    | (175)                                  | 17                  | (93)                       | —         |
| – Constant currency                                     | (7,657)                  | (4,827)                                | (4,550)             | (1,644)                    | (1,679)   |
| Share of profit/(loss) in associates and joint ventures |                          |                                        |                     |                            |           |
| – Reported                                              | 40                       | 40                                     | (12)                | 203                        | —         |
| – Currency translation                                  | —                        | —                                      | —                   | 5                          | —         |
| – Constant currency                                     | 40                       | 40                                     | (12)                | 208                        | —         |
| Profit before tax                                       |                          |                                        |                     |                            |           |
| – Reported                                              | 4,465                    | 4,433                                  | 6,908               | (438)                      | 423       |
| – Currency translation                                  | 172                      | 163                                    | (27)                | (29)                       | —         |
| – Constant currency                                     | 4,637                    | 4,596                                  | 6,881               | (467)                      | 423       |
| Loans and advances to customers (net)                   |                          |                                        |                     |                            |           |
| – Reported                                              | 349,405                  | 349,405                                | 271,663             | 43,030                     | 57,287    |
| – Currency translation                                  | (11,632)                 | (11,631)                               | 263                 | 2,411                      | —         |
| – Constant currency                                     | 337,773                  | 337,774                                | 271,926             | 45,441                     | 57,287    |
| Customer accounts                                       |                          |                                        |                     |                            |           |
| – Reported                                              | 560,768                  | 560,768                                | 589,873             | 63,098                     | 96,145    |
| – Currency translation                                  | (18,667)                 | (18,667)                               | 571                 | 3,534                      | —         |
| – Constant currency                                     | 542,101                  | 542,101                                | 590,444             | 66,632                     | 96,145    |

## Selected country/territory results: notable items

|                                                       | Half-year to 30 Jun 2025 |                                        |                     |                            |           |
|-------------------------------------------------------|--------------------------|----------------------------------------|---------------------|----------------------------|-----------|
|                                                       | UK<br>\$m                | of which: UK<br>operating banks<br>\$m | Hong<br>Kong<br>\$m | Chinese<br>mainland<br>\$m | US<br>\$m |
| Revenue                                               |                          |                                        |                     |                            |           |
| Disposals, wind-downs, acquisitions and related costs | (87)                     | —                                      | —                   | —                          | —         |
| Restructuring and other related costs                 | 76                       | —                                      | 5                   | 5                          | —         |
| Dilution loss of interest in BoCom associate          | —                        | —                                      | —                   | (1,136)                    | —         |
| Operating expenses                                    |                          |                                        |                     |                            |           |
| Disposals, wind-downs, acquisitions and related costs | (10)                     | 1                                      | —                   | (2)                        | (4)       |
| Restructuring and other related costs                 | (281)                    | (125)                                  | (97)                | (33)                       | (39)      |
| Impairment loss of interest in BoCom associate        | —                        | —                                      | —                   | (1,000)                    | —         |

## Analysis by country/territory

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

|                                                  | Hong Kong<br>\$m | UK<br>\$m    | CIB<br>\$m   | IWPB<br>\$m  | Corporate Centre<br>\$m | Total<br>\$m  |
|--------------------------------------------------|------------------|--------------|--------------|--------------|-------------------------|---------------|
| UK <sup>1</sup>                                  | (207)            | 3,321        | 194          | (102)        | 423                     | 3,629         |
| – of which: HSBC UK Bank plc (ring-fenced bank)  | —                | 3,534        | 266          | 60           | 40                      | 3,900         |
| – of which: HSBC Bank plc (non-ring-fenced bank) | —                | —            | 656          | 212          | (57)                    | 811           |
| – of which: Holdings and other                   | (207)            | (213)        | (728)        | (374)        | 440                     | (1,082)       |
| France                                           | —                | —            | 65           | 28           | (330)                   | (237)         |
| Germany                                          | —                | —            | 133          | —            | (30)                    | 103           |
| Hong Kong                                        | 5,297            | —            | 1,383        | 1,282        | (180)                   | 7,782         |
| Australia                                        | —                | —            | 268          | 62           | (2)                     | 328           |
| India                                            | 1                | 9            | 792          | 39           | 124                     | 965           |
| Indonesia                                        | —                | —            | 102          | (25)         | 3                       | 80            |
| Chinese mainland                                 | 52               | —            | 368          | 201          | 1,216                   | 1,837         |
| Malaysia                                         | 1                | —            | 215          | 97           | (3)                     | 310           |
| Singapore                                        | —                | —            | 438          | 346          | (10)                    | 774           |
| Taiwan                                           | —                | —            | 192          | 112          | (3)                     | 301           |
| Egypt                                            | —                | 1            | 255          | 66           | (4)                     | 318           |
| UAE                                              | —                | —            | 288          | 96           | (27)                    | 357           |
| Saudi Arabia <sup>2</sup>                        | —                | —            | 12           | —            | 322                     | 334           |
| US                                               | —                | —            | 956          | 93           | (176)                   | 873           |
| Mexico                                           | —                | —            | 248          | 170          | (13)                    | 405           |
| Other <sup>3</sup>                               | (6)              | 1            | 1,341        | 151          | (124)                   | 1,363         |
| <b>Half-year to 30 Jun 2026</b>                  | <b>5,138</b>     | <b>3,332</b> | <b>7,250</b> | <b>2,616</b> | <b>1,186</b>            | <b>19,522</b> |

|                                                  |              |              |              |              |              |               |
|--------------------------------------------------|--------------|--------------|--------------|--------------|--------------|---------------|
| UK <sup>1</sup>                                  | (169)        | 3,110        | 263          | (57)         | 1,318        | 4,465         |
| – of which: HSBC UK Bank plc (ring-fenced bank)  | —            | 3,287        | 243          | 48           | 40           | 3,618         |
| – of which: HSBC Bank plc (non-ring-fenced bank) | —            | —            | 677          | 181          | (43)         | 815           |
| – of which: Holdings and other                   | (169)        | (177)        | (657)        | (286)        | 1,321        | 32            |
| France                                           | —            | —            | 122          | 14           | (22)         | 114           |
| Germany                                          | —            | —            | 59           | 6            | (1)          | 64            |
| Hong Kong                                        | 4,681        | —            | 1,389        | 986          | (148)        | 6,908         |
| Australia                                        | —            | —            | 239          | 66           | (6)          | 299           |
| India                                            | (1)          | —            | 767          | 57           | 108          | 931           |
| Indonesia                                        | —            | —            | 111          | 5            | (1)          | 115           |
| Chinese mainland <sup>4</sup>                    | 20           | —            | 427          | 8            | (893)        | (438)         |
| Malaysia                                         | (1)          | —            | 180          | 83           | (6)          | 256           |
| Singapore                                        | 2            | —            | 441          | 305          | (15)         | 733           |
| Taiwan                                           | —            | —            | 136          | 78           | (3)          | 211           |
| Egypt                                            | —            | —            | 228          | 53           | (6)          | 275           |
| UAE                                              | —            | —            | 312          | 149          | (22)         | 439           |
| Saudi Arabia <sup>2</sup>                        | —            | —            | 47           | —            | 345          | 392           |
| US                                               | —            | —            | 476          | 80           | (133)        | 423           |
| Mexico                                           | —            | —            | 238          | 122          | (30)         | 330           |
| Other                                            | (3)          | —            | 1,243        | 137          | (1,082)      | 295           |
| <b>Half-year to 30 Jun 2025</b>                  | <b>4,529</b> | <b>3,110</b> | <b>6,678</b> | <b>2,092</b> | <b>(599)</b> | <b>15,810</b> |

1 UK includes results from the ultimate holding company, HSBC Holdings plc, and UK-based service companies.

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

3 Corporate Centre includes the profit and loss impact of inter-company debt eliminations of \$(250)m.

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

# Alternative performance measures

The following tables provide the calculation, definition and reconciliation of alternative performance measures to the closest reported performance measure. For further details and an explanation of their basis of preparation, including constant currency, notable items and material notable items, and the impact of strategic transactions and hyperinflationary accounting, see page 20.

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

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

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

<sup>3</sup> For details on the calculation of banking NII, see page 23.

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

|                                                                                                                          | Half-year to       |                    |
|--------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
|                                                                                                                          | 30 Jun 2026<br>\$m | 30 Jun 2025<br>\$m |
| <b>Revenue</b>                                                                                                           |                    |                    |
| Reported                                                                                                                 | 37,742             | 34,122             |
| Notable items <sup>1</sup>                                                                                               | 426                | 1,275              |
| <b>Reported revenue excluding notable items</b>                                                                          | <b>38,168</b>      | <b>35,397</b>      |
| Currency translation <sup>2</sup>                                                                                        |                    | 752                |
| <b>Constant currency revenue excluding notable items</b>                                                                 | <b>38,168</b>      | <b>36,149</b>      |
| Constant currency impact of strategic transactions (distorting impact of operating results between periods) <sup>2</sup> | —                  | (344)              |
| <b>Constant currency revenue excluding notable items and strategic transactions</b>                                      | <b>38,168</b>      | <b>35,805</b>      |
| <b>Profit before tax</b>                                                                                                 |                    |                    |
| Reported                                                                                                                 | 19,522             | 15,810             |
| Notable items <sup>1</sup>                                                                                               | 873                | 3,118              |
| <b>Reported profit before tax excluding notable items</b>                                                                | <b>20,395</b>      | <b>18,928</b>      |
| Currency translation <sup>2</sup>                                                                                        |                    | 339                |
| <b>Constant currency profit before tax excluding notable items</b>                                                       | <b>20,395</b>      | <b>19,267</b>      |
| Constant currency impact of strategic transactions (distorting impact of operating results between periods) <sup>3</sup> | —                  | (195)              |
| <b>Constant currency profit before tax excluding notable items and strategic transactions</b>                            | <b>20,395</b>      | <b>19,072</b>      |

1 For details of notable items, please refer to page 29.

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

3 For more details of strategic transactions, see 'Strategic transactions supplementary analysis' on page 32.

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

|                                                                                                                                   | Half-year ended    |                    |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
|                                                                                                                                   | 30 Jun 2026<br>\$m | 30 Jun 2025<br>\$m |
| <b>Profit after tax</b>                                                                                                           |                    |                    |
| Profit attributable to the ordinary shareholders of the parent company                                                            | 14,626             | 11,510             |
| Impairment of goodwill and other intangible assets (net of tax)                                                                   | 36                 | 24                 |
| <b>Profit attributable to ordinary shareholders, excluding goodwill and other intangible assets impairment</b>                    | <b>14,662</b>      | <b>11,534</b>      |
| Impact of notable items                                                                                                           | 752                | 2,714              |
| <b>Profit attributable to the ordinary shareholders, excluding goodwill, other intangible assets impairment and notable items</b> | <b>15,414</b>      | <b>14,248</b>      |
| <b>Equity</b>                                                                                                                     |                    |                    |
| Average total shareholders' equity                                                                                                | 197,242            | 189,446            |
| Effect of average preference shares and other equity instruments                                                                  | (22,212)           | (19,501)           |
| <b>Average ordinary shareholders' equity</b>                                                                                      | <b>175,030</b>     | <b>169,945</b>     |
| Effect of goodwill and other intangibles (net of deferred tax)                                                                    | (12,317)           | (11,861)           |
| <b>Average tangible equity</b>                                                                                                    | <b>162,713</b>     | <b>158,084</b>     |
| <b>Ratio</b>                                                                                                                      | <b>%</b>           | <b>%</b>           |
| Return on average ordinary shareholders' equity (annualised)                                                                      | 16.9               | 13.7               |
| Return on average tangible equity (annualised)                                                                                    | 18.2               | 14.7               |
| Return on average tangible equity excluding notable items (annualised)                                                            | 19.1               | 18.2               |

To better align our RoTE excluding notable items measure with market practice, from our 2025 full-year results we no longer adjust the 'average tangible equity' for the post-tax impact of notable items in each period. Comparatives have been re-presented.



## Return on average tangible equity by business segment

|                                                                                                | Half-year ended 30 Jun 2026 |               |               |               |                         |                |
|------------------------------------------------------------------------------------------------|-----------------------------|---------------|---------------|---------------|-------------------------|----------------|
|                                                                                                | Hong Kong<br>\$m            | UK<br>\$m     | CIB<br>\$m    | IWPB<br>\$m   | Corporate Centre<br>\$m | Total<br>\$m   |
| <b>Profit before tax</b>                                                                       | <b>5,138</b>                | <b>3,332</b>  | <b>7,250</b>  | <b>2,616</b>  | <b>1,186</b>            | <b>19,522</b>  |
| Tax expense                                                                                    | (858)                       | (954)         | (1,503)       | (519)         | (367)                   | (4,201)        |
| <b>Profit after tax</b>                                                                        | <b>4,280</b>                | <b>2,378</b>  | <b>5,747</b>  | <b>2,097</b>  | <b>819</b>              | <b>15,321</b>  |
| Less attributable to: preference shareholders, other equity holders, non-controlling interests | (134)                       | (146)         | (242)         | (41)          | (132)                   | (695)          |
| <b>Profit attributable to ordinary shareholders of the parent company</b>                      | <b>4,146</b>                | <b>2,232</b>  | <b>5,505</b>  | <b>2,056</b>  | <b>687</b>              | <b>14,626</b>  |
| Other adjustments                                                                              | 109                         | 179           | (80)          | (20)          | (152)                   | 36             |
| <b>Profit attributable to ordinary shareholders</b>                                            | <b>4,255</b>                | <b>2,411</b>  | <b>5,425</b>  | <b>2,036</b>  | <b>535</b>              | <b>14,662</b>  |
| Impact of notable items                                                                        | 5                           | 5             | 32            | 208           | 502                     | 752            |
| <b>Profit attributable to ordinary shareholders excluding notable items</b>                    | <b>4,260</b>                | <b>2,416</b>  | <b>5,457</b>  | <b>2,244</b>  | <b>1,037</b>            | <b>15,414</b>  |
| Average tangible shareholders' equity                                                          | <b>19,375</b>               | <b>23,405</b> | <b>58,366</b> | <b>16,544</b> | <b>45,023</b>           | <b>162,713</b> |
| RoTE (%) (annualised)                                                                          | <b>44.3</b>                 | <b>20.8</b>   | <b>18.7</b>   | <b>24.8</b>   | <b>2.4</b>              | <b>18.2</b>    |
| RoTE (%), excluding notable items (annualised)                                                 | <b>44.3</b>                 | <b>20.8</b>   | <b>18.9</b>   | <b>27.4</b>   | <b>4.6</b>              | <b>19.1</b>    |

| Half-year ended 30 Jun 2025                                                                    |        |        |         |        |        |         |
|------------------------------------------------------------------------------------------------|--------|--------|---------|--------|--------|---------|
| Profit before tax                                                                              | 4,529  | 3,110  | 6,678   | 2,092  | (599)  | 15,810  |
| Tax expense                                                                                    | (825)  | (866)  | (1,487) | (434)  | 243    | (3,369) |
| Profit after tax                                                                               | 3,704  | 2,244  | 5,191   | 1,658  | (356)  | 12,441  |
| Less attributable to: preference shareholders, other equity holders, non-controlling interests | (421)  | (111)  | (202)   | (93)   | (104)  | (931)   |
| Profit attributable to ordinary shareholders of the parent company                             | 3,283  | 2,133  | 4,989   | 1,565  | (460)  | 11,510  |
| Other adjustments                                                                              | 149    | 112    | (98)    | (6)    | (133)  | 24      |
| Profit attributable to ordinary shareholders                                                   | 3,432  | 2,245  | 4,891   | 1,559  | (593)  | 11,534  |
| Impact of notable items                                                                        | 6      | 34     | 269     | 106    | 2,299  | 2,714   |
| Profit attributable to ordinary shareholders excluding notable items                           | 3,438  | 2,278  | 5,161   | 1,665  | 1,706  | 14,248  |
| Average tangible shareholders' equity                                                          | 20,193 | 20,125 | 56,098  | 18,666 | 43,002 | 158,084 |
| RoTE (%) (annualised)                                                                          | 34.3   | 22.5   | 17.6    | 16.8   | (2.8)  | 14.7    |
| RoTE (%), excluding notable items (annualised)                                                 | 34.3   | 22.8   | 18.6    | 18.0   | 8.0    | 18.2    |

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

|                                                                                                | At                 |                    |
|------------------------------------------------------------------------------------------------|--------------------|--------------------|
|                                                                                                | 30 Jun 2026<br>\$m | 31 Dec 2025<br>\$m |
| Total shareholders' equity                                                                     | <b>196,682</b>     | 198,225            |
| Preference shares and other equity instruments                                                 | <b>(23,708)</b>    | (20,716)           |
| <b>Total ordinary shareholders' equity</b>                                                     | <b>172,974</b>     | 177,509            |
| Goodwill and intangible assets (net of deferred tax)                                           | <b>(12,322)</b>    | (12,356)           |
| <b>Tangible ordinary shareholders' equity</b>                                                  | <b>160,652</b>     | 165,153            |
| Basic number of \$0.50 ordinary shares outstanding, after deducting own shares held (millions) | <b>17,164</b>      | 17,140             |
| <b>Value per share</b>                                                                         | <b>\$</b>          | <b>\$</b>          |
| Net asset value per ordinary share                                                             | <b>10.08</b>       | 10.36              |
| Tangible net asset value per ordinary share                                                    | <b>9.36</b>        | 9.64               |

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

|                                                            | Half-year ended    |                    |
|------------------------------------------------------------|--------------------|--------------------|
|                                                            | 30 Jun 2026<br>\$m | 30 Jun 2025<br>\$m |
| Profit after tax                                           | <b>15,321</b>      | 12,441             |
| Average total shareholders' equity                         | <b>197,242</b>     | 189,446            |
| Average total assets                                       | <b>3,393,022</b>   | 3,150,154          |
| <b>Ratios</b>                                              | <b>%</b>           | <b>%</b>           |
| Post-tax return on average total assets (annualised)       | <b>0.9</b>         | 0.8                |
| Average total shareholders' equity to average total assets | <b>5.8</b>         | 6.0                |

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

|                                                                                                                                                        | Half-year ended  |                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------|
|                                                                                                                                                        | 30 Jun 2026      | 30 Jun 2025    |
|                                                                                                                                                        | \$m              | \$m            |
| Expected credit losses and other credit impairment charges ('ECL')                                                                                     | (2,353)          | (1,941)        |
| Currency translation                                                                                                                                   | —                | (74)           |
| <b>Constant currency</b>                                                                                                                               | <b>(2,353)</b>   | <b>(2,015)</b> |
| Average gross loans and advances to customers                                                                                                          | 1,015,411        | 962,347        |
| Currency translation                                                                                                                                   | (2,165)          | 14,978         |
| <b>Constant currency</b>                                                                                                                               | <b>1,013,246</b> | <b>977,325</b> |
| Average gross loans and advances to customers, including held for sale                                                                                 | 1,020,409        | 963,813        |
| Currency translation                                                                                                                                   | (2,191)          | 15,070         |
| <b>Constant currency</b>                                                                                                                               | <b>1,018,218</b> | <b>978,883</b> |
| <b>Ratios</b>                                                                                                                                          | <b>%</b>         | <b>%</b>       |
| Expected credit losses and other credit impairment charges (annualised) as % of average gross loans and advances to customers                          | 0.47             | 0.42           |
| Expected credit losses and other credit impairment charges (annualised) as % of average gross loans and advances to customers, including held for sale | 0.47             | 0.42           |

#### Target basis operating expenses

|                                                                                                                                    | Half-year to  |               |
|------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
|                                                                                                                                    | 30 Jun 2026   | 30 Jun 2025   |
|                                                                                                                                    | \$m           | \$m           |
| Reported operating expenses                                                                                                        | 17,426        | 17,022        |
| <b>Notable items</b>                                                                                                               | <b>(447)</b>  | <b>(843)</b>  |
| – disposals, acquisitions and related costs                                                                                        | (129)         | (227)         |
| – restructuring and other related costs <sup>1</sup>                                                                               | (318)         | (616)         |
| Currency translation <sup>2</sup>                                                                                                  | —             | 410           |
| Excluding the impact of retranslating prior period costs of hyperinflationary economies at constant currency foreign exchange rate | —             | 18            |
| <b>Target basis operating expenses</b>                                                                                             | <b>16,979</b> | <b>16,607</b> |

1 Amounts relate to organisational simplification provisions recognised in 2026 and 2025.

2 Currency translation on reported operating expenses, excluding currency translation on notable items.

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

|                                                                                                                     | Half-year to  |               |
|---------------------------------------------------------------------------------------------------------------------|---------------|---------------|
|                                                                                                                     | 30 Jun 2026   | 30 Jun 2025   |
|                                                                                                                     | \$m           | \$m           |
| <b>Profit attributable to shareholders of company</b>                                                               | <b>15,259</b> | <b>12,057</b> |
| Coupon payable on capital securities classified as equity                                                           | (633)         | (547)         |
| <b>Profit attributable to ordinary shareholders of company</b>                                                      | <b>14,626</b> | <b>11,510</b> |
| Dilution and impairment losses of interest in associate                                                             | —             | 1,988         |
| Impact of disposals, wind-downs, acquisitions & related costs <sup>1</sup>                                          | 548           | 283           |
| <b>Profit attributable to ordinary shareholders of company excluding material notable items and related impacts</b> | <b>15,174</b> | <b>13,781</b> |
| <b>Number of shares</b>                                                                                             |               |               |
| Weighted average basic number of ordinary shares (millions)                                                         | 17,146        | 17,646        |
| Basic earnings per share (\$)                                                                                       | 0.85          | 0.65          |
| <b>Basic earnings per share excluding material notable items and related impacts (\$)</b>                           | <b>0.88</b>   | <b>0.78</b>   |

1 1H26 includes \$0.2bn from the recycling of foreign currency translation reserve losses arising on completion of the sale of our UK life insurance business, HSBC Life (UK) Limited, and \$0.3bn of disposal losses recognised upon the 'held for sale' classification of HSBC Continental Europe's shareholding in HSBC Bank Malta p.l.c. 1H25 includes \$0.1bn fair value losses on ADRs in Galicia received as part of the sale consideration for HSBC Argentina, which were sold in 2Q25.

## Multi-jurisdictional revenue

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

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

#### Wholesale multi-jurisdictional client revenue

|                                                                     | Half-year to |             |
|---------------------------------------------------------------------|--------------|-------------|
|                                                                     | 30 Jun 2026  | 30 Jun 2025 |
|                                                                     | \$bn         | \$bn        |
| Wholesale revenue                                                   | 21.5         | 20.3        |
| Allocated revenue and other <sup>1</sup>                            | (1.0)        | (1.2)       |
| Fixed Income, Equities, Commodities, and other Global Markets       | (3.9)        | (3.7)       |
| <b>Wholesale client revenue</b>                                     | <b>16.6</b>  | <b>15.4</b> |
| – clients banked in multiple jurisdictions ('multi-jurisdictional') | 10.9         | 9.6         |
| – domestic only clients                                             | 5.7          | 5.8         |

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

# Risk

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

All our people are responsible for the management of risk, with the ultimate supervisory oversight residing with the Board. Our Group Risk and Compliance function, led by the Group Chief Risk and Compliance Officer, is responsible for the Group's Risk Management Framework ('RMF'). Independent from the business segments, including our sales and trading functions, it provides challenge, oversight and appropriate balance of risk and reward in decision-making.

The RMF sets out our risk management approach across the organisation and across all risk types, underpinned by our culture and values. It helps us form an enterprise-wide view of the risks we run and the key principles and practices that we employ in managing these risks, both financial and non-financial. It sets out how we identify, assess and manage the risks that matter the most with respect to our ability to operate, grow, and meet external commitments. It translates our strategy, values and commitments into practical actions and risk-based decisions.

- ▶ A summary of our current policies and practices regarding the management of risk is set out in the 'Risk management' section on pages 98 to 99 of the Annual Report and Accounts 2025.

## Key developments in the first half of 2026

In the first half of 2026, we continued to manage risks related to macroeconomic and geopolitical uncertainties. We also continued to actively review and develop our RMF, and enhance our approach to managing risk. We retained focus on risk transformation and financial crime, and continued to assess the Group's operational resilience capability while prioritising the most significant enterprise risks described in our Annual Report and Accounts 2025. More specifically, we sought to enhance our risk management in the following areas:

- We have been advancing our programme aimed at strengthening our global regulatory reporting processes and making them more sustainable, including enhancing data, consistency and controls. While this programme continues, there may be further impacts on some of our regulatory ratios as we implement recommended changes and continue to enhance our controls across the process.
- We continued to monitor the effectiveness of delivery across the holistic Group data strategy and sought to enhance our controls to improve the resilience and sustainability of our data risk environment.
- We enhanced our technology and cybersecurity controls to help improve the resilience and security of our technology services in response to the heightened external threat environment.
- We continued to evaluate and deploy technological solutions to improve our capabilities in the detection and prevention of financial crime.
- We responded to new innovations in the financial system, including growing adoption of digital assets and currencies, as well as the evolving use of AI, and we continued to review and enhance controls across risk areas to help us and our customers safely benefit from innovation.
- As the Group expands its use of AI, we will maintain human judgement, human decision-making and human accountability at the core. We progressed the development of an integrated capability model and sought to equip our colleagues with the knowledge and skills to understand, develop and use AI technologies responsibly.
- We continued to prioritise the redevelopment of internal ratings-based models to meet Basel 3.1 requirements and maintained implementation of requirements related to the Prudential Regulation Authority's ('PRA') supervisory statement 1/23 - 'Model risk management principles for banks' on track. We also progressed enhancements to the RMF and monitoring processes to help

support responsible adoption and oversight of models using AI or generative AI techniques.

- We continued to enhance our processes, framework and controls to improve the oversight of our third parties. We have strengthened our due diligence and monitoring capabilities with respect to our third parties to better manage our supply chain, and we continued to assess and manage our operational resilience.
- We continued to enhance the way we identify and manage Group climate-related risks, which are embedded across the wider organisation. This has been achieved through risk policies and the further development of our risk metrics and assessments to help monitor and manage exposures across our organisation.
- We continued to promote our whistleblowing service, HSBC Confidential, ensuring it is embedded in our speak-up culture. Continual enhancement is being undertaken to help ensure optimal effectiveness of the service, while maintaining adherence to regulation and legislation.

## Credit risk

### Overview

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

### Credit risk in the first half of 2026

There were no material changes to credit risk policy in the first half of 2026.

- ▶ For a summary of our current policies and practices for the management of credit risk, see page 107 of the Annual Report and Accounts 2025.

At 30 June 2026, gross loans and advances to banks and customers of \$1,144bn increased by \$36.8bn on a reported basis compared with 31 December 2025. Gross loans and advances to customers increased by \$34.8bn and gross loans and advances to banks increased by \$2.0bn. This included total adverse foreign exchange movements of \$7.2bn.

On a constant currency basis, gross loans and advances to banks and customers increased by \$44.0bn compared with 31 December 2025, driven by a \$30.8bn rise in wholesale loans and advances to customers and a \$10.4bn rise in personal loans and advances to customers. There was also an increase of \$2.8bn in loans and advances to banks.

The rise in wholesale loans and advances to customers was driven by an increase in balances in Asia (up \$18.4bn), in HSBC UK (up \$6.2bn), in the US (up \$3.3bn) and in the Middle East (up \$2.3bn), across multiple industry sectors.

The rise in personal loans and advances to customers was driven by higher other personal lending in Asia (up \$6.0bn), and mortgage growth of \$4.7bn, mainly in HSBC UK (up \$4.7bn).

At 30 June 2026, the allowance for ECL of \$12.4bn increased by \$1.2bn compared with 31 December 2025, including favourable foreign exchange movements of \$0.1bn, and write-offs of \$1.5bn. The \$12.4bn allowance comprised \$11.9bn in respect of assets held at amortised cost and \$0.5bn in respect of loan commitments and financial guarantees.

On a constant currency basis, the allowance for ECL in relation to personal and wholesale loans and advances to customers increased by \$1.1bn from 31 December 2025. This was attributable to:

- a \$1.1bn increase in wholesale loans and advances to customers, which included a \$1.0bn increase in stage 3 and a \$0.1bn increase in stages 1 and 2; and
- a broadly unchanged allowance for ECL in personal loans and advances to customers across all stages.

The ECL charge for 1H26 was \$2.4bn (1H25: \$1.9bn), inclusive of recoveries. The ECL charge mainly comprised: \$1.6bn in respect of wholesale lending, of which the stage 3 charge was \$1.4bn; and \$0.7bn in respect of personal lending, of which \$0.4bn was in stage 3.

Wholesale lending charges were recognised mainly in our legal entities in Hong Kong (\$0.4bn) and in HSBC Bank plc (\$0.5bn). The charge in 1H26 primarily reflected a \$0.4bn fraud-related, secondary, securitisation exposure with a financial sponsor in the UK in our CIB

business, as well as an increase in allowances to reflect heightened uncertainty and a deterioration in the forward economic outlook due to the onset of the conflict in the Middle East. Net ECL charges in the Hong Kong CRE and Chinese mainland CRE sectors were \$0.2bn and \$0.1bn, respectively, in 1H26.

► For further details on ECL charges in each of our business segments, see page 29 and the below tables.

## Summary of credit risk

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

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

|                                                     | Gross carrying/nominal amount |                |                  |                |                         |                  | Allowance for ECL <sup>1</sup> |                |                |                |                         |                 |
|-----------------------------------------------------|-------------------------------|----------------|------------------|----------------|-------------------------|------------------|--------------------------------|----------------|----------------|----------------|-------------------------|-----------------|
|                                                     | Hong Kong<br>\$m              | UK<br>\$m      | CIB<br>\$m       | IWPB<br>\$m    | Corporate Centre<br>\$m | Total<br>\$m     | Hong Kong<br>\$m               | UK<br>\$m      | CIB<br>\$m     | IWPB<br>\$m    | Corporate Centre<br>\$m | Total<br>\$m    |
| Loans and advances to customers at amortised cost   | 234,651                       | 308,282        | 335,382          | 155,334        | 197                     | 1,033,846        | (4,156)                        | (2,107)        | (3,870)        | (1,571)        | (37)                    | (11,741)        |
| Loans and advances to banks at amortised cost       | 12,041                        | 5,226          | 74,326           | 18,315         | 631                     | 110,539          | (1)                            | —              | (6)            | (2)            | (1)                     | (10)            |
| Other financial assets measured at amortised cost   | 68,365                        | 108,747        | 657,478          | 66,270         | 64,970                  | 965,830          | (10)                           | (6)            | (90)           | (50)           | (1)                     | (157)           |
| – cash and balances at central banks                | 5,722                         | 51,489         | 154,831          | 15,052         | 706                     | 227,800          | —                              | —              | —              | —              | —                       | —               |
| – Hong Kong Government certificates of indebtedness | —                             | —              | —                | —              | 45,021                  | 45,021           | —                              | —              | —              | —              | —                       | —               |
| – reverse repurchase agreements – non-trading       | 3,492                         | 25,442         | 274,971          | 7,264          | 702                     | 311,871          | —                              | —              | —              | —              | —                       | —               |
| – financial investments                             | 52,632                        | 28,238         | 90,552           | 32,079         | 14,830                  | 218,331          | (1)                            | (1)            | (5)            | (4)            | —                       | (11)            |
| – assets held for sale <sup>2</sup>                 | —                             | —              | 4,255            | 5,209          | 19                      | 9,483            | —                              | —              | (34)           | (36)           | —                       | (70)            |
| – other assets <sup>3</sup>                         | 6,519                         | 3,578          | 132,869          | 6,666          | 3,692                   | 153,324          | (9)                            | (5)            | (51)           | (10)           | (1)                     | (76)            |
| <b>Total on-balance sheet</b>                       | <b>315,057</b>                | <b>422,255</b> | <b>1,067,186</b> | <b>239,919</b> | <b>65,798</b>           | <b>2,110,215</b> | <b>(4,167)</b>                 | <b>(2,113)</b> | <b>(3,966)</b> | <b>(1,623)</b> | <b>(39)</b>             | <b>(11,908)</b> |
| Loan and other credit-related commitments           | 109,116                       | 105,331        | 436,660          | 126,515        | 795                     | 778,417          | (19)                           | (136)          | (209)          | (3)            | —                       | (367)           |
| Financial guarantees                                | 517                           | 1,278          | 15,419           | 1,670          | —                       | 18,884           | (1)                            | (14)           | (72)           | (1)            | —                       | (88)            |
| <b>Total off-balance sheet<sup>4</sup></b>          | <b>109,633</b>                | <b>106,609</b> | <b>452,079</b>   | <b>128,185</b> | <b>795</b>              | <b>797,301</b>   | <b>(20)</b>                    | <b>(150)</b>   | <b>(281)</b>   | <b>(4)</b>     | <b>—</b>                | <b>(455)</b>    |
| <b>At 30 Jun 2026</b>                               | <b>424,690</b>                | <b>528,864</b> | <b>1,519,265</b> | <b>368,104</b> | <b>66,593</b>           | <b>2,907,516</b> | <b>(4,187)</b>                 | <b>(2,263)</b> | <b>(4,247)</b> | <b>(1,627)</b> | <b>(39)</b>             | <b>(12,363)</b> |

|                                           | Fair value       |               |                |               |                         |                | Memorandum allowance for ECL <sup>5</sup> |            |             |             |                         |              |
|-------------------------------------------|------------------|---------------|----------------|---------------|-------------------------|----------------|-------------------------------------------|------------|-------------|-------------|-------------------------|--------------|
|                                           | Hong Kong<br>\$m | UK<br>\$m     | CIB<br>\$m     | IWPB<br>\$m   | Corporate Centre<br>\$m | Total<br>\$m   | Hong Kong<br>\$m                          | UK<br>\$m  | CIB<br>\$m  | IWPB<br>\$m | Corporate Centre<br>\$m | Total<br>\$m |
| <b>Debt instruments measured at FVOCI</b> | <b>132,521</b>   | <b>25,841</b> | <b>178,218</b> | <b>49,007</b> | <b>1,244</b>            | <b>386,831</b> | <b>(2)</b>                                | <b>(1)</b> | <b>(20)</b> | <b>(6)</b>  | <b>—</b>                | <b>(29)</b>  |

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

|                                                     | Gross carrying/nominal amount |           |            |             |                         |              | Allowance for ECL <sup>1</sup> |           |            |             |                         |              |
|-----------------------------------------------------|-------------------------------|-----------|------------|-------------|-------------------------|--------------|--------------------------------|-----------|------------|-------------|-------------------------|--------------|
|                                                     | Hong Kong<br>\$m              | UK<br>\$m | CIB<br>\$m | IWPB<br>\$m | Corporate Centre<br>\$m | Total<br>\$m | Hong Kong<br>\$m               | UK<br>\$m | CIB<br>\$m | IWPB<br>\$m | Corporate Centre<br>\$m | Total<br>\$m |
| Loans and advances to customers at amortised cost   | 227,608                       | 301,537   | 318,113    | 151,657     | 176                     | 999,091      | (3,878)                        | (1,998)   | (3,170)    | (1,610)     | (36)                    | (10,692)     |
| Loans and advances to banks at amortised cost       | 11,696                        | 7,302     | 67,909     | 16,630      | 4,932                   | 108,469      | —                              | —         | (4)        | (2)         | (1)                     | (7)          |
| Other financial assets measured at amortised cost   | 57,228                        | 101,338   | 605,976    | 59,114      | 66,670                  | 890,326      | (25)                           | (10)      | (68)       | (25)        | (1)                     | (129)        |
| – cash and balances at central banks                | 6,531                         | 49,542    | 167,889    | 18,174      | 723                     | 242,859      | —                              | —         | —          | —           | —                       | —            |
| – Hong Kong Government certificates of indebtedness | —                             | —         | —          | —           | 44,063                  | 44,063       | —                              | —         | —          | —           | —                       | —            |
| – reverse repurchase agreements – non-trading       | 5,931                         | 24,847    | 259,919    | 6,354       | 1,341                   | 298,392      | —                              | —         | —          | —           | —                       | —            |
| – financial investments                             | 38,438                        | 23,602    | 74,491     | 28,344      | 17,226                  | 182,101      | (2)                            | (1)       | (4)        | (5)         | —                       | (12)         |
| – assets held for sale <sup>2</sup>                 | —                             | 14        | 3,229      | 864         | 8                       | 4,115        | —                              | —         | (18)       | (9)         | —                       | (27)         |
| – other assets <sup>3</sup>                         | 6,328                         | 3,333     | 100,448    | 5,378       | 3,309                   | 118,796      | (23)                           | (9)       | (46)       | (11)        | (1)                     | (90)         |
| Total on-balance sheet                              | 296,532                       | 410,177   | 991,998    | 227,401     | 71,778                  | 1,997,886    | (3,903)                        | (2,008)   | (3,242)    | (1,637)     | (38)                    | (10,828)     |
| Loan and other credit-related commitments           | 106,246                       | 100,162   | 358,554    | 125,138     | 692                     | 690,792      | (26)                           | (91)      | (195)      | (3)         | —                       | (315)        |
| Financial guarantees                                | 588                           | 1,061     | 14,118     | 1,709       | —                       | 17,476       | (1)                            | (16)      | (33)       | (1)         | —                       | (51)         |
| Total off-balance sheet <sup>4</sup>                | 106,834                       | 101,223   | 372,672    | 126,847     | 692                     | 708,268      | (27)                           | (107)     | (228)      | (4)         | —                       | (366)        |
| At 31 Dec 2025                                      | 403,366                       | 511,400   | 1,364,670  | 354,248     | 72,470                  | 2,706,154    | (3,930)                        | (2,115)   | (3,470)    | (1,641)     | (38)                    | (11,194)     |

|                                    | Fair value       |           |            |             |                         |              | Memorandum allowance for ECL <sup>5</sup> |           |            |             |                         |              |
|------------------------------------|------------------|-----------|------------|-------------|-------------------------|--------------|-------------------------------------------|-----------|------------|-------------|-------------------------|--------------|
|                                    | Hong Kong<br>\$m | UK<br>\$m | CIB<br>\$m | IWPB<br>\$m | Corporate Centre<br>\$m | Total<br>\$m | Hong Kong<br>\$m                          | UK<br>\$m | CIB<br>\$m | IWPB<br>\$m | Corporate Centre<br>\$m | Total<br>\$m |
| Debt instruments measured at FVOCI | 130,998          | 27,795    | 174,611    | 48,939      | 1,225                   | 383,568      | (1)                                       | —         | (20)       | (9)         | —                       | (30)         |

- The total ECL is recognised in the loss allowance for the financial asset unless the total ECL exceeds the gross carrying amount of the financial asset, in which case the ECL is recognised as a provision.
- At 30 June 2026, the gross carrying amount comprised \$7.0bn of loans and advances to customers and banks (31 December 2025: \$3.6bn) and \$2.4bn of other financial assets at amortised cost (31 December 2025: \$0.5bn). This included the planned sales of our business in Malta (\$4.1bn, 31 December 2025: Nil), our custody business in Germany (\$0.6bn, 31 December 2025: \$0.3bn), our business in Uruguay (\$1.4bn, 31 December 2025: \$1.4bn) and completion of the sale of our business in South Africa (Nil, 31 December 2025: \$0.4bn). The corresponding allowance for ECL comprised \$69m of loans and advances to customers and banks (31 December 2025: \$27m).
- Includes only those financial instruments that are subject to the impairment requirements of IFRS 9. 'Other assets' as presented within the summary consolidated balance sheet on page 25 comprises both financial and non-financial assets, including cash collateral and settlement accounts and items in the course of collection from other banks.
- Represents the maximum amount at risk should the contracts be fully drawn upon and clients default.
- Debt instruments measured at fair value through other comprehensive income ('FVOCI') continue to be measured at fair value with the allowance for ECL as a memorandum item. Change in ECL is recognised in 'Change in expected credit losses and other credit impairment charges' in the income statement.

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

| Half-year to | Hong Kong<br>\$m | UK<br>\$m | CIB<br>\$m | IWPB<br>\$m | Corporate Centre<br>\$m | Total<br>\$m |
|--------------|------------------|-----------|------------|-------------|-------------------------|--------------|
| 30 Jun 2026  | (540)            | (505)     | (894)      | (413)       | (1)                     | (2,353)      |
| 31 Dec 2025  | (610)            | (372)     | (400)      | (439)       | (88)                    | (1,909)      |
| 30 Jun 2025  | (858)            | (328)     | (300)      | (453)       | (2)                     | (1,941)      |

## Risk

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

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

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

| Gross carrying/nominal amount <sup>1</sup>        |  |           |         |         |     |                   |         |         |         |         |          |         |       |          |       |                   |          |          |          |         |          |         |       | Allowance for ECL |      |                   |   |       |  |  |  | ECL coverage % |  |  |  |
|---------------------------------------------------|--|-----------|---------|---------|-----|-------------------|---------|---------|---------|---------|----------|---------|-------|----------|-------|-------------------|----------|----------|----------|---------|----------|---------|-------|-------------------|------|-------------------|---|-------|--|--|--|----------------|--|--|--|
| Stage 1                                           |  | Stage 2   |         | Stage 3 |     | POCI <sup>2</sup> |         | Total   |         | Stage 1 |          | Stage 2 |       | Stage 3  |       | POCI <sup>2</sup> |          | Total    |          | Stage 1 |          | Stage 2 |       | Stage 3           |      | POCI <sup>2</sup> |   | Total |  |  |  |                |  |  |  |
| \$m                                               |  | \$m       |         | \$m     |     | \$m               |         | \$m     |         | \$m     |          | \$m     |       | \$m      |       | \$m               |          | \$m      |          | %       |          | %       |       | %                 | %    |                   | % |       |  |  |  |                |  |  |  |
| Loans and advances to customers at amortised cost |  |           |         |         |     |                   |         |         |         |         |          |         |       |          |       |                   |          |          |          |         |          |         |       |                   |      |                   |   |       |  |  |  |                |  |  |  |
| – personal                                        |  | 923,849   | 85,657  | 24,004  | 336 | 1,033,846         | (1,282) | (690)   | (529)   | (63)    | (786)    | (2)     | (1)   | (10)     | (157) | (107)             | (103)    | (19)     | (45)     | (367)   | (11,741) | 0.1     | 2.8   | 33.3              | 22.6 | 1.1               |   |       |  |  |  |                |  |  |  |
| – corporate and commercial                        |  | 455,230   | 22,871  | 3,911   | –   | 482,012           | (890)   | (1,233) | (1,127) | (37)    | (786)    | (2)     | (1)   | (10)     | (157) | (107)             | (103)    | (19)     | (45)     | (367)   | (11,741) | 0.2     | 5.4   | 22.6              | –    | 0.6               |   |       |  |  |  |                |  |  |  |
| – non-bank financial institutions                 |  | 369,336   | 58,416  | 18,958  | 143 | 446,853           | (529)   | (63)    | (786)   | (2)     | (1)      | (10)    | (157) | (107)    | (103) | (19)              | (45)     | (367)    | (11,741) | (8,049) | 0.1      | 1.9     | 33.3  | 53.1              | 1.8  |                   |   |       |  |  |  |                |  |  |  |
|                                                   |  | 99,283    | 4,370   | 1,135   | 193 | 104,981           | (63)    | (786)   | (2)     | (1)     | (10)     | (157)   | (107) | (103)    | (19)  | (45)              | (367)    | (11,741) | (886)    | (886)   | 0.1      | 0.8     | 69.3  | –                 | 0.8  |                   |   |       |  |  |  |                |  |  |  |
| Loans and advances to banks at amortised cost     |  |           |         |         |     |                   |         |         |         |         |          |         |       |          |       |                   |          |          |          |         |          |         |       |                   |      |                   |   |       |  |  |  |                |  |  |  |
|                                                   |  | 110,258   | 280     | 1       | –   | 110,539           | (7)     | (2)     | (1)     | (10)    | (157)    | (107)   | (103) | (19)     | (45)  | (367)             | (11,741) | (2)      | (1)      | (10)    | (157)    | –       | 0.7   | 100.0             | –    | –                 |   |       |  |  |  |                |  |  |  |
| Other financial assets measured at amortised cost |  |           |         |         |     |                   |         |         |         |         |          |         |       |          |       |                   |          |          |          |         |          |         |       |                   |      |                   |   |       |  |  |  |                |  |  |  |
|                                                   |  | 963,708   | 1,854   | 262     | 6   | 965,830           | (93)    | (103)   | (107)   | (103)   | (19)     | (45)    | (367) | (11,741) | (2)   | (1)               | (10)     | (157)    | (107)    | (103)   | (19)     | –       | 1.0   | 17.2              | –    | –                 |   |       |  |  |  |                |  |  |  |
| Loan and other credit-related commitments         |  |           |         |         |     |                   |         |         |         |         |          |         |       |          |       |                   |          |          |          |         |          |         |       |                   |      |                   |   |       |  |  |  |                |  |  |  |
| – personal                                        |  | 278,508   | 2,023   | 89      | –   | 280,620           | (20)    | (125)   | (12)    | (4)     | (1)      | (10)    | (157) | (107)    | (103) | (19)              | (45)     | (367)    | (11,741) | (25)    | –        | –       | 0.2   | –                 | –    | –                 |   |       |  |  |  |                |  |  |  |
| – corporate and commercial                        |  | 248,768   | 15,851  | 855     | 4   | 265,478           | (125)   | (12)    | (4)     | (1)     | (10)     | (157)   | (107) | (103)    | (19)  | (45)              | (367)    | (11,741) | (326)    | (326)   | 0.1      | 0.6     | 12.5  | –                 | 0.1  |                   |   |       |  |  |  |                |  |  |  |
| – financial                                       |  | 229,911   | 2,408   | –       | –   | 232,319           | (12)    | (4)     | (1)     | (10)    | (157)    | (107)   | (103) | (19)     | (45)  | (367)             | (11,741) | (16)     | (16)     | –       | –        | 0.2     | –     | –                 | –    | –                 |   |       |  |  |  |                |  |  |  |
| Financial guarantees                              |  |           |         |         |     |                   |         |         |         |         |          |         |       |          |       |                   |          |          |          |         |          |         |       |                   |      |                   |   |       |  |  |  |                |  |  |  |
| – personal                                        |  | 16,825    | 1,802   | 257     | –   | 18,884            | (10)    | (12)    | (66)    | (88)    | (257)    | 0.1     | 0.7   | 25.7     | –     | –                 | –        | –        | (88)     | (88)    | 0.1      | 0.7     | 25.7  | –                 | 0.5  |                   |   |       |  |  |  |                |  |  |  |
| – corporate and commercial                        |  | 10,536    | 1,522   | 255     | –   | 12,313            | (8)     | (12)    | (66)    | (86)    | (255)    | 0.1     | 0.8   | 25.9     | –     | –                 | –        | –        | (86)     | (86)    | 0.1      | 0.8     | 25.9  | –                 | 0.1  |                   |   |       |  |  |  |                |  |  |  |
| – financial                                       |  | 4,857     | 280     | 2       | –   | 5,139             | (1)     | (1)     | (1)     | (1)     | (2)      | –       | –     | –        | –     | –                 | –        | –        | (1)      | (1)     | –        | –       | –     | –                 | 0.7  |                   |   |       |  |  |  |                |  |  |  |
| At 30 Jun 2026                                    |  | 2,771,827 | 109,875 | 25,468  | 346 | 2,907,516         | (1,549) | (2,533) | (8,205) | (76)    | (12,363) | 0.1     | 2.3   | 32.2     | 22.0  | 0.4               |          |          |          |         |          |         |       |                   |      |                   |   |       |  |  |  |                |  |  |  |
| Loans and advances to customers at amortised cost |  |           |         |         |     |                   |         |         |         |         |          |         |       |          |       |                   |          |          |          |         |          |         |       |                   |      |                   |   |       |  |  |  |                |  |  |  |
| – personal                                        |  | 893,433   | 80,936  | 24,389  | 333 | 999,091           | (1,201) | (667)   | (478)   | (56)    | (293)    | (1)     | (1)   | (7)      | (129) | (129)             | (129)    | (129)    | (129)    | (129)   | 0.1      | 2.9     | 29.1  | 22.8              | 1.1  |                   |   |       |  |  |  |                |  |  |  |
| – corporate and commercial                        |  | 446,696   | 23,887  | 3,945   | –   | 474,528           | (667)   | (1,235) | (1,064) | (5)     | (27)     | (1)     | (1)   | (7)      | (129) | (129)             | (129)    | (129)    | (129)    | (129)   | 0.1      | 5.2     | 22.7  | –                 | 0.6  |                   |   |       |  |  |  |                |  |  |  |
| – non-bank financial institutions                 |  | 349,763   | 54,636  | 19,966  | 140 | 424,505           | (478)   | (56)    | (293)   | (1)     | (1)      | (1)     | (1)   | (7)      | (129) | (129)             | (129)    | (129)    | (129)    | (129)   | 0.1      | 1.9     | 29.6  | 53.6              | 1.8  |                   |   |       |  |  |  |                |  |  |  |
|                                                   |  | 96,974    | 2,413   | 478     | 193 | 100,058           | (56)    | (293)   | (1)     | (1)     | (1)      | (1)     | (1)   | (7)      | (129) | (129)             | (129)    | (129)    | (129)    | (129)   | 0.1      | 0.8     | 61.3  | 0.5               | 0.4  |                   |   |       |  |  |  |                |  |  |  |
| Loans and advances to banks at amortised cost     |  |           |         |         |     |                   |         |         |         |         |          |         |       |          |       |                   |          |          |          |         |          |         |       |                   |      |                   |   |       |  |  |  |                |  |  |  |
|                                                   |  | 108,336   | 132     | 1       | –   | 108,469           | (4)     | (2)     | (1)     | (7)     | (129)    | –       | –     | –        | –     | –                 | –        | –        | (7)      | (7)     | –        | 1.5     | 100.0 | –                 | –    |                   |   |       |  |  |  |                |  |  |  |
| Other financial assets measured at amortised cost |  |           |         |         |     |                   |         |         |         |         |          |         |       |          |       |                   |          |          |          |         |          |         |       |                   |      |                   |   |       |  |  |  |                |  |  |  |
|                                                   |  | 888,491   | 1,651   | 184     | –   | 890,326           | (76)    | (11)    | (42)    | (69)    | (107)    | –       | –     | –        | –     | –                 | –        | –        | (129)    | (129)   | –        | 0.7     | 22.8  | –                 | –    |                   |   |       |  |  |  |                |  |  |  |
| Loan and other credit-related commitments         |  |           |         |         |     |                   |         |         |         |         |          |         |       |          |       |                   |          |          |          |         |          |         |       |                   |      |                   |   |       |  |  |  |                |  |  |  |
| – personal                                        |  | 669,648   | 20,488  | 652     | 4   | 690,792           | (149)   | (97)    | (69)    | (69)    | (107)    | –       | –     | –        | –     | –                 | –        | –        | (315)    | (315)   | –        | 0.5     | 10.6  | –                 | –    |                   |   |       |  |  |  |                |  |  |  |
| – corporate and commercial                        |  | 270,494   | 1,945   | 92      | –   | 272,531           | (22)    | (5)     | (69)    | (69)    | (107)    | –       | –     | –        | –     | –                 | –        | –        | (27)     | (27)    | –        | 0.3     | –     | –                 | –    |                   |   |       |  |  |  |                |  |  |  |
| – financial                                       |  | 255,740   | 14,649  | 560     | 4   | 270,953           | (115)   | (88)    | (69)    | (69)    | (107)    | –       | –     | –        | –     | –                 | –        | –        | (272)    | (272)   | –        | 0.6     | 12.3  | –                 | 0.1  |                   |   |       |  |  |  |                |  |  |  |
|                                                   |  | 143,414   | 3,894   | –       | –   | 147,308           | (12)    | (4)     | (1)     | (1)     | (1)      | –       | –     | –        | –     | –                 | –        | –        | (16)     | (16)    | –        | 0.1     | –     | –                 | –    |                   |   |       |  |  |  |                |  |  |  |
| Financial guarantees                              |  |           |         |         |     |                   |         |         |         |         |          |         |       |          |       |                   |          |          |          |         |          |         |       |                   |      |                   |   |       |  |  |  |                |  |  |  |
| – personal                                        |  | 15,913    | 1,371   | 192     | –   | 17,476            | (8)     | (17)    | (26)    | (51)    | (135)    | 0.1     | 1.2   | 13.5     | –     | –                 | –        | –        | (51)     | (51)    | 0.1      | 1.2     | 13.5  | –                 | 0.3  |                   |   |       |  |  |  |                |  |  |  |
| – corporate and commercial                        |  | 1,446     | –       | –       | –   | 1,446             | (1)     | (17)    | (26)    | (49)    | (135)    | 0.1     | 1.3   | 13.7     | –     | –                 | –        | –        | (1)      | (1)     | –        | –       | –     | –                 | 0.1  |                   |   |       |  |  |  |                |  |  |  |
| – financial                                       |  | 10,071    | 1,287   | 190     | –   | 11,548            | (6)     | (1)     | (1)     | (1)     | (1)      | –       | –     | –        | –     | –                 | –        | –        | (49)     | (49)    | 0.1      | 1.3     | 13.7  | –                 | 0.4  |                   |   |       |  |  |  |                |  |  |  |
|                                                   |  | 4,396     | 84      | 2       | –   | 4,482             | (1)     | (1)     | (1)     | (1)     | (1)      | –       | –     | –        | –     | –                 | –        | –        | (1)      | (1)     | –        | –       | –     | –                 | –    |                   |   |       |  |  |  |                |  |  |  |
| At 31 Dec 2025                                    |  | 2,575,821 | 104,578 | 25,418  | 337 | 2,706,154         | (1,438) | (2,445) | (7,235) | (76)    | (11,194) | 0.1     | 2.3   | 28.5     | 22.6  | 0.4               |          |          |          |         |          |         |       |                   |      |                   |   |       |  |  |  |                |  |  |  |

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

2 Purchased or originated credit-impaired ('POCI').



Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when they are 30 days past due ('DPD') and are transferred from stage 1 to stage 2. The following disclosure presents the ageing of stage 2 financial assets by those less than 30 and greater than 30 DPD and therefore presents those financial assets classified as stage 2 due to ageing (30 DPD) and those identified at an earlier stage (less than 30 DPD).

#### Stage 2 days past due analysis

|                                                   | Gross carrying amount |            |                          |                           | Allowance for ECL |            |                          |                           | ECL coverage % |            |             |              |
|---------------------------------------------------|-----------------------|------------|--------------------------|---------------------------|-------------------|------------|--------------------------|---------------------------|----------------|------------|-------------|--------------|
|                                                   | Stage 2               | Up-to-date | 1 to 29 DPD <sup>1</sup> | 30 and > DPD <sup>1</sup> | Stage 2           | Up-to-date | 1 to 29 DPD <sup>1</sup> | 30 and > DPD <sup>1</sup> | Stage 2        | Up-to-date | 1 to 29 DPD | 30 and > DPD |
| At 30 Jun 2026                                    | \$m                   | \$m        | \$m                      | \$m                       | \$m               | \$m        | \$m                      | \$m                       | %              | %          | %           | %            |
| Loans and advances to customers at amortised cost | 85,657                | 82,087     | 2,225                    | 1,345                     | (2,397)           | (1,922)    | (224)                    | (251)                     | 2.8            | 2.3        | 10.1        | 18.7         |
| – personal                                        | 22,871                | 20,547     | 1,504                    | 820                       | (1,233)           | (815)      | (188)                    | (230)                     | 5.4            | 4.0        | 12.5        | 28.0         |
| – corporate and commercial                        | 58,416                | 57,490     | 546                      | 380                       | (1,127)           | (1,070)    | (36)                     | (21)                      | 1.9            | 1.9        | 6.6         | 5.5          |
| – non-bank financial institutions                 | 4,370                 | 4,050      | 175                      | 145                       | (37)              | (37)       | —                        | —                         | 0.8            | 0.9        | —           | —            |
| Loans and advances to banks at amortised cost     | 280                   | 280        | —                        | —                         | (2)               | (2)        | —                        | —                         | 0.7            | 0.7        | —           | —            |
| Other financial assets measured at amortised cost | 1,854                 | 1,772      | 59                       | 23                        | (19)              | (16)       | (2)                      | (1)                       | 1.0            | 0.9        | 3.4         | 2.6          |

#### At 31 Dec 2025

|                                                   |        |        |       |       |         |         |       |       |     |     |      |      |
|---------------------------------------------------|--------|--------|-------|-------|---------|---------|-------|-------|-----|-----|------|------|
| Loans and advances to customers at amortised cost | 80,936 | 77,615 | 1,894 | 1,427 | (2,318) | (1,837) | (211) | (270) | 2.9 | 2.4 | 11.1 | 18.9 |
| – personal                                        | 23,887 | 21,481 | 1,483 | 923   | (1,235) | (797)   | (188) | (250) | 5.2 | 3.7 | 12.7 | 27.1 |
| – corporate and commercial                        | 54,636 | 53,898 | 400   | 338   | (1,064) | (1,024) | (23)  | (17)  | 1.9 | 1.9 | 5.8  | 5.0  |
| – non-bank financial institutions                 | 2,413  | 2,236  | 11    | 166   | (19)    | (16)    | —     | (3)   | 0.8 | 0.7 | —    | 1.8  |
| Loans and advances to banks at amortised cost     | 132    | 132    | —     | —     | (2)     | (2)     | —     | —     | 1.5 | 1.5 | —    | —    |
| Other financial assets measured at amortised cost | 1,651  | 1,611  | 21    | 19    | (11)    | (10)    | —     | (1)   | 0.7 | 0.6 | —    | 5.3  |

1 The DPD amounts are presented on a contractual basis.

## Stage 2 decomposition

The following table presents the stage 2 decomposition of gross carrying amount and allowances for ECL for loans and advances to customers and banks. It also sets out the reasons why an exposure is classified as stage 2 and therefore presented as a significant increase in credit risk at 30 June 2026.

The quantitative classification shows gross carrying amount and allowances for ECL for which the applicable reporting date probability of default ('PD') measure exceeds defined quantitative thresholds for retail and wholesale exposures, as set out in Note 1.2(j) 'Summary of material accounting policies', on page 280 of the Annual Report and Accounts 2025.

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

► A summary of our current policies and practices for the significant increase in credit risk is set out in 'Summary of material accounting policies' on page 280 of the Annual Report and Accounts 2025.

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

|                                    | At 30 Jun 2026                  |                          |                                 |                                               |                | At 31 Dec 2025                  |                          |                                 |                                               |                |
|------------------------------------|---------------------------------|--------------------------|---------------------------------|-----------------------------------------------|----------------|---------------------------------|--------------------------|---------------------------------|-----------------------------------------------|----------------|
|                                    | Loans and advances to customers |                          |                                 | Loans and advances to banks at amortised cost | Total stage 2  | Loans and advances to customers |                          |                                 | Loans and advances to banks at amortised cost | Total stage 2  |
|                                    | Personal                        | Corporate and commercial | Non-bank financial institutions |                                               |                | Personal                        | Corporate and commercial | Non-bank financial institutions |                                               |                |
|                                    | \$m                             | \$m                      | \$m                             | \$m                                           | \$m            | \$m                             | \$m                      | \$m                             | \$m                                           | \$m            |
| Quantitative                       | 20,897                          | 41,305                   | 2,944                           | 276                                           | 65,422         | 21,339                          | 40,294                   | 1,153                           | 102                                           | 62,888         |
| Qualitative                        | 1,894                           | 16,931                   | 1,393                           | 4                                             | 20,222         | 2,442                           | 14,160                   | 1,249                           | 30                                            | 17,881         |
| 30 DPD backstop <sup>2</sup>       | 80                              | 180                      | 33                              | —                                             | 293            | 106                             | 182                      | 11                              | —                                             | 299            |
| <b>Total gross carrying amount</b> | <b>22,871</b>                   | <b>58,416</b>            | <b>4,370</b>                    | <b>280</b>                                    | <b>85,937</b>  | <b>23,887</b>                   | <b>54,636</b>            | <b>2,413</b>                    | <b>132</b>                                    | <b>81,068</b>  |
| Quantitative                       | (1,151)                         | (837)                    | (16)                            | (1)                                           | (2,005)        | (1,128)                         | (830)                    | (10)                            | —                                             | (1,968)        |
| Qualitative                        | (74)                            | (280)                    | (21)                            | (1)                                           | (376)          | (101)                           | (230)                    | (9)                             | (2)                                           | (342)          |
| 30 DPD backstop <sup>2</sup>       | (8)                             | (10)                     | —                               | —                                             | (18)           | (6)                             | (4)                      | —                               | —                                             | (10)           |
| <b>Total allowance for ECL</b>     | <b>(1,233)</b>                  | <b>(1,127)</b>           | <b>(37)</b>                     | <b>(2)</b>                                    | <b>(2,399)</b> | <b>(1,235)</b>                  | <b>(1,064)</b>           | <b>(19)</b>                     | <b>(2)</b>                                    | <b>(2,320)</b> |
| <b>ECL coverage %</b>              | <b>5.4</b>                      | <b>1.9</b>               | <b>0.8</b>                      | <b>0.7</b>                                    | <b>2.8</b>     | <b>5.2</b>                      | <b>1.9</b>               | <b>0.8</b>                      | <b>1.5</b>                                    | <b>2.9</b>     |

1 Where balances satisfy more than one of the above three criteria for determining a significant increase in credit risk, the corresponding gross exposure and ECL have been assigned in order of categories presented.

2 Days past due ('DPD').

## Measurement uncertainty and sensitivity analysis of ECL estimates

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

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

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

### Methodology

At 30 June 2026, four scenarios were used to capture the latest economic expectations and to articulate management's view of the range of risks and potential outcomes. Scenarios are updated with the latest economic forecasts and distributional estimates in each quarter. We derive three scenarios, the consensus Upside, Central and Downside, from external consensus forecasts, market data and distributional estimates that cover the entire range of economic outcomes. These estimates are used as conditioning assumptions in a modelled expansion of other variables to ensure scenarios are economically coherent and internally consistent. The fourth scenario, the Downside 2, represents management's view of severe downside risks.

The consensus Central scenario is deemed the 'most likely' scenario and will, in most circumstances, attract the largest probability weighting. The consensus Upside and Downside scenarios represent short-term cyclical deviations from the Central scenario, where variable paths eventually converge back to long-term trend expectations. They are calibrated to a 10% probability.

The Downside 2 explores a more extreme economic outcome than captured by the consensus scenarios. In this scenario, variables do not, by design, revert to long-term trend expectations and may instead explore alternative outcomes. It is calibrated to a 5% probability.

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

In the first quarter of 2026, the start of the conflict in the Middle East prompted the addition of a fifth scenario to supplement the standard four. The Downside 1 scenario was a regional conflict scenario that incorporated a sharp increase in oil prices, leading to higher inflation and a tightening of global financial conditions. Growth in the scenario was weaker than in the Central scenario in our major markets, with the Middle East particularly adversely affected.

The Downside 1 scenario was introduced because the Central scenario was based on forecasts produced before the conflict began, and because the outer scenarios for most markets were calibrated as demand shocks linked to higher US tariff rates, and therefore did not capture a supply-side energy shock.

During the second quarter of 2026 the Downside 1 scenario was demised as the standard scenarios were assessed to adequately reflect the expected implications and risks from the conflict.

The Central scenario was judged to have been updated to incorporate the anticipated effects of the conflict, while the outer scenarios were adjusted to reflect supply-side shocks, driven by higher energy prices from protracted conflict in the Middle East. In the standard downside scenarios, inflation and interest rates increase relative to the Central scenario.

Scenario weights were also adjusted during the quarter to reflect an assessment that risks around the Central scenario were more adversely skewed. The Central scenario weighting was left unchanged, but the weighting on the consensus Upside scenario was reduced to reflect the conflict's likely lasting impact on confidence. The weighting applied to the consensus Downside scenario was increased, given the higher risk of a longer and more damaging conflict than implied by the distribution.

### Description of economic scenarios

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

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

The scenarios used to calculate ECL are described below.

#### The consensus Central scenario

HSBC's Central scenario reflects the impact of the energy price shock resulting from the conflict in the Middle East. Relative to the fourth quarter of 2025, forecast growth is weaker and inflation is higher. Policy interest rates are higher across most major markets in 2026–27, reflecting expected central bank tightening in response to higher oil prices and inflation.

The notable exceptions are the Chinese mainland, Hong Kong and the US, where annual growth forecasts have improved relative to the fourth quarter of 2025, supported by stronger-than-expected recent activity. The improvements to annual forecasts partly reflect base effects rather than a material strengthening of underlying quarter-on-quarter momentum.

The largest revision is to Hong Kong GDP, reflecting an improvement in first quarter growth driven by a build-up of trade-related inventories. Activity has also been supported by stronger financial sector performance and a revival in residential real estate transactions.

Global GDP is expected to grow by 2.6% in 2026 in the Central scenario and the average rate of global GDP growth is forecast to be 2.7% over the entire forecast period.

The key features of our Central scenario include:

- Growth is forecast to remain positive across our major markets, but to slow over the remainder of 2026, due to the impact of conflict in the Middle East on confidence and activity. The exception is the UAE where the economy is assumed to be in recession.
- The price of Brent crude oil is projected to peak in the second quarter of 2026 and is lower over the remainder of the year as the oil market rebalances. The price is forecast to average \$91/bbl during 2026 and \$80/bbl in 2027.
- Higher energy prices are expected to lift inflation across our major markets, although second-order impacts to wages and service inflation are assumed to be limited. In most markets, inflation is expected to ease back towards central bank targets in 2027.
- Major central banks are forecast to tighten policy during 2026 to keep inflation expectations anchored. Policy easing is then forecast in 2027, as the energy supply shock unwinds.
- In most markets, unemployment is forecast to rise moderately, consistent with weaker economic growth and subdued business confidence that constrains hiring.
- House prices in the Chinese mainland are expected to continue to fall. In Hong Kong, house prices are forecast to improve further as buyer interest recovers. In the UK and US, house price growth is projected to remain positive but subdued.

The Central scenario was created from consensus forecasts available at the end of May, and reviewed continually until the end of June 2026.

## Risk

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

Consensus Central scenario

|                                                            | 3Q26-2Q31 (as at 2026) |     |           |                  |        | 2026-2030 (as at 4Q25) |        |     |     |           |                  |        |     |        |
|------------------------------------------------------------|------------------------|-----|-----------|------------------|--------|------------------------|--------|-----|-----|-----------|------------------|--------|-----|--------|
|                                                            | UK                     | US  | Hong Kong | Chinese mainland | France | UAE                    | Mexico | UK  | US  | Hong Kong | Chinese mainland | France | UAE | Mexico |
| GDP (annual average growth rate, %)                        |                        |     |           |                  |        |                        |        |     |     |           |                  |        |     |        |
| 2026                                                       | 0.8                    | 2.1 | 3.9       | 4.7              | 0.7    | (0.7)                  | 1.2    | 1.1 | 1.9 | 2.3       | 4.4              | 0.9    | 4.7 | 1.3    |
| 2027                                                       | 1.2                    | 2.0 | 2.6       | 4.4              | 0.9    | 7.2                    | 1.8    | 1.4 | 2.0 | 2.3       | 4.2              | 1.2    | 4.1 | 2.0    |
| 2028                                                       | 1.5                    | 2.1 | 2.3       | 4.2              | 1.2    | 3.9                    | 2.0    | 1.5 | 2.1 | 2.3       | 4.0              | 1.3    | 3.8 | 2.2    |
| 2029                                                       | 1.5                    | 2.1 | 2.2       | 4.1              | 1.2    | 3.7                    | 2.1    | 1.5 | 2.1 | 2.4       | 3.8              | 1.3    | 3.5 | 2.2    |
| 2030                                                       | 1.5                    | 2.1 | 2.2       | 4.0              | 1.2    | 3.4                    | 2.2    | 1.5 | 2.0 | 2.4       | 3.8              | 1.3    | 3.5 | 2.2    |
| 5-year average <sup>1</sup>                                | 1.4                    | 2.0 | 2.4       | 4.2              | 1.1    | 4.0                    | 2.0    | 1.4 | 2.0 | 2.3       | 4.0              | 1.2    | 3.9 | 2.0    |
| Unemployment rate (%)                                      |                        |     |           |                  |        |                        |        |     |     |           |                  |        |     |        |
| 2026                                                       | 5.3                    | 4.4 | 3.6       | 5.2              | 7.9    | 2.5                    | 2.8    | 4.9 | 4.4 | 3.6       | 5.2              | 7.6    | 2.5 | 3.2    |
| 2027                                                       | 5.2                    | 4.4 | 3.4       | 5.1              | 7.8    | 2.2                    | 3.0    | 4.7 | 4.3 | 3.4       | 5.2              | 7.6    | 2.4 | 3.2    |
| 2028                                                       | 5.0                    | 4.2 | 3.1       | 5.1              | 7.6    | 2.1                    | 3.0    | 4.7 | 4.1 | 3.1       | 5.1              | 7.5    | 2.4 | 3.2    |
| 2029                                                       | 4.8                    | 4.2 | 3.0       | 5.0              | 7.5    | 2.1                    | 3.0    | 4.7 | 4.1 | 3.0       | 5.0              | 7.4    | 2.4 | 3.1    |
| 2030                                                       | 4.6                    | 4.1 | 2.9       | 5.0              | 7.4    | 2.0                    | 3.0    | 4.7 | 4.1 | 3.0       | 5.0              | 7.4    | 2.4 | 3.1    |
| 5-year average <sup>1</sup>                                | 4.9                    | 4.2 | 3.2       | 5.1              | 7.6    | 2.1                    | 3.0    | 4.7 | 4.2 | 3.2       | 5.1              | 7.5    | 2.4 | 3.2    |
| House prices (annual average growth rate, %)               |                        |     |           |                  |        |                        |        |     |     |           |                  |        |     |        |
| 2026                                                       | 1.7                    | 1.7 | 8.1       | (5.1)            | 1.7    | 2.4                    | 6.6    | 1.2 | 1.1 | 0.5       | (1.6)            | 4.3    | 5.8 | 4.8    |
| 2027                                                       | 1.6                    | 1.7 | 4.2       | 0.1              | 4.4    | 0.4                    | 4.3    | 2.8 | 1.9 | 1.5       | 2.1              | 5.0    | 3.2 | 4.5    |
| 2028                                                       | 1.8                    | 2.5 | 4.1       | 2.5              | 4.0    | 2.3                    | 4.5    | 3.3 | 2.7 | 2.5       | 3.5              | 4.1    | 2.3 | 4.4    |
| 2029                                                       | 2.4                    | 2.8 | 3.7       | 3.1              | 3.1    | 2.0                    | 4.3    | 2.7 | 3.2 | 2.1       | 3.4              | 3.1    | 2.0 | 4.3    |
| 2030                                                       | 2.5                    | 3.0 | 3.3       | 2.4              | 2.4    | 2.1                    | 4.3    | 2.4 | 3.2 | 2.1       | 2.3              | 2.2    | 2.1 | 4.2    |
| 5-year average <sup>1</sup>                                | 2.1                    | 2.5 | 4.2       | 1.4              | 3.3    | 1.4                    | 4.4    | 2.5 | 2.4 | 1.8       | 1.9              | 3.7    | 3.1 | 4.4    |
| Inflation (annual average growth rate, %)                  |                        |     |           |                  |        |                        |        |     |     |           |                  |        |     |        |
| 2026                                                       | 3.2                    | 3.4 | 1.9       | 1.0              | 2.0    | 2.9                    | 4.0    | 2.5 | 2.9 | 1.8       | 0.7              | 1.4    | 2.0 | 3.7    |
| 2027                                                       | 2.5                    | 2.4 | 1.8       | 1.1              | 1.6    | 1.8                    | 3.7    | 2.1 | 2.3 | 1.9       | 1.2              | 1.7    | 1.9 | 3.6    |
| 2028                                                       | 2.0                    | 2.2 | 2.0       | 1.4              | 1.7    | 1.9                    | 3.5    | 2.1 | 2.2 | 2.0       | 1.4              | 2.1    | 1.9 | 3.5    |
| 2029                                                       | 2.1                    | 2.2 | 2.1       | 1.5              | 2.0    | 1.9                    | 3.4    | 2.0 | 2.2 | 2.2       | 1.5              | 2.1    | 2.0 | 3.4    |
| 2030                                                       | 2.0                    | 2.2 | 2.2       | 1.6              | 1.9    | 1.8                    | 3.5    | 2.0 | 2.2 | 2.2       | 1.5              | 1.9    | 2.0 | 3.4    |
| 5-year average <sup>1</sup>                                | 2.3                    | 2.4 | 2.0       | 1.4              | 1.9    | 1.9                    | 3.6    | 2.2 | 2.4 | 2.0       | 1.3              | 1.9    | 1.9 | 3.5    |
| Central bank policy rate (annual average, %) <sup>12</sup> |                        |     |           |                  |        |                        |        |     |     |           |                  |        |     |        |
| 2026                                                       | 3.9                    | 3.7 | 4.1       | 3.0              | 2.3    | 3.7                    | 6.8    | 3.5 | 3.4 | 3.8       | 3.0              | 1.9    | 3.5 | 7.0    |
| 2027                                                       | 4.3                    | 3.9 | 4.3       | 3.1              | 2.7    | 4.0                    | 7.6    | 3.4 | 3.1 | 3.5       | 3.0              | 2.0    | 3.1 | 7.2    |
| 2028                                                       | 4.1                    | 3.9 | 4.3       | 3.1              | 2.6    | 3.9                    | 8.3    | 3.5 | 3.2 | 3.6       | 3.1              | 2.1    | 3.3 | 7.5    |
| 2029                                                       | 4.1                    | 3.9 | 4.2       | 3.2              | 2.7    | 3.9                    | 8.6    | 3.7 | 3.4 | 3.8       | 3.1              | 2.3    | 3.4 | 7.7    |
| 2030                                                       | 4.2                    | 3.9 | 4.3       | 3.3              | 2.8    | 4.0                    | 8.7    | 3.8 | 3.6 | 3.9       | 3.2              | 2.5    | 3.6 | 7.9    |
| 5-year average <sup>1</sup>                                | 4.2                    | 3.9 | 4.3       | 3.2              | 2.7    | 3.9                    | 8.2    | 3.6 | 3.3 | 3.7       | 3.1              | 2.2    | 3.4 | 7.5    |

<sup>1</sup> The five-year average is calculated over the 20 quarter projection. For the 2Q26 scenario this is from 3Q26 to 2Q31. For the 4Q25 scenario it is from 1Q26 to 4Q30.

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

### The consensus Upside scenario

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

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

#### Consensus Upside scenario (3Q26–2Q31)

|                                                    | UK   |        | US   |        | Hong Kong |        | Chinese mainland |        | France |        | UAE  |        | Mexico |        |
|----------------------------------------------------|------|--------|------|--------|-----------|--------|------------------|--------|--------|--------|------|--------|--------|--------|
| GDP level (% , start-to-peak) <sup>1</sup>         | 11.4 | (2Q31) | 15.3 | (2Q31) | 19.3      | (2Q31) | 29.6             | (2Q31) | 8.1    | (2Q31) | 40.4 | (2Q31) | 16.6   | (2Q31) |
| Unemployment rate (% , min) <sup>2</sup>           | 3.5  | (2Q28) | 3.6  | (2Q28) | 2.8       | (2Q28) | 4.7              | (2Q28) | 6.9    | (2Q28) | 1.8  | (2Q28) | 2.5    | (1Q27) |
| House price index (% , start-to-peak) <sup>1</sup> | 17.5 | (2Q31) | 23.3 | (2Q31) | 30.4      | (2Q31) | 12.5             | (2Q31) | 19.5   | (2Q31) | 18.3 | (2Q31) | 29.3   | (2Q31) |
| Inflation rate (YoY % change, min) <sup>3</sup>    | 1.9  | (4Q27) | 1.0  | (2Q27) | 0.4       | (2Q27) | 0.0              | (2Q27) | 0.6    | (2Q27) | 1.4  | (1Q27) | 2.4    | (2Q27) |
| Central bank policy rate (% , min) <sup>3</sup>    | 3.8  | (3Q26) | 3.6  | (3Q26) | 3.9       | (3Q26) | 2.9              | (1Q27) | 2.3    | (3Q26) | 3.6  | (3Q26) | 5.7    | (4Q26) |

#### Consensus Upside scenario 2026–2030 (as at 4Q25)

|                                                    | UK   |        | US   |        | Hong Kong |        | Chinese mainland |        | France |        | UAE  |        | Mexico |        |
|----------------------------------------------------|------|--------|------|--------|-----------|--------|------------------|--------|--------|--------|------|--------|--------|--------|
| GDP level (% , start-to-peak) <sup>1</sup>         | 11.0 | (4Q30) | 15.2 | (4Q30) | 20.7      | (4Q30) | 28.6             | (4Q30) | 8.5    | (4Q30) | 29.0 | (4Q30) | 16.9   | (4Q30) |
| Unemployment rate (% , min) <sup>2</sup>           | 3.2  | (4Q27) | 3.5  | (4Q27) | 2.8       | (2Q28) | 4.7              | (4Q27) | 6.6    | (4Q27) | 2.0  | (4Q27) | 2.8    | (3Q26) |
| House price index (% , start-to-peak) <sup>1</sup> | 20.0 | (4Q30) | 23.2 | (4Q30) | 19.4      | (4Q30) | 14.9             | (4Q30) | 22.6   | (4Q30) | 22.2 | (4Q30) | 29.5   | (4Q30) |
| Inflation rate (YoY % change, max) <sup>3</sup>    | 3.5  | (1Q26) | 3.6  | (3Q26) | 2.9       | (2Q26) | 1.5              | (4Q30) | 2.4    | (4Q27) | 3.1  | (2Q26) | 4.2    | (1Q26) |
| Central bank policy rate (% , max) <sup>3</sup>    | 3.9  | (1Q26) | 3.9  | (1Q26) | 4.2       | (1Q26) | 3.4              | (1Q27) | 2.5    | (4Q30) | 3.9  | (1Q26) | 8.1    | (4Q30) |

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

2 Lowest projected unemployment rate in the scenario.

3 Lowest/highest projected policy rate and year-on-year percentage change in inflation in the scenario. For the Chinese mainland, the policy rate shown is the Loan Prime Rate.

### Downside scenarios

Downside scenarios explore the intensification and crystallisation of a number of risk themes.

In the second quarter of 2026, these scenarios were designed as supply-side shocks, in which higher energy prices push inflation higher and weaken economic growth.

Key downside risks include:

- a prolonged conflict in the Middle East, damage to regional energy infrastructure and sustained disruption of flows through the Strait of Hormuz, which would push oil prices and inflation higher;
- an abrupt repricing of risk assets given elevated valuations, particularly in the technology sector, eroding wealth effects and increasing credit risk;
- an intensification of protectionist policies which could reduce investment, disrupt international supply chains and lower trade flows;

- persistent tensions between the US and China, which could weigh on confidence and disrupt global goods trade and supply chains for critical technologies.

#### The consensus Downside scenario

In the consensus Downside scenario, conflict in the Middle East continues for longer than expected, oil prices rise and economic activity is weaker than in the Central scenario.

In the scenario, GDP growth is weaker than in the Central scenario and our major markets enter into recession where unemployment rises and financial asset prices fall. The scenario assumes a prolonged disruption to oil and gas flows through the Strait of Hormuz, leading to a drawdown in oil inventories and a further rise in oil prices.

Oil prices are expected to peak at around \$135/bbl by the end of 2026, with flows through the Strait normalising during 2027. The energy price shock causes inflation to rise sharply, prompting central banks to raise policy rates.

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

#### Consensus Downside scenario (3Q26–2Q31)

|                                                      | UK    |        | US    |        | Hong Kong |        | Chinese mainland |        | France |        | UAE   |        | Mexico |        |
|------------------------------------------------------|-------|--------|-------|--------|-----------|--------|------------------|--------|--------|--------|-------|--------|--------|--------|
| GDP level (% , start-to-trough) <sup>1</sup>         | (0.5) | (4Q26) | (0.6) | (1Q27) | (2.6)     | (2Q28) | (1.9)            | (4Q26) | (0.6)  | (1Q27) | (1.5) | (3Q26) | (1.0)  | (3Q27) |
| Unemployment rate (% , max) <sup>2</sup>             | 6.6   | (2Q27) | 5.3   | (1Q27) | 4.7       | (2Q27) | 6.7              | (2Q28) | 8.8    | (1Q27) | 3.0   | (4Q26) | 3.4    | (2Q27) |
| House price index (% , start-to-trough) <sup>1</sup> | (4.4) | (3Q27) | (3.1) | (3Q27) | 0.1       | (4Q26) | (6.2)            | (4Q27) | 0.2    | (3Q26) | (6.6) | (4Q26) | 0.5    | (3Q26) |
| Inflation rate (YoY % change, max) <sup>3</sup>      | 4.4   | (4Q26) | 4.7   | (4Q26) | 2.7       | (2Q27) | 2.5              | (1Q27) | 3.1    | (4Q26) | 3.4   | (3Q26) | 5.9    | (2Q27) |
| Central bank policy rate (% , max) <sup>3</sup>      | 4.4   | (1Q27) | 4.2   | (4Q26) | 4.6       | (4Q26) | 3.4              | (2Q31) | 2.9    | (3Q27) | 4.2   | (4Q26) | 9.3    | (1Q27) |

#### Consensus Downside scenario 2026–2030 (as at 4Q25)

|                                                      | UK    |        | US    |        | Hong Kong |        | Chinese mainland |        | France |        | UAE   |        | Mexico |        |
|------------------------------------------------------|-------|--------|-------|--------|-----------|--------|------------------|--------|--------|--------|-------|--------|--------|--------|
| GDP level (% , start-to-trough) <sup>1</sup>         | (0.2) | (2Q27) | (0.8) | (3Q26) | (1.7)     | (4Q27) | (1.7)            | (3Q26) | (0.4)  | (3Q26) | 0.4   | (1Q26) | (1.0)  | (1Q27) |
| Unemployment rate (% , max) <sup>2</sup>             | 6.2   | (4Q26) | 5.3   | (3Q26) | 4.8       | (4Q26) | 6.8              | (4Q27) | 8.6    | (3Q26) | 3.2   | (3Q27) | 3.8    | (3Q26) |
| House price index (% , start-to-trough) <sup>1</sup> | (4.1) | (1Q27) | (3.1) | (1Q27) | (3.8)     | (1Q27) | (5.6)            | (1Q27) | 0.7    | (1Q26) | (3.4) | (2Q26) | 0.6    | (1Q26) |
| Inflation rate (YoY % change, min) <sup>3</sup>      | 1.3   | (3Q26) | 3.4   | (1Q26) | 0.1       | (4Q26) | (2.9)            | (4Q26) | 0.4    | (4Q26) | 0.5   | (4Q26) | 4.7    | (1Q26) |
| Central bank policy rate (% , min) <sup>3</sup>      | 2.2   | (3Q28) | 4.6   | (2Q26) | 5.0       | (2Q26) | 1.5              | (4Q26) | 0.6    | (1Q27) | 4.6   | (2Q26) | 9.5    | (2Q26) |

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

2 The highest projected unemployment rate in the scenario.

3 Lowest/highest projected policy rate and year-on-year percentage change in inflation in the scenario. For the Chinese mainland, the policy rate shown is the Loan Prime Rate.

## Downside 2 scenario

The Downside 2 scenario reflects management's view of the tail of the economic distribution. It incorporates the simultaneous crystallisation of a number of risks that lead to a deep global recession, including escalation of geopolitical risks and a more prolonged disruption to energy supply. In this scenario, oil prices are expected to peak at \$170 per barrel, consistent with conflict escalation, inventory drawdown and substantial damage to Gulf energy infrastructure. Inflation rises sharply, asset prices fall and unemployment rises quickly.

The economic recovery paths in the Downside 2 scenario are based on how each market has typically recovered from past downturns, and are calibrated to capture both the expected duration of the recovery and the potential for longer-lasting economic effects.

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

## Downside 2 scenario (3Q26–2Q31)

|                                                      | UK     |        | US     |        | Hong Kong |        | Chinese mainland |        | France |        | UAE    |        | Mexico |        |
|------------------------------------------------------|--------|--------|--------|--------|-----------|--------|------------------|--------|--------|--------|--------|--------|--------|--------|
| GDP level (% , start-to-trough) <sup>1</sup>         | (8.4)  | (1Q28) | (5.5)  | (1Q28) | (9.9)     | (2Q28) | (9.3)            | (4Q27) | (8.0)  | (4Q27) | (10.4) | (4Q27) | (10.4) | (4Q27) |
| Unemployment rate (% , max) <sup>2</sup>             | 10.1   | (2Q28) | 10.6   | (4Q28) | 7.0       | (2Q27) | 6.9              | (2Q28) | 10.5   | (1Q28) | 4.6    | (1Q27) | 5.2    | (4Q27) |
| House price index (% , start-to-trough) <sup>1</sup> | (34.0) | (3Q28) | (17.4) | (3Q27) | (11.6)    | (3Q29) | (25.3)           | (2Q28) | (11.3) | (2Q28) | (46.9) | (3Q28) | 0.5    | (3Q26) |
| Inflation rate (YoY % change, max) <sup>3</sup>      | 6.6    | (4Q26) | 5.2    | (4Q26) | 3.7       | (4Q26) | 2.7              | (4Q26) | 4.2    | (1Q27) | 3.9    | (3Q26) | 5.8    | (1Q27) |
| Central bank policy rate (% , max) <sup>3</sup>      | 4.7    | (4Q26) | 4.5    | (4Q26) | 4.8       | (4Q26) | 3.5              | (4Q26) | 3.1    | (4Q26) | 4.5    | (4Q26) | 9.5    | (4Q26) |

## Downside 2 scenario 2026–2030 (as at 4Q25)

|                                                      | UK     |        | US     |        | Hong Kong |        | Chinese mainland |        | France |        | UAE    |        | Mexico |        |
|------------------------------------------------------|--------|--------|--------|--------|-----------|--------|------------------|--------|--------|--------|--------|--------|--------|--------|
| GDP level (% , start-to-trough) <sup>1</sup>         | (5.3)  | (2Q27) | (4.5)  | (1Q27) | (9.3)     | (3Q27) | (6.0)            | (1Q27) | (6.2)  | (2Q27) | (5.7)  | (2Q27) | (10.0) | (1Q27) |
| Unemployment rate (% , max) <sup>2</sup>             | 8.9    | (2Q27) | 9.0    | (1Q28) | 7.0       | (4Q26) | 7.0              | (4Q27) | 10.7   | (4Q27) | 3.9    | (3Q26) | 5.2    | (2Q27) |
| House price index (% , start-to-trough) <sup>1</sup> | (24.2) | (4Q27) | (17.1) | (4Q26) | (19.6)    | (2Q29) | (23.1)           | (4Q27) | (5.9)  | (3Q27) | (30.5) | (1Q28) | 0.6    | (1Q26) |
| Inflation rate (YoY % change, min) <sup>3</sup>      | (1.9)  | (4Q26) | 4.1    | (2Q26) | (1.7)     | (2Q27) | (6.5)            | (4Q26) | (0.6)  | (4Q26) | 0.3    | (4Q26) | 4.8    | (1Q26) |
| Central bank policy rate (% , min) <sup>3</sup>      | 1.4    | (1Q27) | 4.7    | (2Q26) | 5.0       | (2Q26) | 1.2              | (2Q27) | 0.1    | (4Q26) | 4.7    | (2Q26) | 9.9    | (2Q26) |

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

2 The highest projected unemployment rate in the scenario.

3 Lowest/highest projected policy rate and year-on-year percentage change in inflation in the scenario. For the Chinese mainland, the policy rate shown is the Loan Prime Rate.

## Scenario weighting

Scenario weightings are set with reference to consensus forecast probability distributions. Management may subsequently vary weights where they assess that the calibration lags more recent events, or that it does not reflect their view of the distribution of economic, financial and geopolitical risks.

During the first quarter of 2026, the use of a fifth scenario, the Downside 1, to capture the risks associated with conflict in the Middle East, resulted in the reassignment of weight from the Upside and Central scenarios. The Downside 1 received a weight of 30%, with the Upside reduced from 10% to 5% and the Central from 75% to 50%. The weights assigned to the standard downside scenarios remained unchanged. Although the Downside 1 scenario was discontinued in the second quarter of 2026, scenario weights were adjusted to reflect the higher assessed downside risk relating to the potential duration and impact of conflict in the Middle East.

In the second quarter of 2026, the consensus Upside scenario was assigned a weight of 5% for most of our major markets, down from 10% at 31 December 2025. Management considered the conflict was likely to have an enduring impact on confidence and therefore reduced the likelihood of the Upside scenario.

Although it was noted that the oil price assumption in the Central scenario remained uncertain, the risk was assessed to be adequately addressed in the downside scenarios, in which oil prices are assumed to rise. The weight assigned to the consensus Central scenario was aligned with the calibrated probability of 75%.

The risk of a longer duration conflict and higher oil prices was seen to be higher than implied by the consensus distribution. The weight applied to the consensus Downside scenario was therefore increased to 15% from 10% at 31 December 2025, while the Downside 2 scenario was left unchanged at 5%.

For the UAE, forecasts were assessed to be subject to greater uncertainty and both Central and outer scenario weights were adjusted. The consensus Upside scenario was assigned a weight of 5%, the consensus Central 65%, the consensus Downside 25%, and the Downside 2 was assigned 5%.

It was noted that dispersion in the consensus forecast for the UAE had widened significantly, and that the longer publication lag for official data made assessment of current conditions particularly challenging.

Management continued to monitor developments in the Middle East and their implications for economic forecasts, scenarios and weights after 30 June 2026. It was noted that forecasts had remained stable since the scenarios were created and that while the oil price was volatile, its development remained in line with the price assumption underpinning the Central scenario. Renewed hostilities were also seen to affirm the decision to re-weight scenarios in order to better capture the risk of a more prolonged conflict.

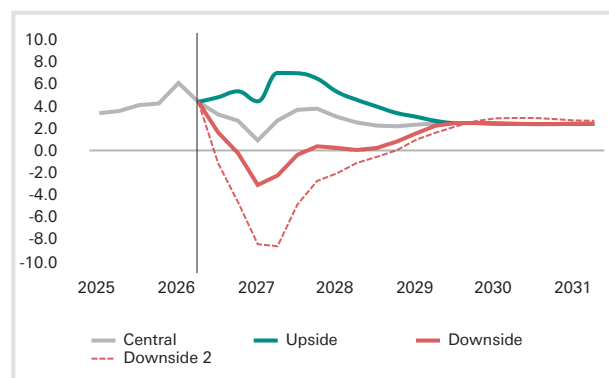
The following table describes the probabilities assigned in each scenario.

## Scenario weightings, %

|                    | Standard weights | UK | US | Hong Kong | Chinese mainland | France | UAE | Mexico |
|--------------------|------------------|----|----|-----------|------------------|--------|-----|--------|
| <b>2Q26</b>        |                  |    |    |           |                  |        |     |        |
| Consensus Upside   | 10               | 5  | 5  | 5         | 5                | 5      | 5   | 5      |
| Consensus Central  | 75               | 75 | 75 | 75        | 75               | 75     | 65  | 75     |
| Consensus Downside | 10               | 15 | 15 | 15        | 15               | 15     | 25  | 15     |
| Downside 2         | 5                | 5  | 5  | 5         | 5                | 5      | 5   | 5      |
| <b>4Q25</b>        |                  |    |    |           |                  |        |     |        |
| Consensus Upside   | 10               | 10 | 10 | 10        | 10               | 10     | 10  | 10     |
| Consensus Central  | 75               | 75 | 75 | 75        | 75               | 75     | 75  | 75     |
| Consensus Downside | 10               | 10 | 10 | 10        | 10               | 10     | 10  | 10     |
| Downside 2         | 5                | 5  | 5  | 5         | 5                | 5      | 5   | 5      |

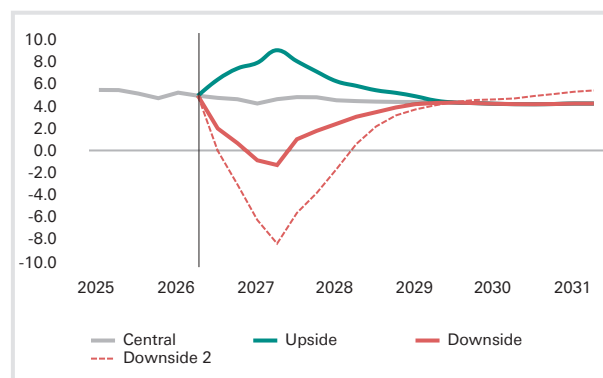
The following graphs show the historical and forecasted GDP growth rate for the various economic scenarios in our four largest markets.

### Hong Kong



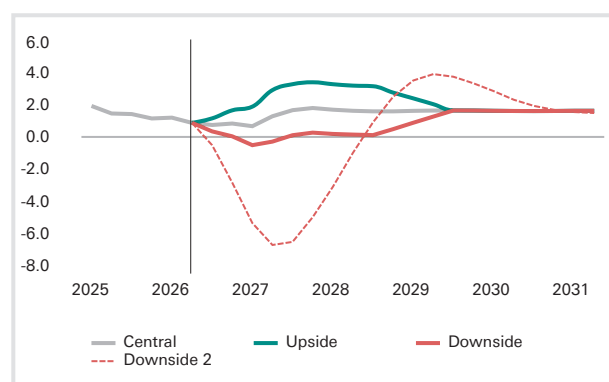
Note: Real GDP shown as year-on-year percentage change.

### Chinese mainland



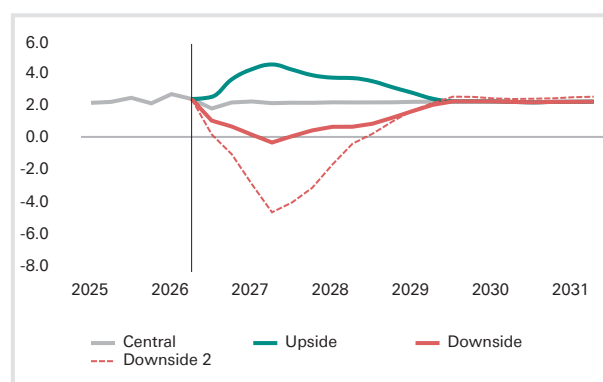
Note: Real GDP shown as year-on-year percentage change.

### UK



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

### US



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

## Critical estimates and judgements

The IFRS 9 expected credit losses ('ECL') calculation involved significant judgements, assumptions and estimates. These included selecting and configuring economic scenarios amid changing economic conditions and risks and estimating their effects on ECL, especially when historical conditions were not fully captured by credit risk models.

## How economic scenarios are reflected in ECL calculations

The methodologies for the application of forward economic guidance into the calculation of ECL for wholesale and retail portfolios are set out on page 120 of the Annual Report and Accounts 2025. Models are used to reflect economic scenarios in ECL estimates. These models are based largely on historical observations and correlations with default.

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



## Management judgemental adjustments

Details regarding management judgemental adjustments in relation to ECL allowance are on page 120 of the Annual Report and Accounts 2025.

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

|                                                                    | At 30 Jun 2026 |                                |               | At 31 Dec 2025 |                                |               |
|--------------------------------------------------------------------|----------------|--------------------------------|---------------|----------------|--------------------------------|---------------|
|                                                                    | Retail<br>\$bn | Wholesale <sup>2</sup><br>\$bn | Total<br>\$bn | Retail<br>\$bn | Wholesale <sup>2</sup><br>\$bn | Total<br>\$bn |
| <b>Modelled ECL (A)<sup>3</sup></b>                                | <b>2.8</b>     | <b>1.9</b>                     | <b>4.7</b>    | 2.8            | 1.8                            | 4.6           |
| Banks, sovereigns, government entities and low-risk counterparties |                |                                |               |                |                                | 0.0           |
| Corporate lending adjustments                                      |                | <b>0.1</b>                     | <b>0.1</b>    |                | 0.1                            | 0.1           |
| Other credit judgements                                            | <b>0.1</b>     |                                | <b>0.1</b>    | 0.1            |                                | 0.1           |
| <b>Total management judgemental adjustments (B)<sup>4</sup></b>    | <b>0.1</b>     | <b>0.1</b>                     | <b>0.2</b>    | 0.1            | 0.1                            | 0.2           |
| <b>Other adjustments (C)<sup>5</sup></b>                           | <b>0.0</b>     | <b>0.1</b>                     | <b>0.1</b>    | (0.0)          | 0.1                            | 0.1           |
| <b>Final ECL (A + B + C)<sup>6</sup></b>                           | <b>2.9</b>     | <b>2.1</b>                     | <b>5.0</b>    | 2.9            | 2.0                            | 4.9           |

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

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

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

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

5 (C) refers to adjustments to allowance for ECL made to address process limitations, data/model deficiencies, and can also include, where appropriate, the impact of new models where governance has sufficiently progressed to allow an accurate estimate of ECL allowance to be incorporated into the total reported ECL. At 30 June 2026 a qualitative industry sector framework adjustment increased the wholesale portfolio allowance for ECL by \$0.1bn.

6 As presented within our internal credit risk governance (see page 107 of the Annual Report and Accounts 2025).

In the wholesale portfolio, management judgemental adjustments were an increase to the modelled allowance for ECL of \$0.1bn (31 December 2025: \$0.1bn increase), due to economic and geopolitical concerns, and potential lagged impacts. This was reflected in specific sectors and geographies. Compared with 31 December 2025, management judgemental adjustments were stable.

In the retail portfolio, management judgemental adjustments were an increase to the modelled allowance for ECL of \$0.1bn at 30 June 2026 (31 December 2025: \$0.1bn increase). 'Other credit judgements' remained stable compared with 31 December 2025, with market-specific uncertainties across a number of geographies not individually significant.

### Economic scenarios sensitivity analysis of ECL estimates

Management considered the sensitivity of the ECL outcome against the economic forecasts as part of the ECL governance process by recalculating the allowance for ECL under each scenario described above for selected portfolios, applying a 100% weighting to each scenario in turn. The weighting is reflected in both the determination of a significant increase in credit risk and the measurement of the resulting allowances.

The allowance for ECL calculated for the Upside and Downside scenarios should not be taken to represent the upper and lower limits of possible ECL outcomes. The impact of defaults that might occur in the future under different economic scenarios is captured by recalculating allowances for loans at the balance sheet date.

There is a particularly high degree of estimation uncertainty in numbers representing tail risk scenarios when assigned a 100% weighting.

For wholesale credit risk exposures, the sensitivity analysis excludes allowance for ECL and financial instruments related to defaulted (stage 3) obligors. The measurement of stage 3 ECL is relatively more sensitive to credit factors specific to the obligor than future economic scenarios, and therefore the effects of macroeconomic factors are not necessarily the key consideration when performing individual assessments of allowances for obligors in default. Loans to defaulted obligors are a small portion of the overall wholesale lending exposure, even if representing the majority of the allowance for ECL. Due to the range and specificity of the credit factors to which the ECL is sensitive, it is not possible to provide a meaningful alternative sensitivity analysis for a consistent set of risks across all defaulted obligors.

For retail mortgage exposures the sensitivity analysis includes allowance for ECL for defaulted obligors of loans and advances. This is because the retail ECL for secured mortgage portfolios, including loans in all stages, is sensitive to macroeconomic variables.

### Wholesale and retail ECL sensitivity

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

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

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

### Wholesale analysis

At 30 June 2026, the highest level of 100% scenario-weighted ECL was observed in the UK and Hong Kong. This higher ECL impact was largely driven by significant exposure in these regions compared with other regions. In the wholesale portfolio, off-balance sheet financial instruments have a lower likelihood to be fully converted to a funded exposure at the point of default, and consequently the ECL sensitivity impact is lower in relation to its nominal amount when compared with an on-balance sheet exposure with a similar risk profile.

The Downside 2 ECL increased by \$1.7bn compared with 31 December 2025. The 30 June 2026 Downside 2 scenario reflects a refreshed calibration of credit risks under a higher interest rate environment, with the biggest changes in the UK, Hong Kong and the UAE. Furthermore, since 31 December 2025, the range of scenarios has widened due to an energy-driven supply shock, with oil prices rising sharply following a major escalation of the conflict in the Middle East. In the recalibrated scenario, the supply shock proves particularly damaging to the UK, Hong Kong and the UAE and drives a deeper economic recession, higher unemployment and a sharper drop in house prices.

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

| By geography at<br>30 Jun 2026 <sup>5</sup> | Reported<br>Gross carrying<br>amount <sup>4</sup><br>\$m | Reported<br>allowance<br>for ECL<br>\$m | Consensus Central<br>scenario allowance<br>for ECL<br>\$m | Consensus Upside<br>scenario allowance<br>for ECL<br>\$m | Consensus Downside<br>scenario allowance<br>for ECL<br>\$m | Downside 2<br>scenario allowance<br>for ECL<br>\$m |
|---------------------------------------------|----------------------------------------------------------|-----------------------------------------|-----------------------------------------------------------|----------------------------------------------------------|------------------------------------------------------------|----------------------------------------------------|
| UK                                          | 463,607                                                  | 681                                     | 621                                                       | 527                                                      | 796                                                        | 1,657                                              |
| US                                          | 216,936                                                  | 165                                     | 144                                                       | 112                                                      | 214                                                        | 610                                                |
| Hong Kong                                   | 507,393                                                  | 508                                     | 430                                                       | 295                                                      | 710                                                        | 1,513                                              |
| Chinese mainland                            | 134,513                                                  | 181                                     | 152                                                       | 103                                                      | 259                                                        | 531                                                |
| Mexico                                      | 39,710                                                   | 59                                      | 54                                                        | 41                                                       | 68                                                         | 124                                                |
| UAE                                         | 67,950                                                   | 120                                     | 91                                                        | 85                                                       | 172                                                        | 356                                                |
| France                                      | 197,768                                                  | 120                                     | 112                                                       | 95                                                       | 140                                                        | 245                                                |
| Other geographies <sup>6</sup>              | 492,137                                                  | 272                                     | 202                                                       | 132                                                      | 406                                                        | 1,178                                              |
| <b>Total</b>                                | <b>2,120,017</b>                                         | <b>2,105</b>                            | <b>1,807</b>                                              | <b>1,390</b>                                             | <b>2,764</b>                                               | <b>6,214</b>                                       |
| of which:                                   |                                                          |                                         |                                                           |                                                          |                                                            |                                                    |
| Stage 1                                     | 1,978,717                                                | 799                                     | 656                                                       | 474                                                      | 968                                                        | 1,233                                              |
| Stage 2                                     | 141,299                                                  | 1,307                                   | 1,151                                                     | 916                                                      | 1,797                                                      | 4,981                                              |

By geography at  
31 Dec 2025<sup>5</sup>

|                                |                  |              |              |              |              |              |
|--------------------------------|------------------|--------------|--------------|--------------|--------------|--------------|
| UK                             | 465,228          | 598          | 571          | 513          | 680          | 1,119        |
| US                             | 208,425          | 210          | 194          | 166          | 264          | 563          |
| Hong Kong                      | 472,454          | 439          | 401          | 305          | 570          | 1,143        |
| Chinese mainland               | 133,814          | 188          | 176          | 137          | 256          | 397          |
| Mexico                         | 38,076           | 62           | 58           | 47           | 76           | 202          |
| UAE                            | 62,827           | 52           | 51           | 47           | 56           | 82           |
| France                         | 196,137          | 121          | 117          | 103          | 139          | 188          |
| Other geographies <sup>6</sup> | 487,987          | 234          | 208          | 158          | 358          | 790          |
| <b>Total</b>                   | <b>2,064,949</b> | <b>1,905</b> | <b>1,778</b> | <b>1,477</b> | <b>2,399</b> | <b>4,485</b> |
| of which:                      |                  |              |              |              |              |              |
| Stage 1                        | 1,940,746        | 690          | 638          | 522          | 830          | 971          |
| Stage 2                        | 124,203          | 1,214        | 1,139        | 955          | 1,569        | 3,514        |

- 1 Allowance for ECL sensitivity includes off-balance sheet financial instruments. These are subject to significant measurement uncertainty.
- 2 Includes low credit-risk financial instruments such as debt instruments at FVOCI, which have high carrying amounts but low ECL under all the above scenarios.
- 3 Excludes defaulted obligors. For a detailed breakdown of performing and non-performing wholesale portfolio exposures, see page 63.
- 4 Staging refers only to probability-weighted/reported gross carrying amount. Stage allocation of gross exposures varies by scenario, with higher allocation to stage 2 under the Downside 2 scenario.
- 5 Geographies include all legal entities which share a common set of macroeconomic scenarios for the majority of exposures.
- 6 Includes small portfolios that use less complex modelling approaches and are not sensitive to macroeconomic changes.

## Retail analysis

At 30 June 2026, the most significant level of allowance for ECL sensitivity was observed in the UK, Mexico and Hong Kong. Mortgages reflected the lowest level of allowance for ECL sensitivity across most markets given the significant levels of collateral relative to the exposure values. Credit cards and other unsecured lending across stages 1 and 2 are more sensitive to economic forecasts and therefore reflected the highest level of allowance for ECL sensitivity during the first half of 2026.

Downside 2 ECL increased by \$0.2bn compared with 31 December 2025, primarily in UK unsecured portfolios, reflecting deterioration in the macroeconomic outlook.

## Risk

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

| By geography                  | At 30 Jun 2026                 |                            |                                              |                                             |                                               | At 31 Dec 2025                 |                            |                                              |                                             |                                               |
|-------------------------------|--------------------------------|----------------------------|----------------------------------------------|---------------------------------------------|-----------------------------------------------|--------------------------------|----------------------------|----------------------------------------------|---------------------------------------------|-----------------------------------------------|
|                               | Reported gross carrying amount | Reported allowance for ECL | Consensus Central scenario allowance for ECL | Consensus Upside scenario allowance for ECL | Consensus Downside scenario allowance for ECL | Reported gross carrying amount | Reported allowance for ECL | Consensus Central scenario allowance for ECL | Consensus Upside scenario allowance for ECL | Consensus Downside scenario allowance for ECL |
|                               | \$m                            | \$m                        | \$m                                          | \$m                                         | \$m                                           | \$m                            | \$m                        | \$m                                          | \$m                                         | \$m                                           |
| <b>UK</b>                     |                                |                            |                                              |                                             |                                               |                                |                            |                                              |                                             |                                               |
| Mortgages                     | 184,494                        | 113                        | 106                                          | 95                                          | 121                                           | 183,128                        | 132                        | 124                                          | 117                                         | 138                                           |
| Credit cards                  | 8,307                          | 407                        | 401                                          | 380                                         | 413                                           | 8,317                          | 356                        | 354                                          | 338                                         | 355                                           |
| Other                         | 9,706                          | 293                        | 282                                          | 257                                         | 306                                           | 9,513                          | 265                        | 261                                          | 238                                         | 276                                           |
| <b>Mexico</b>                 |                                |                            |                                              |                                             |                                               |                                |                            |                                              |                                             |                                               |
| Mortgages                     | 8,528                          | 211                        | 207                                          | 200                                         | 214                                           | 8,430                          | 190                        | 188                                          | 180                                         | 193                                           |
| Credit cards                  | 2,136                          | 368                        | 364                                          | 359                                         | 368                                           | 2,322                          | 407                        | 403                                          | 398                                         | 409                                           |
| Other                         | 3,290                          | 411                        | 411                                          | 408                                         | 414                                           | 3,727                          | 437                        | 437                                          | 435                                         | 442                                           |
| <b>Hong Kong</b>              |                                |                            |                                              |                                             |                                               |                                |                            |                                              |                                             |                                               |
| Mortgages                     | 107,792                        | 2                          | 2                                            | 2                                           | 3                                             | 106,736                        | 5                          | 4                                            | 3                                           | 6                                             |
| Credit cards                  | 9,863                          | 299                        | 291                                          | 286                                         | 309                                           | 9,739                          | 313                        | 306                                          | 300                                         | 324                                           |
| Other                         | 6,269                          | 146                        | 146                                          | 142                                         | 148                                           | 6,085                          | 146                        | 137                                          | 136                                         | 144                                           |
| <b>UAE</b>                    |                                |                            |                                              |                                             |                                               |                                |                            |                                              |                                             |                                               |
| Mortgages                     | 2,436                          | 12                         | 11                                           | 11                                          | 12                                            | 2,306                          | 6                          | 6                                            | 6                                           | 7                                             |
| Credit cards                  | 557                            | 55                         | 50                                           | 49                                          | 63                                            | 591                            | 39                         | 39                                           | 38                                          | 40                                            |
| Other                         | 556                            | 17                         | 16                                           | 15                                          | 19                                            | 620                            | 12                         | 11                                           | 11                                          | 12                                            |
| <b>US</b>                     |                                |                            |                                              |                                             |                                               |                                |                            |                                              |                                             |                                               |
| Mortgages                     | 15,368                         | 5                          | 5                                            | 4                                           | 5                                             | 17,797                         | 4                          | 4                                            | 4                                           | 5                                             |
| Credit cards                  | 178                            | 15                         | 15                                           | 15                                          | 15                                            | 187                            | 14                         | 14                                           | 14                                          | 14                                            |
| <b>Other geographies</b>      |                                |                            |                                              |                                             |                                               |                                |                            |                                              |                                             |                                               |
| Mortgages                     | 57,204                         | 105                        | 100                                          | 96                                          | 114                                           | 56,067                         | 109                        | 106                                          | 102                                         | 114                                           |
| Credit cards                  | 3,659                          | 169                        | 167                                          | 163                                         | 170                                           | 3,834                          | 175                        | 174                                          | 173                                         | 179                                           |
| Other                         | 2,299                          | 79                         | 78                                           | 78                                          | 80                                            | 2,313                          | 78                         | 78                                           | 77                                          | 78                                            |
| <b>Total</b>                  | <b>422,642</b>                 | <b>2,707</b>               | <b>2,652</b>                                 | <b>2,560</b>                                | <b>2,774</b>                                  | <b>421,712</b>                 | <b>2,688</b>               | <b>2,646</b>                                 | <b>2,570</b>                                | <b>2,735</b>                                  |
| <b>of which: mortgages</b>    | <b>375,822</b>                 | <b>448</b>                 | <b>431</b>                                   | <b>408</b>                                  | <b>469</b>                                    | <b>374,464</b>                 | <b>446</b>                 | <b>432</b>                                   | <b>412</b>                                  | <b>462</b>                                    |
| Stage 1                       | 356,882                        | 58                         | 53                                           | 46                                          | 64                                            | 353,960                        | 54                         | 53                                           | 50                                          | 61                                            |
| Stage 2                       | 16,432                         | 105                        | 98                                           | 90                                          | 114                                           | 18,056                         | 106                        | 97                                           | 88                                          | 108                                           |
| Stage 3                       | 2,508                          | 285                        | 280                                          | 272                                         | 291                                           | 2,448                          | 286                        | 282                                          | 274                                         | 293                                           |
| <b>of which: credit cards</b> | <b>24,700</b>                  | <b>1,313</b>               | <b>1,288</b>                                 | <b>1,252</b>                                | <b>1,338</b>                                  | <b>24,990</b>                  | <b>1,304</b>               | <b>1,290</b>                                 | <b>1,261</b>                                | <b>1,321</b>                                  |
| Stage 1                       | 20,858                         | 365                        | 355                                          | 340                                         | 377                                           | 21,258                         | 353                        | 347                                          | 335                                         | 366                                           |
| Stage 2                       | 3,557                          | 724                        | 709                                          | 688                                         | 737                                           | 3,450                          | 731                        | 723                                          | 706                                         | 735                                           |
| Stage 3                       | 285                            | 224                        | 224                                          | 224                                         | 224                                           | 282                            | 220                        | 220                                          | 220                                         | 227                                           |
| <b>of which: others</b>       | <b>22,120</b>                  | <b>946</b>                 | <b>933</b>                                   | <b>900</b>                                  | <b>967</b>                                    | <b>22,258</b>                  | <b>938</b>                 | <b>924</b>                                   | <b>897</b>                                  | <b>952</b>                                    |
| Stage 1                       | 19,136                         | 256                        | 250                                          | 233                                         | 267                                           | 19,494                         | 253                        | 249                                          | 233                                         | 265                                           |
| Stage 2                       | 2,378                          | 411                        | 404                                          | 388                                         | 421                                           | 2,177                          | 403                        | 393                                          | 382                                         | 405                                           |
| Stage 3                       | 606                            | 279                        | 279                                          | 279                                         | 279                                           | 587                            | 282                        | 282                                          | 282                                         | 282                                           |

<sup>1</sup> Allowance for ECL sensitivities includes defaulted obligors and excludes portfolios utilising less complex modelling approaches.

The ECL impact of the scenarios and management judgemental adjustments are highly sensitive to movements in economic forecasts. Based upon the sensitivity tables presented above, if the Group ECL balance (excluding wholesale stage 3, which is assessed individually) was estimated solely on the basis of the Central scenario, Upside scenario, Downside scenario or the Downside 2 scenario at 30 June 2026, it would increase/(decrease) as presented in the below table.

|                                       | Retail <sup>1</sup><br>\$bn | Wholesale <sup>1</sup><br>\$bn |
|---------------------------------------|-----------------------------|--------------------------------|
| <b>Total Group ECL at 30 Jun 2026</b> |                             |                                |
| Reported ECL                          | 2.7                         | 2.1                            |
| <b>Scenarios</b>                      |                             |                                |
| 100% consensus Central scenario       | (0.1)                       | (0.3)                          |
| 100% consensus Upside scenario        | (0.1)                       | (0.7)                          |
| 100% consensus Downside scenario      | 0.1                         | 0.7                            |
| 100% Downside 2 scenario              | 1.1                         | 4.1                            |
| <b>Total Group ECL at 31 Dec 2025</b> |                             |                                |
| Reported ECL                          | 2.7                         | 1.9                            |
| <b>Scenarios</b>                      |                             |                                |
| 100% consensus Central scenario       | (0.0)                       | 0.0                            |
| 100% consensus Upside scenario        | (0.1)                       | (0.3)                          |
| 100% consensus Downside scenario      | 0.0                         | 0.6                            |
| 100% Downside 2 scenario              | 0.9                         | 2.7                            |

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

At 30 June 2026, the Group allowance for reported ECL increased in the wholesale portfolio by \$0.2bn and remained stable in the retail portfolio, compared with 31 December 2025.

In the retail portfolio the allowance for ECL under the 100% consensus Downside and Downside 2 scenarios reflected an increase, which was primarily in the UK unsecured portfolios reflecting deterioration in the macroeconomic outlook, compared with 31 December 2025.

In the wholesale portfolio the allowance for reported ECL increased by \$0.2bn versus 31 December 2025, driven by heightened global macroeconomic risks.

The ECL sensitivity to the 100% consensus Downside and Downside 2 scenarios rose to \$0.7bn and \$4.1bn respectively. The movement is concentrated in the more severe Downside 2 scenario, where a sustained oil price shock feeds through to elevated policy rates, a deeper contraction and weaker collateral values, with the UK, Hong Kong and the UAE most exposed.

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

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

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

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

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

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

(Reviewed)

reviewed)

|                                                             | Non-credit impaired               |                   |                                   |                   | Credit impaired                   |                   |                                   |                   | Total                             |                   |
|-------------------------------------------------------------|-----------------------------------|-------------------|-----------------------------------|-------------------|-----------------------------------|-------------------|-----------------------------------|-------------------|-----------------------------------|-------------------|
|                                                             | Stage 1                           |                   | Stage 2                           |                   | Stage 3                           |                   | POCI                              |                   |                                   |                   |
|                                                             | Gross carrying/<br>nominal amount | Allowance for ECL | Gross carrying/<br>nominal amount | Allowance for ECL | Gross carrying/<br>nominal amount | Allowance for ECL | Gross carrying/<br>nominal amount | Allowance for ECL | Gross carrying/<br>nominal amount | Allowance for ECL |
|                                                             | \$m                               | \$m               | \$m                               | \$m               | \$m                               | \$m               | \$m                               | \$m               | \$m                               | \$m               |
| At 1 Jan 2026                                               | 1,611,996                         | (1,362)           | 102,889                           | (2,434)           | 25,234                            | (7,193)           | 337                               | (76)              | 1,740,456                         | (11,065)          |
| Transfers of financial instruments:                         | (29,667)                          | (335)             | 25,690                            | 716               | 3,977                             | (381)             | —                                 | —                 | —                                 | —                 |
| – transfers from stage 1 to stage 2                         | (68,168)                          | 205               | 68,168                            | (205)             | —                                 | —                 | —                                 | —                 | —                                 | —                 |
| – transfers from stage 2 to stage 1                         | 39,640                            | (515)             | (39,640)                          | 515               | —                                 | —                 | —                                 | —                 | —                                 | —                 |
| – transfers to stage 3                                      | (1,495)                           | 7                 | (3,335)                           | 500               | 4,830                             | (507)             | —                                 | —                 | —                                 | —                 |
| – transfers from stage 3                                    | 356                               | (32)              | 497                               | (94)              | (853)                             | 126               | —                                 | —                 | —                                 | —                 |
| Net remeasurement of ECL arising from transfer of stage     | —                                 | 290               | —                                 | (307)             | —                                 | (58)              | —                                 | —                 | —                                 | (75)              |
| Changes due to modifications not derecognised               | —                                 | —                 | —                                 | —                 | (8)                               | 2                 | —                                 | —                 | (8)                               | 2                 |
| Net new and further lending/ repayments                     | 89,882                            | (99)              | (19,543)                          | 317               | (2,488)                           | 531               | 2                                 | 5                 | 67,853                            | 754               |
| Changes to risk parameters – credit quality                 | —                                 | 30                | —                                 | (781)             | —                                 | (2,344)           | —                                 | (4)               | —                                 | (3,099)           |
| Changes to models used for ECL calculation                  | —                                 | 3                 | —                                 | (33)              | —                                 | 6                 | —                                 | —                 | —                                 | (24)              |
| Assets written off                                          | —                                 | —                 | —                                 | —                 | (1,462)                           | 1,462             | —                                 | —                 | (1,462)                           | 1,462             |
| Credit-related modifications that resulted in derecognition | —                                 | —                 | —                                 | —                 | —                                 | —                 | —                                 | —                 | —                                 | —                 |
| Foreign exchange and others <sup>1</sup>                    | (16,975)                          | 17                | (1,057)                           | 8                 | (47)                              | (185)             | 1                                 | (1)               | (18,078)                          | (161)             |
| At 30 Jun 2026                                              | 1,655,236                         | (1,456)           | 107,979                           | (2,514)           | 25,206                            | (8,160)           | 340                               | (76)              | 1,788,761                         | (12,206)          |
| ECL income statement change for the period                  |                                   | 224               |                                   | (804)             |                                   | (1,863)           |                                   | 1                 |                                   | (2,442)           |
| Recoveries                                                  |                                   |                   |                                   |                   |                                   |                   |                                   |                   |                                   | 196               |
| Others                                                      |                                   |                   |                                   |                   |                                   |                   |                                   |                   |                                   | (138)             |
| Total ECL income statement change for the period            |                                   |                   |                                   |                   |                                   |                   |                                   |                   |                                   | (2,384)           |

1 Total includes \$4.7bn of gross carrying loans and advances to customers and banks, which were classified to assets held for sale, and a corresponding allowance for ECL of \$52m, reflecting planned business disposals as disclosed in Note 15 on page 102.

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

(Reviewed)

|                                                                                                                                                                | At 30 Jun 2026                    | 6 months ended 30 Jun 2026 |                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------|--------------------------|
|                                                                                                                                                                | Gross carrying/<br>nominal amount | Allowance<br>for ECL       | ECL release/<br>(charge) |
|                                                                                                                                                                | \$m                               | \$m                        | \$m                      |
| <b>As above</b>                                                                                                                                                | <b>1,788,761</b>                  | <b>(12,206)</b>            | <b>(2,384)</b>           |
| Other financial assets measured at amortised cost                                                                                                              | 965,830                           | (157)                      | (24)                     |
| Non-trading reverse purchase agreement commitments                                                                                                             | 152,925                           | —                          | —                        |
| Performance and other guarantees not considered for IFRS 9                                                                                                     | —                                 | —                          | 54                       |
| <b>Summary of financial instruments to which the impairment requirements in IFRS 9 are applied – by business segment/Summary consolidated income statement</b> | <b>2,907,516</b>                  | <b>(12,363)</b>            | <b>(2,354)</b>           |
| Debt instruments measured at FVOCI                                                                                                                             | 386,831                           | (29)                       | 1                        |
| <b>Total allowance for ECL/total income statement ECL change for the period</b>                                                                                | <b>n/a</b>                        | <b>(12,392)</b>            | <b>(2,353)</b>           |

(Reviewed)

|                                                               | Non-credit impaired               |                      |                                   |                      | Credit impaired                   |                      |                                   |                      | Total                             |                      |
|---------------------------------------------------------------|-----------------------------------|----------------------|-----------------------------------|----------------------|-----------------------------------|----------------------|-----------------------------------|----------------------|-----------------------------------|----------------------|
|                                                               | Stage 1                           |                      | Stage 2                           |                      | Stage 3                           |                      | POCI                              |                      |                                   |                      |
|                                                               | Gross carrying/<br>nominal amount | Allowance<br>for ECL | Gross carrying/<br>nominal amount | Allowance<br>for ECL | Gross carrying/<br>nominal amount | Allowance<br>for ECL | Gross carrying/<br>nominal amount | Allowance<br>for ECL | Gross carrying/<br>nominal amount | Allowance<br>for ECL |
|                                                               | \$m                               | \$m                  | \$m                               | \$m                  | \$m                               | \$m                  | \$m                               | \$m                  | \$m                               | \$m                  |
| At 1 Jan 2025                                                 | 1,489,687                         | (1,232)              | 115,898                           | (2,674)              | 23,823                            | (6,148)              | 93                                | (51)                 | 1,629,501                         | (10,105)             |
| Transfers of financial instruments:                           | (28,196)                          | (931)                | 18,327                            | 2,101                | 9,869                             | (1,170)              | —                                 | —                    | —                                 | —                    |
| – transfers from stage 1 to stage 2                           | (134,309)                         | 368                  | 134,309                           | (368)                | —                                 | —                    | —                                 | —                    | —                                 | —                    |
| – transfers from stage 2 to stage 1                           | 107,223                           | (1,233)              | (107,223)                         | 1,233                | —                                 | —                    | —                                 | —                    | —                                 | —                    |
| – transfers to stage 3                                        | (1,873)                           | 15                   | (10,260)                          | 1,434                | 12,133                            | (1,449)              | —                                 | —                    | —                                 | —                    |
| – transfers from stage 3                                      | 763                               | (81)                 | 1,501                             | (198)                | (2,264)                           | 279                  | —                                 | —                    | —                                 | —                    |
| Net remeasurement of ECL arising from transfer of stage       | —                                 | 664                  | —                                 | (604)                | —                                 | (58)                 | —                                 | —                    | —                                 | 2                    |
| Changes due to modifications not derecognised                 | —                                 | —                    | —                                 | —                    | —                                 | —                    | —                                 | —                    | —                                 | —                    |
| Net new and further lending/repayments                        | 107,733                           | (178)                | (35,843)                          | 614                  | (6,060)                           | 768                  | 238                               | 2                    | 66,068                            | 1,206                |
| Changes to risk parameters – credit quality                   | —                                 | 390                  | —                                 | (1,991)              | —                                 | (3,737)              | —                                 | (24)                 | —                                 | (5,362)              |
| Changes to models used for ECL calculation                    | —                                 | (59)                 | —                                 | 272                  | —                                 | (16)                 | —                                 | —                    | —                                 | 197                  |
| Assets written off                                            | —                                 | —                    | —                                 | —                    | (3,569)                           | 3,569                | —                                 | —                    | (3,569)                           | 3,569                |
| Credit-related modifications that resulted in derecognition   | —                                 | —                    | —                                 | —                    | (88)                              | 9                    | —                                 | —                    | (88)                              | 9                    |
| Foreign exchange and others <sup>1,2</sup>                    | 42,772                            | (16)                 | 4,507                             | (152)                | 1,259                             | (410)                | 6                                 | (3)                  | 48,544                            | (581)                |
| At 31 Dec 2025                                                | 1,611,996                         | (1,362)              | 102,889                           | (2,434)              | 25,234                            | (7,193)              | 337                               | (76)                 | 1,740,456                         | (11,065)             |
| ECL income statement change for the period                    |                                   | 817                  |                                   | (1,709)              |                                   | (3,043)              |                                   | (22)                 |                                   | (3,957)              |
| Recoveries                                                    |                                   |                      |                                   |                      |                                   |                      |                                   |                      |                                   | 320                  |
| Other                                                         |                                   |                      |                                   |                      |                                   |                      |                                   |                      |                                   | (248)                |
| Total ECL income statement change for the period <sup>2</sup> |                                   |                      |                                   |                      |                                   |                      |                                   |                      |                                   | (3,885)              |

1 Total includes \$6.0bn of gross carrying loans and advances to customers and banks, which were classified to assets held for sale, and a corresponding allowance for ECL of \$27m, including business disposals as disclosed in Note 23 'Assets held for sale and liabilities of disposal groups held for sale' on page 329 of the Annual Report and Accounts 2025.

2 This includes \$7.2bn of gross carrying loans and advances to customers and corresponding allowance for ECL of \$7m in relation to disposal of our retained portfolio of home and other retail loans in France, as disclosed in Note 23 on page 329 of the Annual Report and Accounts 2025.

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

(Reviewed)

|                                                                                                                                                         | At 31 Dec 2025                    | 12 months ended 31 Dec 2025 |               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------|---------------|
|                                                                                                                                                         | Gross carrying/<br>nominal amount | Allowance<br>for ECL        | ECL<br>charge |
|                                                                                                                                                         | \$m                               | \$m                         | \$m           |
| As above                                                                                                                                                | 1,740,456                         | (11,065)                    | (3,885)       |
| Other financial assets measured at amortised cost                                                                                                       | 890,326                           | (129)                       | (29)          |
| Non-trading reverse purchase agreement commitments                                                                                                      | 75,372                            | —                           | —             |
| Performance and other guarantees not considered for IFRS 9                                                                                              | —                                 | —                           | 46            |
| Summary of financial instruments to which the impairment requirements in IFRS 9 are applied – by business segment/Summary consolidated income statement | 2,706,154                         | (11,194)                    | (3,868)       |
| Debt instruments measured at FVOCI                                                                                                                      | 383,568                           | (30)                        | 18            |
| Total allowance for ECL/total income statement ECL change for the period                                                                                | n/a                               | (11,224)                    | (3,850)       |

## Credit quality of financial instruments

We assess the credit quality of all financial instruments that are subject to credit risk. The credit quality of financial instruments is a point-in-time assessment of PD, whereas stages 1 and 2 are determined based on relative deterioration of credit quality since initial recognition.

Accordingly, for non-credit-impaired financial instruments, there is no direct relationship between the credit quality assessment and stages 1 and 2, though typically the lower credit quality bands exhibit a higher proportion in stage 2.

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

### Credit quality classification

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

1 Customer risk rating ('CRR').

2 12-month point-in-time probability-weighted PD.



## Risk

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

(Reviewed)

|                                                   | At 30 Jun 2026                |                |                |               |               |                  |                 |                  |                  |                | At 31 Dec 2025                |               |                 |                  |                 |                  |                |     |                   |     |  |
|---------------------------------------------------|-------------------------------|----------------|----------------|---------------|---------------|------------------|-----------------|------------------|------------------|----------------|-------------------------------|---------------|-----------------|------------------|-----------------|------------------|----------------|-----|-------------------|-----|--|
|                                                   | Gross carrying/nominal amount |                |                |               |               |                  |                 |                  |                  |                | Gross carrying/nominal amount |               |                 |                  |                 |                  |                |     |                   |     |  |
|                                                   | Strong                        |                |                | Good          |               |                  | Satisfactory    |                  |                  | Sub-standard   |                               |               | Credit impaired |                  |                 | Total            |                |     | Allowance for ECL |     |  |
|                                                   | \$m                           | \$m            | \$m            | \$m           | \$m           | \$m              | \$m             | \$m              | \$m              | \$m            | \$m                           | \$m           | \$m             | \$m              | \$m             | \$m              | \$m            | \$m | \$m               | \$m |  |
| Loans and advances to customers at amortised cost | 563,194                       | 224,358        | 200,344        | 21,803        | 24,147        | 1,033,846        | (11,741)        | 1,022,105        | 545,487          | 215,781        | 191,839                       | 21,455        | 24,529          | 999,091          | (10,692)        | 988,399          |                |     |                   |     |  |
|                                                   | 554,004                       | 203,968        | 160,189        | 5,688         | —             | 923,849          | (1,282)         | 922,567          | 540,253          | 194,680        | 152,578                       | 5,922         | —               | 893,433          | (1,201)         | 892,232          |                |     |                   |     |  |
|                                                   | 9,190                         | 20,390         | 39,962         | 16,115        | —             | 85,657           | (2,397)         | 83,260           | 5,234            | 21,101         | 39,068                        | 15,533        | —               | 80,936           | (2,318)         | 78,618           |                |     |                   |     |  |
|                                                   | —                             | —              | —              | —             | 24,004        | 24,004           | (7,986)         | 16,018           | —                | —              | —                             | —             | 24,389          | 24,389           | (7,097)         | 17,292           |                |     |                   |     |  |
|                                                   | —                             | —              | 193            | —             | 143           | 336              | (76)            | 260              | —                | —              | 193                           | —             | —               | 140              | 333             | (76)             | 257            |     |                   |     |  |
| Loans and advances to banks at amortised cost     | 99,313                        | 5,991          | 5,162          | 72            | 1             | 110,539          | (10)            | 110,529          | 97,524           | 6,222          | 4,613                         | 109           | 1               | 108,469          | (7)             | 108,462          |                |     |                   |     |  |
|                                                   | 99,183                        | 5,972          | 5,033          | 70            | —             | 110,258          | (7)             | 110,251          | 97,426           | 6,215          | 4,608                         | 87            | —               | 108,336          | (4)             | 108,332          |                |     |                   |     |  |
|                                                   | 130                           | 19             | 129            | 2             | —             | 280              | (2)             | 278              | 98               | 7              | 5                             | 22            | —               | 132              | (2)             | 130              |                |     |                   |     |  |
|                                                   | —                             | —              | —              | —             | 1             | 1                | (1)             | —                | —                | —              | —                             | —             | 1               | 1                | (1)             | —                |                |     |                   |     |  |
|                                                   | —                             | —              | —              | —             | —             | —                | —               | —                | —                | —              | —                             | —             | —               | —                | —               | —                | —              |     |                   |     |  |
| Other financial assets measured at amortised cost | 836,063                       | 93,151         | 35,959         | 389           | 268           | 965,830          | (157)           | 965,673          | 746,697          | 94,241         | 48,865                        | 339           | 184             | 890,326          | (129)           | 890,197          |                |     |                   |     |  |
|                                                   | 835,833                       | 92,403         | 35,200         | 272           | —             | 963,708          | (93)            | 963,615          | 746,536          | 93,759         | 48,121                        | 75            | —               | 888,491          | (76)            | 888,415          |                |     |                   |     |  |
|                                                   | 230                           | 748            | 759            | 117           | —             | 1,854            | (19)            | 1,835            | 161              | 482            | 744                           | 264           | —               | 1,651            | (11)            | 1,640            |                |     |                   |     |  |
|                                                   | —                             | —              | —              | —             | 262           | 262              | (45)            | 217              | —                | —              | —                             | —             | 184             | 184              | (42)            | 142              |                |     |                   |     |  |
|                                                   | —                             | —              | —              | —             | 6             | 6                | —               | 6                | —                | —              | —                             | —             | —               | —                | —               | —                | —              |     |                   |     |  |
| Loan and other credit-related commitments         | 499,711                       | 168,705        | 100,155        | 8,898         | 948           | 778,417          | (367)           | 778,050          | 441,740          | 146,923        | 91,400                        | 10,073        | 656             | 690,792          | (315)           | 690,477          |                |     |                   |     |  |
|                                                   | 496,331                       | 164,590        | 91,296         | 4,970         | —             | 757,187          | (157)           | 757,030          | 437,973          | 143,849        | 82,145                        | 5,681         | —               | 669,648          | (149)           | 669,499          |                |     |                   |     |  |
|                                                   | 3,380                         | 4,115          | 8,859          | 3,928         | —             | 20,282           | (103)           | 20,179           | 3,767            | 3,074          | 9,255                         | 4,392         | —               | 20,488           | (97)            | 20,391           |                |     |                   |     |  |
|                                                   | —                             | —              | —              | —             | 944           | 944              | (107)           | 837              | —                | —              | —                             | —             | 652             | 652              | (69)            | 583              |                |     |                   |     |  |
|                                                   | —                             | —              | —              | —             | 4             | 4                | —               | 4                | —                | —              | —                             | —             | 4               | 4                | —               | 4                |                |     |                   |     |  |
| Financial guarantees                              | 8,444                         | 3,931          | 5,668          | 584           | 257           | 18,884           | (88)            | 18,796           | 7,436            | 4,145          | 5,144                         | 559           | 192             | 17,476           | (51)            | 17,425           |                |     |                   |     |  |
|                                                   | 8,386                         | 3,785          | 4,514          | 140           | —             | 16,825           | (10)            | 16,815           | 7,430            | 4,040          | 4,351                         | 92            | —               | 15,913           | (8)             | 15,905           |                |     |                   |     |  |
|                                                   | 58                            | 146            | 1,154          | 444           | —             | 1,802            | (12)            | 1,790            | 6                | 105            | 793                           | 467           | —               | 1,371            | (17)            | 1,354            |                |     |                   |     |  |
|                                                   | —                             | —              | —              | —             | 257           | 257              | (66)            | 191              | —                | —              | —                             | —             | 192             | 192              | (26)            | 166              |                |     |                   |     |  |
|                                                   | —                             | —              | —              | —             | —             | —                | —               | —                | —                | —              | —                             | —             | —               | —                | —               | —                | —              |     |                   |     |  |
| <b>Total</b>                                      | <b>2,006,725</b>              | <b>496,136</b> | <b>347,288</b> | <b>31,746</b> | <b>25,621</b> | <b>2,907,516</b> | <b>(12,363)</b> | <b>2,895,153</b> | <b>1,838,884</b> | <b>467,312</b> | <b>341,861</b>                | <b>32,535</b> | <b>25,562</b>   | <b>2,706,154</b> | <b>(11,194)</b> | <b>2,694,960</b> |                |     |                   |     |  |
| Debt instruments at FVOCI <sup>1</sup>            |                               |                |                |               |               |                  |                 |                  |                  |                |                               |               |                 |                  |                 |                  |                |     |                   |     |  |
|                                                   | 378,772                       | 5,839          | 6,085          | 64            | —             | 390,760          | (27)            | 390,733          | 375,894          | 2,592          | 7,015                         | 3             | —               | 385,504          | (28)            | 385,476          |                |     |                   |     |  |
|                                                   | 55                            | 8              | 449            | 142           | —             | 654              | (2)             | 652              | 56               | —              | 557                           | 283           | —               | 896              | (2)             | 894              |                |     |                   |     |  |
|                                                   | —                             | —              | —              | —             | —             | —                | —               | —                | —                | —              | —                             | —             | —               | —                | —               | —                |                |     |                   |     |  |
|                                                   | —                             | —              | —              | —             | —             | —                | —               | —                | —                | —              | —                             | —             | —               | —                | —               | —                |                |     |                   |     |  |
|                                                   | <b>Total</b>                  | <b>378,827</b> | <b>5,847</b>   | <b>6,534</b>  | <b>206</b>    | <b>—</b>         | <b>391,414</b>  | <b>(29)</b>      | <b>391,385</b>   | <b>375,950</b> | <b>2,592</b>                  | <b>7,572</b>  | <b>286</b>      | <b>—</b>         | <b>386,400</b>  | <b>(30)</b>      | <b>386,370</b> |     |                   |     |  |

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

## Risk

## Personal lending

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

|                                                       | At 30 Jun 2026        |                |                |                   |                |                | At 31 Dec 2025        |                |                |                   |                |                |              |                |              |                |
|-------------------------------------------------------|-----------------------|----------------|----------------|-------------------|----------------|----------------|-----------------------|----------------|----------------|-------------------|----------------|----------------|--------------|----------------|--------------|----------------|
|                                                       | Gross carrying amount |                |                | Allowance for ECL |                |                | Gross carrying amount |                |                | Allowance for ECL |                |                |              |                |              |                |
|                                                       | Stage 1<br>\$m        | Stage 2<br>\$m | Stage 3<br>\$m | Total<br>\$m      | Stage 1<br>\$m | Stage 2<br>\$m | Stage 3<br>\$m        | Total<br>\$m   | Stage 1<br>\$m | Stage 2<br>\$m    | Stage 3<br>\$m | Total<br>\$m   |              |                |              |                |
| <b>By portfolio</b>                                   |                       |                |                |                   |                |                |                       |                |                |                   |                |                |              |                |              |                |
| First lien residential mortgages                      | 369,250               | 16,867         | 2,678          | 388,795           | (62)           | (105)          | (304)                 | (471)          | 365,498        | 18,148            | 2,655          | 386,301        | (58)         | (109)          | (313)        | (480)          |
| Credit cards                                          | 21,877                | 3,330          | 330            | 25,537            | (351)          | (722)          | (231)                 | (1,304)        | 22,781         | 3,260             | 373            | 26,414         | (339)        | (731)          | (231)        | (1,301)        |
| Other personal lending                                | 64,103                | 2,674          | 903            | 67,680            | (277)          | (406)          | (348)                 | (1,031)        | 58,417         | 2,479             | 917            | 61,813         | (270)        | (395)          | (351)        | (1,016)        |
| – other personal lending which is secured             | 43,942                | 553            | 301            | 44,796            | (27)           | (17)           | (68)                  | (112)          | 39,906         | 517               | 270            | 40,693         | (24)         | (19)           | (65)         | (108)          |
| – other personal lending which is unsecured           | 20,161                | 2,121          | 602            | 22,884            | (250)          | (389)          | (280)                 | (919)          | 18,511         | 1,962             | 647            | 21,120         | (246)        | (376)          | (286)        | (908)          |
| <b>Total</b>                                          | <b>455,230</b>        | <b>22,871</b>  | <b>3,911</b>   | <b>482,012</b>    | <b>(690)</b>   | <b>(1,233)</b> | <b>(883)</b>          | <b>(2,806)</b> | <b>446,696</b> | <b>23,887</b>     | <b>3,945</b>   | <b>474,528</b> | <b>(667)</b> | <b>(1,235)</b> | <b>(895)</b> | <b>(2,797)</b> |
| <b>By legal entity</b>                                |                       |                |                |                   |                |                |                       |                |                |                   |                |                |              |                |              |                |
| HSBC UK Bank plc                                      | 196,272               | 12,744         | 1,143          | 210,159           | (221)          | (355)          | (261)                 | (837)          | 191,726        | 14,515            | 1,200          | 207,441        | (201)        | (315)          | (256)        | (772)          |
| HSBC Bank plc                                         | 15,585                | 436            | 340            | 16,361            | (14)           | (9)            | (96)                  | (119)          | 17,416         | 1,076             | 365            | 18,857         | (16)         | (14)           | (107)        | (137)          |
| The Hongkong and Shanghai Banking Corporation Limited | 208,059               | 7,631          | 1,106          | 216,796           | (195)          | (417)          | (162)                 | (774)          | 201,779        | 6,407             | 1,108          | 209,294        | (199)        | (432)          | (170)        | (801)          |
| HSBC Bank Middle East Limited                         | 3,928                 | 387            | 55             | 4,370             | (23)           | (43)           | (31)                  | (97)           | 4,061          | 134               | 47             | 4,242          | (18)         | (23)           | (29)         | (70)           |
| HSBC North America Holdings Inc.                      | 19,436                | 547            | 421            | 20,404            | (4)            | (13)           | (14)                  | (31)           | 19,607         | 512               | 404            | 20,523         | (4)          | (12)           | (14)         | (30)           |
| Grupo Financiero HSBC, S.A. de C.V.                   | 11,562                | 1,090          | 842            | 13,494            | (233)          | (395)          | (316)                 | (944)          | 11,705         | 1,212             | 817            | 13,734         | (229)        | (438)          | (316)        | (983)          |
| Other trading entities                                | 388                   | 36             | 4              | 428               | —              | (1)            | (3)                   | (4)            | 402            | 31                | 4              | 437            | —            | (1)            | (3)          | (4)            |
| <b>Total</b>                                          | <b>455,230</b>        | <b>22,871</b>  | <b>3,911</b>   | <b>482,012</b>    | <b>(690)</b>   | <b>(1,233)</b> | <b>(883)</b>          | <b>(2,806)</b> | <b>446,696</b> | <b>23,887</b>     | <b>3,945</b>   | <b>474,528</b> | <b>(667)</b> | <b>(1,235)</b> | <b>(895)</b> | <b>(2,797)</b> |

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

|                                                       | At 30 Jun 2026 |                |                |                   |                |                | At 31 Dec 2025 |              |                |                   |                |                |             |
|-------------------------------------------------------|----------------|----------------|----------------|-------------------|----------------|----------------|----------------|--------------|----------------|-------------------|----------------|----------------|-------------|
|                                                       | Nominal amount |                |                | Allowance for ECL |                |                | Nominal amount |              |                | Allowance for ECL |                |                |             |
|                                                       | Stage 1<br>\$m | Stage 2<br>\$m | Stage 3<br>\$m | Total<br>\$m      | Stage 1<br>\$m | Stage 2<br>\$m | Stage 3<br>\$m | Total<br>\$m | Stage 1<br>\$m | Stage 2<br>\$m    | Stage 3<br>\$m | Total<br>\$m   |             |
| HSBC UK Bank plc                                      | 59,858         | 778            | 36             | 60,672            | (15)           | (5)            | —              | (20)         | 55,615         | 803               | 43             | 56,461         | (15)        |
| HSBC Bank plc                                         | 1,741          | 23             | —              | 1,764             | —              | —              | —              | —            | 1,819          | 28                | —              | 1,847          | (1)         |
| The Hongkong and Shanghai Banking Corporation Limited | 208,044        | 1,140          | 51             | 209,235           | (4)            | —              | —              | (4)          | 204,293        | 1,025             | 47             | 205,365        | (5)         |
| HSBC Bank Middle East Limited                         | 2,442          | 11             | —              | 2,453             | —              | —              | —              | —            | 2,542          | 10                | —              | 2,552          | —           |
| HSBC North America Holdings Inc.                      | 2,066          | 66             | 2              | 2,134             | —              | —              | —              | —            | 2,172          | 75                | 1              | 2,248          | —           |
| Grupo Financiero HSBC, S.A. de C.V.                   | 5,244          | —              | —              | 5,244             | (2)            | —              | —              | (2)          | 4,970          | —                 | —              | 4,970          | (2)         |
| Other trading entities                                | 545            | 5              | —              | 550               | —              | —              | —              | —            | 529            | 4                 | 1              | 534            | —           |
| <b>Total</b>                                          | <b>279,940</b> | <b>2,023</b>   | <b>89</b>      | <b>282,052</b>    | <b>(21)</b>    | <b>(5)</b>     | <b>—</b>       | <b>(26)</b>  | <b>271,940</b> | <b>1,945</b>      | <b>92</b>      | <b>273,977</b> | <b>(23)</b> |
|                                                       |                |                |                |                   |                |                |                |              |                |                   |                |                | <b>(5)</b>  |
|                                                       |                |                |                |                   |                |                |                |              |                |                   |                |                | <b>(28)</b> |

## Wholesale lending

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

|                                                                        | Gross carrying amount |                |                |             |                | Allowance for ECL |                |                |             |                |
|------------------------------------------------------------------------|-----------------------|----------------|----------------|-------------|----------------|-------------------|----------------|----------------|-------------|----------------|
|                                                                        | Stage 1<br>\$m        | Stage 2<br>\$m | Stage 3<br>\$m | POCI<br>\$m | Total<br>\$m   | Stage 1<br>\$m    | Stage 2<br>\$m | Stage 3<br>\$m | POCI<br>\$m | Total<br>\$m   |
| Corporate and commercial                                               | 369,336               | 58,416         | 18,958         | 143         | 446,853        | (529)             | (1,127)        | (6,317)        | (76)        | (8,049)        |
| – agriculture, forestry and fishing                                    | 6,282                 | 1,412          | 384            | —           | 8,078          | (11)              | (30)           | (58)           | —           | (99)           |
| – mining and quarrying                                                 | 8,362                 | 203            | 205            | —           | 8,770          | (6)               | (4)            | (53)           | —           | (63)           |
| – manufacturing                                                        | 82,669                | 9,959          | 2,399          | 35          | 95,062         | (97)              | (116)          | (765)          | (21)        | (999)          |
| – electricity, gas, steam and air-conditioning supply                  | 19,962                | 1,107          | 195            | —           | 21,264         | (19)              | (15)           | (89)           | —           | (123)          |
| – water supply, sewerage, waste management and remediation             | 2,496                 | 190            | 91             | —           | 2,777          | (3)               | (5)            | (31)           | —           | (39)           |
| – real estate and construction                                         | 56,014                | 20,420         | 9,498          | 97          | 86,029         | (101)             | (470)          | (2,858)        | (55)        | (3,484)        |
| – of which: commercial real estate                                     | 42,077                | 17,251         | 8,321          | 92          | 67,741         | (73)              | (398)          | (2,205)        | (52)        | (2,728)        |
| – wholesale and retail trade, repair of motor vehicles and motorcycles | 78,974                | 10,279         | 2,625          | 11          | 91,889         | (72)              | (111)          | (1,206)        | —           | (1,389)        |
| – transportation and storage                                           | 17,936                | 3,812          | 298            | —           | 22,046         | (28)              | (108)          | (130)          | —           | (266)          |
| – accommodation and food                                               | 10,320                | 2,399          | 1,245          | —           | 13,964         | (34)              | (62)           | (321)          | —           | (417)          |
| – publishing, audiovisual and broadcasting                             | 26,139                | 2,427          | 404            | —           | 28,970         | (57)              | (56)           | (98)           | —           | (211)          |
| – professional, scientific and technical activities                    | 21,918                | 2,246          | 508            | —           | 24,672         | (32)              | (36)           | (207)          | —           | (275)          |
| – administrative and support services                                  | 16,061                | 2,313          | 567            | —           | 18,941         | (22)              | (52)           | (331)          | —           | (405)          |
| – public administration and defence, compulsory social security        | 14                    | 1              | —              | —           | 15             | —                 | —              | —              | —           | —              |
| – education                                                            | 2,118                 | 240            | 23             | —           | 2,381          | (5)               | (11)           | (10)           | —           | (26)           |
| – health and care                                                      | 4,012                 | 433            | 89             | —           | 4,534          | (7)               | (10)           | (14)           | —           | (31)           |
| – arts, entertainment and recreation                                   | 1,857                 | 254            | 114            | —           | 2,225          | (5)               | (8)            | (69)           | —           | (82)           |
| – other services                                                       | 6,117                 | 679            | 202            | —           | 6,998          | (28)              | (32)           | (74)           | —           | (134)          |
| – activities of households                                             | 895                   | 6              | —              | —           | 901            | —                 | —              | —              | —           | —              |
| – extra-territorial organisations and bodies activities                | 213                   | —              | —              | —           | 213            | —                 | —              | —              | —           | —              |
| – government                                                           | 6,977                 | 36             | 111            | —           | 7,124          | (2)               | (1)            | (3)            | —           | (6)            |
| Non-bank financial institutions                                        | 99,283                | 4,370          | 1,135          | 193         | 104,981        | (63)              | (37)           | (786)          | —           | (886)          |
| Loans and advances to banks                                            | 110,258               | 280            | 1              | —           | 110,539        | (7)               | (2)            | (1)            | —           | (10)           |
| <b>At 30 Jun 2026</b>                                                  | <b>578,877</b>        | <b>63,066</b>  | <b>20,094</b>  | <b>336</b>  | <b>662,373</b> | <b>(599)</b>      | <b>(1,166)</b> | <b>(7,104)</b> | <b>(76)</b> | <b>(8,945)</b> |
| <b>By legal entity</b>                                                 |                       |                |                |             |                |                   |                |                |             |                |
| HSBC UK Bank plc                                                       | 98,877                | 13,379         | 3,098          | —           | 115,354        | (223)             | (357)          | (730)          | —           | (1,310)        |
| HSBC Bank plc                                                          | 93,698                | 6,984          | 2,405          | 57          | 103,144        | (54)              | (105)          | (1,131)        | (34)        | (1,324)        |
| The Hongkong and Shanghai Banking Corporation Limited                  | 305,668               | 35,122         | 12,151         | 81          | 353,022        | (202)             | (535)          | (4,042)        | (38)        | (4,817)        |
| HSBC Bank Middle East Limited                                          | 27,974                | 2,511          | 1,177          | 5           | 31,667         | (47)              | (42)           | (664)          | (4)         | (757)          |
| HSBC North America Holdings Inc.                                       | 31,676                | 3,083          | 614            | 193         | 35,566         | (33)              | (63)           | (171)          | —           | (267)          |
| Grupo Financiero HSBC, S.A. de C.V.                                    | 13,166                | 1,872          | 372            | —           | 15,410         | (33)              | (59)           | (191)          | —           | (283)          |
| Other trading entities                                                 | 7,740                 | 115            | 277            | —           | 8,132          | (7)               | (5)            | (175)          | —           | (187)          |
| Holding companies, shared service centres and intra-Group eliminations | 78                    | —              | —              | —           | 78             | —                 | —              | —              | —           | —              |
| <b>At 30 Jun 2026</b>                                                  | <b>578,877</b>        | <b>63,066</b>  | <b>20,094</b>  | <b>336</b>  | <b>662,373</b> | <b>(599)</b>      | <b>(1,166)</b> | <b>(7,104)</b> | <b>(76)</b> | <b>(8,945)</b> |

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

|                                                                        | Gross carrying amount |                |                |             |              | Allowance for ECL |                |                |             |              |
|------------------------------------------------------------------------|-----------------------|----------------|----------------|-------------|--------------|-------------------|----------------|----------------|-------------|--------------|
|                                                                        | Stage 1<br>\$m        | Stage 2<br>\$m | Stage 3<br>\$m | POCI<br>\$m | Total<br>\$m | Stage 1<br>\$m    | Stage 2<br>\$m | Stage 3<br>\$m | POCI<br>\$m | Total<br>\$m |
| Corporate and commercial                                               | 349,763               | 54,636         | 19,966         | 140         | 424,505      | (478)             | (1,064)        | (5,909)        | (75)        | (7,526)      |
| – agriculture, forestry and fishing                                    | 6,179                 | 1,058          | 355            | —           | 7,592        | (11)              | (26)           | (60)           | —           | (97)         |
| – mining and quarrying                                                 | 6,109                 | 747            | 126            | —           | 6,982        | (6)               | (10)           | (70)           | —           | (86)         |
| – manufacturing                                                        | 74,321                | 9,785          | 2,229          | 37          | 86,372       | (87)              | (132)          | (720)          | (21)        | (960)        |
| – electricity, gas, steam and air-conditioning supply                  | 18,020                | 1,096          | 206            | —           | 19,322       | (19)              | (22)           | (85)           | —           | (126)        |
| – water supply, sewerage, waste management and remediation             | 2,319                 | 132            | 112            | —           | 2,563        | (3)               | (2)            | (36)           | —           | (41)         |
| – real estate and construction                                         | 56,041                | 21,222         | 10,497         | 92          | 87,852       | (84)              | (449)          | (2,679)        | (51)        | (3,263)      |
| – of which: commercial real estate                                     | 41,893                | 18,183         | 9,175          | 87          | 69,338       | (65)              | (384)          | (2,116)        | (45)        | (2,610)      |
| – wholesale and retail trade, repair of motor vehicles and motorcycles | 74,621                | 7,387          | 2,538          | 11          | 84,557       | (69)              | (92)           | (1,123)        | (3)         | (1,287)      |
| – transportation and storage                                           | 16,594                | 3,818          | 307            | —           | 20,719       | (17)              | (82)           | (75)           | —           | (174)        |
| – accommodation and food                                               | 10,881                | 2,072          | 1,436          | —           | 14,389       | (31)              | (65)           | (303)          | —           | (399)        |
| – publishing, audiovisual and broadcasting                             | 22,860                | 2,110          | 377            | —           | 25,347       | (52)              | (38)           | (108)          | —           | (198)        |
| – professional, scientific and technical activities                    | 22,580                | 1,923          | 520            | —           | 25,023       | (29)              | (36)           | (153)          | —           | (218)        |
| – administrative and support services                                  | 16,962                | 1,993          | 570            | —           | 19,525       | (21)              | (53)           | (321)          | —           | (395)        |
| – public administration and defence, compulsory social security        | 64                    | —              | —              | —           | 64           | —                 | —              | —              | —           | —            |
| – education                                                            | 1,975                 | 244            | 40             | —           | 2,259        | (5)               | (10)           | (11)           | —           | (26)         |
| – health and care                                                      | 3,982                 | 323            | 98             | —           | 4,403        | (7)               | (11)           | (14)           | —           | (32)         |
| – arts, entertainment and recreation                                   | 2,074                 | 116            | 123            | —           | 2,313        | (4)               | (5)            | (42)           | —           | (51)         |
| – other services                                                       | 5,764                 | 524            | 311            | —           | 6,599        | (31)              | (31)           | (106)          | —           | (168)        |
| – activities of households                                             | 835                   | 6              | —              | —           | 841          | —                 | —              | —              | —           | —            |
| – extra-territorial organisations and bodies activities                | 164                   | —              | —              | —           | 164          | —                 | —              | —              | —           | —            |
| – government                                                           | 7,418                 | 80             | 121            | —           | 7,619        | (2)               | —              | (3)            | —           | (5)          |
| Non-bank financial institutions                                        | 96,974                | 2,413          | 478            | 193         | 100,058      | (56)              | (19)           | (293)          | (1)         | (369)        |
| Loans and advances to banks                                            | 108,336               | 132            | 1              | —           | 108,469      | (4)               | (2)            | (1)            | —           | (7)          |
| At 31 Dec 2025                                                         | 555,073               | 57,181         | 20,445         | 333         | 633,032      | (538)             | (1,085)        | (6,203)        | (76)        | (7,902)      |
| By legal entity                                                        |                       |                |                |             |              |                   |                |                |             |              |
| HSBC UK Bank plc                                                       | 98,719                | 10,488         | 3,430          | —           | 112,637      | (180)             | (325)          | (753)          | —           | (1,258)      |
| HSBC Bank plc                                                          | 98,175                | 5,582          | 1,756          | 58          | 105,571      | (68)              | (96)           | (611)          | (29)        | (804)        |
| The Hongkong and Shanghai Banking Corporation Limited                  | 283,206               | 33,990         | 12,837         | 77          | 330,110      | (171)             | (480)          | (3,694)        | (41)        | (4,386)      |
| HSBC Bank Middle East Limited                                          | 26,643                | 1,171          | 1,242          | 5           | 29,061       | (19)              | (31)           | (630)          | (5)         | (685)        |
| HSBC North America Holdings Inc.                                       | 28,456                | 3,518          | 517            | 193         | 32,684       | (41)              | (100)          | (145)          | (1)         | (287)        |
| Grupo Financiero HSBC, S.A. de C.V.                                    | 12,057                | 2,268          | 378            | —           | 14,703       | (47)              | (49)           | (190)          | —           | (286)        |
| Other trading entities                                                 | 7,727                 | 164            | 285            | —           | 8,176        | (12)              | (4)            | (180)          | —           | (196)        |
| Holding companies, shared service centres and intra-Group eliminations | 90                    | —              | —              | —           | 90           | —                 | —              | —              | —           | —            |
| At 31 Dec 2025                                                         | 555,073               | 57,181         | 20,445         | 333         | 633,032      | (538)             | (1,085)        | (6,203)        | (76)        | (7,902)      |

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

|                                                       | Nominal amount |                |                |             |                | Allowance for ECL |                |                |             |              |
|-------------------------------------------------------|----------------|----------------|----------------|-------------|----------------|-------------------|----------------|----------------|-------------|--------------|
|                                                       | Stage 1<br>\$m | Stage 2<br>\$m | Stage 3<br>\$m | POCI<br>\$m | Total<br>\$m   | Stage 1<br>\$m    | Stage 2<br>\$m | Stage 3<br>\$m | POCI<br>\$m | Total<br>\$m |
| Corporate and commercial                              | 259,304        | 17,373         | 1,110          | 4           | 277,791        | (133)             | (106)          | (173)          | —           | (412)        |
| Financial                                             | 234,768        | 2,688          | 2              | —           | 237,458        | (13)              | (4)            | —              | —           | (17)         |
| <b>At 30 Jun 2026</b>                                 | <b>494,072</b> | <b>20,061</b>  | <b>1,112</b>   | <b>4</b>    | <b>515,249</b> | <b>(146)</b>      | <b>(110)</b>   | <b>(173)</b>   | <b>—</b>    | <b>(429)</b> |
| <b>By legal entity</b>                                |                |                |                |             |                |                   |                |                |             |              |
| HSBC UK Bank plc                                      | 51,268         | 3,462          | 307            | —           | 55,037         | (32)              | (16)           | (85)           | —           | (133)        |
| HSBC Bank plc                                         | 239,866        | 5,915          | 383            | 4           | 246,168        | (22)              | (20)           | (21)           | —           | (63)         |
| The Hongkong and Shanghai Banking Corporation Limited | 77,279         | 5,573          | 20             | —           | 82,872         | (51)              | (35)           | (3)            | —           | (89)         |
| HSBC Bank Middle East Limited                         | 8,617          | 666            | 73             | —           | 9,356          | (11)              | (5)            | (30)           | —           | (46)         |
| HSBC North America Holdings Inc.                      | 112,973        | 4,322          | 277            | —           | 117,572        | (29)              | (34)           | (25)           | —           | (88)         |
| Grupo Financiero HSBC, S.A. de C.V.                   | 2,097          | 20             | —              | —           | 2,117          | —                 | —              | —              | —           | —            |
| Other trading entities                                | 1,972          | 103            | 52             | —           | 2,127          | (1)               | —              | (9)            | —           | (10)         |
| <b>At 30 Jun 2026</b>                                 | <b>494,072</b> | <b>20,061</b>  | <b>1,112</b>   | <b>4</b>    | <b>515,249</b> | <b>(146)</b>      | <b>(110)</b>   | <b>(173)</b>   | <b>—</b>    | <b>(429)</b> |
| Corporate and commercial                              | 265,811        | 15,936         | 750            | 4           | 282,501        | (121)             | (105)          | (95)           | —           | (321)        |
| Financial                                             | 147,810        | 3,978          | 2              | —           | 151,790        | (13)              | (4)            | —              | —           | (17)         |
| <b>At 31 Dec 2025</b>                                 | <b>413,621</b> | <b>19,914</b>  | <b>752</b>     | <b>4</b>    | <b>434,291</b> | <b>(134)</b>      | <b>(109)</b>   | <b>(95)</b>    | <b>—</b>    | <b>(338)</b> |
| <b>By legal entity</b>                                |                |                |                |             |                |                   |                |                |             |              |
| HSBC UK Bank plc                                      | 49,287         | 2,566          | 278            | —           | 52,131         | (30)              | (17)           | (42)           | —           | (89)         |
| HSBC Bank plc                                         | 183,897        | 5,118          | 188            | 4           | 189,207        | (30)              | (23)           | (17)           | —           | (70)         |
| The Hongkong and Shanghai Banking Corporation Limited | 70,937         | 4,425          | 41             | —           | 75,403         | (44)              | (29)           | (6)            | —           | (79)         |
| HSBC Bank Middle East Limited                         | 9,294          | 417            | 29             | —           | 9,740          | (3)               | (2)            | (11)           | —           | (16)         |
| HSBC North America Holdings Inc.                      | 95,560         | 7,259          | 179            | —           | 102,998        | (25)              | (37)           | (18)           | —           | (80)         |
| Grupo Financiero HSBC, S.A. de C.V.                   | 2,585          | 41             | —              | —           | 2,626          | (2)               | —              | —              | —           | (2)          |
| Other trading entities                                | 2,061          | 88             | 37             | —           | 2,186          | —                 | (1)            | (1)            | —           | (2)          |
| <b>At 31 Dec 2025</b>                                 | <b>413,621</b> | <b>19,914</b>  | <b>752</b>     | <b>4</b>    | <b>434,291</b> | <b>(134)</b>      | <b>(109)</b>   | <b>(95)</b>    | <b>—</b>    | <b>(338)</b> |

<sup>1</sup> Included in loan and other credit-related commitments and financial guarantees is \$152.9bn (31 December 2025: \$75.4bn) relating to unsettled reverse repurchase agreements, which once drawn are classified as 'Reverse repurchase agreements – non-trading'.

## Commercial real estate

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

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

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

Excluding adverse foreign exchange movements of \$0.4bn, commercial real estate lending decreased by \$1.2bn, mainly in our entities in Asia (down \$1.8bn) due to loan repayments.

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

### Commercial real estate lending to customers

|                                 |                            |                         |                                                                          |                                            |                                               |                                                     |                                     |               | of which:     |                     |                                                                                               |               |
|---------------------------------|----------------------------|-------------------------|--------------------------------------------------------------------------|--------------------------------------------|-----------------------------------------------|-----------------------------------------------------|-------------------------------------|---------------|---------------|---------------------|-----------------------------------------------------------------------------------------------|---------------|
|                                 | HSBC UK<br>Bank plc<br>\$m | HSBC<br>Bank plc<br>\$m | The Hongkong<br>and Shanghai<br>Banking<br>Corporation<br>Limited<br>\$m | HSBC Bank<br>Middle East<br>Limited<br>\$m | HSBC North<br>America<br>Holdings Inc.<br>\$m | Grupo<br>Financiero<br>HSBC, S.A.<br>de C.V.<br>\$m | Other<br>trading<br>entities<br>\$m | Total<br>\$m  | UK<br>\$m     | Hong<br>Kong<br>\$m | of which:<br>Hong Kong<br>excluding<br>exposure to<br>Chinese<br>mainland<br>borrowers<br>\$m |               |
| <b>Gross loans and advances</b> |                            |                         |                                                                          |                                            |                                               |                                                     |                                     |               |               |                     |                                                                                               |               |
| Stage 1                         | 15,317                     | 3,932                   | 21,111                                                                   | 1,111                                      | 188                                           | 373                                                 | 45                                  | 42,077        | 16,310        | 10,783              |                                                                                               | 10,556        |
| Stage 2                         | 1,998                      | 259                     | 14,648                                                                   | 34                                         | 271                                           | 41                                                  | —                                   | 17,251        | 2,005         | 13,027              |                                                                                               | 12,753        |
| Stage 3                         | 370                        | 230                     | 7,423                                                                    | 21                                         | 228                                           | 25                                                  | 24                                  | 8,321         | 370           | 7,009               |                                                                                               | 5,989         |
| POCI                            | —                          | 57                      | 35                                                                       | —                                          | —                                             | —                                                   | —                                   | 92            | 57            | 22                  |                                                                                               | —             |
| <b>At 30 Jun 2026</b>           | <b>17,685</b>              | <b>4,478</b>            | <b>43,217</b>                                                            | <b>1,166</b>                               | <b>687</b>                                    | <b>439</b>                                          | <b>69</b>                           | <b>67,741</b> | <b>18,742</b> | <b>30,841</b>       |                                                                                               | <b>29,298</b> |
| – of which:<br>forborne loans   | 518                        | 149                     | 3,313                                                                    | 89                                         | 304                                           | 63                                                  | 24                                  | 4,460         | 575           | 2,778               |                                                                                               |               |
| Allowance<br>for ECL            | (201)                      | (119)                   | (2,320)                                                                  | (4)                                        | (57)                                          | (8)                                                 | (19)                                | (2,728)       | (236)         | (2,087)             |                                                                                               | (1,331)       |

## Commercial real estate lending to customers (continued)

|                               |                            |                         |                                                                          |                                            |                                               |                                                     |                                     | of which:    |           |                     |                                                                                               |
|-------------------------------|----------------------------|-------------------------|--------------------------------------------------------------------------|--------------------------------------------|-----------------------------------------------|-----------------------------------------------------|-------------------------------------|--------------|-----------|---------------------|-----------------------------------------------------------------------------------------------|
|                               | HSBC UK<br>Bank plc<br>\$m | HSBC<br>Bank plc<br>\$m | The Hongkong<br>and Shanghai<br>Banking<br>Corporation<br>Limited<br>\$m | HSBC Bank<br>Middle East<br>Limited<br>\$m | HSBC North<br>America<br>Holdings Inc.<br>\$m | Grupo<br>Financiero<br>HSBC, S.A.<br>de C.V.<br>\$m | Other<br>trading<br>entities<br>\$m | Total<br>\$m | UK<br>\$m | Hong<br>Kong<br>\$m | of which:<br>Hong Kong<br>excluding<br>exposure to<br>Chinese<br>mainland<br>borrowers<br>\$m |
| Gross loans and advances      |                            |                         |                                                                          |                                            |                                               |                                                     |                                     |              |           |                     |                                                                                               |
| Stage 1                       | 14,864                     | 3,482                   | 21,777                                                                   | 1,071                                      | 237                                           | 406                                                 | 56                                  | 41,893       | 15,654    | 11,007              | 10,666                                                                                        |
| Stage 2                       | 1,956                      | 151                     | 15,245                                                                   | 59                                         | 678                                           | 94                                                  | —                                   | 18,183       | 1,956     | 13,927              | 13,652                                                                                        |
| Stage 3                       | 355                        | 390                     | 8,052                                                                    | 89                                         | 238                                           | 25                                                  | 26                                  | 9,175        | 355       | 7,568               | 6,306                                                                                         |
| POCI                          | —                          | 57                      | 30                                                                       | —                                          | —                                             | —                                                   | —                                   | 87           | 58        | 25                  | —                                                                                             |
| At 31 Dec 2025                | 17,175                     | 4,080                   | 45,104                                                                   | 1,219                                      | 1,153                                         | 525                                                 | 82                                  | 69,338       | 18,023    | 32,527              | 30,624                                                                                        |
| – of which:<br>forborne loans | 410                        | 65                      | 3,477                                                                    | 89                                         | 314                                           | 73                                                  | 26                                  | 4,454        | 468       | 2,941               |                                                                                               |
| Allowance for ECL             | (199)                      | (124)                   | (2,150)                                                                  | (26)                                       | (77)                                          | (10)                                                | (24)                                | (2,610)      | (230)     | (1,876)             | (1,077)                                                                                       |

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

|                 |                            |                         |                                                                          |                                            |                                               |                                                     |                                     | of which:    |           |                     |                                                                                               |
|-----------------|----------------------------|-------------------------|--------------------------------------------------------------------------|--------------------------------------------|-----------------------------------------------|-----------------------------------------------------|-------------------------------------|--------------|-----------|---------------------|-----------------------------------------------------------------------------------------------|
|                 | HSBC UK<br>Bank plc<br>\$m | HSBC<br>Bank plc<br>\$m | The Hongkong<br>and Shanghai<br>Banking<br>Corporation<br>Limited<br>\$m | HSBC Bank<br>Middle East<br>Limited<br>\$m | HSBC North<br>America<br>Holdings Inc.<br>\$m | Grupo<br>Financiero<br>HSBC, S.A.<br>de C.V.<br>\$m | Other<br>trading<br>entities<br>\$m | Total<br>\$m | UK<br>\$m | Hong<br>Kong<br>\$m | of which:<br>Hong Kong<br>excluding<br>exposure to<br>Chinese<br>mainland<br>borrowers<br>\$m |
| Strong          | 3,974                      | 1,367                   | 8,064                                                                    | 410                                        | —                                             | 2                                                   | 45                                  | 13,862       | 4,357     | 3,574               | 3,464                                                                                         |
| Good            | 8,587                      | 1,265                   | 13,192                                                                   | 453                                        | —                                             | 142                                                 | —                                   | 23,639       | 8,678     | 7,812               | 7,652                                                                                         |
| Satisfactory    | 4,005                      | 1,294                   | 11,482                                                                   | 282                                        | 327                                           | 249                                                 | —                                   | 17,639       | 4,468     | 9,807               | 9,663                                                                                         |
| Sub-standard    | 749                        | 265                     | 3,021                                                                    | —                                          | 132                                           | 21                                                  | —                                   | 4,188        | 812       | 2,617               | 2,530                                                                                         |
| Credit impaired | 370                        | 287                     | 7,458                                                                    | 21                                         | 228                                           | 25                                                  | 24                                  | 8,413        | 427       | 7,031               | 5,989                                                                                         |
| At 30 Jun 2026  | 17,685                     | 4,478                   | 43,217                                                                   | 1,166                                      | 687                                           | 439                                                 | 69                                  | 67,741       | 18,742    | 30,841              | 29,298                                                                                        |
| Strong          | 4,102                      | 1,055                   | 7,818                                                                    | 327                                        | —                                             | 8                                                   | 56                                  | 13,366       | 4,342     | 3,501               | 3,314                                                                                         |
| Good            | 7,636                      | 1,195                   | 13,998                                                                   | 473                                        | —                                             | 127                                                 | —                                   | 23,429       | 7,773     | 8,438               | 8,225                                                                                         |
| Satisfactory    | 4,482                      | 1,289                   | 12,330                                                                   | 307                                        | 559                                           | 326                                                 | —                                   | 19,293       | 4,895     | 10,481              | 10,352                                                                                        |
| Sub-standard    | 600                        | 94                      | 2,876                                                                    | 23                                         | 356                                           | 39                                                  | —                                   | 3,988        | 600       | 2,514               | 2,427                                                                                         |
| Credit impaired | 355                        | 447                     | 8,082                                                                    | 89                                         | 238                                           | 25                                                  | 26                                  | 9,262        | 413       | 7,593               | 6,306                                                                                         |
| At 31 Dec 2025  | 17,175                     | 4,080                   | 45,104                                                                   | 1,219                                      | 1,153                                         | 525                                                 | 82                                  | 69,338       | 18,023    | 32,527              | 30,624                                                                                        |

The Hong Kong CRE portfolio (excluding exposure to Chinese mainland borrowers) recorded higher ECL allowances in 1H26, reflecting continued pressure on property prices. However, credit migration to the 'credit impaired' category reduced in 1H26 and remained predominantly secured.

'Sub-standard' and 'credit-impaired' exposures decreased to \$8.5bn (31 December 2025: \$8.7bn), of which 95% was secured (31 December 2025: 95%). While the weighted average loan to value of 'credit-impaired' exposures increased to 82% (31 December 2025: 71%), the unsecured portfolio remained resilient, with 86% of exposures rated 'strong' or 'good' with limited credit-impaired balances.

Market conditions continued to stabilise in the first half of 2026, supported by activity in the residential sector, selected retail segments and prime office sector locations. Nevertheless, valuation pressures persist, particularly in non-prime segments, resulting in an uneven recovery across the market.

The portfolio continues to be actively managed through enhanced monitoring, regular portfolio reviews and stress testing, with a particular focus on borrowers exhibiting higher refinancing, debt-servicing or collateral risks.

## Refinance risk in commercial real estate

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

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



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

|                       | HSBC UK Bank plc | HSBC Bank plc | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited | HSBC North America Holdings Inc. | Grupo Financiero HSBC, S.A. de C.V. | Other trading entities | of which:     |               |               |
|-----------------------|------------------|---------------|-------------------------------------------------------|-------------------------------|----------------------------------|-------------------------------------|------------------------|---------------|---------------|---------------|
|                       | \$m              | \$m           | \$m                                                   | \$m                           | \$m                              | \$m                                 | \$m                    | Total         | UK            | Hong Kong     |
| < 1 year              | 3,613            | 1,479         | 18,872                                                | 361                           | 277                              | 176                                 | 49                     | 24,827        | 4,581         | 14,985        |
| 1–2 years             | 4,338            | 352           | 9,810                                                 | 95                            | 319                              | 18                                  | 6                      | 14,938        | 4,400         | 7,046         |
| 2–5 years             | 9,040            | 2,358         | 12,455                                                | 532                           | 88                               | 214                                 | 13                     | 24,700        | 9,066         | 7,434         |
| > 5 years             | 694              | 289           | 2,080                                                 | 178                           | 3                                | 31                                  | 1                      | 3,276         | 695           | 1,376         |
| <b>At 30 Jun 2026</b> | <b>17,685</b>    | <b>4,478</b>  | <b>43,217</b>                                         | <b>1,166</b>                  | <b>687</b>                       | <b>439</b>                          | <b>69</b>              | <b>67,741</b> | <b>18,742</b> | <b>30,841</b> |
| < 1 year              | 3,892            | 1,213         | 18,961                                                | 435                           | 335                              | 209                                 | 36                     | 25,081        | 4,438         | 14,667        |
| 1–2 years             | 3,800            | 822           | 11,251                                                | 78                            | 442                              | 74                                  | 20                     | 16,487        | 4,090         | 7,939         |
| 2–5 years             | 8,776            | 1,575         | 12,735                                                | 518                           | 373                              | 183                                 | 25                     | 24,185        | 8,784         | 8,475         |
| > 5 years             | 707              | 470           | 2,157                                                 | 188                           | 3                                | 59                                  | 1                      | 3,585         | 711           | 1,446         |
| <b>At 31 Dec 2025</b> | <b>17,175</b>    | <b>4,080</b>  | <b>45,104</b>                                         | <b>1,219</b>                  | <b>1,153</b>                     | <b>525</b>                          | <b>82</b>              | <b>69,338</b> | <b>18,023</b> | <b>32,527</b> |

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

the purchase or financing of a property that supports the overall operations of the business. This provides a more comprehensive view of our Chinese mainland CRE exposures. The exposures at 30 June 2026 are split by country/territory and credit quality including allowances for ECL by stage.

## Chinese mainland commercial real estate

|                                                                                           | At 30 Jun 2026 |                  |                   |              | At 31 Dec 2025 |                  |                   |                |
|-------------------------------------------------------------------------------------------|----------------|------------------|-------------------|--------------|----------------|------------------|-------------------|----------------|
|                                                                                           | Hong Kong      | Chinese mainland | Rest of the Group | Total        | Hong Kong      | Chinese mainland | Rest of the Group | Total          |
|                                                                                           | \$m            | \$m              | \$m               | \$m          | \$m            | \$m              | \$m               | \$m            |
| Loans and advances to customers <sup>1</sup>                                              | 1,723          | 3,145            | 115               | 4,983        | 2,079          | 3,474            | 118               | 5,671          |
| Guarantees issued and others <sup>2</sup>                                                 | 94             | 13               | 1                 | 108          | 105            | 14               | 12                | 131            |
| <b>Total Chinese mainland commercial real estate exposure</b>                             | <b>1,817</b>   | <b>3,158</b>     | <b>116</b>        | <b>5,091</b> | <b>2,184</b>   | <b>3,488</b>     | <b>130</b>        | <b>5,802</b>   |
| <b>Distribution of Chinese mainland commercial real estate exposure by credit quality</b> |                |                  |                   |              |                |                  |                   |                |
| Strong                                                                                    | 196            | 1,538            | 61                | 1,795        | 293            | 1,818            | 64                | 2,175          |
| Good                                                                                      | 185            | 626              | —                 | 811          | 240            | 583              | —                 | 823            |
| Satisfactory                                                                              | 169            | 398              | —                 | 567          | 154            | 511              | 8                 | 673            |
| Sub-standard                                                                              | 101            | 379              | 55                | 535          | 87             | 334              | 57                | 478            |
| Credit impaired                                                                           | 1,166          | 217              | —                 | 1,383        | 1,410          | 242              | 1                 | 1,653          |
| <b>Total</b>                                                                              | <b>1,817</b>   | <b>3,158</b>     | <b>116</b>        | <b>5,091</b> | <b>2,184</b>   | <b>3,488</b>     | <b>130</b>        | <b>5,802</b>   |
| <b>Allowance for ECL by credit quality</b>                                                |                |                  |                   |              |                |                  |                   |                |
| Strong                                                                                    | —              | (3)              | —                 | (3)          | —              | (2)              | —                 | (2)            |
| Good                                                                                      | —              | (4)              | —                 | (4)          | —              | (4)              | —                 | (4)            |
| Satisfactory                                                                              | —              | (8)              | —                 | (8)          | —              | (5)              | —                 | (5)            |
| Sub-standard                                                                              | (4)            | (91)             | —                 | (95)         | (9)            | (99)             | (1)               | (109)          |
| Credit impaired                                                                           | (767)          | (69)             | —                 | (836)        | (799)          | (99)             | —                 | (898)          |
| <b>Total</b>                                                                              | <b>(771)</b>   | <b>(175)</b>     | <b>—</b>          | <b>(946)</b> | <b>(808)</b>   | <b>(209)</b>     | <b>(1)</b>        | <b>(1,018)</b> |
| <b>Allowance for ECL by stage distribution</b>                                            |                |                  |                   |              |                |                  |                   |                |
| Stage 1                                                                                   | —              | (8)              | —                 | (8)          | —              | (4)              | —                 | (4)            |
| Stage 2                                                                                   | (4)            | (98)             | —                 | (102)        | (9)            | (106)            | (1)               | (116)          |
| Stage 3                                                                                   | (750)          | (68)             | —                 | (818)        | (783)          | (99)             | —                 | (882)          |
| POCI                                                                                      | (17)           | (1)              | —                 | (18)         | (16)           | —                | —                 | (16)           |
| <b>Total</b>                                                                              | <b>(771)</b>   | <b>(175)</b>     | <b>—</b>          | <b>(946)</b> | <b>(808)</b>   | <b>(209)</b>     | <b>(1)</b>        | <b>(1,018)</b> |
| <b>ECL coverage %</b>                                                                     | <b>42.4</b>    | <b>5.5</b>       | <b>—</b>          | <b>18.6</b>  | <b>37.0</b>    | <b>6.0</b>       | <b>0.8</b>        | <b>17.6</b>    |

1 Amounts represent gross carrying amount.

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

## Supplementary information

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

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

|                                                  | Gross carrying amount    |                                                     |                                 |                | Allowance for ECL        |                                                     |                                 |                |
|--------------------------------------------------|--------------------------|-----------------------------------------------------|---------------------------------|----------------|--------------------------|-----------------------------------------------------|---------------------------------|----------------|
|                                                  | Corporate and commercial | of which: real estate and construction <sup>1</sup> | Non-bank financial institutions | Total          | Corporate and commercial | of which: real estate and construction <sup>1</sup> | Non-bank financial institutions | Total          |
|                                                  | \$m                      | \$m                                                 | \$m                             | \$m            | \$m                      | \$m                                                 | \$m                             | \$m            |
| UK                                               | 121,680                  | 23,153                                              | 27,254                          | 148,934        | (1,324)                  | (320)                                               | (595)                           | (1,919)        |
| – of which: HSBC UK Bank plc (ring-fenced bank)  | 97,618                   | 21,783                                              | 11,992                          | 109,610        | (1,209)                  | (284)                                               | (101)                           | (1,310)        |
| – of which: HSBC Bank plc (non-ring-fenced bank) | 24,062                   | 1,370                                               | 15,262                          | 39,324         | (115)                    | (36)                                                | (494)                           | (609)          |
| France                                           | 24,039                   | 3,445                                               | 11,224                          | 35,263         | (437)                    | (101)                                               | (30)                            | (467)          |
| Germany                                          | 5,097                    | 221                                                 | 298                             | 5,395          | (170)                    | (1)                                                 | (1)                             | (171)          |
| Hong Kong                                        | 121,948                  | 36,119                                              | 22,103                          | 144,051        | (3,810)                  | (2,200)                                             | (115)                           | (3,925)        |
| Australia                                        | 14,791                   | 4,584                                               | 4,215                           | 19,006         | (44)                     | (9)                                                 | (1)                             | (45)           |
| India                                            | 14,987                   | 2,054                                               | 6,434                           | 21,421         | (49)                     | (6)                                                 | (9)                             | (58)           |
| Indonesia                                        | 3,352                    | 104                                                 | 620                             | 3,972          | (73)                     | —                                                   | (1)                             | (74)           |
| Chinese mainland                                 | 28,095                   | 5,003                                               | 12,573                          | 40,668         | (310)                    | (166)                                               | (5)                             | (315)          |
| Malaysia                                         | 5,905                    | 1,082                                               | 449                             | 6,354          | (35)                     | (5)                                                 | —                               | (35)           |
| Singapore                                        | 19,150                   | 2,922                                               | 2,663                           | 21,813         | (131)                    | (50)                                                | (30)                            | (161)          |
| Taiwan                                           | 6,565                    | 61                                                  | 49                              | 6,614          | (2)                      | —                                                   | —                               | (2)            |
| Egypt                                            | 810                      | 33                                                  | 54                              | 864            | (89)                     | (19)                                                | —                               | (89)           |
| UAE                                              | 16,200                   | 1,740                                               | 2,527                           | 18,727         | (568)                    | (307)                                               | (52)                            | (620)          |
| US                                               | 24,972                   | 1,716                                               | 10,284                          | 35,256         | (257)                    | (68)                                                | (11)                            | (268)          |
| Mexico                                           | 11,186                   | 604                                                 | 1,147                           | 12,333         | (252)                    | (34)                                                | (31)                            | (283)          |
| Other                                            | 28,076                   | 3,188                                               | 3,087                           | 31,163         | (498)                    | (198)                                               | (5)                             | (503)          |
| <b>At 30 Jun 2026</b>                            | <b>446,853</b>           | <b>86,029</b>                                       | <b>104,981</b>                  | <b>551,834</b> | <b>(8,049)</b>           | <b>(3,484)</b>                                      | <b>(886)</b>                    | <b>(8,935)</b> |
| UK                                               | 116,284                  | 21,104                                              | 27,232                          | 143,516        | (1,270)                  | (286)                                               | (127)                           | (1,397)        |
| – of which: HSBC UK Bank plc (ring-fenced bank)  | 93,186                   | 20,112                                              | 11,518                          | 104,704        | (1,173)                  | (253)                                               | (84)                            | (1,257)        |
| – of which: HSBC Bank plc (non-ring-fenced bank) | 23,098                   | 992                                                 | 15,714                          | 38,812         | (97)                     | (33)                                                | (43)                            | (140)          |
| France                                           | 25,655                   | 4,032                                               | 10,556                          | 36,211         | (379)                    | (90)                                                | (28)                            | (407)          |
| Germany                                          | 5,883                    | 431                                                 | 142                             | 6,025          | (175)                    | (10)                                                | —                               | (175)          |
| Hong Kong                                        | 114,792                  | 37,890                                              | 18,591                          | 133,383        | (3,515)                  | (1,991)                                             | (117)                           | (3,632)        |
| Australia                                        | 14,472                   | 4,725                                               | 4,627                           | 19,099         | (28)                     | (3)                                                 | (1)                             | (29)           |
| India                                            | 13,789                   | 2,131                                               | 6,687                           | 20,476         | (53)                     | (5)                                                 | (7)                             | (60)           |
| Indonesia                                        | 3,063                    | 172                                                 | 573                             | 3,636          | (74)                     | —                                                   | (1)                             | (75)           |
| Chinese mainland                                 | 27,663                   | 5,254                                               | 12,272                          | 39,935         | (281)                    | (197)                                               | (4)                             | (285)          |
| Malaysia                                         | 5,560                    | 1,059                                               | 486                             | 6,046          | (34)                     | (7)                                                 | —                               | (34)           |
| Singapore                                        | 16,619                   | 2,878                                               | 1,912                           | 18,531         | (126)                    | (54)                                                | (1)                             | (127)          |
| Taiwan                                           | 4,685                    | 69                                                  | —                               | 4,685          | (1)                      | —                                                   | —                               | (1)            |
| Egypt                                            | 806                      | 34                                                  | 41                              | 847            | (111)                    | (24)                                                | —                               | (111)          |
| UAE                                              | 14,082                   | 1,792                                               | 2,714                           | 16,796         | (535)                    | (333)                                               | (42)                            | (577)          |
| US                                               | 22,054                   | 2,355                                               | 9,916                           | 31,970         | (276)                    | (80)                                                | (10)                            | (286)          |
| Mexico                                           | 11,655                   | 683                                                 | 1,133                           | 12,788         | (263)                    | (35)                                                | (23)                            | (286)          |
| Other                                            | 27,443                   | 3,243                                               | 3,176                           | 30,619         | (405)                    | (148)                                               | (8)                             | (413)          |
| <b>At 31 Dec 2025</b>                            | <b>424,505</b>           | <b>87,852</b>                                       | <b>100,058</b>                  | <b>524,563</b> | <b>(7,526)</b>           | <b>(3,263)</b>                                      | <b>(369)</b>                    | <b>(7,895)</b> |

<sup>1</sup> Real estate lending within this disclosure corresponds solely to the industry of the borrower. 'Commercial real estate' on page 65 includes borrowers in multiple industries investing in income-producing assets and, to a lesser extent, their construction and development.

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

|                                                  | Gross carrying amount                  |                 |                              |                | Allowance for ECL                      |                 |                              |                |
|--------------------------------------------------|----------------------------------------|-----------------|------------------------------|----------------|----------------------------------------|-----------------|------------------------------|----------------|
|                                                  | First lien<br>residential<br>mortgages | Credit<br>cards | Other<br>personal<br>lending | Total          | First lien<br>residential<br>mortgages | Credit<br>cards | Other<br>personal<br>lending | Total          |
|                                                  | \$m                                    | \$m             | \$m                          | \$m            | \$m                                    | \$m             | \$m                          | \$m            |
| UK                                               | 193,404                                | 9,163           | 16,541                       | 219,108        | (125)                                  | (396)           | (356)                        | (877)          |
| – of which: HSBC UK Bank plc (ring-fenced bank)  | 189,069                                | 9,071           | 12,019                       | 210,159        | (120)                                  | (395)           | (322)                        | (837)          |
| – of which: HSBC Bank plc (non-ring-fenced bank) | 4,335                                  | 92              | 4,522                        | 8,949          | (5)                                    | (1)             | (34)                         | (40)           |
| France                                           | 20                                     | —               | 4                            | 24             | (11)                                   | —               | (2)                          | (13)           |
| Hong Kong                                        | 109,482                                | 9,793           | 30,052                       | 149,327        | (2)                                    | (298)           | (171)                        | (471)          |
| Australia                                        | 26,813                                 | 273             | 7                            | 27,093         | (10)                                   | (7)             | —                            | (17)           |
| India                                            | 2,468                                  | 320             | 696                          | 3,484          | (3)                                    | (20)            | (3)                          | (26)           |
| Indonesia                                        | —                                      | —               | 6                            | 6              | —                                      | —               | (2)                          | (2)            |
| Chinese mainland                                 | 5,077                                  | 145             | 392                          | 5,614          | (23)                                   | (20)            | (5)                          | (48)           |
| Malaysia                                         | 3,401                                  | 1,027           | 264                          | 4,692          | (14)                                   | (42)            | (24)                         | (80)           |
| Singapore                                        | 7,169                                  | 697             | 8,651                        | 16,517         | —                                      | (37)            | (40)                         | (77)           |
| Taiwan                                           | 6,703                                  | 503             | 1,122                        | 8,328          | —                                      | (5)             | (13)                         | (18)           |
| Egypt                                            | —                                      | 111             | 283                          | 394            | —                                      | (1)             | (1)                          | (2)            |
| UAE                                              | 2,587                                  | 572             | 1,015                        | 4,174          | (10)                                   | (56)            | (23)                         | (89)           |
| US                                               | 19,644                                 | 172             | 587                          | 20,403         | (15)                                   | (15)            | (2)                          | (32)           |
| Mexico                                           | 8,480                                  | 2,179           | 2,835                        | 13,494         | (213)                                  | (375)           | (356)                        | (944)          |
| Other                                            | 3,547                                  | 582             | 5,225                        | 9,354          | (45)                                   | (32)            | (33)                         | (110)          |
| <b>At 30 Jun 2026</b>                            | <b>388,795</b>                         | <b>25,537</b>   | <b>67,680</b>                | <b>482,012</b> | <b>(471)</b>                           | <b>(1,304)</b>  | <b>(1,031)</b>               | <b>(2,806)</b> |
| UK                                               | 191,180                                | 9,083           | 15,671                       | 215,934        | (138)                                  | (345)           | (324)                        | (807)          |
| – of which: HSBC UK Bank plc (ring-fenced bank)  | 186,776                                | 8,992           | 11,673                       | 207,441        | (134)                                  | (344)           | (294)                        | (772)          |
| – of which: HSBC Bank plc (non-ring-fenced bank) | 4,404                                  | 91              | 3,998                        | 8,493          | (4)                                    | (1)             | (30)                         | (35)           |
| France                                           | 22                                     | —               | 3                            | 25             | (12)                                   | —               | (2)                          | (14)           |
| Hong Kong                                        | 108,200                                | 10,379          | 25,551                       | 144,130        | (4)                                    | (311)           | (170)                        | (485)          |
| Australia                                        | 25,619                                 | 288             | 19                           | 25,926         | (8)                                    | (8)             | —                            | (16)           |
| India                                            | 2,344                                  | 323             | 667                          | 3,334          | (3)                                    | (20)            | (3)                          | (26)           |
| Indonesia                                        | 36                                     | 152             | 58                           | 246            | (2)                                    | (8)             | (5)                          | (15)           |
| Chinese mainland                                 | 5,417                                  | 164             | 402                          | 5,983          | (20)                                   | (22)            | (6)                          | (48)           |
| Malaysia                                         | 3,494                                  | 1,070           | 267                          | 4,831          | (16)                                   | (38)            | (26)                         | (80)           |
| Singapore                                        | 6,776                                  | 691             | 7,415                        | 14,882         | —                                      | (38)            | (36)                         | (74)           |
| Taiwan                                           | 6,570                                  | 437             | 1,123                        | 8,130          | —                                      | (5)             | (14)                         | (19)           |
| Egypt                                            | —                                      | 119             | 278                          | 397            | —                                      | (1)             | (1)                          | (2)            |
| UAE                                              | 2,456                                  | 587             | 970                          | 4,013          | (5)                                    | (39)            | (18)                         | (62)           |
| US                                               | 19,773                                 | 183             | 567                          | 20,523         | (14)                                   | (14)            | (2)                          | (30)           |
| Mexico                                           | 8,390                                  | 2,289           | 3,055                        | 13,734         | (192)                                  | (415)           | (376)                        | (983)          |
| Other                                            | 6,024                                  | 649             | 5,767                        | 12,440         | (66)                                   | (37)            | (33)                         | (136)          |
| <b>At 31 Dec 2025</b>                            | <b>386,301</b>                         | <b>26,414</b>   | <b>61,813</b>                | <b>474,528</b> | <b>(480)</b>                           | <b>(1,301)</b>  | <b>(1,016)</b>               | <b>(2,797)</b> |

## Treasury risk

### Overview

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

### Key developments in the first half of 2026

- Despite a volatile macroeconomic and geopolitical environment, the Group continues to maintain and benefit from a healthy capital, liquidity and funding position.
  - During 1H26, HSBC assessed the impact of the external environment on our capital and liquidity positions by modelling scenarios linked to conflict in the Middle East, varying in severity and duration, featuring higher oil prices, rising inflation and unemployment, a GDP slowdown and market disruption.
  - The CET1 capital impact of the Hang Seng Bank privatisation was a net decrease of 110bps in January 2026 (based on the CET1 capital ratio as at 31 December 2025). The Group's CET1 ratio for 1H26 is within our medium-term target operating range.
  - HSBC is expanding its stablecoin and digital asset offering and we are developing treasury risk frameworks and policies to help support clear governance and the management of liquidity, capital and interest rate risk, helping us to scale activity safely and consistently.
- See page 18 for a summary of key risks including geopolitical and macroeconomic risks that we are managing.
- For quantitative disclosures on capital ratios, own funds and RWAs, see pages 70 to 72. For quantitative disclosures on liquidity and funding metrics, see pages 73 to 74. For quantitative disclosures on interest rate risk in the banking book, see pages 74 to 75.

### Capital, liquidity and funding risk management processes

A summary of our risk management approach and processes is set out on pages 156 to 158 of our Annual Report and Accounts 2025.

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

MREL includes own funds and eligible liabilities that can be written down or converted into capital resources in order to absorb losses or recapitalise a bank in the event of its failure.

As a matter of long-standing policy, HSBC Holdings retains a substantial holdings capital buffer comprising cash and other HQLA, which we seek to manage within our target operating range of \$21bn to \$26bn.

For a description of our resolution groups and approach to stress testing and resolution planning, see page 157 of the Annual Report and Accounts 2025.

- For details on 'Regulatory developments', see our Pillar 3 Disclosures at 30 June 2026, which is expected to be published on or around 10 August 2026, at [www.hsbc.com/investors](http://www.hsbc.com/investors).

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

A summary of our risk management approach and processes is set out on page 157 of our Annual Report and Accounts 2025.

- For further details, see the 'Economic value of equity and net interest income sensitivity' section in our Pillar 3 Disclosures at 30 June 2026, which is expected to be published on or around 10 August 2026, at [www.hsbc.com/investors](http://www.hsbc.com/investors).

### Capital risk in the first half of 2026

#### Capital overview

##### Capital and liquidity adequacy metrics

|                                             | At           |              |
|---------------------------------------------|--------------|--------------|
|                                             | 30 Jun 2026  | 31 Dec 2025  |
| <b>Risk-weighted assets ('RWAs') (\$bn)</b> |              |              |
| Credit risk                                 | 707.9        | 687.0        |
| Counterparty credit risk                    | 48.3         | 42.4         |
| Market risk                                 | 30.6         | 38.5         |
| Operational risk                            | 119.6        | 120.7        |
| <b>Total RWAs</b>                           | <b>906.4</b> | <b>888.6</b> |
| <b>Capital (\$bn)</b>                       |              |              |
| Common equity tier 1 capital                | 127.7        | 132.6        |
| Tier 1 capital                              | 151.3        | 153.4        |
| Total capital                               | 178.8        | 182.4        |
| <b>Capital ratios (%)</b>                   |              |              |
| Common equity tier 1 ratio                  | 14.1         | 14.9         |
| Tier 1 ratio                                | 16.7         | 17.3         |
| Total capital ratio                         | 19.7         | 20.5         |
| <b>Liquidity coverage ratio ('LCR')</b>     |              |              |
| Total high-quality liquid assets (\$bn)     | 713.7        | 702.1        |
| Total net cash outflow (\$bn)               | 534.5        | 512.1        |
| <b>LCR (%)</b>                              | <b>134</b>   | <b>137</b>   |

We refer to the UK Capital Requirements Regulation, the PRA Rulebook and any laws, regulations, requirements, rules, guidelines, standards and policies relating to capital adequacy, leverage and liquidity adopted by the relevant regulators, as applicable, and which are applicable to HSBC as the 'Prudential rules'. Any references to European Union ('EU') regulations and directives (including technical standards) should, as applicable, be read as references to the UK's version of such regulation and/or directive, as onshored into UK law under the European Union (Withdrawal) Act 2018 and as may be subsequently amended under UK law.

Capital figures and ratios in the previous table are calculated in accordance with the Prudential rules. Effective 1 January 2025, the IFRS 9 transitional arrangements came to an end, followed by the end of the UK Capital Requirements Regulation grandfathering provisions on 28 June 2025. Our capital figures are therefore the same, for both the transitional and end-point basis. The LCR is based on the average value of the preceding 12 months.

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

## Own funds

### Own funds disclosure

| Ref* |                                                            | 30 Jun 2026<br>\$m | 31 Dec 2025<br>\$m |
|------|------------------------------------------------------------|--------------------|--------------------|
| 6    | Common equity tier 1 capital before regulatory adjustments | 167,958            | 172,987            |
| 28   | Total regulatory adjustments to common equity tier 1       | (40,266)           | (40,394)           |
| 29   | <b>Common equity tier 1 capital</b>                        | <b>127,692</b>     | <b>132,593</b>     |
| 36   | Additional tier 1 capital before regulatory adjustments    | 23,722             | 20,874             |
| 43   | Total regulatory adjustments to additional tier 1 capital  | (70)               | (70)               |
| 44   | <b>Additional tier 1 capital</b>                           | <b>23,652</b>      | <b>20,804</b>      |
| 45   | <b>Tier 1 capital</b>                                      | <b>151,344</b>     | <b>153,397</b>     |
| 51   | Tier 2 capital before regulatory adjustments               | 29,142             | 30,167             |
| 57   | Total regulatory adjustments to tier 2 capital             | (1,710)            | (1,193)            |
| 58   | <b>Tier 2 capital</b>                                      | <b>27,432</b>      | <b>28,974</b>      |
| 59   | <b>Total capital</b>                                       | <b>178,776</b>     | <b>182,371</b>     |
|      | <b>Capital ratios</b>                                      | <b>%</b>           | <b>%</b>           |
| 61   | Common equity tier 1 ratio                                 | 14.1               | 14.9               |
| 62   | Tier 1 ratio                                               | 16.7               | 17.3               |
| 63   | <b>Total capital ratio</b>                                 | <b>19.7</b>        | <b>20.5</b>        |

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

At 30 June 2026, our CET1 capital ratio decreased to 14.1% from 14.9% at 31 December 2025, driven by a decrease in CET1 capital of \$4.9bn and an increase in RWAs of \$17.8bn. The overall decrease in our CET1 ratio during the period was primarily due to:

- a 1.1 percentage point decrease due to the impact of strategic transactions, mainly the privatisation of Hang Seng Bank;
- a 0.5 percentage point decrease due to higher RWAs excluding foreign exchange translation differences, mainly from asset size, partly offset by methodology and policy changes;

- a 0.1 percentage point decrease mainly due to a fall in the fair value of hold-to-collect-and-sell debt instruments, following higher yields; and
- a 0.9 percentage point increase in CET1 capital generation, mainly through regulatory profits net of dividends.

At 30 June 2026, our Pillar 2A requirement was equivalent to \$23.0bn of RWAs, as per the PRA's Individual Capital Requirement of 2.5% based on a point-in-time assessment, of which 1.4% was met by CET1 capital. Throughout the first half of 2026, we complied with the PRA's regulatory capital adequacy requirements.

## Risk-weighted assets

### RWAs by business segment

|                          | Hong Kong<br>\$bn | UK<br>\$bn   | CIB<br>\$bn  | IWPB<br>\$bn | Corporate Centre<br>\$bn | Total RWAs<br>\$bn |
|--------------------------|-------------------|--------------|--------------|--------------|--------------------------|--------------------|
| Credit risk              | 116.0             | 134.9        | 295.1        | 70.9         | 91.0                     | 707.9              |
| Counterparty credit risk | 0.1               | 0.1          | 45.6         | 1.0          | 1.5                      | 48.3               |
| Market risk              | 0.2               | 0.1          | 23.3         | 0.1          | 6.9                      | 30.6               |
| Operational risk         | 23.7              | 21.4         | 62.3         | 17.3         | (5.1)                    | 119.6              |
| <b>At 30 Jun 2026</b>    | <b>140.0</b>      | <b>156.5</b> | <b>426.3</b> | <b>89.3</b>  | <b>94.3</b>              | <b>906.4</b>       |
| At 31 Dec 2025           | 136.2             | 149.6        | 415.4        | 89.9         | 97.5                     | 888.6              |

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

|                          | HSBC UK Bank plc<br>\$bn | HSBC Bank plc<br>\$bn | The Hongkong and Shanghai Banking Corporation Limited<br>\$bn | HSBC Bank Middle East Limited<br>\$bn | HSBC North America Holdings Inc.<br>\$bn | Grupo Financiero HSBC, S.A. de C.V.<br>\$bn | Other trading entities<br>\$bn | Holding companies, shared service centres and intra-Group eliminations<br>\$bn | Total RWAs<br>\$bn |
|--------------------------|--------------------------|-----------------------|---------------------------------------------------------------|---------------------------------------|------------------------------------------|---------------------------------------------|--------------------------------|--------------------------------------------------------------------------------|--------------------|
| Credit risk              | 140.7                    | 68.2                  | 330.4                                                         | 20.4                                  | 63.5                                     | 24.3                                        | 49.5                           | 10.9                                                                           | 707.9              |
| Counterparty credit risk | 0.3                      | 27.2                  | 12.4                                                          | 0.9                                   | 4.0                                      | 0.7                                         | 2.8                            | —                                                                              | 48.3               |
| Market risk <sup>2</sup> | 0.2                      | 26.2                  | 17.4                                                          | 3.0                                   | 2.5                                      | 0.6                                         | 1.5                            | 1.5                                                                            | 30.6               |
| Operational risk         | 23.8                     | 23.0                  | 63.1                                                          | 5.1                                   | 8.3                                      | 6.3                                         | 5.8                            | (15.8)                                                                         | 119.6              |
| <b>At 30 Jun 2026</b>    | <b>165.0</b>             | <b>144.6</b>          | <b>423.3</b>                                                  | <b>29.4</b>                           | <b>78.3</b>                              | <b>31.9</b>                                 | <b>59.6</b>                    | <b>(3.4)</b>                                                                   | <b>906.4</b>       |
| At 31 Dec 2025           | 158.0                    | 146.0                 | 411.8                                                         | 27.2                                  | 74.0                                     | 32.5                                        | 57.0                           | 2.1                                                                            | 888.6              |

<sup>1</sup> Balances are on a third-party Group consolidated basis.

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

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

|                                         | Credit risk, counterparty credit risk and operational risk |                            |                                                                    |                               |                                  |                                     |                        |                                                                        |              |              |
|-----------------------------------------|------------------------------------------------------------|----------------------------|--------------------------------------------------------------------|-------------------------------|----------------------------------|-------------------------------------|------------------------|------------------------------------------------------------------------|--------------|--------------|
|                                         | HSBC UK Bank plc                                           | HSBC Bank plc <sup>2</sup> | The Hongkong and Shanghai Banking Corporation Limited <sup>2</sup> | HSBC Bank Middle East Limited | HSBC North America Holdings Inc. | Grupo Financiero HSBC, S.A. de C.V. | Other trading entities | Holding companies, shared service centres and intra-Group eliminations | Market risk  | Total RWAs   |
|                                         | \$bn                                                       | \$bn                       | \$bn                                                               | \$bn                          | \$bn                             | \$bn                                | \$bn                   | \$bn                                                                   | \$bn         | \$bn         |
| <b>RWAs at 1 Jan 2026</b>               | <b>157.9</b>                                               | <b>121.1</b>               | <b>392.9</b>                                                       | <b>24.8</b>                   | <b>71.2</b>                      | <b>31.9</b>                         | <b>54.9</b>            | <b>(4.6)</b>                                                           | <b>38.5</b>  | <b>888.6</b> |
| Asset size                              | 6.9                                                        | 3.7                        | 20.5                                                               | 1.5                           | 3.3                              | (1.3)                               | 3.8                    | 0.6                                                                    | (7.8)        | 31.2         |
| Asset quality                           | 1.9                                                        | 0.5                        | (3.9)                                                              | 0.3                           | 1.7                              | —                                   | (0.2)                  | —                                                                      | —            | 0.3          |
| Model updates                           | 0.4                                                        | 0.2                        | (0.5)                                                              | —                             | —                                | —                                   | —                      | —                                                                      | —            | 0.1          |
| Methodology and policy                  | (0.3)                                                      | (3.9)                      | 0.3                                                                | (0.2)                         | (0.4)                            | (0.1)                               | —                      | (0.8)                                                                  | (0.1)        | (5.5)        |
| Acquisitions and disposals <sup>2</sup> | —                                                          | (1.5)                      | (2.1)                                                              | —                             | —                                | —                                   | —                      | —                                                                      | —            | (3.6)        |
| Foreign exchange movements <sup>3</sup> | (2.0)                                                      | (1.7)                      | (1.3)                                                              | —                             | —                                | 0.8                                 | (0.4)                  | (0.1)                                                                  | —            | (4.7)        |
| <b>Total RWA movement</b>               | <b>6.9</b>                                                 | <b>(2.7)</b>               | <b>13.0</b>                                                        | <b>1.6</b>                    | <b>4.6</b>                       | <b>(0.6)</b>                        | <b>3.2</b>             | <b>(0.3)</b>                                                           | <b>(7.9)</b> | <b>17.8</b>  |
| <b>RWAs at 30 Jun 2026</b>              | <b>164.8</b>                                               | <b>118.4</b>               | <b>405.9</b>                                                       | <b>26.4</b>                   | <b>75.8</b>                      | <b>31.3</b>                         | <b>58.1</b>            | <b>(4.9)</b>                                                           | <b>30.6</b>  | <b>906.4</b> |

## RWA movement by business segment by key driver

|                                         | Credit risk, counterparty credit risk and operational risk |       |       |                   |                               | Market risk | Total RWAs |
|-----------------------------------------|------------------------------------------------------------|-------|-------|-------------------|-------------------------------|-------------|------------|
|                                         | Hong Kong                                                  | UK    | CIB   | IWPB <sup>2</sup> | Corporate Centre <sup>2</sup> |             |            |
|                                         | \$bn                                                       | \$bn  | \$bn  | \$bn              | \$bn                          |             |            |
| RWAs at 1 Jan 2026                      | 135.6                                                      | 149.6 | 390.9 | 89.6              | 84.4                          | 38.5        | 888.6      |
| Asset size                              | 6.2                                                        | 6.1   | 20.7  | 0.5               | 5.5                           | (7.8)       | 31.2       |
| Asset quality                           | (2.8)                                                      | 2.3   | 1.2   | (0.3)             | (0.1)                         | —           | 0.3        |
| Model updates                           | (0.5)                                                      | 0.4   | 0.2   | —                 | —                             | —           | 0.1        |
| Methodology and policy                  | 1.8                                                        | (0.1) | (6.7) | 0.5               | (0.9)                         | (0.1)       | (5.5)      |
| Acquisitions and disposals <sup>2</sup> | —                                                          | —     | (0.9) | (1.1)             | (1.6)                         | —           | (3.6)      |
| Foreign exchange movements <sup>3</sup> | (0.5)                                                      | (1.9) | (2.4) | —                 | 0.1                           | —           | (4.7)      |
| Total RWA movement                      | 4.2                                                        | 6.8   | 12.1  | (0.4)             | 3.0                           | (7.9)       | 17.8       |
| RWAs at 30 Jun 2026                     | 139.8                                                      | 156.4 | 403.0 | 89.2              | 87.4                          | 30.6        | 906.4      |

- Balances are on a third-party Group consolidated basis.
- Includes changes in the allocation of \$0.5bn significant investment RWAs from HSBC Bank plc to The Hongkong and Shanghai Banking Corporation Limited, following the disposal of the UK life insurance business.
- Credit risk foreign exchange movements in this disclosure are computed by retranslating the RWAs into US dollars based on the underlying transactional currencies and other movements in the table are presented on a constant currency basis.

During the first half of the year, RWAs increased by \$17.8bn, mainly driven by asset size movements in credit risk RWAs, partly offset by a decrease in market risk RWAs. Additionally there were decreases in RWAs due to methodology and policy changes, foreign currency translation differences and strategic transactions.

### Asset size

In CIB, RWAs increased by \$20.7bn, largely reflecting lending growth in Asia and the US, higher securities financing transactions and derivatives driven by growth in client business, and increased mark to market movements in HSBC Bank plc and Asia.

In our Hong Kong business segment, RWAs increased by \$6.2bn due to higher corporate and retail lending.

In our UK business segment, RWAs rose by \$6.1bn, primarily due to continued growth in corporate lending and retail mortgages.

In Corporate Centre, RWAs increased by \$5.5bn, mainly driven by higher corporate lending in SAB and an increase in the value of recognised significant investments in financial sector entities.

Market risk RWAs decreased by \$7.8bn largely due to the impact of approximately \$7bn from the reversal of foreign exchange ('FX') hedges associated with the privatisation of Hang Seng Bank.

### Asset quality

The \$0.3bn increase in RWAs resulted from portfolio mix changes, credit risk migrations in our UK business and credit quality changes to our securitisation exposures in CIB, offset by credit quality improvements and portfolio mix changes in our Hong Kong business.

### Acquisitions and disposals

RWAs decreased by \$3.6bn as a result of increased threshold deductions from CET1 capital due to the privatisation of Hang Seng Bank and the sales of our business in South Africa and our retail banking business in Sri Lanka.

### Methodology and policy

The \$5.5bn decrease in RWAs was primarily due to credit risk parameter changes, including methodology changes to our undrawn exposures within our CIB business. This was partly offset by risk parameter updates in our Hong Kong business.

## Leverage ratio

|                               | At          |             |
|-------------------------------|-------------|-------------|
|                               | 30 Jun 2026 | 31 Dec 2025 |
|                               | \$bn        | \$bn        |
| Tier 1 capital (leverage)     | 151.3       | 153.4       |
| Total leverage ratio exposure | 3,076.2     | 2,877.1     |
|                               | %           | %           |
| Leverage ratio                | 4.9         | 5.3         |

Our leverage ratio was 4.9% at 30 June 2026, down from 5.3% at 31 December 2025. The increase in leverage exposures, driven by growth in the balance sheet, led to a 0.3 percentage point fall in the leverage ratio. This was further compounded by a 0.1 percentage point impact from lower tier 1 capital.

At 30 June 2026, our UK minimum leverage ratio requirement was 3.25%, with an additional buffer of 1.0%, comprising a 0.7% additional leverage ratio buffer and a 0.3% countercyclical leverage ratio buffer. These buffers translated into capital values of \$21.5bn and \$9.2bn respectively. We exceeded these leverage requirements throughout 1H26.



## Liquidity and funding risk in the first half of 2026

### Liquidity metrics

At 30 June 2026, all of the Group's material operating entities were above the required regulatory minimum liquidity and funding levels.

There have been no material changes to liquidity and funding risk methodology in the first half of 2026. See page 161 of our Annual Report and Accounts 2025 for further details.

#### Operating entities' liquidity

|                                                                                       | At 30 Jun 2026        |              |                      |                        | At 31 Dec 2025        |              |                      |                        |
|---------------------------------------------------------------------------------------|-----------------------|--------------|----------------------|------------------------|-----------------------|--------------|----------------------|------------------------|
|                                                                                       | LCR <sup>1</sup><br>% | HQLA<br>\$bn | Net outflows<br>\$bn | NSFR <sup>1</sup><br>% | LCR <sup>1</sup><br>% | HQLA<br>\$bn | Net outflows<br>\$bn | NSFR <sup>1</sup><br>% |
| HSBC UK Bank plc (ring-fenced bank) <sup>2</sup>                                      | 160                   | 121          | 75                   | 143                    | 175                   | 124          | 71                   | 146                    |
| HSBC Bank plc (non-ring-fenced bank) <sup>3</sup>                                     | 139                   | 150          | 107                  | 112                    | 148                   | 145          | 99                   | 114                    |
| The Hongkong and Shanghai Banking Corporation Limited – Hong Kong branch <sup>4</sup> | 167                   | 168          | 101                  | 119                    | 189                   | 170          | 90                   | 125                    |
| HSBC Singapore <sup>5</sup>                                                           | 203                   | 36           | 18                   | 153                    | 228                   | 37           | 16                   | 168                    |
| Hang Seng Bank                                                                        | 288                   | 63           | 22                   | 180                    | 322                   | 64           | 20                   | 184                    |
| HSBC Bank China                                                                       | 229                   | 30           | 13                   | 170                    | 203                   | 26           | 13                   | 153                    |
| HSBC Bank USA                                                                         | 166                   | 82           | 50                   | 123                    | 167                   | 84           | 50                   | 129                    |
| HSBC Continental Europe                                                               | 151                   | 107          | 71                   | 156                    | 147                   | 100          | 68                   | 148                    |
| HSBC Bank Middle East Ltd – UAE branch                                                | 233                   | 17           | 7                    | 154                    | 232                   | 16           | 7                    | 152                    |
| HSBC Bank Mexico                                                                      | 170                   | 9            | 5                    | 116                    | 166                   | 9            | 5                    | 110                    |

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

### Consolidated liquidity metrics

#### Liquidity coverage ratio

At 30 June 2026, the average HQLA held at entity level amounted to \$867bn (31 December 2025: \$862bn), an increase of \$5bn. The Group consolidation methodology includes a deduction to reflect the impact of limitations in the transferability of entity liquidity around the Group. This resulted in an adjustment of \$153bn to liquidity coverage ratio ('LCR') HQLA and \$5bn to LCR inflows on an average basis.

|                                                   | At <sup>1</sup>     |                     |                     |
|---------------------------------------------------|---------------------|---------------------|---------------------|
|                                                   | 30 Jun 2026<br>\$bn | 30 Jun 2025<br>\$bn | 31 Dec 2025<br>\$bn |
| High-quality liquid assets (in entities)          | 867                 | 833                 | 862                 |
| Group LCR HQLA <sup>2</sup>                       | 714                 | 678                 | 702                 |
| Net outflows <sup>2</sup>                         | 535                 | 486                 | 512                 |
| Liquidity coverage ratio (%)                      | 134                 | 140                 | 137                 |
| Adjustment for transfer restrictions <sup>2</sup> | (158)               | (161)               | (165)               |

- Group LCR numbers above are based on average month-end values of the preceding 12 months.
- These include a total adjustment for transfer restrictions on a 12-month average basis of \$158bn as at 30 June 2026, of which a \$153bn deduction applied to LCR HQLA and \$5bn to LCR inflows.

#### Liquid assets

After the \$153bn adjustment, the Group LCR HQLA of \$714bn (31 December 2025: \$702bn) was held in a range of asset classes and currencies. Of these, 97% were eligible as Level 1 (31 December 2025: 97%).

The following tables reflect the composition of the liquidity pool by asset type and currency at 30 June 2026.

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

|                                                               | Liquidity pool<br>\$bn | Level 1 <sup>2</sup><br>\$bn | Level 2 <sup>2</sup><br>\$bn |
|---------------------------------------------------------------|------------------------|------------------------------|------------------------------|
| Cash and balance at central bank                              | 235                    | 235                          | —                            |
| Central and local government bonds                            | 434                    | 424                          | 10                           |
| Regional government and public sector entities                | 2                      | 2                            | —                            |
| International organisation and multilateral development banks | 31                     | 31                           | —                            |
| Covered bonds                                                 | 9                      | 2                            | 7                            |
| Other                                                         | 3                      | —                            | 3                            |
| <b>Total at 30 Jun 2026</b>                                   | <b>714</b>             | <b>694</b>                   | <b>20</b>                    |
| Total at 31 Dec 2025                                          | 702                    | 682                          | 20                           |

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

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

|                                      | \$<br>\$bn | £<br>\$bn  | €<br>\$bn  | HK\$<br>\$bn | Other<br>\$bn | Total<br>\$bn |
|--------------------------------------|------------|------------|------------|--------------|---------------|---------------|
| <b>Liquidity pool at 30 Jun 2026</b> | <b>240</b> | <b>156</b> | <b>146</b> | <b>50</b>    | <b>122</b>    | <b>714</b>    |
| Liquidity pool at 31 Dec 2025        | 232        | 170        | 136        | 43           | 121           | 702           |

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

## Sources of funding

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

### Funding sources

|                                                                                                 | At          |             |
|-------------------------------------------------------------------------------------------------|-------------|-------------|
|                                                                                                 | 30 Jun 2026 | 31 Dec 2025 |
|                                                                                                 | \$m         | \$m         |
| Customer accounts                                                                               | 1,827,703   | 1,786,828   |
| Deposits by banks                                                                               | 91,401      | 97,952      |
| Repurchase agreements – non-trading                                                             | 276,266     | 204,974     |
| Debt securities in issue                                                                        | 105,027     | 99,675      |
| Cash collateral, margin, settlement accounts and items in course of transmission to other banks | 134,798     | 91,087      |
| Liabilities of disposal groups held for sale                                                    | 30,097      | 23,382      |
| Subordinated liabilities                                                                        | 27,872      | 28,406      |
| Financial liabilities designated at fair value                                                  | 173,751     | 158,456     |
| Insurance contract liabilities                                                                  | 130,053     | 122,955     |
| Trading liabilities                                                                             | 86,363      | 72,122      |
| – repos                                                                                         | 10,840      | 13,113      |
| – stock lending                                                                                 | 15,482      | 6,250       |
| – other trading liabilities                                                                     | 60,041      | 52,759      |
| Total equity                                                                                    | 197,081     | 205,666     |
| Other balance sheet liabilities                                                                 | 357,749     | 341,531     |
|                                                                                                 | 3,438,161   | 3,233,034   |

In 1H26, the level of customer accounts continued to exceed the level of loans and advances to customers. The positive funding gap was predominantly deployed in liquid assets.

► See page 162 of our Annual Report and Accounts 2025 for further details.

### Funding uses

|                                                                                                 | At          |             |
|-------------------------------------------------------------------------------------------------|-------------|-------------|
|                                                                                                 | 30 Jun 2026 | 31 Dec 2025 |
|                                                                                                 | \$m         | \$m         |
| Loans and advances to customers                                                                 | 1,022,105   | 988,399     |
| Loans and advances to banks                                                                     | 110,529     | 108,462     |
| Reverse repurchase agreements – non-trading                                                     | 311,871     | 298,392     |
| Cash collateral, margin, settlement accounts and items in course of collection from other banks | 120,077     | 87,667      |
| Assets held for sale                                                                            | 22,732      | 11,115      |
| Trading assets                                                                                  | 423,987     | 366,153     |
| – reverse repos                                                                                 | 19,022      | 18,449      |
| – stock borrowing                                                                               | 16,255      | 14,947      |
| – other trading assets                                                                          | 388,710     | 332,757     |
| Financial investments                                                                           | 604,759     | 567,211     |
| Cash and balances with central banks                                                            | 227,800     | 242,859     |
| Other balance sheet assets                                                                      | 594,301     | 562,776     |
|                                                                                                 | 3,438,161   | 3,233,034   |

## Interest rate risk in the banking book in 2026

### Banking net interest income sensitivity

Banking NII sensitivity is the sensitivity of our banking net interest income to interest rate shocks. There have been no changes to our methodology or basis of preparation for the calculation of banking NII sensitivity in the first half of 2026. For details, see page 164 of our Annual Report and Accounts 2025. For further details on banking NII, see page 23.

The following tables set out the assessed impact to a hypothetical base case projection of our banking NII under an immediate shock of 100bps to the current market-implied path of interest rates across all currencies on 30 June 2026.

An immediate interest rate rise of 100bps would increase projected banking NII by \$2.0bn. An immediate interest rate fall of 100bps would decrease projected banking NII by \$3.0bn.

The sensitivity of banking NII to a 100bps parallel down shock for the 12 months starting 30 June 2026 decreased by \$0.4bn when compared with 31 December 2025. The decrease in banking NII sensitivity was primarily due to additional stabilisation activities in line with our strategy and the reduced effects of flooring on deposits due to higher expected market rates, partly offset by deposit growth.

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

|                                                                               | Currency |       |       |       |         |         |
|-------------------------------------------------------------------------------|----------|-------|-------|-------|---------|---------|
|                                                                               | \$       | HK\$  | £     | €     | Other   | Total   |
|                                                                               | \$m      | \$m   | \$m   | \$m   | \$m     | \$m     |
| <b>Change in Jul 2026 to Jun 2027 (based on balance sheet at 30 Jun 2026)</b> |          |       |       |       |         |         |
| +100bps parallel                                                              | 666      | 25    | 352   | 12    | 947     | 2,002   |
| -100bps parallel                                                              | (1,019)  | (323) | (526) | (42)  | (1,087) | (2,997) |
| <b>Change in Jan 2026 to Dec 2026 (based on balance sheet at 31 Dec 2025)</b> |          |       |       |       |         |         |
| +100bps parallel                                                              | 798      | 310   | 351   | 91    | 871     | 2,421   |
| -100bps parallel                                                              | (1,184)  | (606) | (499) | (129) | (971)   | (3,389) |

### Banking NII sensitivity to an instantaneous down 100bps parallel change in yield curves – Year 2 and Year 3 sensitivity by currency

|                                                                      | Currency |       |         |       |         |         |
|----------------------------------------------------------------------|----------|-------|---------|-------|---------|---------|
|                                                                      | \$       | HK\$  | £       | €     | Other   | Total   |
|                                                                      | \$m      | \$m   | \$m     | \$m   | \$m     | \$m     |
| <b>Change in banking NII (based on balance sheet at 30 Jun 2026)</b> |          |       |         |       |         |         |
| Year 2 (Jul 2027 to Jun 2028)                                        | (1,241)  | (518) | (881)   | (168) | (1,501) | (4,308) |
| Year 3 (Jul 2028 to Jun 2029)                                        | (1,636)  | (796) | (1,208) | (229) | (1,622) | (5,490) |
| <b>Change in banking NII (based on balance sheet at 31 Dec 2025)</b> |          |       |         |       |         |         |
| Year 2 (Jan 2027 to Dec 2027)                                        | (1,327)  | (745) | (849)   | (223) | (1,331) | (4,475) |
| Year 3 (Jan 2028 to Dec 2028)                                        | (1,559)  | (906) | (1,275) | (274) | (1,499) | (5,513) |

## Non-trading portfolios

### Value at risk of the non-trading portfolios

Non-trading portfolios comprise positions that primarily arise from the interest rate management of our retail and wholesale banking assets and liabilities, financial investments measured at fair value through other comprehensive income ('FVOCI') or at amortised cost.

A summary of the methodology for our value at risk ('VaR') of non-trading portfolios can be found on page 165 of our Annual Report and Accounts 2025.

#### Non-trading VaR, 99% 10 day

|                                 | Interest rate<br>\$m | Credit spread<br>\$m | Portfolio diversification <sup>1</sup><br>\$m | Total <sup>2</sup><br>\$m |
|---------------------------------|----------------------|----------------------|-----------------------------------------------|---------------------------|
| <b>Half-year to 30 Jun 2026</b> | <b>427.3</b>         | <b>144.9</b>         | <b>(92.6)</b>                                 | <b>479.5</b>              |
| Average                         | 464.8                | 148.1                | (106.3)                                       | 506.6                     |
| Maximum                         | 518.7                | 155.8                |                                               | 581.0                     |
| Minimum                         | 415.8                | 141.5                |                                               | 449.1                     |
| Half-year to 30 Jun 2025        | 446.6                | 217.5                | (118.8)                                       | 545.3                     |
| Average                         | 455.4                | 207.1                | (126.7)                                       | 535.8                     |
| Maximum                         | 575.3                | 240.0                |                                               | 617.5                     |
| Minimum                         | 378.9                | 181.3                |                                               | 458.0                     |
| Half year to 31 Dec 2025        | 499.6                | 149.6                | (102.5)                                       | 546.6                     |
| Average                         | 474.6                | 175.1                | (105.4)                                       | 544.4                     |
| Maximum                         | 525.2                | 254.6                |                                               | 588.4                     |
| Minimum                         | 419.8                | 93.9                 |                                               | 482.7                     |

- Portfolio diversification is the market risk dispersion effect of holding a portfolio containing different risk types. It represents the reduction in unsystematic market risk that occurs when combining a number of different risk types – such as interest rate and credit spreads – together in one portfolio. It is measured as the difference between the sum of the VaR by individual risk type and the combined total VaR. A negative number represents the benefit of portfolio diversification. As the maximum and minimum occurs on different days for different risk types, it is not meaningful to calculate a portfolio diversification benefit for these measures.
- The total VaR is non-additive across risk types due to diversification effects.

Non-trading VaR excludes equity risk on securities held at fair value, non-trading book foreign exchange risk, insurance operations and the risks managed in HSBC Holdings arising from long-term capital issuance. Details on insurance operations can be found on page 77 of this Interim Report, and the market risk impact of insurance operations on page 184 of our Annual Report and Accounts 2025. HSBC's management of market risk in the non-trading book is described in 'Treasury risk' on page 156 of the Annual Report and Accounts 2025.

The VaR for non-trading activity decreased to \$479.5m at 30 June 2026, compared with \$546.6m at 31 December 2025 driven by a reduction in duration risk exposures in Global Treasury.

The Group non-trading VaR for the half-year to 30 June 2026 is shown in the following table.

We continued to manage market risk prudently in the first half of 2026. Main sensitivity exposures and VaR remained within limits as the business pursued its core market-making activity in support of our customers. We employed stress-testing tools to assess a range of geopolitical and technical scenarios that were relevant during the first half of the year.

## Trading portfolios

### Value at risk of the trading portfolios

Trading VaR was predominantly generated by Markets and Securities Services. As of 30 June 2026, trading VaR stood at \$50.0m, an increase from \$38.9m at 31 December 2025. Trading VaR was mainly driven by exposures to interest rate and foreign exchange risk factors related to facilitation of client-driven activity. Trading VaR peaked at \$58.4m in April 2026 driven by exposures to interest rates for major currencies and to precious metals. VaR increased during the first half of 2026 as a result of more volatile scenarios from March, April entering the VaR scenario window and an uplift of exposures across most asset classes. The Group trading VaR for the half-year is shown in the table below.

## Market risk

### Overview

Market risk is the risk of an adverse financial impact on trading activities arising from changes in market parameters, such as interest rates, foreign exchange rates, asset prices, volatilities, correlations and credit spreads. Exposure to market risk is separated into two portfolios: trading portfolios and non-trading portfolios.

### Market risk in the first half of 2026

There were no material changes to the policies and practices for the management of market risk in the first half of 2026.

- ▶ A summary of our current policies and practices for the management of market risk is set out in 'Market risk management' on page 167 of the Annual Report and Accounts 2025.

## Trading VaR, 99% 1 day

|                                 | Foreign exchange and commodity<br>\$m | Interest rate<br>\$m | Equity<br>\$m | Credit spread<br>\$m | Portfolio diversification <sup>1</sup><br>\$m | Total <sup>2</sup><br>\$m |
|---------------------------------|---------------------------------------|----------------------|---------------|----------------------|-----------------------------------------------|---------------------------|
| <b>Half-year to 30 Jun 2026</b> | <b>10.9</b>                           | <b>28.3</b>          | <b>22.8</b>   | <b>8.6</b>           | <b>(20.6)</b>                                 | <b>50.0</b>               |
| Average                         | 17.0                                  | 26.5                 | 17.1          | 10.0                 | (27.9)                                        | 42.7                      |
| Maximum                         | 31.2                                  | 36.7                 | 22.8          | 16.1                 |                                               | 58.4                      |
| Minimum                         | 10.9                                  | 18.2                 | 14.0          | 6.2                  |                                               | 31.5                      |
| Half-year to 30 Jun 2025        | 11.2                                  | 20.5                 | 18.2          | 13.1                 | (28.3)                                        | 34.6                      |
| Average                         | 14.7                                  | 31.4                 | 15.6          | 11.3                 | (34.3)                                        | 38.8                      |
| Maximum                         | 26.9                                  | 54.9                 | 20.9          | 17.9                 |                                               | 57.1                      |
| Minimum                         | 7.0                                   | 18.7                 | 12.3          | 6.4                  |                                               | 27.3                      |
| Half-year to 31 Dec 2025        | 13.9                                  | 18.9                 | 17.1          | 8.5                  | (19.5)                                        | 38.9                      |
| Average                         | 12.6                                  | 23.9                 | 17.0          | 9.0                  | (24.1)                                        | 38.3                      |
| Maximum                         | 21.7                                  | 32.1                 | 24.6          | 15.4                 |                                               | 50.3                      |
| Minimum                         | 6.2                                   | 17.1                 | 13.5          | 6.4                  |                                               | 32.3                      |

1 See page 75 for our definition of portfolio diversification.

2 The total VaR is non-additive across risk types due to diversification effects.

The table below shows trading VaR at a 99% confidence level compared with trading VaR at a 95% confidence level at 30 June 2026.

This comparison facilitates the benchmarking of the trading VaR, which can be stated at different confidence levels, with financial institution peers. The 95% VaR is unaudited.

## Comparison of trading VaR, 99% 1 day vs trading VaR, 95% 1 day

|                                 | Trading VaR,<br>99% 1 day<br>\$m | Trading VaR,<br>95% 1 day<br>\$m |
|---------------------------------|----------------------------------|----------------------------------|
| <b>Half-year to 30 Jun 2026</b> | <b>50.0</b>                      | <b>29.0</b>                      |
| Average                         | 42.7                             | 25.2                             |
| Maximum                         | 58.4                             | 31.9                             |
| Minimum                         | 31.5                             | 18.9                             |
| Half-year to 30 Jun 2025        | 34.6                             | 22.2                             |
| Average                         | 38.8                             | 24.5                             |
| Maximum                         | 57.1                             | 31.4                             |
| Minimum                         | 27.3                             | 18.5                             |
| Half-year to 31 Dec 2025        | 38.9                             | 21.0                             |
| Average                         | 38.3                             | 22.3                             |
| Maximum                         | 50.3                             | 29.0                             |
| Minimum                         | 32.3                             | 18.1                             |

## Back-testing

We routinely validate the accuracy of our VaR models by back-testing the model against both actual and hypothetical profit and loss. Hypothetical profit and loss excludes non-modelled items such as fees, commissions and revenue from intra-day transactions. The hypothetical profit and loss reflects the profit and loss that would be realised if positions were held constant from the end of one trading day to the end of the next. This measure of profit and loss does not align with how risk is dynamically hedged and is not, therefore, necessarily indicative of the actual performance of the business.

The number of hypothetical loss back-testing exceptions, together with a number of other indicators, is used to assess model performance and to consider whether enhanced internal monitoring of the VaR model is required. We back-test our VaR at levels of our Group entity hierarchy.

During the first half of 2026, the Group experienced two back-testing exceptions against hypothetical losses and one back-testing exception against actual losses. The back-testing exceptions against hypothetical losses were attributable to interest rate volatility resulting from the conflict in the Middle East. The back-testing exception against actual losses arose from periodic fair value adjustments, notably for a widening of bid-offer spreads.

## Insurance manufacturing operations risk

### Insurance manufacturing operations risk in the first half of 2026

There have been no material changes to the policies and practices for the management of risks arising in our insurance operations described on page 182 of the Annual Report and Accounts 2025.

The following tables show the composition of the fair value of underlying items of the Group's participating contracts at the reporting date and by the following type of contract:

- 'Life direct participating and investment discretionary participation feature ('DPF') contracts' are life direct participating contracts and investment contracts with DPF. These are substantially measured under the variable fee approach measurement model.
- 'Life other contracts' are measured under the general measurement model and mainly include protection insurance contracts as well as reinsurance contracts. The reinsurance contracts primarily provide diversification benefits over the life direct participating and investment DPF contracts.
- 'Other contracts' includes investment contracts for which HSBC does not bear significant insurance risk.

#### Balance sheet of insurance manufacturing subsidiaries by type of contract

|                                                                                                       | Life direct participating and investment DPF contracts | Life other contracts | Other contracts | Shareholder assets and liabilities | Total          |
|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------|----------------------|-----------------|------------------------------------|----------------|
|                                                                                                       | \$m                                                    | \$m                  | \$m             | \$m                                | \$m            |
| Financial assets                                                                                      | 115,233                                                | 5,704                | 5,538           | 5,984                              | 132,459        |
| – financial assets designated and otherwise mandatorily measured at fair value through profit or loss | 109,463                                                | 5,350                | 4,217           | 58                                 | 119,088        |
| – derivatives                                                                                         | 126                                                    | 12                   | 4               | 4                                  | 146            |
| – financial investments – at amortised cost                                                           | 579                                                    | 122                  | 1,002           | 4,165                              | 5,868          |
| – financial assets at fair value through other comprehensive income                                   | —                                                      | —                    | 6               | 187                                | 193            |
| – other financial assets                                                                              | 5,065                                                  | 220                  | 309             | 1,570                              | 7,164          |
| Insurance contract assets                                                                             | —                                                      | 92                   | —               | —                                  | 92             |
| Reinsurance contract assets                                                                           | —                                                      | 8,302                | —               | —                                  | 8,302          |
| Assets held for sale <sup>1</sup>                                                                     | 10,832                                                 | 329                  | 196             | 221                                | 11,578         |
| Other assets and investment properties                                                                | 1,740                                                  | 64                   | 37              | 2,910                              | 4,751          |
| <b>Total assets at 30 Jun 2026</b>                                                                    | <b>127,805</b>                                         | <b>14,491</b>        | <b>5,771</b>    | <b>9,115</b>                       | <b>157,182</b> |
| Liabilities under investment contracts designated at fair value                                       | —                                                      | —                    | 5,113           | —                                  | 5,113          |
| Insurance contract liabilities                                                                        | 123,261                                                | 5,298                | —               | —                                  | 128,559        |
| Reinsurance contract liabilities                                                                      | —                                                      | 343                  | —               | —                                  | 343            |
| Liabilities of disposal groups held for sale <sup>1</sup>                                             | 10,340                                                 | 476                  | —               | 456                                | 11,272         |
| Other liabilities                                                                                     | —                                                      | —                    | —               | 5,609                              | 5,609          |
| <b>Total liabilities</b>                                                                              | <b>133,601</b>                                         | <b>6,117</b>         | <b>5,113</b>    | <b>6,065</b>                       | <b>150,896</b> |
| <b>Total equity</b>                                                                                   | <b>—</b>                                               | <b>—</b>             | <b>—</b>        | <b>6,286</b>                       | <b>6,286</b>   |
| <b>Total liabilities and equity at 30 Jun 2026</b>                                                    | <b>133,601</b>                                         | <b>6,117</b>         | <b>5,113</b>    | <b>12,351</b>                      | <b>157,182</b> |
| Financial assets                                                                                      | 111,078                                                | 5,277                | 5,672           | 5,405                              | 127,432        |
| – financial assets designated and otherwise mandatorily measured at fair value through profit or loss | 106,705                                                | 4,984                | 4,337           | 579                                | 116,605        |
| – derivatives                                                                                         | 136                                                    | 8                    | —               | —                                  | 144            |
| – financial investments – at amortised cost                                                           | 609                                                    | 115                  | 1,010           | 3,654                              | 5,388          |
| – financial assets at fair value through other comprehensive income                                   | —                                                      | —                    | 3               | 214                                | 217            |
| – other financial assets                                                                              | 3,628                                                  | 170                  | 322             | 958                                | 5,078          |
| Insurance contract assets                                                                             | 12                                                     | 98                   | —               | —                                  | 110            |
| Reinsurance contract assets                                                                           | —                                                      | 5,948                | —               | —                                  | 5,948          |
| Assets held for sale <sup>1</sup>                                                                     | 4,748                                                  | 258                  | 1,347           | 271                                | 6,624          |
| Other assets and investment properties                                                                | 1,785                                                  | 118                  | 45              | 2,696                              | 4,644          |
| <b>Total assets at 31 Dec 2025</b>                                                                    | <b>117,623</b>                                         | <b>11,699</b>        | <b>7,064</b>    | <b>8,372</b>                       | <b>144,758</b> |
| Liabilities under investment contracts designated at fair value                                       | —                                                      | —                    | 5,288           | —                                  | 5,288          |
| Insurance contract liabilities                                                                        | 117,107                                                | 4,761                | —               | —                                  | 121,868        |
| Reinsurance contract liabilities                                                                      | —                                                      | 680                  | —               | —                                  | 680            |
| Liabilities of disposal groups held for sale <sup>1</sup>                                             | 4,734                                                  | 234                  | —               | 1,418                              | 6,386          |
| Other liabilities                                                                                     | —                                                      | —                    | —               | 3,821                              | 3,821          |
| <b>Total liabilities</b>                                                                              | <b>121,841</b>                                         | <b>5,675</b>         | <b>5,288</b>    | <b>5,239</b>                       | <b>138,043</b> |
| <b>Total equity</b>                                                                                   | <b>—</b>                                               | <b>—</b>             | <b>—</b>        | <b>6,715</b>                       | <b>6,715</b>   |
| <b>Total liabilities and equity at 31 Dec 2025</b>                                                    | <b>121,841</b>                                         | <b>5,675</b>         | <b>5,288</b>    | <b>11,954</b>                      | <b>144,758</b> |

<sup>1</sup> HSBC Life (Singapore) Pte. Ltd. and HSBC Life Assurance (Malta) Ltd. are classified as held for sale at 30 June 2026. HSBC Life (UK) Limited was classified as held for sale at 31 December 2025.

► Further details are provided on page 102.

# Directors' responsibility statement

The Directors<sup>1</sup> are required to prepare the interim condensed consolidated financial statements on a going concern basis unless it is not appropriate. They are satisfied that the Group has the resources to continue in business for the foreseeable future and that the financial statements continue to be prepared on a going concern basis.

The Directors confirm that to the best of their knowledge:

- the financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board ('IASB') and as adopted by the UK and the European Union, and the Disclosure Guidance and Transparency Rules ('DTR') sourcebook of the UK's Financial Conduct Authority;
- this Interim Report 2026 gives a true, fair, balanced and understandable view of the assets, liabilities, financial position and profit or loss of the Company; and
- this Interim Report 2026 includes a fair review of the information required by:
  - DTR 4.2.7R, being an indication of: important events that have occurred during the first six months of the financial year ending 31 December 2026 and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
  - DTR 4.2.8R, being related party transactions that have taken place in the first six months of the financial year ending 31 December 2026, which have materially affected the financial position or performance of HSBC during that period; and any changes in the related party transactions described in the Annual Report and Accounts 2025 that could materially affect the financial position or performance of HSBC during the first six months of the financial year ending 31 December 2026.

On behalf of the Board

Brendan Nelson

**Group Chairman**

4 August 2026

<sup>1</sup> The Board of Directors of HSBC Holdings plc as at the date of this announcement comprises: Brendan Robert Nelson\*, Georges Bahjat Elhedery, Geraldine Joyce Buckingham†, Wei Sun Christianson†, Rachel Duan†, Dame Carolyn Julie Fairbairn†, James Anthony Forese†, Steven Craig Guggenheimer†, Manveen (Pam) Kaur, Dr José Antonio Meade Kuribreña†, Richard Henry Meddings†, Kalpana Jaisingh Morparia†, Eileen K Murray† and Swee Lian Teo†.

\* Non-executive Group Chairman

† Independent non-executive Director



# Independent review report to HSBC Holdings plc

## Report on the interim condensed consolidated financial statements

### Our conclusion

We have reviewed HSBC Holdings plc's interim condensed consolidated financial statements (the 'interim financial statements') in the Interim Report 2026 of HSBC Holdings plc for the six month period ended 30 June 2026 (the 'period').

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 ('IAS 34') 'Interim Financial Reporting' as issued by the International Accounting Standards Board ('IASB'), IAS 34 'Interim Financial Reporting' as adopted by the European Union ('EU'), and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the consolidated balance sheet as at 30 June 2026;
- the consolidated income statement and the consolidated statement of comprehensive income for the period then ended;
- the consolidated statement of cash flows for the period then ended; and
- the consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements<sup>1</sup>.

The interim financial statements included in the Interim Report 2026 of HSBC Holdings plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting', IAS 34 'Interim Financial Reporting' as issued by the IASB, IAS 34 'Interim Financial Reporting' as adopted by the EU and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

### Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ('ISRE (UK) 2410'). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim Report 2026 and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

### Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern.

### Our responsibilities and those of the directors for the interim financial statements and the review

The Interim Report 2026, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Interim Report 2026 in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Interim Report 2026, including the interim financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Interim Report 2026 based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report.

This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### PricewaterhouseCoopers LLP

Chartered Accountants  
London  
4 August 2026

<sup>1</sup> Certain notes to the interim financial statements have been presented elsewhere in the Interim Report, rather than in the notes to the interim financial statements. These are cross-referenced from the financial statements and are identified as '(Reviewed)'. The relevant disclosures are included in the 'Risk' section on pages 58 to 61.

# Interim condensed consolidated financial statements

## Consolidated income statement

|                                                                                                                                              | Notes <sup>*</sup> | Half-year to       |                    |
|----------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|
|                                                                                                                                              |                    | 30 Jun 2026<br>\$m | 30 Jun 2025<br>\$m |
| Net interest income                                                                                                                          |                    | 18,233             | 16,821             |
| – interest income                                                                                                                            |                    | 48,062             | 49,008             |
| – interest expense                                                                                                                           |                    | (29,829)           | (32,187)           |
| Net fee income                                                                                                                               | 2                  | 7,277              | 6,643              |
| – fee income                                                                                                                                 |                    | 9,553              | 8,640              |
| – fee expense                                                                                                                                |                    | (2,276)            | (1,997)            |
| Net income from financial instruments held for trading or managed on a fair value basis <sup>1</sup>                                         |                    | 10,520             | 10,547             |
| Net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss |                    | 6,105              | 5,113              |
| Insurance finance expense                                                                                                                    |                    | (5,838)            | (5,329)            |
| Insurance service result                                                                                                                     |                    | 1,033              | 785                |
| – insurance service revenue                                                                                                                  |                    | 1,647              | 1,511              |
| – insurance service expense                                                                                                                  |                    | (614)              | (726)              |
| Net losses relating to sale of business operations <sup>2</sup>                                                                              |                    | (433)              | (34)               |
| Other operating income/(expense) <sup>3</sup>                                                                                                |                    | 845                | (424)              |
| <b>Net operating income before change in expected credit losses and other credit impairment charges<sup>4</sup></b>                          |                    | <b>37,742</b>      | <b>34,122</b>      |
| Change in expected credit losses and other credit impairment charges                                                                         |                    | (2,353)            | (1,941)            |
| <b>Net operating income</b>                                                                                                                  |                    | <b>35,389</b>      | <b>32,181</b>      |
| Employee compensation and benefits                                                                                                           |                    | (9,685)            | (9,903)            |
| General and administrative expenses                                                                                                          |                    | (5,285)            | (4,894)            |
| Depreciation and impairment of property, plant and equipment and right-of-use assets                                                         |                    | (1,022)            | (955)              |
| Amortisation and impairment of intangible assets                                                                                             |                    | (1,434)            | (1,270)            |
| <b>Total operating expenses</b>                                                                                                              |                    | <b>(17,426)</b>    | <b>(17,022)</b>    |
| <b>Operating profit</b>                                                                                                                      |                    | <b>17,963</b>      | <b>15,159</b>      |
| Share of profit in associates and joint ventures                                                                                             |                    | 1,559              | 1,651              |
| Impairment of interest in associate <sup>3</sup>                                                                                             |                    | –                  | (1,000)            |
| <b>Profit before tax</b>                                                                                                                     |                    | <b>19,522</b>      | <b>15,810</b>      |
| Tax expense                                                                                                                                  |                    | (4,201)            | (3,369)            |
| <b>Profit after tax</b>                                                                                                                      |                    | <b>15,321</b>      | <b>12,441</b>      |
| Attributable to:                                                                                                                             |                    |                    |                    |
| – ordinary shareholders of the parent company                                                                                                |                    | 14,626             | 11,510             |
| – other equity holders                                                                                                                       |                    | 633                | 547                |
| – non-controlling interests                                                                                                                  |                    | 62                 | 384                |
| <b>Profit after tax</b>                                                                                                                      |                    | <b>15,321</b>      | <b>12,441</b>      |
|                                                                                                                                              |                    | \$                 | \$                 |
| Basic earnings per ordinary share                                                                                                            | 4                  | 0.85               | 0.65               |
| Diluted earnings per ordinary share                                                                                                          | 4                  | 0.85               | 0.65               |

1 The amount in 1H25 includes a \$0.1bn mark-to-market gain on interest rate hedging of the portfolio of retained loans post sale of our retail banking operations in France and a \$0.1bn fair value loss on Galicia's ADRs received as purchase consideration from the sale of our business in Argentina, which were disposed of in 2Q25.

2 Amounts in 1H26 include \$0.2bn from the recycling of foreign currency translation reserve losses arising on completion of the sale of our UK life insurance business, HSBC Life (UK) Limited, and \$0.3bn of disposal losses recognised upon the 'held for sale' classification of HSBC Continental Europe's shareholding in HSBC Bank Malta p.l.c.

3 The amount in 1H25 'Other operating (expense)/income' includes a loss of \$1.1bn inclusive of reserves recycling as a result of the dilution of our shareholding in BoCom. In the same period we also recognised a \$1.0bn impairment loss following an impairment test on the carrying value of the Group's investment in BoCom in 'Impairment of interest in associate'.

4 Also referred to as revenue.

\* For Notes on the interim condensed consolidated financial statements, see page 87.

## Consolidated statement of comprehensive income

|                                                                                                                                          | Half-year to   |               |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------|
|                                                                                                                                          | 30 Jun 2026    | 30 Jun 2025   |
|                                                                                                                                          | \$m            | \$m           |
| Profit for the period                                                                                                                    | 15,321         | 12,441        |
| <b>Other comprehensive income/(expense)</b>                                                                                              |                |               |
| <b>Items that will be reclassified subsequently to profit or loss when specific conditions are met:</b>                                  |                |               |
| Debt instruments at fair value through other comprehensive income                                                                        | (1,083)        | 205           |
| – fair value gains/(losses)                                                                                                              | (1,188)        | 640           |
| – fair value gains transferred to the income statement on disposal                                                                       | (98)           | (83)          |
| – expected credit losses recognised in the income statement                                                                              | (1)            | 2             |
| – income taxes                                                                                                                           | 204            | (354)         |
| Cash flow hedges                                                                                                                         | (1,444)        | 1,891         |
| – fair value losses                                                                                                                      | (1,327)        | (568)         |
| – fair value losses/(gains) reclassified to the income statement                                                                         | (564)          | 3,037         |
| – income taxes                                                                                                                           | 447            | (578)         |
| Share of other comprehensive income/(expense) of associates and joint ventures                                                           | (123)          | (59)          |
| – share for the period                                                                                                                   | (123)          | (3)           |
| – other comprehensive income reclassified to the income statement on disposal of interest in an associate                                | —              | (56)          |
| Net finance income from insurance contracts                                                                                              | —              | 16            |
| – net finance expenses                                                                                                                   | —              | 21            |
| – income taxes                                                                                                                           | —              | (5)           |
| Exchange differences                                                                                                                     | (349)          | 6,404         |
| – foreign exchange losses reclassified to the income statement on disposal or dilution of a foreign operation                            | 174            | 224           |
| – other exchange differences                                                                                                             | (523)          | 6,180         |
| <b>Items that will not be reclassified subsequently to profit or loss:</b>                                                               |                |               |
| Fair value gains on property revaluation                                                                                                 | 20             | 14            |
| Remeasurement of defined benefit (liability)/asset                                                                                       | 79             | (347)         |
| – before income taxes                                                                                                                    | 88             | (461)         |
| – income taxes                                                                                                                           | (9)            | 114           |
| Changes in fair value of financial liabilities designated at fair value upon initial recognition arising from changes in own credit risk | 288            | 242           |
| – before income taxes                                                                                                                    | 386            | 315           |
| – income taxes                                                                                                                           | (98)           | (73)          |
| Equity instruments designated at fair value through other comprehensive income                                                           | (239)          | 93            |
| – fair value gains/(losses)                                                                                                              | (244)          | 88            |
| – income taxes                                                                                                                           | 5              | 5             |
| Effects of hyperinflation                                                                                                                | 104            | 81            |
| <b>Other comprehensive income/(expense) for the period, net of tax</b>                                                                   | <b>(2,747)</b> | <b>8,540</b>  |
| <b>Total comprehensive income for the period</b>                                                                                         | <b>12,574</b>  | <b>20,981</b> |
| Attributable to:                                                                                                                         |                |               |
| – ordinary shareholders of the parent company                                                                                            | 11,914         | 19,917        |
| – other equity holders                                                                                                                   | 633            | 547           |
| – non-controlling interests                                                                                                              | 27             | 517           |
| <b>Total comprehensive income for the period</b>                                                                                         | <b>12,574</b>  | <b>20,981</b> |

## Consolidated balance sheet

|                                                                                                     | Notes* | At                 |                    |
|-----------------------------------------------------------------------------------------------------|--------|--------------------|--------------------|
|                                                                                                     |        | 30 Jun 2026<br>\$m | 31 Dec 2025<br>\$m |
| <b>Assets</b>                                                                                       |        |                    |                    |
| Cash and balances at central banks                                                                  |        | 227,800            | 242,859            |
| Hong Kong Government certificates of indebtedness                                                   |        | 45,021             | 44,063             |
| Trading assets                                                                                      |        | 423,987            | 366,153            |
| Financial assets designated and otherwise mandatorily measured at fair value through profit or loss |        | 138,942            | 133,063            |
| Derivatives                                                                                         | 8      | 255,995            | 237,740            |
| Loans and advances to banks                                                                         |        | 110,529            | 108,462            |
| Loans and advances to customers                                                                     |        | 1,022,105          | 988,399            |
| Reverse repurchase agreements – non-trading                                                         |        | 311,871            | 298,392            |
| Financial investments                                                                               | 9      | 604,759            | 567,211            |
| Assets held for sale                                                                                | 15     | 22,732             | 11,115             |
| Prepayments, accrued income and other assets                                                        |        | 221,473            | 184,794            |
| Current tax assets                                                                                  |        | 1,199              | 864                |
| Interests in associates and joint ventures                                                          | 10     | 31,333             | 29,577             |
| Goodwill and intangible assets                                                                      |        | 12,728             | 13,107             |
| Deferred tax assets                                                                                 |        | 7,687              | 7,235              |
| <b>Total assets</b>                                                                                 |        | <b>3,438,161</b>   | <b>3,233,034</b>   |
| <b>Liabilities</b>                                                                                  |        |                    |                    |
| Hong Kong currency notes in circulation                                                             |        | 45,021             | 44,063             |
| Deposits by banks                                                                                   |        | 91,401             | 97,952             |
| Customer accounts                                                                                   |        | 1,827,703          | 1,786,828          |
| Repurchase agreements – non-trading                                                                 |        | 276,266            | 204,974            |
| Trading liabilities                                                                                 |        | 86,363             | 72,122             |
| Financial liabilities designated at fair value                                                      |        | 173,751            | 158,456            |
| Derivatives                                                                                         | 8      | 254,662            | 237,854            |
| Debt securities in issue                                                                            |        | 105,027            | 99,675             |
| Liabilities of disposal groups held for sale                                                        | 15     | 30,097             | 23,382             |
| Accruals, deferred income and other liabilities                                                     |        | 184,121            | 142,123            |
| Current tax liabilities                                                                             |        | 3,561              | 3,037              |
| Insurance contract liabilities                                                                      |        | 130,053            | 122,955            |
| Provisions                                                                                          | 11     | 2,942              | 3,441              |
| Deferred tax liabilities                                                                            |        | 2,240              | 2,100              |
| Subordinated liabilities                                                                            |        | 27,872             | 28,406             |
| <b>Total liabilities</b>                                                                            |        | <b>3,241,080</b>   | <b>3,027,368</b>   |
| <b>Equity</b>                                                                                       |        |                    |                    |
| Called up share capital                                                                             |        | 8,592              | 8,588              |
| Share premium account                                                                               |        | 245                | 111                |
| Other equity instruments                                                                            |        | 23,708             | 20,716             |
| Other reserves                                                                                      |        | (3,449)            | (795)              |
| Retained earnings                                                                                   |        | 167,586            | 169,605            |
| <b>Total shareholders' equity</b>                                                                   |        | <b>196,682</b>     | <b>198,225</b>     |
| Non-controlling interests                                                                           |        | 399                | 7,441              |
| <b>Total equity</b>                                                                                 |        | <b>197,081</b>     | <b>205,666</b>     |
| <b>Total liabilities and equity</b>                                                                 |        | <b>3,438,161</b>   | <b>3,233,034</b>   |

\* For Notes on the interim condensed consolidated financial statements, see page 87.

## Consolidated statement of changes in equity

|                                                                                                                                                           | Called up<br>share<br>capital<br>and share<br>premium | Other<br>equity<br>instru-<br>ments | Other reserves                             |                                    |                                |                                    |                                 | Retained<br>earnings | Total<br>share-<br>holders'<br>equity | Non-<br>controlling<br>interests | Total<br>equity |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------|--------------------------------------------|------------------------------------|--------------------------------|------------------------------------|---------------------------------|----------------------|---------------------------------------|----------------------------------|-----------------|
|                                                                                                                                                           |                                                       |                                     | Financial<br>assets at<br>FVOCI<br>reserve | Cash<br>flow<br>hedging<br>reserve | Foreign<br>exchange<br>reserve | Merger<br>and<br>other<br>reserves | Insurance<br>finance<br>reserve |                      |                                       |                                  |                 |
|                                                                                                                                                           | \$m                                                   | \$m                                 | \$m                                        | \$m                                | \$m                            | \$m                                | \$m                             | \$m                  | \$m                                   | \$m                              | \$m             |
| <b>At 1 Jan 2026</b>                                                                                                                                      | <b>8,699</b>                                          | <b>20,716</b>                       | <b>(319)</b>                               | <b>570</b>                         | <b>(26,024)</b>                | <b>24,978</b>                      | <b>—</b>                        | <b>169,605</b>       | <b>198,225</b>                        | <b>7,441</b>                     | <b>205,666</b>  |
| Profit for the period                                                                                                                                     | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | 15,259               | 15,259                                | 62                               | 15,321          |
| Other comprehensive<br>income (net of tax)                                                                                                                | —                                                     | —                                   | (1,254)                                    | (1,428)                            | (398)                          | 20                                 | —                               | 348                  | (2,712)                               | (35)                             | (2,747)         |
| – debt instruments at fair<br>value through other<br>comprehensive income                                                                                 | —                                                     | —                                   | (1,082)                                    | —                                  | —                              | —                                  | —                               | —                    | (1,082)                               | (1)                              | (1,083)         |
| – equity instruments<br>designated at fair value<br>through other<br>comprehensive income                                                                 | —                                                     | —                                   | (239)                                      | —                                  | —                              | —                                  | —                               | —                    | (239)                                 | —                                | (239)           |
| – cash flow hedges                                                                                                                                        | —                                                     | —                                   | —                                          | (1,444)                            | —                              | —                                  | —                               | —                    | (1,444)                               | —                                | (1,444)         |
| – changes in fair value of<br>financial liabilities<br>designated at fair value<br>upon initial recognition<br>arising from changes in<br>own credit risk | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | 288                  | 288                                   | —                                | 288             |
| – property revaluation                                                                                                                                    | —                                                     | —                                   | —                                          | —                                  | —                              | 20                                 | —                               | —                    | 20                                    | —                                | 20              |
| – remeasurement of<br>defined benefit asset/<br>(liability)                                                                                               | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | 79                   | 79                                    | —                                | 79              |
| – share of other<br>comprehensive income of<br>associates and joint<br>ventures                                                                           | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | (123)                | (123)                                 | —                                | (123)           |
| – effects of hyperinflation                                                                                                                               | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | 104                  | 104                                   | —                                | 104             |
| – foreign exchange losses<br>reclassified to income<br>statement on disposal or<br>dilution of a foreign<br>operation <sup>1</sup>                        | —                                                     | —                                   | —                                          | —                                  | 174                            | —                                  | —                               | —                    | 174                                   | —                                | 174             |
| – other reserves<br>reclassified to income<br>statement on disposal or<br>dilution of a foreign<br>operation                                              | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | —                    | —                                     | —                                | —               |
| – insurance finance income<br>recognised in other<br>comprehensive income                                                                                 | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | —                    | —                                     | —                                | —               |
| – other exchange<br>differences                                                                                                                           | —                                                     | —                                   | 67                                         | 16                                 | (572)                          | —                                  | —                               | —                    | (489)                                 | (34)                             | (523)           |
| <b>Total comprehensive<br/>income for the period</b>                                                                                                      | <b>—</b>                                              | <b>—</b>                            | <b>(1,254)</b>                             | <b>(1,428)</b>                     | <b>(398)</b>                   | <b>20</b>                          | <b>—</b>                        | <b>15,607</b>        | <b>12,547</b>                         | <b>27</b>                        | <b>12,574</b>   |
| Shares issued under<br>employee remuneration and<br>share plans                                                                                           | 138                                                   | —                                   | —                                          | —                                  | —                              | —                                  | —                               | (138)                | —                                     | —                                | —               |
| Capital securities issued <sup>2</sup>                                                                                                                    | —                                                     | 3,992                               | —                                          | —                                  | —                              | —                                  | —                               | —                    | 3,992                                 | —                                | 3,992           |
| Dividends to shareholders                                                                                                                                 | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | (10,049)             | (10,049)                              | (69)                             | (10,118)        |
| Redemption of securities <sup>3</sup>                                                                                                                     | —                                                     | (1,000)                             | —                                          | —                                  | —                              | —                                  | —                               | —                    | (1,000)                               | —                                | (1,000)         |
| Cost of share-based<br>payment arrangements                                                                                                               | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | 319                  | 319                                   | —                                | 319             |
| Share buy-backs                                                                                                                                           | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | —                    | —                                     | —                                | —               |
| Cancellation of shares                                                                                                                                    | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | —                    | —                                     | —                                | —               |
| Changes in ownership<br>interests in subsidiaries <sup>4</sup>                                                                                            | —                                                     | —                                   | 141                                        | 66                                 | 66                             | 161                                | —                               | (7,076)              | (6,642)                               | (7,001)                          | (13,643)        |
| Transfer of gain on disposal<br>of equity investments at<br>FVOCI to retained earnings                                                                    | —                                                     | —                                   | (21)                                       | —                                  | —                              | —                                  | —                               | 21                   | —                                     | —                                | —               |
| Other movements <sup>5</sup>                                                                                                                              | —                                                     | —                                   | (7)                                        | —                                  | —                              | —                                  | —                               | (703)                | (710)                                 | 1                                | (709)           |
| <b>At 30 Jun 2026</b>                                                                                                                                     | <b>8,837</b>                                          | <b>23,708</b>                       | <b>(1,460)</b>                             | <b>(792)</b>                       | <b>(26,356)</b>                | <b>25,159</b>                      | <b>—</b>                        | <b>167,586</b>       | <b>196,682</b>                        | <b>399</b>                       | <b>197,081</b>  |

## Consolidated statement of changes in equity (continued)

|                                                                                                                                                           | Other reserves                                        |                                     |                                            |                                    |                                |                                    |                                 |                      |                                       |                                  |                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------|--------------------------------------------|------------------------------------|--------------------------------|------------------------------------|---------------------------------|----------------------|---------------------------------------|----------------------------------|-----------------|
|                                                                                                                                                           | Called up<br>share<br>capital<br>and share<br>premium | Other<br>equity<br>instru-<br>ments | Financial<br>assets at<br>FVOCI<br>reserve | Cash<br>flow<br>hedging<br>reserve | Foreign<br>exchange<br>reserve | Merger<br>and<br>other<br>reserves | Insurance<br>finance<br>reserve | Retained<br>earnings | Total<br>share-<br>holders'<br>equity | Non-<br>controlling<br>interests | Total<br>equity |
|                                                                                                                                                           | \$m                                                   | \$m                                 | \$m                                        | \$m                                | \$m                            | \$m                                | \$m                             | \$m                  | \$m                                   | \$m                              | \$m             |
| At 1 Jan 2025                                                                                                                                             | 23,783                                                | 19,070                              | (3,246)                                    | (1,079)                            | (32,887)                       | 26,328                             | 602                             | 152,402              | 184,973                               | 7,300                            | 192,273         |
| Profit for the period                                                                                                                                     | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | 12,057               | 12,057                                | 384                              | 12,441          |
| Other comprehensive<br>income (net of tax)                                                                                                                | —                                                     | —                                   | 6                                          | 1,734                              | 6,630                          | 14                                 | 102                             | (79)                 | 8,407                                 | 133                              | 8,540           |
| – debt instruments at fair<br>value through other<br>comprehensive income                                                                                 | —                                                     | —                                   | 177                                        | —                                  | —                              | —                                  | —                               | —                    | 177                                   | 28                               | 205             |
| – equity instruments<br>designated at fair value<br>through other<br>comprehensive income                                                                 | —                                                     | —                                   | 57                                         | —                                  | —                              | —                                  | —                               | —                    | 57                                    | 36                               | 93              |
| – cash flow hedges                                                                                                                                        | —                                                     | —                                   | —                                          | 1,794                              | —                              | —                                  | —                               | —                    | 1,794                                 | 97                               | 1,891           |
| – changes in fair value of<br>financial liabilities<br>designated at fair value<br>upon initial recognition<br>arising from changes in<br>own credit risk | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | 242                  | 242                                   | —                                | 242             |
| – property revaluation                                                                                                                                    | —                                                     | —                                   | —                                          | —                                  | —                              | 14                                 | —                               | —                    | 14                                    | —                                | 14              |
| – remeasurement of<br>defined benefit asset/<br>(liability)                                                                                               | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | (343)                | (343)                                 | (4)                              | (347)           |
| – share of other<br>comprehensive income of<br>associates and joint<br>ventures                                                                           | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | (3)                  | (3)                                   | —                                | (3)             |
| – effects of hyperinflation                                                                                                                               | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | 81                   | 81                                    | —                                | 81              |
| – foreign exchange losses<br>reclassified to income<br>statement on disposal or<br>dilution of a foreign<br>operation                                     | —                                                     | —                                   | —                                          | —                                  | 224                            | —                                  | —                               | —                    | 224                                   | —                                | 224             |
| – other reserves<br>reclassified to income<br>statement on disposal or<br>dilution of a foreign<br>operation                                              | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | (56)                 | (56)                                  | —                                | (56)            |
| – insurance finance income<br>recognised in other<br>comprehensive income                                                                                 | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | 16                              | —                    | 16                                    | —                                | 16              |
| – other exchange<br>differences                                                                                                                           | —                                                     | —                                   | (228)                                      | (60)                               | 6,406                          | —                                  | 86                              | —                    | 6,204                                 | (24)                             | 6,180           |
| Total comprehensive<br>income for the period                                                                                                              | —                                                     | —                                   | 6                                          | 1,734                              | 6,630                          | 14                                 | 102                             | 11,978               | 20,464                                | 517                              | 20,981          |
| Shares issued under<br>employee remuneration and<br>share plans                                                                                           | 113                                                   | —                                   | —                                          | —                                  | —                              | —                                  | —                               | (113)                | —                                     | —                                | —               |
| Share premium<br>reclassification to retained<br>earnings                                                                                                 | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | —                    | —                                     | —                                | —               |
| Capital redemption reserves<br>reclassification to retained<br>earnings                                                                                   | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | —                    | —                                     | —                                | —               |
| Capital securities issued                                                                                                                                 | —                                                     | 4,096                               | —                                          | —                                  | —                              | —                                  | —                               | —                    | 4,096                                 | —                                | 4,096           |
| Dividends to shareholders                                                                                                                                 | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | (8,694)              | (8,694)                               | (477)                            | (9,171)         |
| Redemption of securities                                                                                                                                  | —                                                     | (2,450)                             | —                                          | —                                  | —                              | —                                  | —                               | —                    | (2,450)                               | —                                | (2,450)         |
| Cost of share-based<br>payment arrangements                                                                                                               | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | 316                  | 316                                   | —                                | 316             |
| Transfers                                                                                                                                                 | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | —                    | —                                     | —                                | —               |
| Share buy-backs                                                                                                                                           | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | (5,023)              | (5,023)                               | —                                | (5,023)         |
| Cancellation of shares                                                                                                                                    | (239)                                                 | —                                   | —                                          | —                                  | —                              | 239                                | —                               | —                    | —                                     | —                                | —               |
| Changes in ownership<br>interest in subsidiaries                                                                                                          | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | —                    | —                                     | —                                | —               |
| Transfer of gain on disposal<br>of equity investments at<br>FVOCI to retained earnings                                                                    | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | —                    | —                                     | —                                | —               |
| Other movements                                                                                                                                           | —                                                     | —                                   | 1                                          | —                                  | —                              | —                                  | —                               | (1,129)              | (1,128)                               | (25)                             | (1,153)         |
| At 30 Jun 2025                                                                                                                                            | 23,657                                                | 20,716                              | (3,239)                                    | 655                                | (26,257)                       | 26,581                             | 704                             | 149,737              | 192,554                               | 7,315                            | 199,869         |



## Consolidated statement of changes in equity (continued)

|                                                                                                                                                        | Other reserves                                        |                                     |                                            |                                    |                                |                                    |                                 |                      |                                       |                                  |                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------|--------------------------------------------|------------------------------------|--------------------------------|------------------------------------|---------------------------------|----------------------|---------------------------------------|----------------------------------|-----------------|
|                                                                                                                                                        | Called up<br>share<br>capital<br>and share<br>premium | Other<br>equity<br>instru-<br>ments | Financial<br>assets at<br>FVOCI<br>reserve | Cash<br>flow<br>hedging<br>reserve | Foreign<br>exchange<br>reserve | Merger<br>and<br>other<br>reserves | Insurance<br>finance<br>reserve | Retained<br>earnings | Total<br>share-<br>holders'<br>equity | Non-<br>controlling<br>interests | Total<br>equity |
|                                                                                                                                                        | \$m                                                   | \$m                                 | \$m                                        | \$m                                | \$m                            | \$m                                | \$m                             | \$m                  | \$m                                   | \$m                              | \$m             |
| At 1 Jul 2025                                                                                                                                          | 23,657                                                | 20,716                              | (3,239)                                    | 655                                | (26,257)                       | 26,581                             | 704                             | 149,737              | 192,554                               | 7,315                            | 199,869         |
| Profit for the period                                                                                                                                  | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | 10,228               | 10,228                                | 462                              | 10,690          |
| Other comprehensive income<br>(net of tax)                                                                                                             | —                                                     | —                                   | 2,920                                      | (85)                               | 233                            | —                                  | (704)                           | (395)                | 1,969                                 | 32                               | 2,001           |
| – debt instruments at fair<br>value through other<br>comprehensive income                                                                              | —                                                     | —                                   | 2,090                                      | —                                  | —                              | —                                  | —                               | —                    | 2,090                                 | (4)                              | 2,086           |
| – equity instruments<br>designated at fair value<br>through other<br>comprehensive income                                                              | —                                                     | —                                   | 27                                         | —                                  | —                              | —                                  | —                               | —                    | 27                                    | (22)                             | 5               |
| – cash flow hedges                                                                                                                                     | —                                                     | —                                   | —                                          | (94)                               | —                              | —                                  | —                               | —                    | (94)                                  | (24)                             | (118)           |
| – changes in fair value of<br>financial liabilities designated<br>at fair value upon initial<br>recognition arising from<br>changes in own credit risk | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | (721)                | (721)                                 | —                                | (721)           |
| – property revaluation                                                                                                                                 | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | —                    | —                                     | —                                | —               |
| – remeasurement of defined<br>benefit asset/(liability)                                                                                                | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | 154                  | 154                                   | 9                                | 163             |
| – share of other<br>comprehensive income of<br>associates and joint<br>ventures                                                                        | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | 113                  | 113                                   | —                                | 113             |
| – effects of hyperinflation                                                                                                                            | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | 59                   | 59                                    | —                                | 59              |
| – foreign exchange losses<br>reclassified to income<br>statement on disposal or<br>dilution of a foreign<br>operation                                  | —                                                     | —                                   | —                                          | —                                  | (16)                           | —                                  | —                               | —                    | (16)                                  | —                                | (16)            |
| – other reserves reclassified to<br>income statement on<br>disposal or dilution of a<br>foreign operation                                              | —                                                     | —                                   | 745                                        | —                                  | —                              | —                                  | (687)                           | —                    | 58                                    | —                                | 58              |
| – insurance finance expense<br>recognised in other<br>comprehensive income                                                                             | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | (11)                            | —                    | (11)                                  | —                                | (11)            |
| – other exchange differences                                                                                                                           | —                                                     | —                                   | 58                                         | 9                                  | 249                            | —                                  | (6)                             | —                    | 310                                   | 73                               | 383             |
| Total comprehensive income<br>for the period                                                                                                           | —                                                     | —                                   | 2,920                                      | (85)                               | 233                            | —                                  | (704)                           | 9,833                | 12,197                                | 494                              | 12,691          |
| Shares issued under<br>employee remuneration and<br>share plans                                                                                        | 3                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | (3)                  | —                                     | —                                | —               |
| Share premium reclassification<br>to retained earnings                                                                                                 | (14,810)                                              | —                                   | —                                          | —                                  | —                              | —                                  | —                               | 14,810               | —                                     | —                                | —               |
| Capital redemption reserves<br>reclassification to retained<br>earnings                                                                                | —                                                     | —                                   | —                                          | —                                  | —                              | (1,755)                            | —                               | 1,755                | —                                     | —                                | —               |
| Capital securities issued                                                                                                                              | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | —                    | —                                     | —                                | —               |
| Dividends to shareholders                                                                                                                              | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | (4,070)              | (4,070)                               | (241)                            | (4,311)         |
| Redemption of securities                                                                                                                               | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | —                    | —                                     | —                                | —               |
| Cost of share-based payment<br>arrangements                                                                                                            | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | 305                  | 305                                   | —                                | 305             |
| Share buy-backs                                                                                                                                        | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | (3,016)              | (3,016)                               | —                                | (3,016)         |
| Cancellation of shares                                                                                                                                 | (151)                                                 | —                                   | —                                          | —                                  | —                              | 151                                | —                               | —                    | —                                     | —                                | —               |
| Changes in ownership<br>interest in subsidiaries                                                                                                       | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | —                    | —                                     | —                                | —               |
| Transfer of gain on disposal of<br>equity investments at FVOCI<br>to retained earnings                                                                 | —                                                     | —                                   | —                                          | —                                  | —                              | —                                  | —                               | —                    | —                                     | —                                | —               |
| Other movements                                                                                                                                        | —                                                     | —                                   | —                                          | —                                  | —                              | 1                                  | —                               | 254                  | 255                                   | (127)                            | 128             |
| At 31 Dec 2025                                                                                                                                         | 8,699                                                 | 20,716                              | (319)                                      | 570                                | (26,024)                       | 24,978                             | —                               | 169,605              | 198,225                               | 7,441                            | 205,666         |

- Amount in 1H26 includes the recycling of a \$0.2bn foreign currency translation reserves loss following completion of the sale of our UK life insurance business, HSBC Life (UK) Limited.
- HSBC Holdings issued \$1.25bn at 6.750% and \$1.25bn at 7.000% of contingent convertible securities in March 2026, and \$1.5bn at 6.750% of contingent convertible securities in May 2026. All instruments were recorded net of issuance costs.
- In March 2026, HSBC Holdings redeemed its \$1.0bn 4.000% contingent convertible securities.
- Amount in 1H26 includes the impact of the \$13.7bn privatisation of Hang Seng Bank, which comprised the derecognition of \$7.0bn in non-controlling interests and a residual \$6.7bn reduction in shareholders' equity, partly offset by impact of foreign currency translation.
- Amount in 1H26 includes \$0.7bn of shares bought by HSBC Holdings Employee Benefit Trust under employee share plans.

## Consolidated statement of cash flows

|                                                                                                     | Half-year to    |             |
|-----------------------------------------------------------------------------------------------------|-----------------|-------------|
|                                                                                                     | 30 Jun 2026     | 30 Jun 2025 |
|                                                                                                     | \$m             | \$m         |
| <b>Profit before tax</b>                                                                            | <b>19,522</b>   | 15,810      |
| <b>Adjustments for non-cash items:</b>                                                              |                 |             |
| Depreciation, amortisation and impairment                                                           | 2,456           | 2,225       |
| Net loss/(gain) from investing activities <sup>1</sup>                                              | (239)           | 1,127       |
| Share of profit in associates and joint ventures                                                    | (1,559)         | (1,651)     |
| Impairment of interest in associate <sup>2</sup>                                                    | —               | 1,000       |
| Net loss on acquisition/disposal of subsidiaries, businesses, associates and joint ventures         | 355             | 73          |
| Change in expected credit losses gross of recoveries and other credit impairment charges            | 2,548           | 2,077       |
| Provisions including pensions                                                                       | 175             | 584         |
| Share-based payment expense                                                                         | 319             | 315         |
| Other non-cash items included in profit before tax                                                  | (1,420)         | (2,732)     |
| Elimination of exchange differences <sup>3</sup>                                                    | 8,390           | (41,720)    |
| <b>Changes in operating assets and liabilities</b>                                                  |                 |             |
| Change in loans, deposits and other operating assets and liabilities <sup>4</sup>                   | 54,736          | 37,488      |
| Dividends received from associates                                                                  | 222             | 850         |
| Contributions paid to defined benefit plans                                                         | (96)            | (67)        |
| Tax paid                                                                                            | (3,647)         | (2,197)     |
| <b>Net cash from operating activities</b>                                                           | <b>81,762</b>   | 13,182      |
| Purchase of financial investments                                                                   | (262,844)       | (266,941)   |
| Proceeds from the sale and maturity of financial investments                                        | 204,080         | 232,360     |
| Net cash flows from the purchase and sale of property, plant and equipment                          | (1,002)         | (504)       |
| Net investment in intangible assets                                                                 | (1,366)         | (1,316)     |
| Net cash inflow on acquisition/disposal of subsidiaries, businesses, associates and joint ventures  | 390             | —           |
| Net cash outflow on acquisition/disposal of subsidiaries, businesses, associates and joint ventures | (2,660)         | (29)        |
| <b>Net cash from investing activities</b>                                                           | <b>(63,402)</b> | (36,430)    |
| Issue of ordinary share capital and other equity instruments                                        | 3,992           | 4,096       |
| Share buy-backs                                                                                     | —               | (5,386)     |
| Net sales/(purchases) of own shares for market-making and investment purposes                       | (750)           | (1,100)     |
| Net cash flow from change in stakes of subsidiaries <sup>5</sup>                                    | (13,643)        | —           |
| Redemption of preference shares and other equity instruments                                        | (1,000)         | (2,450)     |
| Subordinated loan capital issued                                                                    | —               | 2,340       |
| Subordinated loan capital repaid                                                                    | —               | (1,986)     |
| Dividends paid to shareholders of the parent company and non-controlling interests                  | (10,118)        | (9,171)     |
| <b>Net cash from financing activities</b>                                                           | <b>(21,519)</b> | (13,657)    |
| <b>Net decrease in cash and cash equivalents</b>                                                    | <b>(3,159)</b>  | (36,905)    |
| Cash and cash equivalents at the beginning of the period                                            | 432,887         | 434,940     |
| Exchange differences in respect of cash and cash equivalents                                        | (5,456)         | 30,872      |
| <b>Cash and cash equivalents at the end of the period<sup>6</sup></b>                               | <b>424,272</b>  | 428,907     |

Interest received was \$50.4bn (1H25: \$50.1bn), interest paid was \$32.7bn (1H25: \$35.1bn) and dividends received (excluding dividends received from associates, which are presented separately above) were \$1.5bn (1H25: \$1.3bn).

- 1 Amount in 1H25 includes a loss of \$1.1bn inclusive of reserves recycling as a result of the dilution of our shareholding in BoCom.
- 2 Amount in 1H25 includes a \$1.0bn impairment loss following an impairment test on the carrying value of the Group's investment in BoCom.
- 3 Adjustments to bring changes between opening and closing balance sheet amounts to average rates. This is not done on a line-by-line basis, as details cannot be determined without unreasonable expense.
- 4 This line item comprises amounts previously presented as 'Change in operating assets' and 'Change in operating liabilities'.
- 5 Amount in 1H26 relates to the privatisation of Hang Seng Bank.
- 6 Includes \$1.7bn (1H25: \$2.5bn) of cash and cash equivalents classified as held for sale.

# Notes on the interim condensed consolidated financial statements

## 1 Basis of preparation and material accounting policies

### (a) Compliance with International Financial Reporting Standards

Our interim condensed consolidated financial statements have been prepared on the basis of the policies set out in the 2025 annual financial statements except for those related to certain amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' as set out below. They have also been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the UK, IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board ('IASB'), IAS 34 'Interim Financial Reporting' as adopted by the EU, and the Disclosure Guidance and Transparency Rules sourcebook of the UK's Financial Conduct Authority. Therefore, they include an explanation of events and transactions that are significant to an understanding of the changes in HSBC's financial position and performance since the end of 2025.

These interim condensed consolidated financial statements should be read in conjunction with the Annual Report and Accounts 2025, which was prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. These interim condensed consolidated financial statements were also prepared in accordance with International Financial Reporting Standards ('IFRS Accounting Standards') as issued by the IASB, including interpretations issued by the IFRS Interpretations Committee.

At 30 June 2026, there were no IFRS Accounting Standards effective for the half-year to 30 June 2026 affecting these financial statements that were not approved for adoption in the UK by the UK Endorsement Board. There was no difference between IFRS Accounting Standards adopted by the UK, IFRS Accounting Standards as adopted by the EU, and IFRS Accounting Standards issued by the IASB in terms of their application to HSBC.

### Standards applied during the half-year to 30 June 2026

On 1 January 2026 the Group adopted 'Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7'. In addition to guidance as to when certain financial liabilities can be deemed settled when using an electronic payment system, the amendments also provide further clarification regarding the classification of financial assets that contain contractual terms that change the timing or amount of contractual cash flows, including those arising from ESG-related contingencies, and financial assets with certain non-recourse features. These amendments had no material effect on the Group.

### (b) Use of estimates and judgements

Management believes that the critical estimates and judgements applicable to the Group are those that relate to impairment of amortised cost and FVOCI debt financial assets, the valuation of financial instruments, deferred tax assets, provisions, interests in associates, impairment of goodwill and non-financial assets, and post-employment benefit plans. The Group does not consider there to be a significant risk of a material adjustment to the carrying amount of goodwill in this financial year, but does consider this to be an area that is inherently judgemental.

There were no material changes in the current period to any of the critical estimates and judgements disclosed in 2025, which are stated on pages 67 and 274 to 285 of the Annual Report and Accounts 2025.

### (c) Composition of the Group

There were no material individual changes in the composition of the Group in the half-year to 30 June 2026. Following the privatisation of Hang Seng Bank, the Group acquired the remaining ownership interests, and the related non-controlling interests were derecognised within equity.

For details of future business acquisitions and disposals, see Note 15 'Assets held for sale, liabilities of disposal groups held for sale and business acquisitions'.

### (d) Future accounting developments

#### IFRS 18 'Presentation and Disclosure in Financial Statements'

In April 2024, the IASB issued IFRS 18 'Presentation and Disclosure in Financial Statements', effective for annual reporting periods beginning on or after 1 January 2027. The new accounting standard aims to give users of financial statements more transparent and comparable information about an entity's financial performance. It will replace IAS 1 'Presentation of Financial Statements' but carries over many requirements from that IFRS Accounting Standard unchanged. In addition, there are three sets of new requirements relating to the structure of the income statement, management-defined performance measures, and the aggregation and disaggregation of financial information.

While IFRS 18 will not change recognition criteria or measurement bases, it will have an impact on presenting information in the financial statements, in particular the income statement and to a lesser extent the cash flow statement. HSBC is currently evaluating impacts and ensuring data readiness is adequate in anticipation of implementation.

#### Amendments to IAS 28 'Investments in Associates and Joint Ventures'

In June 2026, the IASB issued 'Amendments to the Fair Value Option for Investments in Associates and Joint Ventures – Amendments to IAS 28', applicable when an entity first applies IFRS 18. These narrow-scope amendments, which remain subject to adoption in both the UK and the EU, clarify that entities with a specified main business activity of investing in assets as assessed under IFRS 18 can elect to apply the fair value option to investments in associates and joint ventures. The Group is considering these amendments in the light of ongoing IFRS 18 preparatory work.

### (e) Going concern

The financial statements are prepared on a going concern basis, as the Directors are satisfied that the Group and parent company have the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows, capital requirements and capital resources.

These considerations include stressed scenarios that reflect the uncertainty in the macroeconomic environment, including: ongoing supply chain disruptions, uncertain inflation, rapidly-changing interest rates, the impact of the Russia-Ukraine war and conflict in the Middle East, varying pace of recovery in the Hong Kong CRE sector, heightened strategic competition between the US and China, ongoing and potential cross-border investment and trade restrictions, potential financial impact of trade and tariff policy developments, as well as the potential impacts from other top and emerging risks, including climate change, and the related impacts on profitability, capital and liquidity.

## (f) Accounting policies

Except as described above, the accounting policies that we applied for these interim condensed consolidated financial statements are consistent with those described on pages 274 to 285 of the Annual Report and Accounts 2025, as are the methods of computation.

## (g) Presentation of information

Certain disclosures have been presented elsewhere in the Interim Report 2026, rather than in the notes to the financial statements. These are marked as '(Reviewed)' as follows:

- Reconciliation of changes in gross carrying/nominal amount and allowances for loans and advances to banks and customers including loan commitments and financial guarantees included in the 'Risk' section on pages 58 to 60.
- Distribution of financial instruments to which the impairment requirements in IFRS 9 are applied, by credit quality and stage allocation included in the 'Risk' section on page 61.

## 2 Net fee income

|                                                       | Half-year to |              |
|-------------------------------------------------------|--------------|--------------|
|                                                       | 30 Jun 2026  | 30 Jun 2025  |
|                                                       | \$m          | \$m          |
| <b>Net fee income by product</b>                      |              |              |
| Funds under management                                | 1,455        | 1,355        |
| Cards                                                 | 1,512        | 1,388        |
| Credit facilities                                     | 729          | 694          |
| Account services                                      | 742          | 734          |
| Broking income                                        | 879          | 769          |
| Unit trusts                                           | 965          | 659          |
| Underwriting                                          | 491          | 385          |
| Global custody                                        | 519          | 457          |
| Remittances                                           | 450          | 418          |
| Imports/exports                                       | 306          | 294          |
| Insurance agency commission                           | 258          | 237          |
| Other                                                 | 1,247        | 1,250        |
| <b>Fee income</b>                                     | <b>9,553</b> | <b>8,640</b> |
| Less: fee expense                                     | (2,276)      | (1,997)      |
| <b>Net fee income</b>                                 | <b>7,277</b> | <b>6,643</b> |
| <b>Net fee income by business segment<sup>1</sup></b> |              |              |
| Hong Kong                                             | 1,598        | 1,420        |
| UK                                                    | 843          | 843          |
| CIB                                                   | 2,338        | 2,296        |
| IWPB                                                  | 2,463        | 2,085        |
| Corporate Centre                                      | 35           | (1)          |

1 Effective 1 January 2026, we transferred certain clients, primarily in Hong Kong and the UK, to the CIB segment to better meet their needs. This transfer does not change the Group's reportable segments. Comparative periods have been re-presented accordingly. The re-presentation has no impact on the Group's consolidated financial results or financial position.

## 3 Dividends

On 4 August 2026, the Directors approved a second interim dividend for 2026 of \$0.10 per ordinary share in respect of the financial year ending 31 December 2026. This distribution amounts to approximately \$1.72bn and will be payable on 25 September 2026. No liability is recognised in the financial statements in respect of these dividends.

### Dividends paid to shareholders of HSBC Holdings plc

|                                                          | Half-year to |               |             |              |
|----------------------------------------------------------|--------------|---------------|-------------|--------------|
|                                                          | 30 Jun 2026  |               | 30 Jun 2025 |              |
|                                                          | Per share    | Total         | Per share   | Total        |
|                                                          | \$           | \$m           | \$          | \$m          |
| <b>Dividends paid on ordinary shares</b>                 |              |               |             |              |
| In respect of previous year:                             |              |               |             |              |
| – fourth interim dividend                                | 0.45         | 7,714         | 0.36        | 6,397        |
| In respect of current year:                              |              |               |             |              |
| – first interim dividend                                 | 0.10         | 1,702         | 0.10        | 1,750        |
| <b>Total</b>                                             | <b>0.55</b>  | <b>9,416</b>  | <b>0.46</b> | <b>8,147</b> |
| Total coupons on capital securities classified as equity |              | 633           |             | 547          |
| <b>Dividends to shareholders</b>                         |              | <b>10,049</b> |             | <b>8,694</b> |

## 4 Earnings per share

Basic earnings per ordinary share is calculated by dividing the profit attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding, after deducting own shares held. Diluted earnings per ordinary share is calculated by dividing the basic earnings, which require no adjustment for the effects of dilutive potential ordinary shares, by the weighted average number of ordinary shares outstanding, excluding own shares held, plus the weighted average number of ordinary shares that would be issued on conversion of dilutive potential ordinary shares.

### Basic and diluted earnings per share

|                                              | Half-year to  |                                |                           | 30 Jun 2025 |                  |                  |
|----------------------------------------------|---------------|--------------------------------|---------------------------|-------------|------------------|------------------|
|                                              | 30 Jun 2026   |                                |                           | Profit      | Number of shares | Amount per share |
|                                              | Profit<br>\$m | Number of shares<br>(millions) | Amount<br>per share<br>\$ | \$m         | (millions)       | \$               |
| Basic <sup>1</sup>                           | 14,626        | 17,146                         | 0.85                      | 11,510      | 17,646           | 0.65             |
| Effect of dilutive potential ordinary shares |               | 99                             |                           |             | 126              |                  |
| <b>Diluted<sup>1</sup></b>                   | <b>14,626</b> | <b>17,245</b>                  | <b>0.85</b>               | 11,510      | 17,772           | 0.65             |

1 Weighted average number of ordinary shares outstanding (basic) or assuming dilution (diluted).

## 5 Segmental analysis

The Group Operating Committee is considered to be the Chief Operating Decision Maker ('CODM') for the purposes of identifying the Group's reportable segments. Business segments results are assessed by the CODM on the basis of constant currency performance that removes the effects of currency translation from reported results. Therefore, we disclose these results on a constant currency basis as required by IFRS Accounting Standards. The income statement for the half-year to 30 June 2025 is converted at the average rate of exchange for 2026, and the balance sheets at 30 June 2025 and 31 December 2025 at the prevailing rates of exchange on 30 June 2026.

Our operations are closely integrated and, accordingly, the presentation of data includes internal allocations of certain items of income and expense. These allocations include the costs of certain support services and global infrastructures to the extent that they can be meaningfully attributed to business segments. While such allocations have been made on a systematic and consistent basis, they necessarily involve a degree of subjectivity. Costs that are not allocated to business segments are included in Corporate Centre.

Where relevant, income and expense amounts presented include the results of inter-segment funding along with inter-company and inter-business line transactions. All such transactions are undertaken on arm's length terms. Measurement of segmental assets, liabilities, income and expenses is in accordance with the Group's accounting policies. Shared costs are included in segments on the basis of actual recharges. The intra-Group elimination items for the business segments are presented in Corporate Centre.

### Our business segments

The Group's reportable segments under IFRS 8 'Operating Segments' comprise the following four businesses along with Corporate Centre:

- Hong Kong: The Hong Kong business comprises Retail Banking and Wealth and Commercial Banking of HSBC Hong Kong and Hang Seng Bank.
- UK: The UK business comprises UK Retail Banking and Wealth (including first direct and M&S Bank) and UK Commercial Banking including HSBC Innovation Bank.
- Corporate and Institutional Banking ('CIB'): CIB is formed from the integration of our Commercial Banking business (outside the UK and Hong Kong) with our Global Banking and Markets business.
- International Wealth and Premier Banking ('IWPB'): IWPB comprises Premier banking outside of Hong Kong and the UK, our Private Bank, and our wealth manufacturing businesses of Asset Management and Insurance.

Effective 1 January 2026, we transferred certain clients, primarily in Hong Kong and the UK, to the CIB segment to better meet their needs. This transfer does not change the Group's reportable segments. Comparative periods have been re-presented accordingly. The re-presentation has no impact on the Group's consolidated financial results or financial position.

## HSBC constant currency profit before tax and balance sheet data

|                                                                                                                   | Half-year to 30 Jun 2026 |              |               |              |                         |               |
|-------------------------------------------------------------------------------------------------------------------|--------------------------|--------------|---------------|--------------|-------------------------|---------------|
|                                                                                                                   | Hong Kong<br>\$m         | UK<br>\$m    | CIB<br>\$m    | IWPB<br>\$m  | Corporate Centre<br>\$m | Total<br>\$m  |
| <b>Net operating income/(expense) before change in expected credit losses and other credit impairment charges</b> | <b>8,132</b>             | <b>6,530</b> | <b>15,609</b> | <b>7,739</b> | <b>(268)</b>            | <b>37,742</b> |
| – external                                                                                                        | 5,179                    | 7,066        | 20,942        | 7,086        | (2,531)                 | 37,742        |
| – inter-segment                                                                                                   | 2,953                    | (536)        | (5,333)       | 653          | 2,263                   | —             |
| – of which: net interest income/(expense) <sup>1</sup>                                                            | 5,975                    | 5,682        | 8,023         | 3,585        | (5,032)                 | 18,233        |
| Change in expected credit losses and other credit impairment charges                                              | (540)                    | (505)        | (894)         | (413)        | (1)                     | (2,353)       |
| <b>Net operating income/(expense)</b>                                                                             | <b>7,592</b>             | <b>6,025</b> | <b>14,715</b> | <b>7,326</b> | <b>(269)</b>            | <b>35,389</b> |
| Total operating expenses                                                                                          | (2,454)                  | (2,693)      | (7,465)       | (4,727)      | (87)                    | (17,426)      |
| <b>Operating profit/(loss)</b>                                                                                    | <b>5,138</b>             | <b>3,332</b> | <b>7,250</b>  | <b>2,599</b> | <b>(356)</b>            | <b>17,963</b> |
| Share of profit in associates and joint ventures less impairment                                                  | —                        | —            | —             | 17           | 1,542                   | 1,559         |
| <b>Constant currency profit/(loss) before tax</b>                                                                 | <b>5,138</b>             | <b>3,332</b> | <b>7,250</b>  | <b>2,616</b> | <b>1,186</b>            | <b>19,522</b> |
|                                                                                                                   | %                        | %            | %             | %            | %                       | %             |
| Share of HSBC's constant currency profit/(loss) before tax                                                        | 26.3                     | 17.1         | 37.1          | 13.4         | 6.1                     | 100.0         |
| Constant currency cost efficiency ratio                                                                           | 30.2                     | 41.2         | 47.8          | 61.1         | (32.5)                  | 46.2          |
| <b>Constant currency balance sheet data</b>                                                                       | <b>\$m</b>               | <b>\$m</b>   | <b>\$m</b>    | <b>\$m</b>   | <b>\$m</b>              | <b>\$m</b>    |
| Loans and advances to customers (net)                                                                             | 230,495                  | 306,175      | 331,512       | 153,763      | 160                     | 1,022,105     |
| Interests in associates and joint ventures                                                                        | —                        | —            | 82            | 512          | 30,739                  | 31,333        |
| Total external assets                                                                                             | 450,796                  | 449,769      | 1,970,104     | 439,388      | 128,104                 | 3,438,161     |
| Customer accounts                                                                                                 | 536,808                  | 348,342      | 669,711       | 272,646      | 196                     | 1,827,703     |

## Half-year to 30 Jun 2025

|                                                                                                               |            |            |            |            |            |            |
|---------------------------------------------------------------------------------------------------------------|------------|------------|------------|------------|------------|------------|
| Net operating income before change in expected credit losses and other credit impairment charges <sup>2</sup> | 7,666      | 6,241      | 14,819     | 7,284      | (1,198)    | 34,812     |
| – external                                                                                                    | 4,865      | 6,772      | 20,356     | 6,226      | (3,407)    | 34,812     |
| – inter-segment                                                                                               | 2,801      | (531)      | (5,537)    | 1,058      | 2,209      | —          |
| – of which: net interest income/(expense) <sup>1</sup>                                                        | 5,724      | 5,353      | 7,458      | 3,848      | (5,140)    | 17,243     |
| Change in expected credit losses and other credit impairment charges                                          | (857)      | (340)      | (313)      | (503)      | (2)        | (2,015)    |
| Net operating income                                                                                          | 6,809      | 5,901      | 14,506     | 6,781      | (1,200)    | 32,797     |
| Total operating expenses                                                                                      | (2,298)    | (2,672)    | (7,701)    | (4,647)    | (133)      | (17,451)   |
| Operating profit                                                                                              | 4,511      | 3,229      | 6,805      | 2,134      | (1,333)    | 15,346     |
| Share of profit in associates and joint ventures <sup>2</sup>                                                 | —          | —          | —          | 2          | 653        | 655        |
| Constant currency profit before tax                                                                           | 4,511      | 3,229      | 6,805      | 2,136      | (680)      | 16,001     |
|                                                                                                               | %          | %          | %          | %          | %          | %          |
| Share of HSBC's constant currency profit before tax                                                           | 28.2       | 20.2       | 42.5       | 13.3       | (4.2)      | 100.0      |
| Constant currency cost efficiency ratio                                                                       | 30.0       | 42.8       | 52.0       | 63.8       | (11.1)     | 50.1       |
| <b>Constant currency balance sheet data</b>                                                                   | <b>\$m</b> | <b>\$m</b> | <b>\$m</b> | <b>\$m</b> | <b>\$m</b> | <b>\$m</b> |
| Loans and advances to customers (net)                                                                         | 225,442    | 286,036    | 311,033    | 148,341    | 187        | 971,039    |
| Interests in associates and joint ventures                                                                    | —          | —          | 107        | 511        | 28,431     | 29,049     |
| Total external assets                                                                                         | 425,910    | 417,723    | 1,752,248  | 435,501    | 144,600    | 3,175,982  |
| Customer accounts                                                                                             | 508,730    | 336,506    | 577,443    | 274,578    | 342        | 1,697,599  |

1 Net interest expense recognised in Corporate Centre includes 1H26: \$4.8bn (1H25: \$4.7bn) of interest expense in relation to the internal cost to fund trading and fair value net assets; and the funding cost of foreign exchange swaps in our Markets Treasury function.

2 The amount in 1H25 includes a loss of \$1.1bn inclusive of reserves recycling as a result of the dilution of our shareholding in BoCom. We also recognised a \$1.0bn impairment loss following an impairment test on the carrying value of the Group's investment in BoCom in 'Share of profit in associates and joint ventures less impairment'.

Reported external net operating income is attributed to countries and territories on the basis of the location of the branch responsible for reporting the results or advancing the funds:

|                                                                    | Half-year to       |                    |
|--------------------------------------------------------------------|--------------------|--------------------|
|                                                                    | 30 Jun 2026<br>\$m | 30 Jun 2025<br>\$m |
| <b>Reported external net operating income by country/territory</b> | <b>37,742</b>      | <b>34,122</b>      |
| – UK <sup>1</sup>                                                  | 7,922              | 6,270              |
| – Hong Kong                                                        | 12,343             | 11,490             |
| – US                                                               | 2,599              | 2,313              |
| – Chinese mainland                                                 | 1,311              | 67                 |
| – other countries/territories                                      | 13,567             | 13,982             |

1 UK comprises our ring-fenced bank, HSBC UK Bank plc, our UK non-ring-fenced bank in HSBC Bank plc, HSBC Holdings plc and the Group's UK-based service companies.



## Constant currency results reconciliation

|                                                                  | 30 Jun 2026                        | 30 Jun 2025           |                          |               |
|------------------------------------------------------------------|------------------------------------|-----------------------|--------------------------|---------------|
|                                                                  | Reported and constant currency \$m | Constant currency \$m | Currency translation \$m | Reported \$m  |
| Revenue                                                          | 37,742                             | 34,812                | 690                      | 34,122        |
| ECL                                                              | (2,353)                            | (2,015)               | (74)                     | (1,941)       |
| Operating expenses                                               | (17,426)                           | (17,451)              | (429)                    | (17,022)      |
| Share of profit in associates and joint ventures less impairment | 1,559                              | 655                   | 4                        | 651           |
| <b>Profit before tax</b>                                         | <b>19,522</b>                      | <b>16,001</b>         | <b>191</b>               | <b>15,810</b> |

## Constant currency balance sheet reconciliation

|                                            | At 30 Jun 2026                     | At 30 Jun 2025        |                          | At 31 Dec 2025 |                       |                          |
|--------------------------------------------|------------------------------------|-----------------------|--------------------------|----------------|-----------------------|--------------------------|
|                                            | Reported and constant currency \$m | Constant currency \$m | Currency translation \$m | Reported \$m   | Constant currency \$m | Currency translation \$m |
| Loans and advances to customers (net)      | 1,022,105                          | 971,039               | (10,683)                 | 981,722        | 981,950               | (6,449)                  |
| Interests in associates and joint ventures | 31,333                             | 29,049                | 847                      | 28,202         | 30,026                | 449                      |
| Total external assets                      | 3,438,161                          | 3,175,982             | (38,389)                 | 3,214,371      | 3,206,415             | (26,619)                 |
| Customer accounts                          | 1,827,703                          | 1,697,599             | (21,005)                 | 1,718,604      | 1,771,972             | (14,856)                 |

## Notable items

|                                                                    | Half-year to    |                 |
|--------------------------------------------------------------------|-----------------|-----------------|
|                                                                    | 30 Jun 2026 \$m | 30 Jun 2025 \$m |
| <b>Revenue</b>                                                     |                 |                 |
| Disposals, wind-downs, acquisitions and related costs <sup>1</sup> | (426)           | (139)           |
| Dilution loss of interest in BoCom associate <sup>2</sup>          | —               | (1,136)         |
| <b>Operating expenses</b>                                          |                 |                 |
| Disposals, wind-downs, acquisitions and related costs              | (129)           | (227)           |
| Restructuring and other related costs <sup>3</sup>                 | (318)           | (616)           |
| <b>Impairment loss of interest in BoCom associate<sup>2</sup></b>  | <b>—</b>        | <b>(1,000)</b>  |

- 1 The amount in 1H26 includes \$0.2bn from the recycling of foreign currency translation reserve losses arising on completion of the sale of our UK life insurance business, HSBC Life (UK) Limited, and \$0.3bn of disposal losses recognised upon the 'held for sale' classification of HSBC Continental Europe's shareholding in HSBC Bank Malta p.l.c. 1H25 includes \$0.1bn fair value losses on ADRs in Galicia received as a part of the sale consideration for HSBC Argentina, which were sold in 2Q25.
- 2 The amount in 1H25 includes a loss of \$1.1bn inclusive of reserves recycling as a result of the dilution of our shareholding in BoCom. We also recognised a \$1.0bn impairment loss following an impairment test on the carrying value of the Group's investment in BoCom in 'Impairment loss of interest in BoCom associate'.
- 3 Amounts relate to organisational simplification provisions recognised in 2026 and 2025.

## 6 Fair values of financial instruments carried at fair value

The accounting policies, control framework and hierarchy used to determine fair values at 30 June 2026 are consistent with those applied for the Annual Report and Accounts 2025.

## Financial instruments carried at fair value and bases of valuation

|                                                                                                     | At 30 Jun 2026              |                                 |                                              |         | At 31 Dec 2025              |                                 |                                              |         |
|-----------------------------------------------------------------------------------------------------|-----------------------------|---------------------------------|----------------------------------------------|---------|-----------------------------|---------------------------------|----------------------------------------------|---------|
|                                                                                                     | Valuation techniques        |                                 |                                              | Total   | Valuation techniques        |                                 |                                              | Total   |
|                                                                                                     | Quoted market price Level 1 | Using observable inputs Level 2 | With significant unobservable inputs Level 3 |         | Quoted market price Level 1 | Using observable inputs Level 2 | With significant unobservable inputs Level 3 |         |
| <b>Recurring fair value measurements</b>                                                            | \$m                         | \$m                             | \$m                                          | \$m     | \$m                         | \$m                             | \$m                                          | \$m     |
| <b>Assets</b>                                                                                       |                             |                                 |                                              |         |                             |                                 |                                              |         |
| Trading assets                                                                                      | 328,170                     | 88,974                          | 6,843                                        | 423,987 | 267,638                     | 92,418                          | 6,097                                        | 366,153 |
| Financial assets designated and otherwise mandatorily measured at fair value through profit or loss | 50,524                      | 63,046                          | 25,372                                       | 138,942 | 46,436                      | 61,267                          | 25,360                                       | 133,063 |
| Derivatives                                                                                         | 2,272                       | 251,677                         | 2,046                                        | 255,995 | 1,798                       | 233,759                         | 2,183                                        | 237,740 |
| Financial investments                                                                               | 308,181                     | 76,550                          | 1,708                                        | 386,439 | 300,795                     | 81,522                          | 2,805                                        | 385,122 |
| <b>Liabilities</b>                                                                                  |                             |                                 |                                              |         |                             |                                 |                                              |         |
| Trading liabilities                                                                                 | 53,362                      | 32,972                          | 29                                           | 86,363  | 46,579                      | 25,476                          | 67                                           | 72,122  |
| Financial liabilities designated at fair value                                                      | 1,297                       | 158,933                         | 13,521                                       | 173,751 | 1,370                       | 146,353                         | 10,733                                       | 158,456 |
| Derivatives                                                                                         | 2,565                       | 248,429                         | 3,668                                        | 254,662 | 1,853                       | 232,559                         | 3,442                                        | 237,854 |

There were no material transfers between Level 1 and Level 2 during the reporting period.

The table below provides the fair value levelling of assets held for sale and liabilities of disposal groups that have been classified as held for sale in accordance with IFRS 5. For further details, see Note 15.

#### Financial instruments carried at fair value and bases of valuation – assets and liabilities held for sale

|                                                                                                     | At 30 June 2026             |                                 |                                              |        | At 31 Dec 2025              |                                 |                                              |       |
|-----------------------------------------------------------------------------------------------------|-----------------------------|---------------------------------|----------------------------------------------|--------|-----------------------------|---------------------------------|----------------------------------------------|-------|
|                                                                                                     | Valuation techniques        |                                 |                                              |        | Valuation techniques        |                                 |                                              |       |
|                                                                                                     | Quoted market price Level 1 | Using observable inputs Level 2 | With significant unobservable inputs Level 3 | Total  | Quoted market price Level 1 | Using observable inputs Level 2 | With significant unobservable inputs Level 3 | Total |
| Recurring fair value measurements                                                                   | \$m                         | \$m                             | \$m                                          | \$m    | \$m                         | \$m                             | \$m                                          | \$m   |
| <b>Assets</b>                                                                                       |                             |                                 |                                              |        |                             |                                 |                                              |       |
| Trading assets                                                                                      | 9                           | 50                              | —                                            | 59     | 26                          | 87                              | —                                            | 113   |
| Financial assets designated and otherwise mandatorily measured at fair value through profit or loss | 7,521                       | 2,702                           | 844                                          | 11,067 | 6,327                       | 24                              | —                                            | 6,351 |
| Derivatives                                                                                         | —                           | 36                              | 2                                            | 38     | —                           | 9                               | 5                                            | 14    |
| Financial investments                                                                               | 1,682                       | 201                             | —                                            | 1,883  | 157                         | 44                              | —                                            | 201   |
| <b>Liabilities</b>                                                                                  |                             |                                 |                                              |        |                             |                                 |                                              |       |
| Trading liabilities                                                                                 | —                           | —                               | —                                            | —      | —                           | —                               | —                                            | —     |
| Financial liabilities designated at fair value                                                      | 197                         | 9                               | —                                            | 206    | 1,345                       | —                               | —                                            | 1,345 |
| Derivatives                                                                                         | —                           | 7                               | 2                                            | 9      | —                           | 13                              | 3                                            | 16    |

## Fair value valuation bases

#### Financial instruments measured at fair value using a valuation technique with significant unobservable inputs – Level 3

|                                                | Assets                |                |                                                                                    |              |               | Liabilities         |                          |              |               |
|------------------------------------------------|-----------------------|----------------|------------------------------------------------------------------------------------|--------------|---------------|---------------------|--------------------------|--------------|---------------|
|                                                | Financial investments | Trading assets | Designated and otherwise mandatorily measured at fair value through profit or loss | Derivatives  | Total         | Trading liabilities | Designated at fair value | Derivatives  | Total         |
|                                                | \$m                   | \$m            | \$m                                                                                | \$m          | \$m           | \$m                 | \$m                      | \$m          | \$m           |
| Private equity including strategic investments | 481                   | 2              | 20,194                                                                             | —            | 20,677        | —                   | 1                        | —            | 1             |
| Structured notes                               | —                     | —              | —                                                                                  | —            | —             | —                   | 13,281                   | —            | 13,281        |
| Other derivatives                              | —                     | —              | —                                                                                  | 2,046        | 2,046         | —                   | —                        | 3,668        | 3,668         |
| Bonds                                          | 1,135                 | 3,804          | 1,805                                                                              | —            | 6,744         | 5                   | —                        | —            | 5             |
| Loans                                          | 22                    | 2,202          | 1,822                                                                              | —            | 4,046         | 4                   | —                        | —            | 4             |
| Other portfolios                               | 70                    | 835            | 1,551                                                                              | —            | 2,456         | 20                  | 239                      | —            | 259           |
| <b>At 30 Jun 2026</b>                          | <b>1,708</b>          | <b>6,843</b>   | <b>25,372</b>                                                                      | <b>2,046</b> | <b>35,969</b> | <b>29</b>           | <b>13,521</b>            | <b>3,668</b> | <b>17,218</b> |
| Private equity including strategic investments | 595                   | 1              | 20,364                                                                             | —            | 20,960        | —                   | 1                        | —            | 1             |
| Structured notes                               | —                     | —              | —                                                                                  | —            | —             | —                   | 10,617                   | —            | 10,617        |
| Other derivatives                              | —                     | —              | —                                                                                  | 2,183        | 2,183         | —                   | —                        | 3,442        | 3,442         |
| Bonds                                          | 2,111                 | 3,356          | 2,008                                                                              | —            | 7,475         | 41                  | —                        | —            | 41            |
| Loans                                          | 21                    | 1,667          | 1,565                                                                              | —            | 3,253         | 11                  | —                        | —            | 11            |
| Other portfolios                               | 78                    | 1,073          | 1,423                                                                              | —            | 2,574         | 15                  | 115                      | —            | 130           |
| <b>At 31 Dec 2025</b>                          | <b>2,805</b>          | <b>6,097</b>   | <b>25,360</b>                                                                      | <b>2,183</b> | <b>36,445</b> | <b>67</b>           | <b>10,733</b>            | <b>3,442</b> | <b>14,242</b> |

The basis for determining the fair value of the financial instruments in the table above is explained on page 308 of the Annual Report and Accounts 2025.

## Reconciliation of fair value measurements in Level 3 of the fair value hierarchy

### Movement in Level 3 financial instruments

|                                                                                                                                                | Assets                   |                   |                                                                                             |              | Liabilities            |                             |              |
|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------|---------------------------------------------------------------------------------------------|--------------|------------------------|-----------------------------|--------------|
|                                                                                                                                                | Financial<br>investments | Trading<br>assets | Designated and<br>otherwise mandatorily<br>measured at fair value<br>through profit or loss | Derivatives  | Trading<br>liabilities | Designated<br>at fair value | Derivatives  |
|                                                                                                                                                | \$m                      | \$m               | \$m                                                                                         | \$m          | \$m                    | \$m                         | \$m          |
| <b>At 1 Jan 2026</b>                                                                                                                           | <b>2,805</b>             | <b>6,097</b>      | <b>25,360</b>                                                                               | <b>2,183</b> | <b>67</b>              | <b>10,733</b>               | <b>3,442</b> |
| Total gains or losses recognised in profit or loss                                                                                             | <b>1</b>                 | <b>(440)</b>      | <b>202</b>                                                                                  | <b>627</b>   | <b>(5)</b>             | <b>13</b>                   | <b>1,207</b> |
| – net income or losses from financial instruments held for trading or managed on a fair value basis                                            | —                        | (440)             | —                                                                                           | 627          | (5)                    | 13                          | 1,207        |
| – net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss | —                        | —                 | 238                                                                                         | —            | —                      | —                           | —            |
| – other income/(losses)                                                                                                                        | 1                        | —                 | (36)                                                                                        | —            | —                      | —                           | —            |
| Total gains/(losses) recognised in other comprehensive income ('OCI') <sup>1</sup>                                                             | (88)                     | 24                | (149)                                                                                       | (25)         | 1                      | (85)                        | (47)         |
| Purchases                                                                                                                                      | 1,057                    | 3,670             | 2,518                                                                                       | —            | 11                     | —                           | —            |
| New issuances                                                                                                                                  | —                        | —                 | 129                                                                                         | —            | —                      | 6,243                       | —            |
| Sales                                                                                                                                          | (14)                     | (2,514)           | (94)                                                                                        | —            | (98)                   | —                           | —            |
| Settlements                                                                                                                                    | (1,673)                  | (346)             | (2,886)                                                                                     | (584)        | (43)                   | (2,592)                     | (776)        |
| Transfers out                                                                                                                                  | (492)                    | (354)             | (262)                                                                                       | (285)        | (1)                    | (2,436)                     | (515)        |
| Transfers in                                                                                                                                   | 112                      | 706               | 554                                                                                         | 130          | 97                     | 1,645                       | 357          |
| <b>At 30 Jun 2026</b>                                                                                                                          | <b>1,708</b>             | <b>6,843</b>      | <b>25,372</b>                                                                               | <b>2,046</b> | <b>29</b>              | <b>13,521</b>               | <b>3,668</b> |
| Unrealised gains or losses recognised in profit or loss relating to assets and liabilities held at 30 Jun 2026                                 | —                        | 36                | 107                                                                                         | 804          | 12                     | (120)                       | (1,086)      |
| – net income or losses from financial instruments held for trading or managed on a fair value basis                                            | —                        | 36                | —                                                                                           | 804          | 12                     | —                           | (1,086)      |
| – net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss | —                        | —                 | 120                                                                                         | —            | —                      | —                           | —            |
| – other income/(losses)                                                                                                                        | —                        | —                 | (13)                                                                                        | —            | —                      | (120)                       | —            |
| <b>At 1 Jan 2025</b>                                                                                                                           | <b>2,734</b>             | <b>6,675</b>      | <b>19,744</b>                                                                               | <b>2,149</b> | <b>784</b>             | <b>9,117</b>                | <b>2,842</b> |
| Total gains or losses recognised in profit or loss                                                                                             | <b>1</b>                 | <b>(37)</b>       | <b>912</b>                                                                                  | <b>605</b>   | <b>(20)</b>            | <b>112</b>                  | <b>893</b>   |
| – net income or losses from financial instruments held for trading or managed on a fair value basis                                            | —                        | (37)              | —                                                                                           | 605          | (20)                   | 112                         | 893          |
| – net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss | —                        | —                 | 867                                                                                         | —            | —                      | —                           | —            |
| – other income/(losses)                                                                                                                        | 1                        | —                 | 45                                                                                          | —            | —                      | —                           | —            |
| Total gains/(losses) recognised in other comprehensive income ('OCI') <sup>1</sup>                                                             | 238                      | 266               | (76)                                                                                        | 195          | 22                     | 419                         | 237          |
| Purchases                                                                                                                                      | 880                      | 2,312             | 2,003                                                                                       | —            | 58                     | —                           | —            |
| New issuances                                                                                                                                  | —                        | 1                 | —                                                                                           | —            | —                      | 2,966                       | —            |
| Sales                                                                                                                                          | (127)                    | (1,541)           | (75)                                                                                        | —            | (12)                   | —                           | —            |
| Settlements                                                                                                                                    | (313)                    | (1,419)           | (182)                                                                                       | (404)        | (318)                  | (2,355)                     | (341)        |
| Transfers out                                                                                                                                  | (1,478)                  | (1,690)           | (184)                                                                                       | (300)        | (482)                  | (2,826)                     | (464)        |
| Transfers in                                                                                                                                   | 185                      | 656               | 2,448                                                                                       | 389          | 15                     | 1,587                       | 504          |
| <b>At 30 Jun 2025</b>                                                                                                                          | <b>2,120</b>             | <b>5,223</b>      | <b>24,590</b>                                                                               | <b>2,634</b> | <b>47</b>              | <b>9,020</b>                | <b>3,671</b> |
| Unrealised gains or losses recognised in profit or loss relating to assets and liabilities held at 30 Jun 2025                                 | —                        | 55                | 116                                                                                         | 699          | 28                     | (179)                       | (1,307)      |
| – net income or losses from financial instruments held for trading or managed on a fair value basis                                            | —                        | 55                | —                                                                                           | 699          | 28                     | —                           | (1,307)      |
| – net income from assets and liabilities of insurance businesses, including related derivatives measured at fair value through profit or loss  | —                        | —                 | 94                                                                                          | —            | —                      | —                           | —            |
| – other income/(losses)                                                                                                                        | —                        | —                 | 22                                                                                          | —            | —                      | (179)                       | —            |

1 Included in 'financial investments: fair value gains/(losses)' in the current year and 'exchange differences' in the consolidated statement of comprehensive income.

Transfers between levels of the fair value hierarchy are deemed to occur at the end of each quarterly reporting period. Transfers into and out of levels of the fair value hierarchy are primarily attributable to observability of valuation inputs and price transparency.

## Effect of changes in significant unobservable assumptions to reasonably possible alternatives

The following table shows the sensitivity of Level 3 fair values to reasonably possible alternative assumptions:

### Sensitivity of fair values to reasonably possible alternative assumptions

|                                                                                                                     | Reflected in profit or loss |                      | Reflected in OCI   |                      |
|---------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------|--------------------|----------------------|
|                                                                                                                     | Favourable changes          | Unfavourable changes | Favourable changes | Unfavourable changes |
|                                                                                                                     | \$m                         | \$m                  | \$m                | \$m                  |
| Derivatives, trading assets and trading liabilities <sup>1</sup>                                                    | 593                         | (327)                | —                  | —                    |
| Financial assets and liabilities designated and otherwise mandatorily measured at fair value through profit or loss | 1,856                       | (1,458)              | —                  | —                    |
| Financial investments                                                                                               | —                           | —                    | 68                 | (52)                 |
| <b>At 30 Jun 2026</b>                                                                                               | <b>2,449</b>                | <b>(1,785)</b>       | <b>68</b>          | <b>(52)</b>          |
| Derivatives, trading assets and trading liabilities <sup>1</sup>                                                    | 524                         | (309)                | —                  | —                    |
| Financial assets and liabilities designated and otherwise mandatorily measured at fair value through profit or loss | 1,873                       | (1,470)              | —                  | —                    |
| Financial investments                                                                                               | 19                          | (19)                 | 52                 | (55)                 |
| <b>At 30 Jun 2025</b>                                                                                               | <b>2,416</b>                | <b>(1,798)</b>       | <b>52</b>          | <b>(55)</b>          |
| Derivatives, trading assets and trading liabilities <sup>1</sup>                                                    | 483                         | (295)                | —                  | —                    |
| Financial assets and liabilities designated and otherwise mandatorily measured at fair value through profit or loss | 1,750                       | (1,434)              | —                  | —                    |
| Financial investments                                                                                               | —                           | —                    | 49                 | (49)                 |
| <b>At 31 Dec 2025</b>                                                                                               | <b>2,233</b>                | <b>(1,729)</b>       | <b>49</b>          | <b>(49)</b>          |

1 'Derivatives, trading assets and trading liabilities' are presented as one category to reflect the manner in which these financial instruments are risk-managed.

The sensitivity analysis aims to measure a range of fair values consistent with the application of a 95% confidence interval. Methodologies take account of the nature of the valuation technique employed, as well as the availability and reliability of observable proxy and historical data.

When the fair value of a financial instrument is affected by more than one unobservable assumption, the table above reflects the most favourable or the most unfavourable change from varying the assumptions individually.

## Key unobservable inputs to Level 3 financial instruments

The following table lists key unobservable inputs to Level 3 financial instruments and provides the range of those inputs at 30 June 2026. There has been no change to the key unobservable inputs to Level 3 financial instruments and inter-relationships therein, which are detailed on pages 310 and 311 of the Annual Report and Accounts 2025.

### Quantitative information about significant unobservable inputs in Level 3 valuations

|                                                             | Fair value    |               | Key valuation techniques     | Key unobservable inputs  | 30 Jun 2026          |        | 31 Dec 2025          |        |
|-------------------------------------------------------------|---------------|---------------|------------------------------|--------------------------|----------------------|--------|----------------------|--------|
|                                                             | Assets        | Liabilities   |                              |                          | Full range of inputs |        | Full range of inputs |        |
|                                                             | \$m           | \$m           |                              |                          | Lower                | Higher | Lower                | Higher |
| Private equity including strategic investments <sup>1</sup> | 20,677        | 1             | Price – Net asset value      | Current Value/Cost       | 0                    | 34     | 0                    | 75     |
| Structured notes                                            | —             | 13,281        |                              |                          |                      |        |                      |        |
| – equity-linked notes                                       | —             | 9,456         | Model – Option model         | Equity volatility        | 5%                   | 174%   | 5%                   | 132%   |
| – foreign exchange-linked notes                             | —             | 577           | Model – Option model         | Equity correlation       | 10%                  | 100%   | 10%                  | 100%   |
| – other structured notes                                    | —             | 3,248         | Model – Option model         | FX volatility            | 4%                   | 51%    | 3%                   | 56%    |
| Derivatives                                                 | 2,046         | 3,668         |                              |                          |                      |        |                      |        |
| – interest rate derivatives                                 | 628           | 886           |                              |                          |                      |        |                      |        |
| – securitisation swaps                                      | 100           | 263           | Model – Discounted cash flow | Prepayment rate          | 5%                   | 10%    | 5%                   | 10%    |
| – long-dated swaptions                                      | 4             | 3             | Model – Option model         | Interest rate volatility | 8%                   | 23%    | 5%                   | 20%    |
| – other interest rate derivatives                           | 524           | 620           |                              |                          |                      |        |                      |        |
| – foreign exchange derivatives                              | 661           | 595           |                              |                          |                      |        |                      |        |
| – foreign exchange options                                  | 362           | 340           | Model – Option model         | FX volatility            | 0%                   | 28%    | 0%                   | 22%    |
| – other foreign exchange derivatives                        | 299           | 255           |                              |                          |                      |        |                      |        |
| – equity derivatives                                        | 597           | 1,830         |                              |                          |                      |        |                      |        |
| – long-dated single stock options                           | 35            | 511           | Model – Option model         | Equity volatility        | 5%                   | 119%   | 5%                   | 100%   |
| – other equity derivatives                                  | 562           | 1,319         |                              |                          |                      |        |                      |        |
| – credit derivatives                                        | 135           | 349           |                              |                          |                      |        |                      |        |
| – total return swaps                                        | 60            | 284           | Market proxy                 | Price                    | 66                   | 100    | 68                   | 102    |
| – other credit derivatives                                  | 75            | 65            |                              |                          |                      |        |                      |        |
| – other derivatives                                         | 25            | 8             |                              |                          |                      |        |                      |        |
| Bonds                                                       | 6,744         | 5             | Market proxy                 | Price                    | 0                    | 105    | 0                    | 3,342  |
| Loans                                                       | 4,046         | 4             | Market proxy                 | Price                    | 0                    | 113    | 0                    | 112    |
| Other portfolios <sup>2</sup>                               | 2,456         | 259           |                              |                          |                      |        |                      |        |
| <b>At 30 Jun 2026</b>                                       | <b>35,969</b> | <b>17,218</b> |                              |                          |                      |        |                      |        |

1 'Private equity including strategic investments' includes private equity, private credit and private equity fund, primarily held as part of our Insurance business and for strategic investments.

2 'Other portfolios' includes a range of smaller asset holdings.

## 7 Fair values of financial instruments not carried at fair value

The bases for measuring the fair values of loans and advances to banks and customers, financial investments, deposits by banks, customer accounts, debt securities in issue, subordinated liabilities and non-trading repurchase and reverse repurchase agreements are explained on page 312 of the Annual Report and Accounts 2025.

### Fair values of financial instruments not carried at fair value on the balance sheet

|                                             | At 30 Jun 2026         |                   | At 31 Dec 2025         |                   |
|---------------------------------------------|------------------------|-------------------|------------------------|-------------------|
|                                             | Carrying amount<br>\$m | Fair value<br>\$m | Carrying amount<br>\$m | Fair value<br>\$m |
| <b>Assets</b>                               |                        |                   |                        |                   |
| Loans and advances to banks                 | 110,529                | 110,514           | 108,462                | 108,452           |
| Loans and advances to customers             | 1,022,105              | 1,013,525         | 988,399                | 980,792           |
| Reverse repurchase agreements – non-trading | 311,871                | 311,734           | 298,392                | 298,545           |
| Financial investments – at amortised cost   | 218,320                | 216,213           | 182,089                | 181,683           |
| <b>Liabilities</b>                          |                        |                   |                        |                   |
| Deposits by banks                           | 91,401                 | 91,428            | 97,952                 | 97,981            |
| Customer accounts                           | 1,827,703              | 1,827,675         | 1,786,828              | 1,787,070         |
| Repurchase agreements – non-trading         | 276,266                | 276,275           | 204,974                | 204,966           |
| Debt securities in issue                    | 105,027                | 106,562           | 99,675                 | 101,020           |
| Subordinated liabilities                    | 27,872                 | 30,908            | 28,406                 | 31,617            |

## Fair values of financial instruments not carried at fair value on the balance sheet – assets and disposal groups held for sale

|                                           | At 30 Jun 2026         |                   | At 31 Dec 2025         |                   |
|-------------------------------------------|------------------------|-------------------|------------------------|-------------------|
|                                           | Carrying amount<br>\$m | Fair value<br>\$m | Carrying amount<br>\$m | Fair value<br>\$m |
| <b>Assets</b>                             |                        |                   |                        |                   |
| Loans and advances to banks               | 1,147                  | 1,147             | 45                     | 45                |
| Loans and advances to customers           | 5,828                  | 5,828             | 3,493                  | 3,493             |
| Financial investments – at amortised cost | 1,729                  | 1,725             | 93                     | 93                |
| <b>Liabilities</b>                        |                        |                   |                        |                   |
| Deposits by banks                         | 56                     | 56                | 131                    | 131               |
| Customer accounts                         | 18,034                 | 18,034            | 16,173                 | 16,173            |
| Debt securities in issue                  | 473                    | 473               | 495                    | 495               |

Other financial instruments not carried at fair value are typically short term in nature and reprice to current market rates frequently. Accordingly, their carrying amount is a reasonable approximation of fair value.

## 8 Derivatives

## Notional contract amounts and fair values of derivatives by product contract type held by HSBC

|                         | Notional contract amount |                |                |                | Fair value amount |                |                |              |
|-------------------------|--------------------------|----------------|----------------|----------------|-------------------|----------------|----------------|--------------|
|                         | Assets and liabilities   |                | Assets         |                | Liabilities       |                |                |              |
|                         | Trading<br>\$m           | Hedging<br>\$m | Trading<br>\$m | Hedging<br>\$m | Total<br>\$m      | Trading<br>\$m | Hedging<br>\$m | Total<br>\$m |
| Foreign exchange        | 16,532,234               | 116,342        | 133,443        | 1,846          | 135,289           | 128,305        | 489            | 128,794      |
| Interest rate           | 18,373,942               | 464,192        | 190,562        | 3,253          | 193,815           | 185,275        | 4,355          | 189,630      |
| Equities                | 1,038,298                | —              | 21,812         | —              | 21,812            | 30,829         | —              | 30,829       |
| Credit                  | 243,571                  | —              | 2,712          | —              | 2,712             | 3,492          | —              | 3,492        |
| Commodity and other     | 163,073                  | —              | 6,982          | —              | 6,982             | 6,532          | —              | 6,532        |
| Gross total fair values | 36,351,118               | 580,534        | 355,511        | 5,099          | 360,610           | 354,433        | 4,844          | 359,277      |
| Offset                  |                          |                |                |                | (104,615)         |                |                | (104,615)    |
| At 30 Jun 2026          | 36,351,118               | 580,534        | 355,511        | 5,099          | 255,995           | 354,433        | 4,844          | 254,662      |
|                         |                          |                |                |                |                   |                |                |              |
| Foreign exchange        | 13,639,520               | 108,585        | 111,012        | 1,233          | 112,245           | 110,786        | 662            | 111,448      |
| Interest rate           | 17,272,408               | 423,761        | 190,296        | 4,946          | 195,242           | 182,569        | 4,565          | 187,134      |
| Equities                | 908,649                  | —              | 15,660         | —              | 15,660            | 21,311         | —              | 21,311       |
| Credit                  | 164,160                  | —              | 1,294          | —              | 1,294             | 2,212          | —              | 2,212        |
| Commodity and other     | 191,761                  | —              | 10,542         | —              | 10,542            | 12,992         | —              | 12,992       |
| Gross total fair values | 32,176,498               | 532,346        | 328,804        | 6,179          | 334,983           | 329,870        | 5,227          | 335,097      |
| Offset                  |                          |                |                |                | (97,243)          |                |                | (97,243)     |
| At 31 Dec 2025          | 32,176,498               | 532,346        | 328,804        | 6,179          | 237,740           | 329,870        | 5,227          | 237,854      |

The notional contract amounts of derivatives held for trading purposes and derivatives designated in hedge accounting relationships indicate the nominal value of transactions outstanding at the balance sheet date. They do not represent amounts at risk.

## Hedge accounting derivatives

The notional contract amounts of derivatives held for hedge accounting purposes indicate the nominal value of transactions outstanding at the balance sheet date, not amounts at risk.

## Notional contract amounts of derivatives held for hedging purposes by product type

|                  | At 30 Jun 2026          |                          | At 31 Dec 2025          |                          |
|------------------|-------------------------|--------------------------|-------------------------|--------------------------|
|                  | Cash flow hedges<br>\$m | Fair value hedges<br>\$m | Cash flow hedges<br>\$m | Fair value hedges<br>\$m |
| Foreign exchange | 70,113                  | —                        | 62,334                  | —                        |
| Interest rate    | 200,145                 | 264,047                  | 190,020                 | 233,741                  |
| <b>Total</b>     | <b>270,258</b>          | <b>264,047</b>           | <b>252,354</b>          | <b>233,741</b>           |

The Group applies hedge accounting in respect of certain consolidated net investments in foreign operations. Hedging is undertaken using forward foreign exchange contracts or by financing with foreign currency borrowings. At 30 June 2026, the notional contract value of outstanding derivative financial instruments designated as hedges of net investments in foreign operations was \$46,229m (31 December 2025: \$46,251m).



## 9 Financial investments

### Carrying amounts of financial investments

|                                                                                 | 30 Jun 2026<br>\$m | 31 Dec 2025<br>\$m |
|---------------------------------------------------------------------------------|--------------------|--------------------|
| Financial investments measured at fair value through other comprehensive income | <b>386,439</b>     | 385,122            |
| – treasury and other eligible bills                                             | <b>110,301</b>     | 105,075            |
| – debt securities                                                               | <b>274,196</b>     | 277,867            |
| – equity securities                                                             | <b>1,490</b>       | 1,755              |
| – other instruments                                                             | <b>452</b>         | 425                |
| Debt instruments measured at amortised cost                                     | <b>218,320</b>     | 182,089            |
| – treasury and other eligible bills                                             | <b>17,495</b>      | 23,445             |
| – debt securities                                                               | <b>200,825</b>     | 158,644            |
| <b>At the end of the period</b>                                                 | <b>604,759</b>     | 567,211            |

## 10 Interests in associates and joint ventures

At 30 June 2026, the carrying amount of HSBC's interests in associates and joint ventures was \$31,333m (31 December 2025: \$29,577m).

### Principal associates of HSBC

|                                     | At 30 Jun 2026         |                                | At 31 Dec 2025         |                                |
|-------------------------------------|------------------------|--------------------------------|------------------------|--------------------------------|
|                                     | Carrying amount<br>\$m | Fair value <sup>1</sup><br>\$m | Carrying amount<br>\$m | Fair value <sup>1</sup><br>\$m |
| Bank of Communications Co., Limited | <b>24,141</b>          | <b>12,149</b>                  | 22,456                 | 11,713                         |
| Saudi Awwal Bank                    | <b>5,608</b>           | <b>5,486</b>                   | 5,511                  | 5,499                          |

1 Principal associates are listed on recognised stock exchanges. The fair values are based on the quoted market prices of the shares held (Level 1 in the fair value hierarchy).

### Share of profit in associates and joint ventures

|                                                         | Half-year to       |                    |
|---------------------------------------------------------|--------------------|--------------------|
|                                                         | 30 Jun 2026<br>\$m | 30 Jun 2025<br>\$m |
| Bank of Communications Co., Limited                     | <b>1,187</b>       | 1,260              |
| Saudi Awwal Bank                                        | <b>322</b>         | 345                |
| Other associates and joint ventures                     | <b>50</b>          | 46                 |
| <b>Share of profit in associates and joint ventures</b> | <b>1,559</b>       | 1,651              |
| Less: Impairment of interest in BoCom                   | —                  | (1,000)            |

## Bank of Communications Co., Limited

### HSBC's interest

The Group maintains a 16.00% interest in Bank of Communications Co., Limited ('BoCom'). The Group's investment in BoCom is classified as an associate. Significant influence in BoCom was established with consideration of all relevant factors, including the Group's shareholding, representation on BoCom's Board of Directors, and participation in a resource and experience sharing agreement ('RES'). Under the RES, HSBC staff have been seconded to assist in the maintenance of BoCom's financial and operating policies. Investments in associates are recognised using the equity method of accounting in accordance with IAS 28 'Investments in Associates and Joint Ventures', whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Group's share of associate's net assets. An impairment test is required if there is any indication of impairment or reversal.

The fair value of the Group's investment in BoCom had been below its carrying amount. At 31 December 2025, the Group retained an impairment of \$1.0bn recognised during the year when the recoverable amount as determined by a value in use ('VIU') calculation was lower than the carrying value.

If the Group did not have significant influence in BoCom, the investment would be carried at fair value rather than the current carrying amount.

### Impairment testing

At 30 June 2026, the carrying amount of the investment was \$24.1bn (31 December 2025: \$22.5bn) with a fair value of \$12.1bn (31 December 2025: \$11.7bn). The Group has concluded that there was no indication of further significant impairment (or indication that an impairment may no longer exist or may have decreased significantly) since 31 December 2025. As part of this assessment the Group updated the VIU calculation, which supported the case that there was no significant change from the 31 December 2025 position. As a result, no additional impairment to the carrying amount (or reversal of impairment) was made at 30 June 2026.

### Basis of recoverable amount

The VIU calculation uses discounted cash flow projections based on management's best estimates of future earnings available to ordinary shareholders prepared in accordance with IAS 36 'Impairment of Assets'. Those cash flows used estimates based on BoCom's current condition and so do not include estimated cash flows arising from uncommitted future actions that may affect the performance of the investment, which will be considered at the relevant time should they arise. Significant management judgement is required in arriving at the best estimate.

The VIU may increase or decrease depending on the effect of changes to model inputs. The main model inputs are described below and are based on factors observed at period-end. The factors that could result in increases or reductions in the VIU include changes in BoCom's short-term performance, a change in regulatory capital requirements or revisions to the forecast of BoCom's future profitability.

There are two main components to the VIU calculation. The first component is management's best estimate of BoCom's earnings. Forecast earnings growth over the short to medium term continues to be lower than recent (within the last five years) actual growth, and reflects the impact of recent macroeconomic, policy and industry factors in the Chinese mainland. As a result of management's intent to continue to retain its investment for the long term, earnings beyond the short to medium term are extrapolated into perpetuity using a long-term growth rate to derive a terminal value, which comprises the majority of the VIU. The second component is the capital maintenance charge ('CMC'), which is management's forecast of the earnings that need to be withheld in order for BoCom to meet capital requirements over the forecast period, meaning that CMC is deducted when arriving at management's estimate of future earnings available to ordinary shareholders. The CMC reflects the revised capital requirements arising from revisions of the ratio of risk-weighted assets to total assets assumption. The principal inputs to the CMC calculation include estimates of asset growth, the ratio of risk-weighted assets to total assets and the expected capital requirements. An increase in the CMC as a result of a change to these principal inputs would reduce VIU. Additionally, management considers other qualitative factors, to ensure that the inputs to the VIU calculation remain appropriate.

## Key assumptions in value-in-use calculation

We used a number of assumptions in our VIU calculation, in accordance with the requirements of IAS 36:

- Long-term profit growth rate: 3.00% (31 December 2025: 3.00%) for periods after 2029, which does not exceed forecast GDP growth in the Chinese mainland and is similar to forecasts by external analysts.
- Long-term asset growth rate: 3.25% (31 December 2025: 3.25%) for periods after 2029, which is the rate that assets are expected to grow to achieve long-term profit growth of 3.00%.
- Discount rate: 7.83% (31 December 2025: 8.08%), which is based on a capital asset pricing model ('CAPM') using market data. The discount rate used is within the range of 7.1% to 8.8% (31 December 2025: 7.1% to 8.7%) indicated by the CAPM, and decreased primarily as a consequence of lower beta, partly offset by a higher risk free rate, with both movements driven by market conditions.
- Expected credit losses ('ECL') as a percentage of loans and advances to customers: ranges from 0.65% to 0.77% (31 December 2025: 0.67% to 0.87%) in the short to medium term, reflecting reported credit experience in the Chinese mainland. For periods after 2029, the ratio is 0.83% (31 December 2025: 0.87%), reflecting the anticipated continuation of BoCom's lower average ECL as a percentage of loans and advances to customers experienced in recent years and reductions in external analysts' forecasts.
- Risk-weighted assets as a percentage of total assets: 63.0% (31 December 2025: 62.0% to 64.2%) in the short to medium term, reflecting a stable trajectory similar to forecasts by external analysts. For periods after 2029, the ratio is 63.0% (31 December 2025: 62.0%), in line with the increase in BoCom's actual results in recent years.
- Loans and advances to customers growth rate: ranges from 7.0% to 7.5% (31 December 2025: 7.5% to 8.0%) in the short to medium term, reflecting the decrease in BoCom's actual results in recent years. Decreases in the forecast growth rate of loans and advances to customers result in lower forecast ECL.
- Operating income growth rate: ranges from 2.8% to 7.0% (31 December 2025: 0.5% to 7.4%) in the short to medium term, which is within the range of BoCom's actual results in recent years.
- Cost-income ratio: ranges from 36.5% to 39.3% (31 December 2025: 34.8% to 40.0%) in the short to medium term. These ratios are similar to BoCom's actual results in recent years and forecasts disclosed by external analysts.
- Long-term effective tax rate: 15.0% (31 December 2025: 15.0%) for periods after 2029, which is higher than the recent historical average, and aligned to the minimum tax rate as proposed by the OECD/Group of 20 ('G20') Inclusive Framework on Base Erosion and Profit Shifting.
- Capital requirements: capital adequacy ratio of 12.5% (31 December 2025: 12.5%) and tier 1 capital adequacy ratio of 9.5% (31 December 2025: 9.5%), based on BoCom's capital risk appetite and capital requirements respectively.

The VIU is highly sensitive to the assumptions above. To indicate the scale of that sensitivity, we also disclose the reasonably possible range of VIU-based changes to these assumptions. This is based on impacts arising from the favourable/unfavourable change in the operating income in the short to medium term, the expected credit losses as a percentage of loans and advances to customers, and a 50bps increase/decrease in the discount rate. At 30 June 2026, we estimate that the reasonably possible range of VIU is \$14.8bn to \$32.6bn (31 December 2025: \$13.4bn to \$31.0bn), acknowledging that the fair value of the Group's investment has ranged from \$7.5bn to \$13.1bn over the last five years as at the date of the impairment test. All other long-term assumptions, and the basis of the CMC, have been kept unchanged when determining the reasonably possible range of the VIU.

## Saudi Awwal Bank

The Group's investment in Saudi Awwal Bank ('SAB') is classified as an associate. HSBC is the largest shareholder in SAB with a shareholding of 31%. Significant influence in SAB is established via representation on the Board of Directors. Investments in associates are recognised using the equity method of accounting in accordance with IAS 28, as described previously for BoCom.

## Impairment testing

The fair value of the Group's investment in SAB was below the carrying amount as at 30 June 2026, due to a share price decrease in response to the broader impacts of the conflict in the Middle East. An impairment test on the carrying amount was performed using a VIU calculation. The recoverable amount as determined by the VIU calculation was higher than the carrying amount using discounted cash flow projections. SAB has also had increasing profits each year. On that basis, the Group has concluded there is no indication of impairment.

The VIU calculation was based on management's best estimates of future earnings available to ordinary shareholders, prepared in accordance with IAS 36 'Impairment of Assets'. Those cash flow projections used estimates based on SAB's current condition and so do not include estimated cash flows arising from uncommitted future actions that may affect the performance of the investment, which will be considered at the relevant time should they arise.

## 11 Provisions

|                                                                  | Restructuring costs<br>\$m | Legal proceedings and regulatory matters<br>\$m | Customer remediation<br>\$m | Other provisions<br>\$m | Total<br>\$m |
|------------------------------------------------------------------|----------------------------|-------------------------------------------------|-----------------------------|-------------------------|--------------|
| <b>Provisions (excluding contractual commitments)</b>            |                            |                                                 |                             |                         |              |
| At 1 Jan 2026                                                    | 578                        | 1,662                                           | 69                          | 497                     | 2,806        |
| Additions                                                        | 198                        | 69                                              | 47                          | 57                      | 371          |
| Amounts utilised                                                 | (254)                      | (440)                                           | (15)                        | (94)                    | (803)        |
| Unused amounts reversed                                          | (52)                       | (13)                                            | (6)                         | (36)                    | (107)        |
| Exchange and other movements                                     | 16                         | (1)                                             | —                           | (6)                     | 9            |
| <b>At 30 Jun 2026</b>                                            | <b>486</b>                 | <b>1,277</b>                                    | <b>95</b>                   | <b>418</b>              | <b>2,276</b> |
| <b>Contractual commitments<sup>1</sup></b>                       |                            |                                                 |                             |                         |              |
| At 1 Jan 2026                                                    |                            |                                                 |                             |                         | 635          |
| Net change in expected credit loss provision and other movements |                            |                                                 |                             |                         | 31           |
| <b>At 30 Jun 2026</b>                                            |                            |                                                 |                             |                         | <b>666</b>   |
| <b>Total provisions</b>                                          |                            |                                                 |                             |                         |              |
| At 31 Dec 2025                                                   |                            |                                                 |                             |                         | 3,441        |
| <b>At 30 Jun 2026</b>                                            |                            |                                                 |                             |                         | <b>2,942</b> |

1 Contractual commitments include the expected credit loss provision in relation to off-balance sheet financial guarantee contracts and commitments to which the impairment requirements in IFRS 9 are applied; and provisions for performance and other guarantee contracts.

Further details of 'Legal proceedings and regulatory matters' are set out in Note 13. Legal proceedings include civil court, arbitration or tribunal proceedings brought against HSBC companies (whether by way of claim or counterclaim); or civil disputes that may, if not settled, result in court, arbitration or tribunal proceedings. 'Regulatory matters' refers to investigations, reviews and other actions carried out by, or in response to, the actions of regulators or law enforcement agencies in connection with alleged wrongdoing by HSBC.

Customer remediation refers to HSBC's activities to compensate customers for losses or damages associated with a failure to comply with regulations or to treat customers fairly. Customer remediation is often initiated by HSBC in response to customer complaints and/or industry developments in sales practices, and is not necessarily initiated by regulatory action.

For further details of the impact of IFRS 9 on undrawn loan commitments and financial guarantees, presented in 'Contractual commitments', see Note 12. Further analysis of the movement in the ECL provision is disclosed within the 'Reconciliation of changes in gross carrying/nominal amount and allowances for loans and advances to banks and customers including loan commitments and financial guarantees' table on pages 58 to 59.

## 12 Contingent liabilities, contractual commitments and guarantees

|                                                                  | At<br>30 Jun 2026<br>\$m | 31 Dec 2025<br>\$m |
|------------------------------------------------------------------|--------------------------|--------------------|
| <b>Guarantees and other contingent liabilities:</b>              |                          |                    |
| – financial guarantees                                           | 18,884                   | 17,476             |
| – performance and other guarantees                               | 106,724                  | 102,684            |
| – other contingent liabilities                                   | 104                      | 164                |
| <b>At the end of the period</b>                                  | <b>125,712</b>           | <b>120,324</b>     |
| <b>Commitments:<sup>1</sup></b>                                  |                          |                    |
| – documentary credits and short-term trade-related transactions  | 8,563                    | 6,959              |
| – forward asset purchases and forward deposits placed            | 163,989                  | 84,978             |
| – standby facilities, credit lines and other commitments to lend | 874,730                  | 856,700            |
| <b>At the end of the period</b>                                  | <b>1,047,282</b>         | <b>948,637</b>     |

1 Includes \$778.4bn of commitments at 30 June 2026 (31 December 2025: \$690.8bn), to which the impairment requirements in IFRS 9 are applied.

The preceding table discloses the nominal principal amounts of off-balance sheet liabilities and commitments for the Group, which represent the maximum amounts at risk should the contracts be fully drawn upon and the clients default. As a significant portion of guarantees and commitments is expected to expire without being drawn upon, the total of the nominal principal amounts is not indicative of future liquidity requirements. The expected credit loss provision relating to guarantees and commitments under IFRS 9 is disclosed in Note 11.

The majority of the guarantees have a term of less than one year. All guarantees are subject to HSBC's annual credit review process.

Potential contingent liabilities arising from legal proceedings and regulatory and other matters against Group companies are excluded from this note but are disclosed in Note 13.

## 13 Legal proceedings and regulatory matters

HSBC is party to legal proceedings and regulatory matters in a number of jurisdictions arising out of its normal business operations. Apart from the matters described below, HSBC considers that none of these matters are material. The recognition of provisions is determined in accordance with the accounting policies set out in Note 1 of the Annual Report and Accounts 2025. While the outcomes of legal proceedings and regulatory matters are inherently uncertain, management believes that, based on the information available to it, appropriate provisions have been made in respect of these matters as at 30 June 2026 (see Note 11). Where an individual provision is material, the fact that a provision has been made is stated and quantified, except to the extent that doing so would be seriously prejudicial. Any provision recognised does not constitute an admission of wrongdoing or legal liability. It is not practicable to provide an aggregate estimate of potential liability for our legal proceedings and regulatory matters as a class of contingent liabilities.

## Bernard L. Madoff Investment Securities LLC

Various HSBC companies that provided custodial, administration and similar services to a number of funds whose assets were invested with Bernard L. Madoff Investment Securities LLC ('Madoff Securities') have been named as defendants in lawsuits arising out of Madoff Securities' fraud.

**Trustee litigation:** The Madoff Securities trustee (the 'Trustee') has brought lawsuits in the US against various HSBC companies and others seeking recovery of alleged transfers from Madoff Securities to the HSBC companies in the amount of \$508m (plus interest). In September 2025, the US Bankruptcy Court for the Southern District of New York dismissed all claims against HSBC Private Bank (Suisse) SA in the amount of \$292m and certain claims against HSBC Bank USA N.A. ('HSBC Bank USA') in the amount of \$32m. These dismissals are now final. The Trustee's remaining claims, which amount to \$184m (plus interest), are pending.

The Trustee has filed a claim against various HSBC companies in the High Court of England and Wales seeking recovery of alleged transfers from Madoff Securities to the HSBC companies. The claim has not yet been served and the amount claimed has not been specified.

**Fairfield Funds litigation:** Fairfield Sentry Limited, Fairfield Sigma Limited and Fairfield Lambda Limited (each in liquidation and together, the 'Fairfield Funds') have brought lawsuits in the US against various HSBC companies and others seeking recovery of alleged transfers from the Fairfield Funds to the HSBC companies (that acted as nominees for clients) in the amount of \$367m (plus interest). In August 2025, the US Court of Appeals for the Second Circuit confirmed the dismissal of Fairfield Funds' claims against all HSBC companies. Fairfield Funds have filed a petition for review of the dismissal by the US Supreme Court, which is pending.

**Herald Fund SPC ('Herald') litigation:** HSBC Securities Services Luxembourg ('HSSL') and HSBC Bank plc are defending an action brought by Herald (in liquidation) before the Luxembourg District Court seeking restitution of securities (the amount of which would be determined by further proceedings, if Herald is successful in its claim) and \$521m in cash (plus interest) or, alternatively, damages in the amount of \$5.6bn (plus interest). There are various proceedings pending before the Luxembourg courts relating to Herald's action and the timing of when these will be determined is uncertain. Herald's damages claim against HSSL and HSBC Bank plc has been stayed. Following an appeal by HSSL, Herald's cash restitution claim has been returned to the Luxembourg District Court for determination. In July 2026, the Luxembourg Court of Appeal denied a second appeal by HSSL in respect of Herald's securities restitution claim. HSSL has a right to seek a further appeal to the Luxembourg Court of Cassation. There will be further proceedings before the Luxembourg Court of Appeal to determine the quantum of restitution HSSL may be required to pay to Herald. HSSL continues to recognise a \$1.1bn provision in connection with this matter. Given the complexities and uncertainties associated with determining the quantum of restitution, the eventual financial impact could be significantly different.

**Alpha Prime Fund Limited ('Alpha Prime') litigation:** Various HSBC companies are defending an action brought by Alpha Prime in the Luxembourg District Court seeking restitution of securities and \$1bn (plus interest) in supplementary damages or, alternatively, damages in the amount of \$3.3bn (plus interest). This matter is currently pending before the Luxembourg District Court.

In November 2024, Alpha Prime served various HSBC companies with a lawsuit filed in the Bermuda Supreme Court seeking damages for unspecified amounts for alleged breach of contract and negligence. This claim is currently stayed.

**Senator Fund SPC ('Senator') litigation:** HSSL and the Luxembourg branch of HSBC Bank plc are defending an action brought by Senator before the Luxembourg District Court seeking restitution of securities or, alternatively, damages in the amount of \$1.4bn (plus interest). This matter is currently pending before the Luxembourg District Court.

Based on the facts currently known, it is not practicable at this time for HSBC to predict the resolution of these matters, including the timing or any possible impact on HSBC, which could be significant.

## US Anti-Terrorism Act litigation

Since November 2014, a number of lawsuits have been filed in federal courts in the US against various HSBC companies and others on behalf of plaintiffs who are, or are related to, alleged victims of terrorist attacks in the Middle East. In each case, it is alleged that the defendants aided and abetted the unlawful conduct of various sanctioned parties in violation of the US Anti-Terrorism Act, or provided banking services to customers alleged to have connections to terrorism financing. Six actions, which seek damages for unspecified amounts, remain pending. Two of these actions have been dismissed but may be appealed. The other four actions remain at an early procedural stage.

Based on the facts currently known, it is not practicable at this time for HSBC to predict the resolution of these matters, including the timing or any possible impact on HSBC, which could be significant.

## US dollar Libor litigation

Various HSBC companies are defending two individual actions which allege that the HSBC defendants violated various US federal and state laws, including antitrust laws, related to the setting of US dollar Libor, and seek damages for unspecified amounts. In September 2025, the US District Court for the Southern District of New York granted the defendants' joint motion for summary judgment and dismissed these actions. The plaintiffs have appealed.

Based on the facts currently known, it is not practicable at this time for HSBC to predict the resolution of these matters, including the timing or any possible impact on HSBC, which could be significant.

## Foreign exchange-related investigations and litigation

In December 2016, Brazil's Administrative Council of Economic Defense initiated an investigation into the onshore foreign exchange market and identified a number of banks, including HSBC, as subjects of its investigation. This investigation is ongoing. Lawsuits alleging foreign exchange-related misconduct remain pending against HSBC and other banks in courts in Brazil.

Since 2017, HSBC Bank plc, among other financial institutions, has been defending a complaint filed by the Competition Commission of South Africa before the South African Competition Tribunal for alleged anti-competitive behaviour in the South African foreign exchange market. In 2020, a revised complaint was filed which also named HSBC Bank USA as a defendant. In June 2026, the Constitutional Court of South Africa confirmed the dismissal of HSBC Bank USA from the revised complaint but determined that the complaint can proceed against HSBC Bank plc.

HSBC Bank plc and HSBC Holdings have reached a settlement with plaintiffs in Israel to resolve a class action filed in the local courts alleging foreign exchange-related misconduct. The settlement, the impact of which is not significant and is fully provisioned, remains subject to court approval.

In February 2024, HSBC Bank plc and HSBC Holdings were joined to an existing claim brought in the UK Competition Appeals Tribunal ('UK CAT') against various other banks alleging historical anti-competitive behaviour in the foreign exchange market and seeking approximately £3bn in damages from all the defendants. In December 2025, the UK Supreme Court upheld an earlier ruling of the UK CAT refusing certification as an opt-out claim. This matter remains pending before the UK CAT.

Based on the facts currently known, it is not practicable at this time for HSBC to predict the resolution of these matters, including the timing or any possible impact on HSBC, which could be significant.

## Precious metals fix-related litigation

**US litigation:** Various HSBC companies and other members of The London Silver Market Fixing Limited are defending a class action pending in the US District Court for the Southern District of New York alleging that, from January 2007 to December 2013, the defendants conspired to manipulate the price of silver and silver derivatives for their collective benefit in violation of US antitrust laws, the US Commodity Exchange Act and New York state law. In May 2023, this action, which seeks damages for unspecified amounts, was dismissed but remains pending on appeal. Based on the facts currently known, it is not practicable at this time for HSBC to predict the resolution of this matter, including the timing or any possible impact on HSBC, which could be significant.

**Canada litigation:** Various HSBC companies and other financial institutions have been defending putative class actions filed in the Ontario and Quebec Superior Courts of Justice alleging that the defendants conspired to manipulate the price of silver, gold and related derivatives in violation of the Canadian Competition Act and common law. These actions each seek CA\$1bn in damages plus CA\$250m in punitive damages. The HSBC defendants have reached a settlement with the plaintiffs to resolve these matters. The settlement, the impact of which is not significant and is fully provisioned, is subject to final court approval.

## Tax-related investigations

HSBC Bank plc and the German branch of HSBC Continental Europe continue to cooperate with investigations by the German public prosecutor into numerous financial institutions and their employees, in connection with the dividend withholding tax treatment of certain trading activities. Based on the facts currently known, it is not practicable at this time for HSBC to predict the resolution of this matter, including the timing or any possible impact on HSBC, which could be significant.

## Gilts trading litigation

In June 2023, HSBC Bank plc and HSBC Securities (USA) Inc., among other banks, were named as defendants in a putative class action filed in the US District Court for the Southern District of New York by plaintiffs alleging anti-competitive conduct in the gilts market and seeking damages for unspecified amounts. Certain of the defendants, including HSBC Bank plc and HSBC Securities (USA) Inc., have reached a settlement with the plaintiffs to resolve this matter. The settlement, the impact of which is not significant and has been paid, remains subject to final court approval.

## Korean short selling indictment

In March 2024, the Korean Prosecutors' Office issued a criminal indictment against The Hongkong and Shanghai Banking Corporation Limited ('HBAP') and three current and former employees for breaching short selling rules under the Financial Investment Services and Capital Markets Act in connection with trades carried out between August 2021 and December 2021. In September 2025, the Korean appellate court confirmed the acquittal of HBAP of all charges. The Korean Prosecutors' Office has further appealed to the Korean Supreme Court.

## Investigations involving HSBC Private Bank (Suisse) SA

Law enforcement authorities in Switzerland and France are conducting criminal investigations into HSBC Private Bank (Suisse) SA in connection with alleged money laundering offences in respect of two historical banking relationships. In May 2026, HSBC Private Bank (Suisse) SA was placed under formal examination in the investigation in France. HSBC Private Bank (Suisse) SA continues to cooperate with both investigations, which are ongoing.

Based on the facts currently known, it is not practicable at this time for HSBC to predict the resolution of these matters, including the timing or any possible impact on HSBC, which could be significant.

## First Citizens litigation

In May 2023, First-Citizens Bank & Trust Company ('First Citizens') brought a lawsuit in the US District Court for the Northern District of California against various HSBC companies and seven US-based HSBC employees who had previously worked for Silicon Valley Bank ('SVB'). The lawsuit seeks \$1bn in damages and alleges, among other things, that the various HSBC companies conspired with the individual defendants to solicit employees from First Citizens and that the individual defendants took confidential information belonging to SVB and/or First Citizens. In May 2026, the court dismissed claims that First Citizens had purportedly acquired from the Federal Deposit Insurance Corporation ('FDIC'), and claims against defendants that First Citizens had sought to bring back into the litigation following their dismissal by the court in July 2024. First Citizens' remaining claims are proceeding against two HSBC companies and one of the individuals.

Based on the facts currently known, it is not practicable at this time for HSBC to predict the resolution of this matter, including the timing or any possible impact on HSBC, which could be significant.

## US mortgage securitisation litigation

Beginning in 2014, a number of lawsuits were filed in various state and federal courts in the US against HSBC Bank USA, as a trustee of more than 280 mortgage securitisation trusts, seeking unspecified damages for losses in collateral value allegedly sustained by the trusts. Nearly all of these lawsuits have either been settled or dismissed; one action remains pending in a New York state court. Based on the facts currently known, it is not practicable at this time for HSBC to predict the resolution of this matter, including the timing or any possible impact on HSBC, which could be significant.

HSBC Bank USA and certain of its affiliates were named as defendants in a mortgage loan repurchase action brought by the trustee of a mortgage securitisation trust in New York state court that sought unspecified damages and specific performance. The action has been dismissed, and the plaintiff's appeal has been denied. This matter is now closed.



## Mexican government bond litigation

HSBC Mexico S.A. and other banks are named as defendants in a consolidated putative class action pending in the US District Court for the Southern District of New York alleging anti-competitive conduct related to Mexican government bond transactions between 2010 and 2014 and seeking unspecified damages. The defendants, including HSBC Mexico S.A., have reached a settlement in principle with the plaintiffs to resolve this matter. The settlement, the impact of which is not significant and is fully provisioned, is subject to court approval.

## Other regulatory investigations, reviews and litigation

HSBC Holdings and/or certain of its affiliates are also subject to a number of other enquiries and examinations, requests for information, investigations and reviews by various tax authorities, regulators, competition and law enforcement authorities, as well as legal proceedings including litigation, arbitration and other contentious proceedings, in connection with various matters arising out of their businesses and operations.

At the present time, HSBC does not expect the ultimate resolution of any of these matters to be material to the Group's financial position; however, given the uncertainties involved in legal proceedings and regulatory matters, there can be no assurance regarding the eventual outcome of a particular matter or matters.

## 14 Transactions with related parties

There were no changes in the related party transactions described in the Annual Report and Accounts 2025 that have had a material effect on the financial position or performance of HSBC in the half-year to 30 June 2026. All related party transactions that took place in the half-year to 30 June 2026 were similar in nature to those disclosed in the Annual Report and Accounts 2025.

## 15 Assets held for sale, liabilities of disposal groups held for sale and business acquisitions

|                                                     | At            |               |
|-----------------------------------------------------|---------------|---------------|
|                                                     | 30 Jun 2026   | 31 Dec 2025   |
|                                                     | \$m           | \$m           |
| Disposal groups                                     | 22,336        | 9,713         |
| Unallocated impairment losses <sup>1</sup>          | (267)         | (93)          |
| Non-current assets held for sale                    | 663           | 1,495         |
| <b>Assets held for sale</b>                         | <b>22,732</b> | <b>11,115</b> |
| <b>Liabilities of disposal groups held for sale</b> | <b>30,097</b> | <b>23,382</b> |

1 This represents impairment losses in excess of the carrying value of the non-current assets in scope of IFRS 5 for measurement, recognised against the total assets of the disposal group.

## Disposal groups

During the first half of 2026, we recognised a pre-tax loss on disposal of \$0.3bn related to the planned sale of our business in Malta, a loss of \$0.2bn following completion of the sale of our UK life insurance entity and an immaterial gain on disposal following completion of the sale of our retail banking business in Sri Lanka. We reported balances of \$22.7bn in assets held for sale and \$30.1bn in liabilities held for sale at 30 June 2026, which were predominantly business groups that met held for sale criteria. This included classification to held for sale of \$19.3bn in assets and \$20.4bn in liabilities in respect of our business in Malta, our Singapore insurance business and our retail banking business in Indonesia, which was offset by derecognitions following completion of the sale of our UK life insurance entity and our business in South Africa.

On 2 August 2026, HSBC Bank Egypt S.A.E., an indirect subsidiary of HSBC Holdings plc, entered into a binding agreement to sell its retail banking business to Emirates NBD Egypt (S.A.E), a direct subsidiary of Emirates NBD Bank PJSC. The transaction, which remains subject to regulatory approval, is expected to complete in the second half of 2027 and to generate an estimated pre-tax gain of \$0.3bn, inclusive of related transaction and migration costs and write-offs, that will be recognised largely upon completion. The disposal group, comprising \$0.4bn in assets and \$2.8bn in liabilities at 30 June 2026, is expected to be classified as held for sale in the third quarter of 2026.

On 31 July 2026, HSBC Bank Australia Limited ('HSBC Australia'), an indirect wholly-owned subsidiary of HSBC Holdings plc, entered into an agreement to sell its portfolio of home and personal loans to Virgo BidCo Pty Ltd, an entity wholly-owned by funds managed by affiliates of Blackstone Inc. The disposal group, comprising \$25.3bn in assets at 30 June 2026, is expected to be classified as held for sale in the third quarter of 2026. The transaction, which remains subject to regulatory and competition approvals, is expected to complete in the first half of 2027, and to generate an immaterial loss, inclusive of related costs and write-offs. The remainder of HSBC Australia's retail banking business will be wound down in a phased manner over the next 18 months. HSBC Australia's CIB, Asset Management and Private Banking businesses will be consolidated into The Hongkong and Shanghai Banking Corporation Limited Sydney Branch, subject to regulatory approval, simplifying HSBC's entity footprint. We expect to incur \$0.3bn in associated restructuring costs and write-offs. Following disposal and wind-down actions, including the transfer of certain mortgage securitisation-related roles held by HSBC Australia, cumulative foreign currency translation reserves are expected to be recycled to the income statement. As at 30 June 2026, foreign currency translation reserve losses stood at \$0.3bn.

On 24 July 2026, HSBC Insurance (Asia Pacific) Holdings Limited, an indirect wholly-owned subsidiary of HSBC Holdings plc, entered into an agreement to sell its Singapore insurance business, HSBC Life (Singapore) Pte. Ltd, to Allianz Asia Holdings Pte. Ltd. At 30 June 2026, given the advanced stage of agreement on deal terms and that completion was expected within 12 months, the disposal group met the criteria for classification as held for sale. As a result, total assets of \$10.7bn and total liabilities of \$10.4bn, including insurance manufacturing CSM of \$1.4bn, were classified as held for sale. The transaction, which remains subject to regulatory approval, is expected to generate an estimated pre-tax gain on disposal of \$1.8bn at the HSBC Group consolidated level, inclusive of related transaction and migration costs, goodwill write-off and recycling of foreign currency translation reserves, which will be recognised largely upon completion, expected in the first half of 2027.

On 10 July 2026, HSBC Latin America Holdings (UK) Limited completed the sale of HSBC Bank (Uruguay) S.A. to a subsidiary of BTG Pactual Holding SA. Prior to their derecognition at completion, as at 30 June 2026, related balances stood at \$2.3bn in assets and \$2.1bn in liabilities. On completion, we recycled immaterial foreign currency translation and other reserves losses to the income statement.

On 4 May 2026, PT Bank HSBC Indonesia, an indirect subsidiary of HSBC Holdings plc, entered into a binding agreement to sell its retail banking business to PT Bank OCBC NISP Tbk. The disposal group met the held for sale criteria and \$0.2bn in assets and \$1.9bn in liabilities were classified



as held for sale at 30 June 2026. The transaction, which is subject to regulatory approval, is expected to complete in the first half of 2027, at which point, subject to variable consideration terms, an estimated pre-tax gain of up to \$0.4bn will be recognised.

On 30 April 2026, The Hongkong and Shanghai Banking Corporation Limited completed the sale of its retail banking business in Sri Lanka to Nations Trust Bank PLC. An immaterial pre-tax gain on disposal was recognised following completion.

On 27 February 2026, HSBC Bank plc completed the transfer of its business in South Africa to local lender FirstRand Bank Ltd. Prior to their derecognition at completion, as at 31 December 2025, related balances stood at \$0.4bn in assets and \$2.1bn in liabilities. Upon subsequent substantive wind-down of the entity, expected in the second half of 2026, cumulative foreign currency translation reserves and other reserves will recycle to the income statement. At 30 June 2026, foreign currency translation reserve and other reserve losses stood at \$0.1bn.

On 30 January 2026, HSBC Bank plc completed the sale of its UK life insurance entity, HSBC Life (UK) Limited, to Chesnara plc. Prior to their derecognition at completion, as at 31 December 2025, related balances stood at \$6.6bn in assets and \$6.4bn in liabilities. On completion, we recognised a loss of \$0.2bn following the recycling of foreign currency translation reserves to the income statement.

On 16 September 2025, HSBC Continental Europe entered into a put option agreement with CrediaBank S.A. for the potential sale of its 70.03% majority stake in HSBC Bank Malta p.l.c. On 22 December 2025, following completion of the employee information and consultation process in France and in line with the put option terms, a sale and purchase agreement was signed. The disposal group met the held for sale criteria in the first quarter of 2026 at which point a pre-tax loss on disposal of \$0.3bn was recognised. As at 30 June 2026, \$8.4bn of assets and \$8.0bn of liabilities remained classified as held for sale. The transaction, which remains subject to regulatory approval, is expected to complete in the first half of 2027.

On 11 July 2025, HSBC Continental Europe, a wholly-owned subsidiary of HSBC Bank plc, reached an agreement to sell its fund administration business, 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 30 June 2026. This transaction, which has received 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 will be completed in a phased manner, with a number of phases completed in the first half of 2026. While client consent and related operational requirements may extend the timing for completion of all client transfers, given the signing of a sale and purchase agreement, the disposal group met the held for sale criteria in the second quarter of 2025, with balances remaining classified as held for sale at 30 June 2026 of \$0.7bn in assets and \$7.6bn in liabilities. The sale is expected to generate an estimated pre-tax gain on disposal of \$0.1bn, recognised in line with completion of client transfers.

At 30 June 2026, the major classes of assets and associated liabilities of disposal groups held for sale, including allocated impairment losses, were as follows:

|                                                                                                     | Malta<br>\$m                   | German<br>custody<br>business <sup>1</sup><br>\$m | Uruguay<br>\$m                 | Indonesia<br>retail<br>banking<br>business <sup>2</sup><br>\$m | Singapore<br>insurance<br>business<br>\$m | Other<br>\$m | Total<br>\$m  |
|-----------------------------------------------------------------------------------------------------|--------------------------------|---------------------------------------------------|--------------------------------|----------------------------------------------------------------|-------------------------------------------|--------------|---------------|
| <b>Assets of disposal groups held for sale</b>                                                      |                                |                                                   |                                |                                                                |                                           |              |               |
| Cash and balances at central banks                                                                  | 37                             | —                                                 | 417                            | 13                                                             | —                                         | —            | 467           |
| Trading assets                                                                                      | —                              | —                                                 | 59                             | —                                                              | —                                         | —            | 59            |
| Financial assets designated and otherwise mandatorily measured at fair value through profit or loss | 834                            | —                                                 | —                              | —                                                              | 10,233                                    | —            | 11,067        |
| Derivatives                                                                                         | 2                              | —                                                 | 3                              | —                                                              | 33                                        | —            | 38            |
| Loans and advances to banks                                                                         | 1,034                          | 6                                                 | 41                             | —                                                              | 66                                        | —            | 1,147         |
| Loans and advances to customers                                                                     | 3,071                          | 651                                               | 1,363                          | 210                                                            | 11                                        | 15           | 5,321         |
| Financial investments                                                                               | 3,265                          | —                                                 | 347                            | —                                                              | —                                         | —            | 3,612         |
| Goodwill                                                                                            | —                              | —                                                 | —                              | 7                                                              | 121                                       | —            | 128           |
| Prepayments, accrued income and other assets                                                        | 112                            | 32                                                | 57                             | 13                                                             | 273                                       | 10           | 497           |
| <b>Total assets at 30 Jun 2026</b>                                                                  | <b>8,355</b>                   | <b>689</b>                                        | <b>2,287</b>                   | <b>243</b>                                                     | <b>10,737</b>                             | <b>25</b>    | <b>22,336</b> |
| <b>Liabilities of disposal groups held for sale</b>                                                 |                                |                                                   |                                |                                                                |                                           |              |               |
| Deposits by banks                                                                                   | —                              | 55                                                | 1                              | —                                                              | —                                         | —            | 56            |
| Customer accounts                                                                                   | 7,091                          | 7,510                                             | 1,528                          | 1,904                                                          | —                                         | 1            | 18,034        |
| Financial liabilities designated at fair value                                                      | 197                            | —                                                 | —                              | 9                                                              | —                                         | —            | 206           |
| Derivatives                                                                                         | 3                              | —                                                 | 2                              | —                                                              | 4                                         | —            | 9             |
| Insurance contract liabilities                                                                      | 630                            | —                                                 | —                              | —                                                              | 10,015                                    | —            | 10,645        |
| Debt securities in issue                                                                            | —                              | —                                                 | 473                            | —                                                              | —                                         | —            | 473           |
| Accruals, deferred income and other liabilities                                                     | 125                            | 35                                                | 73                             | 4                                                              | 415                                       | 22           | 674           |
| <b>Total liabilities at 30 Jun 2026</b>                                                             | <b>8,046</b>                   | <b>7,600</b>                                      | <b>2,077</b>                   | <b>1,917</b>                                                   | <b>10,434</b>                             | <b>23</b>    | <b>30,097</b> |
| Expected date of completion                                                                         | First half of 2027             | First half of 2027                                | Second half of 2026            | First half of 2027                                             | First half of 2027                        |              |               |
| Operating segment                                                                                   | CIB, IWPB and Corporate Centre | CIB                                               | CIB, IWPB and Corporate Centre | IWPB                                                           | IWPB                                      |              |               |

At 31 December 2025, the major classes of assets and associated liabilities of disposal groups held for sale, including allocated impairment losses, were as follows:

|                                                                                                     | South<br>Africa | German<br>custody<br>business <sup>1</sup> | Uruguay | UK life<br>insurance<br>business | Sri Lanka retail<br>banking<br>business | Other | Total  |
|-----------------------------------------------------------------------------------------------------|-----------------|--------------------------------------------|---------|----------------------------------|-----------------------------------------|-------|--------|
|                                                                                                     | \$m             | \$m                                        | \$m     | \$m                              | \$m                                     | \$m   | \$m    |
| Assets of disposal groups held for sale                                                             |                 |                                            |         |                                  |                                         |       |        |
| Cash and balances at central banks                                                                  | —               | —                                          | 335     | —                                | 2                                       | —     | 337    |
| Trading assets                                                                                      | —               | —                                          | 113     | —                                | —                                       | —     | 113    |
| Financial assets designated and otherwise mandatorily measured at fair value through profit or loss | —               | —                                          | —       | 6,351                            | —                                       | —     | 6,351  |
| Derivatives                                                                                         | 8               | —                                          | 6       | —                                | —                                       | —     | 14     |
| Loans and advances to banks                                                                         | —               | 16                                         | 29      | —                                | —                                       | —     | 45     |
| Loans and advances to customers                                                                     | 431             | 323                                        | 1,314   | —                                | 101                                     | 21    | 2,190  |
| Financial investments                                                                               | —               | —                                          | 294     | —                                | —                                       | —     | 294    |
| Goodwill                                                                                            | —               | —                                          | —       | —                                | 3                                       | —     | 3      |
| Prepayments, accrued income and other assets                                                        | 3               | 17                                         | 51      | 273                              | 15                                      | 7     | 366    |
| Total assets at 31 Dec 2025                                                                         | 442             | 356                                        | 2,142   | 6,624                            | 121                                     | 28    | 9,713  |
| Liabilities of disposal groups held for sale                                                        |                 |                                            |         |                                  |                                         |       |        |
| Deposits by banks                                                                                   | —               | 116                                        | 15      | —                                | —                                       | —     | 131    |
| Customer accounts                                                                                   | 2,056           | 12,316                                     | 1,369   | —                                | 430                                     | 2     | 16,173 |
| Financial liabilities designated at fair value                                                      | —               | —                                          | —       | 1,345                            | —                                       | —     | 1,345  |
| Derivatives                                                                                         | 13              | —                                          | 3       | —                                | —                                       | —     | 16     |
| Debt securities in issue                                                                            | —               | —                                          | 495     | —                                | —                                       | —     | 495    |
| Insurance contract liabilities                                                                      | —               | —                                          | —       | 4,925                            | —                                       | —     | 4,925  |
| Accruals, deferred income and other liabilities                                                     | 13              | 33                                         | 77      | 116                              | 40                                      | 18    | 297    |
| Total liabilities at 31 Dec 2025                                                                    | 2,082           | 12,465                                     | 1,959   | 6,386                            | 470                                     | 20    | 23,382 |

- Under the financial terms of the sale of our custody business in Germany, HSBC Continental Europe will transfer a nil net asset value for each client transferred, by way of inclusion of additional cash.
- Under the financial terms of the sale of our Indonesia retail banking business, PT Bank HSBC Indonesia will transfer the business at a nil net asset value by way of inclusion of additional cash.

## 16 Events after the balance sheet date

On 10 July 2026, HSBC Latin America Holdings (UK) Limited completed the sale of HSBC Bank (Uruguay) S.A. to a subsidiary of BTG Pactual Holding SA. Prior to their derecognition at completion, as at 30 June 2026, the balances that were classified as held for sale were \$2.3bn in assets and \$2.1bn in liabilities. On completion, we recycled immaterial foreign currency translation and other reserves losses to the income statement.

On 24 July 2026, HSBC Insurance (Asia Pacific) Holdings Limited, an indirect wholly-owned subsidiary of HSBC Holdings plc, entered into an agreement to sell its Singapore insurance business, HSBC Life (Singapore) Pte. Ltd, to Allianz Asia Holdings Pte. Ltd. The transaction, which remains subject to regulatory approval, is expected to generate an estimated pre-tax gain on disposal of \$1.8bn at the HSBC Group consolidated level, inclusive of related transaction and migration costs, goodwill write-off and recycling of foreign currency translation reserves, which will be recognised largely upon completion, expected in the first half of 2027.

On 31 July 2026, HSBC Bank Australia Limited ('HSBC Australia'), an indirect wholly-owned subsidiary of HSBC Holdings plc, entered into an agreement to sell its portfolio of home and personal loans to Virgo BidCo Pty Ltd, an entity wholly-owned by funds managed by affiliates of Blackstone Inc. The disposal group, comprising \$25.3bn in assets at 30 June 2026, is expected to be classified as held for sale in the third quarter of 2026. The transaction, which remains subject to regulatory and competition approvals, is expected to complete in the first half of 2027, and to generate an immaterial loss, inclusive of related costs and write-offs. The remainder of HSBC Australia's retail banking business will be wound down in a phased manner over the next 18 months. HSBC Australia's CIB, Asset Management and Private Banking businesses will be consolidated into The Hongkong and Shanghai Banking Corporation Limited Sydney Branch, subject to regulatory approval, simplifying HSBC's entity footprint. We expect to incur \$0.3bn in associated restructuring costs and write-offs. Following disposal and wind-down actions, including the transfer of certain mortgage securitisation-related roles held by HSBC Australia, cumulative foreign currency translation reserves are expected to be recycled to the income statement. As at 30 June 2026, foreign currency translation reserve losses stood at \$0.3bn.

On 2 August 2026, HSBC Bank Egypt S.A.E., an indirect subsidiary of HSBC Holdings plc, entered into a binding agreement to sell its retail banking business to Emirates NBD Egypt (S.A.E), a direct subsidiary of Emirates NBD Bank PJSC. The transaction, which remains subject to regulatory approval, is expected to complete in the second half of 2027 and to generate an estimated pre-tax gain of \$0.3bn, inclusive of related transaction and migration costs and write-offs, that will be recognised largely upon completion. The disposal group, comprising \$0.4bn in assets and \$2.8bn in liabilities at 30 June 2026, is expected to be classified as held for sale in the third quarter of 2026.

A second interim dividend for 2026 of \$0.10 per ordinary share in respect of the financial year ending 31 December 2026 was approved by the Directors on 4 August 2026, as described in Note 3. On 4 August 2026, HSBC Holdings announced its intention to initiate a share buy-back to purchase its ordinary shares up to a maximum consideration of \$1bn, which is expected to commence shortly after the release of our 1H26 results and complete by our third quarter 2026 results announcement.

## 17 Interim Report 2026 and statutory accounts

The information in this Interim Report 2026 is unaudited and does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. This report was approved by the Board of Directors on 30 July 2026. The unaudited interim condensed consolidated financial statements included in the Interim Report 2026 have been reviewed by the Group's auditor, PwC, in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom.

The statutory accounts of HSBC Holdings plc for the year ended 31 December 2025 have been delivered to the Registrar of Companies in England and Wales in accordance with section 447 of the Companies Act 2006. The Group's auditor, PwC, has reported on those accounts. Its report was unqualified, did not include a reference to any matters to which PwC drew attention by way of emphasis without qualifying its report and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

# Shareholder information

## Directors' interests

According to the register of Directors' interests maintained by HSBC Holdings pursuant to section 352 of the Securities and Futures Ordinance of Hong Kong, at 30 June 2026 the Directors of HSBC Holdings had the following interests, all beneficial unless otherwise stated, in the shares or debentures of HSBC Holdings and its associated corporations:

### Directors' interests – shares and debentures

|                                                    | At 1 Jan 2026<br>or date of<br>appointment, if later | At 30 Jun 2026 or date of retirement, if earlier |                                |                              |         |                    |
|----------------------------------------------------|------------------------------------------------------|--------------------------------------------------|--------------------------------|------------------------------|---------|--------------------|
|                                                    | Total<br>interests                                   | Beneficial<br>owner                              | Child<br>under 18<br>or spouse | Jointly with<br>spouse/other | Trustee | Total<br>interests |
| <b>HSBC Holdings ordinary shares</b>               |                                                      |                                                  |                                |                              |         |                    |
| Geraldine Buckingham <sup>1</sup>                  | 15,000                                               | 15,000                                           | —                              | —                            | —       | 15,000             |
| Wei Sun Christianson                               | —                                                    | —                                                | —                              | —                            | —       | —                  |
| Rachel Duan <sup>1</sup>                           | 15,000                                               | 15,000                                           | —                              | —                            | —       | 15,000             |
| Georges Elhedery <sup>2</sup>                      | 1,109,810                                            | 1,291,172                                        | —                              | —                            | —       | 1,291,172          |
| Dame Carolyn Fairbairn                             | 15,000                                               | 15,000                                           | —                              | —                            | —       | 15,000             |
| James Forese <sup>1</sup>                          | 115,000                                              | 115,000                                          | —                              | —                            | —       | 115,000            |
| Ann Godbehere (retired on 8 May 2026) <sup>1</sup> | 15,000                                               | —                                                | —                              | 15,000                       | —       | 15,000             |
| Steven Guggenheimer <sup>1</sup>                   | 15,000                                               | —                                                | —                              | 15,000                       | —       | 15,000             |
| Manveen (Pam) Kaur <sup>2</sup>                    | 986,625                                              | 1,122,461                                        | —                              | —                            | —       | 1,122,461          |
| José Antonio Meade Kuribreña <sup>1</sup>          | 15,000                                               | 15,000                                           | —                              | —                            | —       | 15,000             |
| Richard Meddings (appointed 8 May 2026)            | —                                                    | —                                                | —                              | —                            | —       | —                  |
| Kalpana Morparia <sup>1</sup>                      | 15,000                                               | 15,000                                           | —                              | —                            | —       | 15,000             |
| Eileen Murray <sup>1</sup>                         | 75,000                                               | 75,000                                           | —                              | —                            | —       | 75,000             |
| Brendan Nelson                                     | 15,000                                               | 15,000                                           | —                              | —                            | —       | 15,000             |
| Swee Lian Teo                                      | 15,200                                               | 15,200                                           | —                              | —                            | —       | 15,200             |

- Geraldine Buckingham has an interest in 3,000, Rachel Duan in 3,000, James Forese in 23,000, Ann Godbehere in 3,000, Steven Guggenheimer in 3,000, José Antonio Meade Kuribreña in 3,000, Kalpana Morparia in 3,000 and Eileen Murray in 15,000 listed American Depositary Shares ('ADSs'), which are categorised as equity derivatives under Part XV of the Securities and Futures Ordinance of Hong Kong. Each ADS represents five HSBC Holdings ordinary shares.
- Executive Directors' other interests in HSBC Holdings ordinary shares arising from the HSBC Holdings Savings-Related Share Option Plan (UK) and the HSBC Share Plan 2011 are set out on the following pages. At 30 June 2026, the aggregate interests under the Securities and Futures Ordinance of Hong Kong in HSBC Holdings ordinary shares, including interests arising through employee share plans, were: Georges Elhedery – 4,461,440 and Pam Kaur – 3,042,472. Each Director's total interests represents approximately 0.03% of the shares in issue and 0.02% of the shares in issue, respectively.

## HSBC Holdings Savings-Related Share Option Plan (UK)

Currently no executive Directors participate in a Savings-Related Share Option Plan.

## HSBC Share Plan 2011

### Share awards

Vesting of deferred share awards is normally subject to the Director remaining an employee on the vesting date and no other performance conditions apply to the awards unless specified. The awards may vest at an earlier date in certain circumstances. Under the Securities and Futures Ordinance of Hong Kong, interests in conditional share awards are categorised as the interests of the beneficial owner.

### Deferred share, non-deferred share and fixed pay allowance awards granted to Directors

|                           |                                    |                         |           | HSBC Holdings ordinary shares |                      |                                |                                          |                  |                      |                                  |                     |                        |                   |
|---------------------------|------------------------------------|-------------------------|-----------|-------------------------------|----------------------|--------------------------------|------------------------------------------|------------------|----------------------|----------------------------------|---------------------|------------------------|-------------------|
|                           |                                    |                         |           | Vested<br>tranche             | Tranche<br>vested on | Market<br>price at<br>vest (£) | Closing price<br>before vest<br>date (£) | At 1 Jan<br>2026 | Granted<br>in period | Vested in<br>period <sup>2</sup> | Lapsed<br>in period | Cancelled<br>in period | At 30 Jun<br>2026 |
| Dates of<br>award         | Award<br>price<br>(£) <sup>1</sup> | Usually vesting<br>from | to        |                               |                      |                                |                                          |                  |                      |                                  |                     |                        |                   |
| <b>Georges Elhedery</b>   |                                    |                         |           |                               |                      |                                |                                          |                  |                      |                                  |                     |                        |                   |
| 24 Feb 20 <sup>3</sup>    | 5.622                              | 1 Mar 23                | 31 Mar 27 | 4                             | 10 Mar 26            | 12.796                         | 12.510                                   | 59,065           | —                    | 29,532                           | —                   | —                      | 29,533            |
| 1 Mar 21 <sup>3</sup>     | 4.262                              | 1 Mar 24                | 31 Mar 28 | 3                             | 10 Mar 26            | 12.796                         | 12.510                                   | 183,315          | —                    | 61,104                           | —                   | —                      | 122,211           |
| 28 Feb 22 <sup>3</sup>    | 5.380                              | 1 Mar 25                | 31 Mar 29 | 2                             | 10 Mar 26            | 12.796                         | 12.510                                   | 218,531          | —                    | 54,632                           | —                   | —                      | 163,899           |
| 9 Mar 26 <sup>4</sup>     | 12.820                             | —                       | 9 Mar 26  | —                             | 9 Mar 26             | 12.440                         | 12.450                                   | —                | 140,600              | 140,600                          | —                   | —                      | —                 |
| <b>Manveen (Pam) Kaur</b> |                                    |                         |           |                               |                      |                                |                                          |                  |                      |                                  |                     |                        |                   |
| 25 Feb 19 <sup>3</sup>    | 6.235                              | 1 Mar 22                | 31 Mar 26 | 5                             | 10 Mar 26            | 12.796                         | 12.510                                   | 18,655           | —                    | 18,655                           | —                   | —                      | —                 |
| 24 Feb 20 <sup>3</sup>    | 5.622                              | 1 Mar 23                | 31 Mar 27 | 4                             | 10 Mar 26            | 12.796                         | 12.510                                   | 39,274           | —                    | 19,635                           | —                   | —                      | 19,639            |
| 1 Mar 21 <sup>3</sup>     | 4.262                              | 1 Mar 24                | 31 Mar 28 | 3                             | 10 Mar 26            | 12.796                         | 12.510                                   | 127,167          | —                    | 42,388                           | —                   | —                      | 84,779            |
| 28 Feb 22 <sup>3</sup>    | 5.380                              | 1 Mar 25                | 31 Mar 29 | 2                             | 10 Mar 26            | 12.796                         | 12.510                                   | 168,434          | —                    | 42,108                           | —                   | —                      | 126,326           |
| 27 Feb 23 <sup>3</sup>    | 6.357                              | 1 Mar 26                | 31 Mar 30 | 1                             | 10 Mar 26            | 12.796                         | 12.510                                   | 65,843           | —                    | 13,168                           | —                   | —                      | 52,675            |
| 26 Feb 24 <sup>3</sup>    | 5.972                              | 1 Mar 27                | 31 Mar 31 | —                             | —                    | —                              | —                                        | 100,798          | —                    | —                                | —                   | —                      | 100,798           |
| 9 Mar 26 <sup>4</sup>     | 12.820                             | —                       | 9 Mar 26  | —                             | 9 Mar 26             | 12.440                         | 12.450                                   | —                | 81,903               | 81,903                           | —                   | —                      | —                 |

- The award price is the closing price on the day before the grant date for awards made in 2024 and prior. The price for awards made from 2025 is the average closing price of the week prior to the grant date. In all cases the purchase price is nil.
- Shares equivalent in number to those that vest under the award (net of tax liabilities) must be retained for one year from vesting.
- The awards vest in five equal tranches.
- The non-deferred award vested immediately. Shares equivalent in number to those that vest under the award (net of tax liabilities) must be retained for one year from vesting. The fair value of the awards granted on 9 March 2026 was £12.510 based on IFRS 2 accounting standards.

## Long-term incentive awards

The long-term incentive award is an award of shares with a three-year performance period. At the end of this performance period and subject to the award terms, the number of shares that vest will be determined based on an assessment against financial and non-financial measures. Details of these measures can be found in the Directors' remuneration report in the Annual Report and Accounts 2025. Subject to that assessment, the shares will vest in five equal annual instalments, with the first instalment vesting on or around the third anniversary of the grant date and the last instalment vesting on or around the seventh anniversary of the grant date. On vesting, awards are subject to a retention period of up to one year. Under the Securities and Futures Ordinance of Hong Kong, interests in share awards are categorised as interests of the beneficial owner.

### Long-term incentive awards granted to Directors

|                       |                              |                      |           | HSBC Holdings ordinary shares |                   |                                |                     |                  |                     |                |
|-----------------------|------------------------------|----------------------|-----------|-------------------------------|-------------------|--------------------------------|---------------------|------------------|---------------------|----------------|
|                       |                              |                      |           | At 1 Jan 2026                 | Granted in period | Dividend equivalents in period | Vested in period    | Lapsed in period | Cancelled in period | At 30 Jun 2026 |
| Dates of award        | Award price (£) <sup>1</sup> | Usually vesting from | to        |                               |                   |                                |                     |                  |                     |                |
| Georges Elhedery      |                              |                      |           |                               |                   |                                |                     |                  |                     |                |
| 28 Feb 22             | 5.380                        | 1 Mar 25             | 31 Mar 29 | 134,394                       | —                 | —                              | 33,597              | —                | —                   | 100,797        |
| 27 Feb 23             | 6.357                        | 1 Mar 26             | 31 Mar 30 | 251,474                       | —                 | —                              | 22,728 <sup>2</sup> | 137,833          | —                   | 90,913         |
| 26 Feb 24             | 5.972                        | 1 Mar 27             | 31 Mar 31 | 569,177                       | —                 | —                              | —                   | —                | —                   | 569,177        |
| 7 May 25              | 9.070                        | 1 Mar 28             | 31 Mar 32 | 1,367,880                     | —                 | —                              | —                   | —                | —                   | 1,367,880      |
| 9 Mar 26 <sup>3</sup> | 12.820                       | 1 Mar 29             | 31 Mar 33 | —                             | 702,028           | 23,830                         | —                   | —                | —                   | 725,858        |
| Manveen (Pam) Kaur    |                              |                      |           |                               |                   |                                |                     |                  |                     |                |
| 28 Feb 22             | 5.380                        | 1 Mar 25             | 31 Mar 29 | 100,846                       | —                 | —                              | 25,211              | —                | —                   | 75,635         |
| 27 Feb 23             | 6.357                        | 1 Mar 26             | 31 Mar 30 | 146,393                       | —                 | —                              | 13,230 <sup>2</sup> | 80,239           | —                   | 52,924         |
| 26 Feb 24             | 5.972                        | 1 Mar 27             | 31 Mar 31 | 185,889                       | —                 | —                              | —                   | —                | —                   | 185,889        |
| 7 May 25              | 9.070                        | 1 Mar 28             | 31 Mar 32 | 797,930                       | —                 | —                              | —                   | —                | —                   | 797,930        |
| 9 Mar 26 <sup>3</sup> | 12.820                       | 1 Mar 29             | 31 Mar 33 | —                             | 409,516           | 13,900                         | —                   | —                | —                   | 423,416        |

- The award price is the closing price on the day before the grant date for awards made in 2024 and prior. The price for awards made from 2025 is the average closing price of the week prior to the grant date. In all cases the purchase price is nil.
- The performance conditions were assessed and confirmed at 45.19%. The remaining 54.81% of the award was forfeited. Shares equivalent in number to those that vest under the award (net of tax liabilities) must be retained for one year from the vesting date. The closing price of the shares immediately before the date on which the awards were vested was £12.510.
- The closing price of the shares immediately before the date on which the awards were granted was £12.450. The fair value of the awards was £7.320 based on IFRS 2 accounting standards.

No Directors held any short position (as defined in the Securities and Futures Ordinance of Hong Kong) in the shares or debentures of HSBC Holdings and its associated corporations. Save as stated in the tables above, none of the Directors had an interest in any shares or debentures of HSBC Holdings or any associates at the beginning or at the end of the period, and none of the Directors or members of their immediate families were awarded or exercised any right to subscribe for any shares or debentures in any HSBC corporation during the period.

There have been no changes in the shares or debentures of the Directors from 30 June 2026 to the date of this report.

## Employee share plans

Summaries of the share options and share awards granted, exercised/vested or lapsed during the first half of 2026 and other details required to be disclosed pursuant to Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ('HKEx'), including detailed summaries of the HSBC share plans, are available on our website at [www.hsbc.com/who-we-are/leadership-and-governance/remuneration](http://www.hsbc.com/who-we-are/leadership-and-governance/remuneration) and on the website of HKEx at [www.hkex.com.hk](http://www.hkex.com.hk), or can be obtained on request from the Group Company Secretary and Chief Governance Officer, 8 Canada Square, London, E14 5HQ.

Particulars of options held by Directors of HSBC Holdings are set out on page 105.

## Share buy-back

HSBC Holdings did not commence a share buy-back between 1 January and 30 June 2026.

On 4 August 2026, HSBC Holdings announced its intention to initiate a share buy-back to purchase its ordinary shares up to a maximum consideration of \$1bn, which is expected to commence shortly after the release of our 1H26 results and complete by our third quarter 2026 results announcement.

## Other equity instruments

### Additional tier 1 capital – contingent convertible securities

HSBC Holdings continues to issue contingent convertible securities that are included in its capital base as additional tier 1 capital securities fully compliant with the Prudential rules. These securities are marketed principally and subsequently allotted to corporate investors and fund managers. The net proceeds of the issuances are typically used for HSBC Holdings' general corporate purposes and to maintain or further strengthen its capital base. These securities bear a fixed rate of interest until their initial reset dates (unless previously redeemed in accordance with their terms). If not redeemed, the securities will bear interest at a rate fixed on each reset date for the subsequent five-year period, equal to the sum of the applicable reference rate at the time of reset and a credit spread set at issuance. Interest on the contingent convertible securities will be due and payable only at the sole discretion of HSBC Holdings, and HSBC Holdings has sole and absolute discretion at all times to cancel for any reason (in whole or part) any interest payment that would otherwise be payable on any payment date. Distributions will not be paid if they are prohibited under UK banking regulations or if the Group has insufficient reserves or fails to meet the solvency conditions defined in the securities' terms.

The contingent convertible securities are undated and are repayable at the option of HSBC Holdings in whole typically at the initial call date or on any fifth anniversary after this date. In addition, the securities are repayable at the option of HSBC in whole for certain regulatory or tax reasons or pursuant to a residual call. Any repayments require the prior consent of the PRA. These securities rank pari passu with HSBC Holdings' sterling preference shares and therefore rank ahead of ordinary shares. The contingent convertible securities will be converted into fully paid ordinary shares of HSBC Holdings at a predetermined price, should HSBC's consolidated CET1 ratio fall below 7.0%. Therefore, in accordance with the terms of the securities, if HSBC's consolidated CET1 ratio breaches the 7.0% trigger, the securities will convert into ordinary shares at fixed contractual conversion prices in the currency of the relevant securities, subject to anti-dilution adjustments. During the first half of 2026, HSBC Holdings issued \$1,250m 6.750%, \$1,250m 7.000% and \$1,500m 6.750% in aggregate principal amount of contingent convertible securities.

## Notifiable interests in share capital

Between 1 January 2026 and 30 June 2026, HSBC Holdings did not receive any notification of major holdings of voting rights pursuant to the requirements of Rule 5 of the Disclosure, Guidance and Transparency Rules ('DTR'). No further DTR notifications had been received between 30 June 2026 and 24 July 2026.

HSBC Holdings maintains a register pursuant to section 336 of the Securities and Futures Ordinance of Hong Kong ('SFO'), containing SFO notifications of major holdings that have been made to HSBC Holdings.

Previous DTR and SFO notifications received, which have not been amended or withdrawn, are as follows:

| Name of Shareholder                                  | Regulation <sup>3</sup> | Total interest in ordinary shares <sup>1</sup> | Percentage of voting rights disclosed <sup>2</sup>                                                                                                                | Date of notification |
|------------------------------------------------------|-------------------------|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| BlackRock, Inc.                                      | DTR                     | 1,245,294,346                                  | 6.07% (ordinary shares) 0.03% (qualifying financial instruments) 0.01% (financial instruments with a similar economic effect to qualifying financial instruments) | 3 March 2020         |
| BlackRock, Inc.                                      | SFO                     | 1,586,341,122                                  | 9.09%                                                                                                                                                             | 11 July 2025         |
| Ping An Asset Management Co., Ltd.                   | DTR                     | 1,007,946,172                                  | 5.04%                                                                                                                                                             | 6 December 2017      |
| Ping An Asset Management Co., Ltd.                   | SFO                     | 1,502,584,731                                  | 7.98%                                                                                                                                                             | 7 May 2024           |
| The Bank of New York Mellon Corporation <sup>4</sup> | SFO                     | 1,032,088,179                                  | 6.01%                                                                                                                                                             | 9 March 2026         |
| JPMorgan Chase & Co.                                 | SFO                     | 871,870,258                                    | 5.07%                                                                                                                                                             | 11 May 2026          |

1 The information provided was correct at the date of notification. These holdings are likely to have changed since HSBC Holdings was notified; however, notification of any change is not required until the next notifiable threshold is crossed.

2 The percentage of voting rights detailed above was calculated at the time of the relevant disclosures made.

3 SFO disclosure is for the Long position. Full SFO disclosure can be viewed at <https://di.hkex.com.hk>

4 The Bank of New York Mellon Corporation is the Depository for the HSBC ADSs. Under the SFO, they are required to report the HSBC ADSs position as both a long and a short position.

## Dealings in HSBC Holdings listed securities

HSBC has policies and procedures that, except where permitted by statute and regulation, prohibit it undertaking specified transactions in respect of its securities listed on the HKEx. Except for dealings as intermediaries or as trustees by subsidiaries of HSBC Holdings, or in relation to HSBC Holdings ordinary share buy-backs, neither HSBC Holdings nor any of its subsidiaries has purchased, sold or redeemed any of its securities listed on HKEx during the half-year ended 30 June 2026.

## Second interim dividend for 2026

On 4 August 2026, the Directors approved a second interim dividend in respect of the financial year ending 31 December 2026 of \$0.10 per ordinary share (the 'dividend'), an expected distribution of approximately \$1.72bn. The dividend will be payable on 25 September 2026 to holders of record on the Principal Register in the UK, the Hong Kong Overseas Branch Register or the Bermuda Overseas Branch Register on 14 August 2026.

The dividend will be payable in US dollars, or in pounds sterling or Hong Kong dollars at the forward exchange rates quoted by HSBC Bank plc in London at or about 11.00am local time on 14 September 2026. The ordinary shares in London, Hong Kong and Bermuda will be quoted ex-dividend on 13 August 2026. American Depositary Shares ('ADSs') in New York will be quoted ex-dividend on 14 August 2026.

The default currency on the Principal Register in the UK is pounds sterling, and dividends can also be paid in Hong Kong dollars or US dollars, or a combination of these currencies. International shareholders can register to join the Global Dividend Service to receive dividends in their local currencies. Please register and read the terms and conditions at [www.investorcentre.co.uk](http://www.investorcentre.co.uk). UK shareholders can also register their pounds sterling bank mandates at [www.investorcentre.co.uk](http://www.investorcentre.co.uk).

The default currency on the Hong Kong Overseas Branch Register is Hong Kong dollars, and dividends can also be paid in US dollars or pounds sterling, or a combination of these currencies. Shareholders can arrange for direct credit of Hong Kong dollar cash dividends into their bank account, or arrange to send US dollar or pounds sterling cheques to the credit of their bank account. Shareholders can register for these services at [www.investorcentre.com/hk](http://www.investorcentre.com/hk). Shareholders can also download a dividend currency election form from [www.hsbc.com/dividends](http://www.hsbc.com/dividends), [www.investorcentre.com/hk](http://www.investorcentre.com/hk), or [www.hkexnews.hk](http://www.hkexnews.hk).

The default currency on the Bermuda Overseas Branch Register is US dollars, and dividends can also be paid in Hong Kong dollars or pounds sterling, or a combination of these currencies. Shareholders can change their dividend currency election by contacting the Bermuda investor relations team. Shareholders can download a dividend currency election form from [www.hsbc.com/dividends](http://www.hsbc.com/dividends).

Changes to currency elections must be received by 9 September 2026 to be effective for this dividend.

The dividend will be payable on ADSs, each of which represents five ordinary shares, on 25 September 2026 to holders of record on 14 August 2026. The dividend of \$0.50 per ADS will be payable by the depository in US dollars. Alternatively, the cash dividend may be invested in additional ADSs by participants in the dividend reinvestment plan operated by the depository. Elections must be received by 4 September 2026.



Any person who has acquired ordinary shares registered on the Principal Register in the UK, the Hong Kong Overseas Branch Register or the Bermuda Overseas Branch Register but who has not lodged the share transfer with the Principal Registrar in the UK, Hong Kong Overseas Branch Registrar or Bermuda Overseas Branch Registrar should do so before 4.00pm local time on 14 August 2026 in order to receive the dividend.

Ordinary shares may not be removed from or transferred to the Principal Register in the UK, the Hong Kong Overseas Branch Register or the Bermuda Overseas Branch Register on 14 August 2026. Any person wishing to remove ordinary shares to or from each register must do so before 4.00pm local time on 13 August 2026.

Shares repurchased under HSBC Holdings plc buy-backs, which have not yet been cancelled from the Hong Kong custodians' CCASS account as at the record date, will not be eligible for the dividend.

Transfers of ADSs must be lodged with the depository by 11.00am local time on 14 August 2026 in order to receive the dividend. ADS holders who receive a cash dividend will be charged a fee, which will be deducted by the depository, of \$0.005 per ADS per cash dividend.

## Dividend on preference share

A quarterly dividend of £0.01 per Series A sterling preference share is payable on 16 March, 15 June, 15 September and 15 December 2026 for the quarter then ended at the sole and absolute discretion of the Board of HSBC Holdings plc. Accordingly, the Board of HSBC Holdings plc has approved a quarterly dividend to be payable on 15 September 2026 to holders of record on 28 August 2026.

## Proposed interim dividends for 2026

We maintain our dividend policy of a target payout ratio of 50% of earnings per ordinary share ('EPS') for each of 2026, 2027 and 2028, subject to meeting capital requirements. EPS for this purpose will continue to exclude material notable items and related impacts. Material notable items in 2026 primarily related to the income statement impacts associated with actions to exit or wind down non-strategic businesses.

The Board has adopted a dividend policy designed to provide sustainable cash dividends, while retaining the flexibility to invest and grow the business in the future, supplemented by additional shareholder distributions, if appropriate.

Dividends are announced in US dollars and, at the election of the shareholder, paid in cash in one of US dollars, pounds sterling or Hong Kong dollars.

## Earnings release

An earnings release for the three-month period ending 30 September 2026 is expected to be issued on 27 October 2026.

## Final results

The results for the year to 31 December 2026 are expected to be announced on 23 February 2027.

## Corporate governance

We are subject to corporate governance requirements in both the UK and Hong Kong. Throughout the six months ended 30 June 2026, we complied with the applicable provisions of the 2024 UK Corporate Governance Code, effective 1 January 2025 and also the requirements of the Hong Kong Corporate Governance Code with the exception of Provision 24 of the UK Corporate Governance Code in relation to the Group Chairman being a member of the Group Audit Committee. Brendan Nelson will step down as Chair of the Group Audit Committee, and Richard Meddings will be appointed Chair of the Group Audit Committee, following publication of this report. The UK Corporate Governance Code is available at [www.frc.org.uk](http://www.frc.org.uk) and the Hong Kong Corporate Governance Code is available at [www.hkex.com.hk](http://www.hkex.com.hk).

The Board has codified obligations for transactions in Group securities in accordance with the requirements of the UK Market Abuse Regulation and the rules governing the listing of securities on the HKEx, save that the HKEx has granted waivers from strict compliance with the rules that take into account accepted practices in the UK, particularly in respect of employee share plans.

All Directors have confirmed that they have complied with their obligations in respect of transacting in Group securities throughout the period.

There have been no material changes to the information disclosed in the Annual Report and Accounts 2025 in respect of the remuneration of employees, remuneration policies, bonus and share option plans and training schemes. Details of the number of employees are provided on page 24 of this report.

## Changes in Directors' details

Changes in current Directors' details since the date of the Annual Report and Accounts 2025, which are required to be disclosed pursuant to Rule 13.51(2) and Rule 13.51B(1) of the Hong Kong Listing Rules, are set out below.

### Geraldine Buckingham

Appointed to the Group Remuneration Committee from 5 August 2026.

### Ann Godbehere

Retired from the Board, Group Audit Committee, Group Remuneration Committee and Nomination & Corporate Governance Committee on 8 May 2026.

### Richard Meddings

Appointed to the Board, Group Audit Committee, Group Risk Committee and Nomination & Corporate Governance Committee on 8 May 2026. Appointed Chair of the Group Audit Committee and

appointed to the Group Technology and Operations Committee from 5 August 2026.

### Eileen K Murray

Appointed Senior Independent Director on 8 May 2026. She also stepped down from the Group Risk Committee.

### Brendan Nelson

Stepped down from the Group Technology and Operations Committee on 8 May 2026. He will step down as Chair and member of the Group Audit Committee, and member of the Group Risk Committee on 5 August 2026.



## Going concern basis

As mentioned in Note 1 'Basis of preparation and material accounting policies' on page 87, the financial statements are prepared on a going concern basis as the Directors are satisfied that the Group and parent company have the resources to continue in business for the foreseeable future. In making this assessment, the Directors considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows, capital requirements and capital resources.

These considerations include stressed scenarios that reflect the uncertainty in the macroeconomic environment, including: ongoing supply chain disruptions, uncertain inflation, rapidly-changing interest rates, the impact of the Russia-Ukraine war and conflict in the Middle East, varying pace of recovery in the Hong Kong CRE sector, heightened strategic competition between the US and China, ongoing and potential cross-border investment and trade restrictions, potential financial impact of trade and tariff policy developments, as well as the potential impacts from other top and emerging risks, including climate change, and the related impacts on profitability, capital and liquidity.

In particular, HSBC's principal activities, business and operating models, strategic direction, and top and emerging risks are addressed in the Overview section. A financial summary, including a review of the consolidated income statement and consolidated balance sheet, is provided in the 'Interim management report' section. HSBC's objectives, policies and processes for managing credit, liquidity and market risk are described in the 'Risk review' section of the Annual Report and Accounts 2025. HSBC's approach to capital management and allocation is described in the 'Treasury risk' section of the Annual Report and Accounts 2025.

## Telephone and online share dealing service

For shareholders on the Principal Register who are resident in the UK, with a UK postal address, and who hold an HSBC Bank plc personal current account, the HSBC InvestDirect share dealing service is available for buying and selling HSBC Holdings plc ordinary shares. Details are available from: HSBC InvestDirect, Forum 1, Parkway, Whiteley PO15 7PA; or UK telephone: +44 (0) 3456 080848, or from an overseas telephone: +44 (0) 1226 261090; or website: [www.hsbc.co.uk/investments/products-and-services/invest-direct](http://www.hsbc.co.uk/investments/products-and-services/invest-direct).

## Stock symbols

HSBC Holdings plc ordinary shares trade under the following stock symbols:

|                               |         |
|-------------------------------|---------|
| London Stock Exchange         | HSBA    |
| Hong Kong Stock Exchange      | 5       |
| New York Stock Exchange (ADS) | HSBC    |
| Bermuda Stock Exchange        | HSBC.BH |

## Copies of the Interim Report 2026 and shareholder enquiries and communications

Further copies of the Interim Report 2026 may be obtained from Global Communications, HSBC Holdings plc, 8 Canada Square, London E14 5HQ, United Kingdom; from Communications (Asia), The Hongkong and Shanghai Banking Corporation Limited, 1 Queen's Road Central, Hong Kong; or from US Communications, HSBC Bank USA, N.A., 1 West 39th Street, 9th Floor, New York, NY 10018, USA. The Interim Report 2026 may also be downloaded from the HSBC website, [www.hsbc.com](http://www.hsbc.com).

Shareholders may at any time choose to receive corporate communications in printed form or to receive notifications of their availability on HSBC's website. To receive notifications of the availability of a corporate communication on HSBC's website by email, or to revoke or amend an instruction to receive such notifications by email, go to [www.hsbc.com/investors/shareholder-information/manage-your-shareholding](http://www.hsbc.com/investors/shareholder-information/manage-your-shareholding). If you provide an email address to receive electronic communications from HSBC, we will also send notifications of any future dividend entitlements by email. If you received a notification of the availability of this document on HSBC's website and would like to receive a printed copy or, if you would like to receive future corporate communications in printed form, please write or send an email (quoting your shareholder reference number) to the appropriate Registrar at the address given below. Printed copies will be provided without charge.

Any enquiries relating to your shareholdings on the share register (for example transfers of shares, change of name or address, lost share certificates or dividend cheques) should be sent to the Registrar at the address given below. The Registrars offer an online facility, Investor Centre, which enables shareholders to manage their shareholding electronically.

|                                            |                                                                                                                                           |                                                                                                                                                                                                                                                                 |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Principal Register:</b>                 | Computershare Investor Services PLC<br>The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ,<br>United Kingdom                               | Telephone: +44 (0) 370 702 0137<br><a href="http://www.investorcentre.co.uk/contactus">www.investorcentre.co.uk/contactus</a><br>Investor Centre: <a href="http://www.investorcentre.co.uk">www.investorcentre.co.uk</a>                                        |
| <b>Hong Kong Overseas Branch Register:</b> | Computershare Hong Kong Investor<br>Services Limited<br>Rooms 1712-1716, 17th Floor, Hopewell Centre,<br>183 Queen's Road East, Hong Kong | Telephone: +852 2862 8555<br><a href="mailto:hsbc.ecom@computershare.com.hk">hsbc.ecom@computershare.com.hk</a><br>Investor Centre: <a href="http://www.investorcentre.com/hk">www.investorcentre.com/hk</a>                                                    |
| <b>Bermuda Overseas Branch Register:</b>   | Investor Relations Team<br>HSBC Bank Bermuda Limited, 37 Front Street,<br>Hamilton HM 11, Bermuda                                         | <a href="mailto:hbbm.shareholder.services@hsbc.bm">hbbm.shareholder.services@hsbc.bm</a><br><a href="mailto:hbbm.mutual.fund@hsbc.bm">hbbm.mutual.fund@hsbc.bm</a><br>Investor Centre: <a href="http://www.investorcentre.com/bm">www.investorcentre.com/bm</a> |
| <b>ADS Depository:</b>                     | The Bank of New York Mellon<br>Shareowner Services, P.O. Box 43006, Providence<br>RI, 02940-3078, USA                                     | Telephone (US): +1 877 283 5786<br>Telephone (International): +1 201 680 6825<br><a href="mailto:shrrelations@cpushareownerservices.com">shrrelations@cpushareownerservices.com</a>                                                                             |

A Chinese translation of this and future documents may be obtained on request from the Registrar. Please also contact the Registrar if you have received a Chinese translation of this document and do not wish to receive such translations in future.

Persons whose shares are held on their behalf by another person may have been nominated to receive communications from HSBC pursuant to section 146 of the UK Companies Act 2006 ('nominated person'). The main point of contact for a nominated person remains the registered shareholder (for example your stockbroker, investment manager, custodian or other person who manages the investment on your behalf). Any changes or queries relating to a nominated person's personal details and holding (including any administration thereof) must continue to be directed to the registered shareholder and not HSBC's Registrar. The only exception is where HSBC, in exercising one of its powers under the UK Companies Act 2006, writes to nominated persons directly for a response.

本中期業績報告及日後的相關文件均備有中譯本，如有需要，請向適當的股份登記處索取。股東如收到本報告的中譯本，但不希望再收取此等中譯本，亦請聯絡股份登記處。

## Cautionary statement regarding forward-looking statements

This Interim Report 2026 contains certain forward-looking statements with respect to HSBC's financial condition; results of operations and business, including the strategic priorities; financial, investment and capital targets; and environmental, social and governance ('ESG') ambitions, targets and commitments described herein.

Statements that are not historical facts, including statements about HSBC's beliefs and expectations, are forward-looking statements. Words such as 'may', 'will', 'should', 'expects', 'targets', 'anticipates', 'intends', 'plans', 'believes', 'seeks', 'estimates', 'potential' and 'reasonably possible', or the negative thereof, other variations thereon or similar expressions are intended to identify forward-looking statements. These statements are based on current plans, information, data, forecasts, estimates and projections, and therefore undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made. 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 HSBC. HSBC makes no commitment to revise or update any forward-looking statements to reflect events or circumstances occurring or existing after the date of any forward-looking statements.

Written and/or oral forward-looking statements may also be made in the periodic reports to the US Securities and Exchange Commission, summary financial statements to shareholders, offering circulars and prospectuses, press releases and other written materials, and in oral statements made by HSBC's directors, officers or employees to third parties, including financial analysts.

Forward-looking statements involve inherent risks and uncertainties. Readers are cautioned that a number of factors could cause actual results to differ, in some instances materially, from those anticipated or implied in any forward-looking statement. These include, but are not limited to:

- changes in general economic conditions in the markets in which we operate, such as new, continuing or deepening recessions, prolonged inflationary pressures and fluctuations in employment levels and the creditworthiness of customers beyond those factored into consensus forecasts; the Russia-Ukraine war, the conflict in the Middle East, or any potential military action or conflict elsewhere, and their impact on global economies and the markets where HSBC operates, which could have a material adverse effect on (among other things) our financial condition, results of operations, prospects, liquidity, capital position and credit ratings; deviations from the market and economic assumptions that form the basis for our ECL measurements (including, without limitation, as a result of the Russia-Ukraine war, the conflict in the Middle East, or any potential military action or conflict elsewhere, inflationary pressures, commodity price changes, and ongoing developments in the commercial real estate sector and the residential property sector in the Chinese mainland and Hong Kong); potential changes in HSBC's dividend policy; changes and volatility in foreign exchange rates and interest rates levels, including fluctuations in HIBOR and the accounting impact resulting from financial reporting in respect of hyperinflationary economies; volatility in equity markets and the risk

of disruptive correction stemming from high company valuations; lack of liquidity in wholesale funding or capital markets, which may affect our ability to meet our obligations under financing facilities or to fund new loans, investments and businesses; geopolitical tensions or diplomatic developments producing social instability or legal uncertainty, such as the Russia-Ukraine war, the conflict in the Middle East, or any potential military action or conflict elsewhere, and the related imposition of sanctions, export-control and trade and investment restrictions, as well as increased market volatility, supply chain restrictions and disruptions, sustained increases in energy prices and key commodity prices, claims of human rights violations, diplomatic tensions between China and the US, which may extend to and involve other countries and territories, and developments in Hong Kong and Taiwan and the surrounding maritime region, alongside other potential areas of tension, which may adversely affect HSBC by creating regulatory, reputational and market risks; the efficacy of government, customer, and HSBC's actions in managing and mitigating ESG-related risks, in particular climate risk, nature-related risks and human rights risks, and in supporting the global transition to net zero carbon emissions, each of which can impact HSBC both directly and indirectly through our customers and which may result in potential financial and non-financial impacts; illiquidity and downward price pressure in national real estate markets; adverse changes in central banks' policies with respect to the provision of liquidity support to financial markets; heightened market concerns over sovereign creditworthiness in over-indebted countries and fiscal capacity and debt sustainability, particularly for highly-indebted borrowers; adverse changes in the funding status of public or private defined benefit pensions; the significant depreciation of the US dollar through 2025, with volatility expected to persist; societal shifts in customer financing and investment needs, including consumer perception as to the continuing availability of credit; exposure to counterparty risk, including third parties using us as a conduit for illegal activities without our knowledge; and price competition in the market segments we serve;

- changes in government policy and regulation, as well as monetary, fiscal, interest rate and other policies of central banks and other regulatory authorities in the major markets in which we operate and the consequences thereof (including, without limitation, actions taken as a result of changes in government following national elections, higher social welfare commitments and increased government expenditure on defence, energy security and climate transition in the markets where the Group operates); continued volatility in trade and tariff policies, changes in tariff rates, including sector-specific measures imposed by various nations, including the US, which could reduce capital investment and consumer spending, disrupt supply chains and dampen global trade growth; initiatives to change the size, scope of activities and interconnectedness of financial institutions in connection with the implementation of stricter regulation of financial institutions in key markets worldwide; revised capital and liquidity benchmarks, which could serve to deleverage bank balance sheets and lower returns available from the current business model and portfolio mix; changes to tax laws and tax rates applicable to HSBC, including the imposition of levies or taxes designed to change business mix and risk appetite; the practices, pricing or responsibilities of financial institutions serving their consumer markets; expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership; the UK's relationship with the EU, particularly with respect to the

potential divergence of UK and EU law on the regulation of financial services; changes in government approach and regulatory treatment in relation to ESG disclosures and reporting requirements, and the current lack of a single standardised regulatory approach to ESG across all sectors and markets; changes in UK macroeconomic and fiscal policy, which may result in fluctuations in the value of the pound sterling; general changes in government policy (including, without limitation, actions taken as a result of changes in government following national elections in the markets where the Group operates) that may significantly influence investor decisions; the costs, effects and outcomes of regulatory reviews, actions or litigation, including any additional compliance requirements; and the effects of competition in the markets where we operate including increased competition from non-bank financial services companies; and

- factors specific to HSBC, including our success in adequately identifying the risks we face, such as the incidence of loan losses or delinquency, and managing those risks (through account management, hedging and other techniques); our ability to achieve our financial, investment, capital and ESG ambitions, targets, and commitments (including the positions set forth in our thermal coal phase-out policy and our energy policy and our targets to reduce our on-balance sheet financed emissions and, where applicable, facilitated emissions in our portfolio of selected high-emitting sectors), which may result in our failure to achieve any of the expected outcomes of our strategic priorities and may result in reputational risks; technology changes and developments, including the development, deployment and use of artificial intelligence, including generative artificial intelligence, by HSBC, third-party service providers, counterparties, customers, competitors and other market participants, and related operational, cyber, fraud, data, regulatory, compliance, litigation, reputational and competitive risks, as well as such technological developments' impact on how we manage risk; model limitations or failure, including, without limitation, the impact that high inflationary pressures and interest rates have had on the performance and usage of financial models, which may require us to hold additional capital, incur losses and/or use compensating controls, such as judgemental post-model adjustments, to address model limitations; changes to the judgements, estimates and assumptions we base our financial statements on; changes in our ability to meet the requirements of regulatory stress tests; a reduction in the credit ratings assigned to us or any of our subsidiaries, which could increase the cost or decrease the availability of our funding and affect our liquidity position and net interest margin; changes to the reliability and security of our data management, data privacy, information and technology infrastructure, including threats from cyber-attacks, which may impact our ability to service clients and may result in financial loss, business disruption and/or loss of customer services and data; the

accuracy and effective use of data, including internal management information that may not have been independently verified; changes in insurance customer behaviour and insurance claim rates; our dependence on loan payments and dividends from subsidiaries to meet our obligations; changes in our reporting frameworks and accounting standards, which have had and may continue to have a material impact on the way we prepare our financial statements; our ability to successfully execute planned strategic acquisitions and disposals; our success in adequately integrating acquired businesses into our business; our ability to successfully execute and implement the announced strategic reorganisation of the Group; changes in our ability to manage third-party, fraud, financial crime and reputational risks inherent in our operations; employee misconduct, which may result in regulatory sanctions and/or reputational or financial harm; changes in skill requirements, ways of working and talent shortages, which may affect our ability to recruit and retain senior management and an inclusive and skilled workforce; and changes in our ability to develop sustainable finance and ESG-related products consistent with the evolving expectations of our regulators, and our capacity to measure the environmental and social impacts from our financing activity (including as a result of data limitations and changes in methodologies), which may affect our ability to achieve our ESG ambitions, targets and commitments, including our net zero ambition, our targets to reduce on-balance sheet financed emissions and, where applicable, facilitated emissions in our portfolio of selected high-emitting sectors and the positions set forth in our thermal coal phase-out policy and our energy policy, and increase the risk of greenwashing. Effective risk management depends on, among other things, our ability through stress testing and other techniques to prepare for events that cannot be captured by the statistical models it uses; our success in addressing operational, legal and regulatory, and litigation challenges; and other risks and uncertainties we identify in 'Risk Overview' on pages 18 to 19 of this Interim Report 2026.

Additional detailed information concerning important factors, including but not limited to ESG-related factors, that could cause actual results to differ materially from those anticipated or implied in any forward-looking statement in this Interim Report 2026 is available in our Annual Report and Accounts for the fiscal year ended 31 December 2025, which was filed with the SEC on Form 20-F on 26 February 2026 and our Earnings Release 1Q26, furnished to the SEC on Form 6-K on 5 May 2026.

This Interim Report 2026 contains a number of images, graphics, text boxes, credentials and illustrative case studies which aim to give a high-level overview of certain elements of our disclosures and to improve accessibility for readers. These images, graphics, text boxes, credentials and illustrative case studies are designed to be read within the context of this Interim Report 2026 as a whole.

## Certain defined terms

Unless the context requires otherwise, 'HSBC Holdings' means HSBC Holdings plc and 'HSBC', the 'Group', 'we', 'us' and 'our' refer to HSBC Holdings together with its subsidiary undertakings. Within this document the Hong Kong Special Administrative Region of the People's Republic of China is referred to as 'Hong Kong'. When used in the terms 'shareholders' equity' and 'total shareholders' equity', 'shareholders' means holders of HSBC Holdings ordinary shares and those preference shares and capital securities issued by HSBC Holdings classified as equity. The abbreviations '\$m', '\$bn' and '\$tn' represent millions, billions (thousands of millions) and trillions of US dollars, respectively.

## Abbreviations

### Currencies

|      |                        |
|------|------------------------|
| £    | British pound sterling |
| CA\$ | Canadian dollar        |
| €    | Euro                   |
| HK\$ | Hong Kong dollar       |
| RMB  | Chinese renminbi       |
| SGD  | Singapore dollar       |
| \$   | United States dollar   |

### Abbreviation

|      |                        |
|------|------------------------|
| 1H25 | First half of 2025     |
| 1H26 | First half of 2026     |
| 1Q25 | First quarter of 2025  |
| 1Q26 | First quarter of 2026  |
| 2H25 | Second half of 2025    |
| 2Q25 | Second quarter of 2025 |
| 2Q26 | Second quarter of 2026 |
| 4Q25 | Fourth quarter of 2025 |

### A

|      |                                      |
|------|--------------------------------------|
| ADR  | American Depositary Receipt          |
| ADS  | American Depositary Share            |
| AI   | Artificial intelligence              |
| AIBL | Average interest-bearing liabilities |
| AIEA | Average interest-earning assets      |
| ANP  | Annualised new business premiums     |
| AT1  | Additional tier 1                    |

### B

|             |                                                                               |
|-------------|-------------------------------------------------------------------------------|
| Banking NII | Banking net interest income                                                   |
| Basel       | Basel Committee on Banking Supervision                                        |
| Basel III   | Basel Committee's reforms to strengthen global capital and liquidity rules    |
| Basel 3.1   | Outstanding measures to be implemented from the Basel III reforms             |
| BoCom       | Bank of Communications Co., Limited, one of China's largest banks             |
| BoE         | Bank of England                                                               |
| Bps         | Basis points. One basis point is equal to one hundredth of a percentage point |

### C

|                  |                                                          |
|------------------|----------------------------------------------------------|
| CAPM             | Capital asset pricing model                              |
| CET1             | Common equity tier 1                                     |
| Chinese mainland | People's Republic of China excluding Hong Kong and Macau |
| CIB              | Corporate and Institutional Banking, a business segment  |
| CMA              | UK Competition and Markets Authority                     |
| CMC              | Capital maintenance charge                               |
| CODM             | Chief Operating Decision Maker                           |
| CPI              | Consumer price index                                     |
| CRE              | Commercial real estate                                   |
| CRR              | Customer risk rating                                     |
| CSM              | Contractual service margin                               |

### D

|     |                                                                           |
|-----|---------------------------------------------------------------------------|
| Dec | December                                                                  |
| DPD | Days past due                                                             |
| DPF | Discretionary participation feature of insurance and investment contracts |
| DTR | Disclosure Guidance and Transparency Rules                                |

### E

|     |                                                                                                                                                                                                                                                                                              |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ECB | European Central Bank                                                                                                                                                                                                                                                                        |
| ECL | Expected credit losses. In the income statement, ECL is recorded as a change in expected credit losses and other credit impairment charges. In the balance sheet, ECL is recorded as an allowance for financial instruments to which only the impairment requirements in IFRS 9 are applied. |
| ECM | Equity capital markets                                                                                                                                                                                                                                                                       |
| EPS | Earnings per ordinary share                                                                                                                                                                                                                                                                  |
| ESG | Environmental, social and governance                                                                                                                                                                                                                                                         |
| EU  | European Union                                                                                                                                                                                                                                                                               |

### F

|     |                                  |
|-----|----------------------------------|
| FCA | Financial Conduct Authority (UK) |
| FRB | Federal Reserve Board (US)       |
| FTE | Full-time equivalent staff       |

|       |                                               |
|-------|-----------------------------------------------|
| FVOCI | Fair value through other comprehensive income |
| FX    | Foreign exchange                              |

### G

|         |                                                                                                |
|---------|------------------------------------------------------------------------------------------------|
| GAAP    | Generally accepted accounting principles                                                       |
| Galicia | Grupo Financiero Galicia                                                                       |
| GDP     | Gross domestic product                                                                         |
| GOC     | Group Operating Committee                                                                      |
| GPS     | Global Payments Solutions, the business formerly known as Global Liquidity and Cash Management |
| Group   | HSBC Holdings together with its subsidiary undertakings                                        |
| GTS     | Global Trade Solutions, the business formerly known as Global Trade and Receivables Finance    |

### H

|                        |                                                                           |
|------------------------|---------------------------------------------------------------------------|
| Hang Seng Bank Limited | Hang Seng Bank                                                            |
| HIBOR                  | Hong Kong interbank offered rate                                          |
| HKEx                   | The Stock Exchange of Hong Kong Limited                                   |
| Hong Kong              | Hong Kong Special Administrative Region of the People's Republic of China |
| HQLA                   | High-quality liquid assets                                                |
| HSBC                   | HSBC Holdings together with its subsidiary undertakings                   |
| HSBC Bank plc          | HSBC Bank plc, which includes the UK non-ring-fenced bank                 |
| HSBC Bank Middle East  | HSBC Bank Middle East Limited                                             |
| HSBC Holdings          | HSBC Holdings plc, the parent company of HSBC                             |
| HSBC UK                | HSBC UK Bank plc, also known as the ring-fenced bank                      |
| HSSL                   | HSBC Securities Services (Luxembourg)                                     |

### I

|                           |                                                                                                       |
|---------------------------|-------------------------------------------------------------------------------------------------------|
| IA/D                      | Instant access demand deposits                                                                        |
| IAS                       | International Accounting Standards                                                                    |
| IASB                      | International Accounting Standards Board                                                              |
| Ibor                      | Interbank offered rate                                                                                |
| ICAAP                     | Internal capital adequacy assessment process                                                          |
| IFRS Accounting Standards | International Financial Reporting Standards as issued by the International Accounting Standards Board |
| IVB                       | HSBC Innovation Banking                                                                               |
| IWPB                      | International Wealth and Premier Banking, a business segment                                          |

### J

|     |               |
|-----|---------------|
| Jan | January       |
| Jun | June          |
| JV  | Joint venture |

### K

|     |                    |
|-----|--------------------|
| KYC | Know your customer |
|-----|--------------------|

### L

|       |                               |
|-------|-------------------------------|
| LCR   | Liquidity coverage ratio      |
| Libor | London interbank offered rate |
| LTi   | Long-term incentive           |
| LTV   | Loan to value                 |

### M

|       |                                                                                                                          |
|-------|--------------------------------------------------------------------------------------------------------------------------|
| M&A   | Mergers and acquisitions                                                                                                 |
| Mar   | March                                                                                                                    |
| MENAT | Middle East, North Africa and Türkiye                                                                                    |
| MREL  | Minimum requirement for own funds and eligible liabilities                                                               |
| MSS   | Markets and Securities Services, HSBC's capital markets and securities services businesses in Global Banking and Markets |

### N

|                      |                                                                                                                               |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Net operating income | Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue |
| NII                  | Net interest income                                                                                                           |
| NIM                  | Net interest margin                                                                                                           |
| NNM                  | Net new money                                                                                                                 |
| NSFR                 | Net stable funding ratio                                                                                                      |

### O

|     |                            |
|-----|----------------------------|
| OCI | Other comprehensive income |
|-----|----------------------------|

### P

|      |                                                          |
|------|----------------------------------------------------------|
| PD   | Probability of default                                   |
| POCI | Purchased or originated credit-impaired financial assets |

|                  |                                                                                                                                                                                                                                                                                                |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PRA              | Prudential Regulation Authority (UK)                                                                                                                                                                                                                                                           |
| Premier          | HSBC Premier, HSBC's premium personal global banking service                                                                                                                                                                                                                                   |
| Prudential rules | Refers to the UK Capital Requirements Regulation, the PRA Rulebook and any laws, regulations, requirements, rules, guidelines, standards and policies relating to capital adequacy, leverage and liquidity adopted by the relevant regulators, as applicable, and which are applicable to HSBC |
| <b>R</b>         |                                                                                                                                                                                                                                                                                                |
| RES              | Resource and experience sharing agreement                                                                                                                                                                                                                                                      |
| RMF              | Risk Management Framework                                                                                                                                                                                                                                                                      |
| RoE              | Return on average ordinary shareholders' equity                                                                                                                                                                                                                                                |
| RoTE             | Return on average tangible equity                                                                                                                                                                                                                                                              |
| RWAs             | Risk-weighted assets                                                                                                                                                                                                                                                                           |
| <b>S</b>         |                                                                                                                                                                                                                                                                                                |
| SAB              | Saudi Awwal Bank                                                                                                                                                                                                                                                                               |
| SEC              | Securities and Exchange Commission (US)                                                                                                                                                                                                                                                        |
| SFO              | Securities and Futures Ordinance of Hong Kong                                                                                                                                                                                                                                                  |
| SME              | Small and medium-sized enterprise                                                                                                                                                                                                                                                              |
| SVaR             | Stressed value at risk                                                                                                                                                                                                                                                                         |

|                                    |                                                                                                                                                                                  |
|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SVB UK                             | Silicon Valley Bank UK Limited, now HSBC Innovation Bank Limited                                                                                                                 |
| <b>U</b>                           |                                                                                                                                                                                  |
| UAE                                | United Arab Emirates                                                                                                                                                             |
| UK                                 | United Kingdom                                                                                                                                                                   |
| UK Capital Requirements Regulation | Refers to Regulation (EU) No. 575/2013, as amended or supplemented, as it forms part of domestic law in the UK by virtue of the European Union (Withdrawal) Act 2018, as amended |
| UN                                 | United Nations                                                                                                                                                                   |
| US                                 | United States of America                                                                                                                                                         |
| <b>V</b>                           |                                                                                                                                                                                  |
| VaR                                | Value at risk                                                                                                                                                                    |
| VIU                                | Value in use                                                                                                                                                                     |
| <b>W</b>                           |                                                                                                                                                                                  |
| Wealth                             | Wealth comprises our Investment Distribution, Insurance, Private Bank and Asset Management businesses.                                                                           |
| WTB                                | Wholesale Transaction Banking comprises our Global FX, GPS, GTS and Securities Services businesses.                                                                              |

This document comprises the Interim Report 2026 and information herein has been filed on Form 6-K with the US Securities and Exchange Commission for HSBC Holdings plc and its subsidiary and associated undertakings.

**HSBC Holdings plc**

Incorporated in England and Wales on 1 January 1959 with limited liability under the UK Companies Act

Registration number 617987

Tel: +44 (0)20 7991 8888

**Registered Office and Group Head Office**

8 Canada Square, London E14 5HQ, United Kingdom

Web: [www.hsbc.com](http://www.hsbc.com)

Tel: +44(0)20 7991 8888

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# HSBC Holdings plc

Employee Share Plans 30 June 2026

# Employee Share Plans

In accordance with the terms of a waiver granted by the Hong Kong Stock Exchange on 30 December 2022, full details of share options and share awards under Employee Share Plans required pursuant to Listing Rules 17.07 and 17.09 are disclosed below. These disclosures are also available on the Hong Kong Stock Exchange's website at [www.hkex.com.hk](http://www.hkex.com.hk) and can be obtained upon request from the Group Company Secretary and Chief Governance Officer, 8 Canada Square, London E14 5HQ.

## Overview

Share options and discretionary awards of HSBC Holdings plc ('HSBC' or 'HSBC Holdings') ordinary shares of US\$0.50 ('shares') are granted under HSBC share plans to help align the interests of employees with those of shareholders.

The following are particulars of share options and share awards granted to employees under the HSBC share plans, including those held by employees working under employment contracts that are regarded as 'continuous contracts' for the purposes of the Hong Kong Employment Ordinance. The options and share awards were granted for nil consideration. No options or share awards have been granted to substantial shareholders, suppliers of goods or services, related entity participants or in excess of the 1% individual limit for each share plan. The options and share awards which were granted, vested/exercised or lapsed during the period 1 January 2026 to 30 June 2026 (the 'Relevant Period') are detailed in the tables below. The options and share awards were granted only to employees. Particulars of options and share awards held by Directors of HSBC Holdings are set out on page 105 in the Interim Report 2026.

The number of shares available for the grant of options or share awards under the limits set out in the HSBC share plans at the beginning and end of the Relevant Period are:

- 10% of the ordinary share capital of HSBC in issue immediately before that day, less the number of shares which have already been issued, or may be issued, to satisfy awards under the HSBC share plans granted in the previous 10 years. The number of shares available to issue under this limit at the beginning of the Relevant Period was at least 993,126,896 and at the end of the Relevant Period was at least 1,111,019,899. The number of shares available to issue at the end of the Relevant Period divided by the weighted average number of shares of the relevant class in issue for the Relevant Period is 6.47%.
- 5% of the ordinary share capital of HSBC in issue immediately before that day, less the number of shares which have already been issued, or may be issued, to satisfy awards under the HSBC Share Plan 2011 granted in the previous 10 years. The number of shares available to issue under this limit at the beginning of the Relevant Period was at least 274,988,485 and at the end of the Relevant Period was at least 356,590,154. The number of shares available to issue at the end of the Relevant Period divided by the weighted average number of shares of the relevant class in issue for the Relevant Period is 2.08%.
- 10% of the shares in issue (excluding treasury shares) on the date of shareholder approval of the numerical limit under the HSBC Holdings Savings-Related Share Option Plan (UK), being 2,036,512,211 shares, less all Options currently outstanding and shares already issued to settle Options that were granted after last shareholder approval. The number of shares available to issue under this limit at the beginning of the Relevant Period was 1,974,412,028 and at the end of the Relevant Period was 1,992,882,298.
- 30% of the shares in issue (excluding treasury shares) on the date of inception of the HSBC Holdings Savings-Related Share Option Plan (UK), being 4,675,000,000 shares, less all Options currently outstanding and shares already issued to settle Options since inception. The number of shares available to issue under this limit at the beginning of the Relevant Period was 4,128,491,542 and at the end of the Relevant Period was 4,143,763,978.

## Summaries of the share plans

### Sharesave

The HSBC Holdings Savings-Related Share Option Plan (UK) ('Sharesave') is an all-employee share option plan under which eligible employees have been granted options to acquire HSBC Holdings ordinary shares. No options or awards under Sharesave are subject to performance targets.

For options granted under Sharesave employees may make contributions of up to £500 each month over a period of three or five years. The contributions may be used within six months following the third or fifth anniversary of the commencement of the relevant savings contract, at the employee's election, to exercise the options. Alternatively, the employee may elect to have the savings, plus (where applicable) any interest or bonus, repaid in cash. In the case of redundancy, ceasing employment on grounds of injury or disability, retirement, death, the transfer of the employing business to another party, or a change of control of the employing company, options may be exercised before completion of the relevant savings contract. The exercise period of options awarded under the all-employee share option plans may be extended by up to six months following the death of a participant to allow the executors of the estate to exercise the option. If a participant has chosen to defer up to 12 contributions, the start of the normal exercise period will be delayed by up to 12 months.

Under Sharesave the option exercise price is determined by reference to the average market value of the HSBC Holdings ordinary shares on the five business days immediately preceding the invitation date, then applying a discount of 20%. The vesting periods and the period within which the option may be exercised are set out in the table below. The HSBC Holdings Savings-Related Share Option Plan (UK) has an expiry date of 24 April 2030 (by which time the plan may be extended with approval from shareholders) unless the Directors resolve to terminate the plan at an earlier date.

## HSBC Holdings Savings-Related Share Option Plan (UK)

| Date of award | Exercise price (£) | Usually exercisable |           | HSBC Holdings ordinary share options |                   |                                  |                  |                     |                |
|---------------|--------------------|---------------------|-----------|--------------------------------------|-------------------|----------------------------------|------------------|---------------------|----------------|
|               |                    | from                | until     | At 1 Jan 2026                        | Granted in period | Exercised in period <sup>1</sup> | Lapsed in period | Cancelled in period | At 30 Jun 2026 |
| 24 Sep 20     | 2.627              | 1 Nov 25            | 30 Apr 26 | 12,319,810                           | —                 | 11,979,789                       | 12,333           | —                   | 327,688        |
| 22 Sep 21     | 3.146              | 1 Nov 24            | 30 Apr 25 | 26,886                               | —                 | 21,165                           | 5,721            | —                   | —              |
| 22 Sep 21     | 3.146              | 1 Nov 26            | 30 Apr 27 | 2,264,875                            | —                 | 125,446                          | 35,335           | —                   | 2,104,094      |
| 27 Sep 22     | 4.242              | 1 Nov 25            | 30 Apr 26 | 1,005,149                            | —                 | 931,472                          | 7,262            | —                   | 66,415         |
| 27 Sep 22     | 4.242              | 1 Nov 27            | 30 Apr 28 | 1,203,350                            | —                 | 28,287                           | 20,916           | —                   | 1,154,147      |
| 27 Sep 23     | 4.697              | 1 Nov 26            | 30 Apr 27 | 16,799,053                           | —                 | 577,037                          | 364,605          | —                   | 15,857,411     |
| 27 Sep 23     | 4.697              | 1 Nov 28            | 30 Apr 29 | 2,891,091                            | —                 | 53,472                           | 89,833           | —                   | 2,747,786      |
| 24 Sep 24     | 5.303              | 1 Nov 27            | 30 Apr 28 | 8,861,245                            | —                 | 135,859                          | 341,736          | —                   | 8,383,650      |
| 24 Sep 24     | 5.303              | 1 Nov 29            | 30 Apr 30 | 1,779,204                            | —                 | 8,862                            | 82,330           | —                   | 1,688,012      |
| 24 Sep 25     | 7.611              | 1 Nov 28            | 30 Apr 29 | 8,509,041                            | —                 | 15,416                           | 318,529          | —                   | 8,175,096      |
| 24 Sep 25     | 7.611              | 1 Nov 30            | 30 Apr 31 | 3,242,645                            | —                 | 4,343                            | 112,688          | —                   | 3,125,614      |
|               |                    |                     |           | 58,902,349                           | —                 | 13,881,148                       | 1,391,288        | —                   | 43,629,913     |

<sup>1</sup> The weighted average closing price of the shares immediately before the dates on which options were exercised was £12.715.

## ShareMatch

The HSBC International Employee Share Purchase Plan ('ShareMatch') was introduced in 2013 and now includes employees based in 31 jurisdictions. No options are granted under this plan but matching share awards are granted in the form of conditional awards. No awards under the ShareMatch are subject to performance targets and the vesting periods are as set out in the table below.

Under ShareMatch, shares are purchased on behalf of participants (using their own funds) in the market each quarter up to a maximum annual value of £3,000, or equivalent in local currency, per participant. Matching share awards in the form of conditional awards are granted to participants for nil consideration each quarter at a ratio of one free share for every three purchased. Matching awards vest subject to continued employment and the retention by the participant of the purchased shares for a maximum period of two years and nine months. ShareMatch has an expiry date of 24 April 2030 (by which time the plan may be extended with approval from shareholders) unless the Directors resolve to terminate the plan at an earlier date.

### HSBC International Employee Share Purchase Plan – awards of matching shares to employees.

| Dates of award         | Award price |       | Usually vesting | HSBC Holdings ordinary shares under award |                   |                  |                  |                     |                |
|------------------------|-------------|-------|-----------------|-------------------------------------------|-------------------|------------------|------------------|---------------------|----------------|
|                        | £           | HK\$  |                 | At 1 Jan 2026                             | Granted in period | Vested in period | Lapsed in period | Cancelled in period | At 30 Jun 2026 |
| 2023 to 2025           | —           | —     | —               | 3,203,821                                 | —                 | —                | 85,107           | —                   | 3,118,714      |
| 12 Jan 26 <sup>1</sup> | 11.942      | 124.8 | 29 Sep 28       | —                                         | 351,143           | —                | 11,195           | —                   | 339,948        |
| 13 Apr 26 <sup>2</sup> | 13.402      | 139.7 | 29 Sep 28       | —                                         | 307,755           | —                | 5,719            | —                   | 302,036        |
|                        |             |       |                 | 3,203,821                                 | 658,898           | —                | 102,021          | —                   | 3,760,698      |

<sup>1</sup> The award price is the closing price on the day before the grant date. In all cases the purchase price is nil. The fair value of the awards granted was £10.353 based on IFRS 2 accounting standards.

<sup>2</sup> The award price is the closing price on the day before the grant date. In all cases the purchase price is nil. The fair value of the awards granted was £11.472 based on IFRS 2 accounting standards.

## UK SIP

The HSBC Holdings UK Share Incentive Plan (the 'UK SIP') was introduced in 2001 and applies to all UK-resident employees (including executive Directors). During the Relevant Period, approximately 32,000 employees were offered participation in this plan.

Employees may be offered a combination of partnership shares, matching shares, free shares and dividend shares under the UK SIP. A maximum of 10% of salary or £1,800 per tax year (whichever is lower) is the maximum amount an employee can have deducted from their salary to acquire any partnership shares. The maximum value of free shares that can be allocated to an employee in any tax year is £3,600. There is no limit on the value of dividends paid on shares that may be re-invested in dividend shares. The free shares and matching share facilities were not used during the course of the Relevant Period, therefore no share awards were granted. The SIP has an expiry date of 24 April 2030 (by which time the plan may be extended with approval from shareholders) unless the Directors resolve to terminate the plan at an earlier date.



## HSBC Share Plan 2011

The HSBC Share Plan 2011 (the '2011 Plan') is an umbrella plan for HSBC's long-term discretionary employee incentive arrangements. During the Relevant Period, approximately 5,900 employees were granted awards under this plan.

Conditional share awards may be granted on a discretionary basis to employees under the 2011 Plan. A conditional award of deferred shares defines the number of shares to which the employee will become entitled, generally up to three, four, five or seven years from the date of the award, and normally subject to the individual remaining in employment. In some cases, the employee's entitlement depends upon the satisfaction of a performance condition. The maximum value of awards or options that may be granted to an employee in any one year under the HSBC Share Plan 2011 is 600% of the employee's annual salary. For the purpose of the limit, any deferred share awards made on or shortly after the commencement of employment or in substitution for all or any part of any bonus to which the employee would otherwise have been entitled, are excluded. Participants do not need to pay any consideration for the grant or vesting of an award. The 2011 Plan has an expiry date of 24 April 2030 (by which time the plan may be extended with approval from shareholders) unless the Directors resolve to terminate the plan at an earlier date.

### HSBC Share Plan 2011 – particulars of awards to employees and Directors

| Dates of award                  | Award price (£) <sup>1</sup> | Closing price on day before award date (£) | Usually vesting from to |           | HSBC Holdings ordinary share awards |                   |                               |                  |                     |                   |
|---------------------------------|------------------------------|--------------------------------------------|-------------------------|-----------|-------------------------------------|-------------------|-------------------------------|------------------|---------------------|-------------------|
|                                 |                              |                                            |                         |           | At 1 Jan 2026                       | Granted in period | Vested in period <sup>2</sup> | Lapsed in period | Cancelled in period | At 30 June 2026   |
| 2015 to 2025                    | —                            | —                                          | 1 Mar 26                | 30 Mar 32 | <b>116,717,564</b>                  | —                 | <b>43,854,894</b>             | <b>3,667,950</b> | <b>8,530</b>        | <b>69,186,190</b> |
| 9 Mar 26 <sup>3</sup>           | 12.820                       | 12.450                                     | 9 Mar 26                | 30 Mar 33 | —                                   | <b>35,019,600</b> | <b>10,992,196</b>             | <b>180,594</b>   | —                   | <b>23,846,810</b> |
| 31 Mar 26 <sup>4</sup>          | 12.005                       | 12.120                                     | 31 Mar 26               | 30 Mar 32 | —                                   | <b>2,109,353</b>  | <b>278,434</b>                | <b>3,166</b>     | —                   | <b>1,827,753</b>  |
| 6 May 26 <sup>5</sup>           | 13.303                       | 12.798                                     | 6 May 26                | 30 Mar 30 | —                                   | <b>193,027</b>    | <b>30,172</b>                 | <b>2,984</b>     | —                   | <b>159,871</b>    |
| 1 Jan to 30 Jun 26 <sup>6</sup> | —                            | —                                          | 19 Mar 26               | 31 Mar 33 | —                                   | <b>804,003</b>    | <b>2,039</b>                  | <b>5,590</b>     | —                   | <b>796,374</b>    |
|                                 |                              |                                            |                         |           | <b>116,717,564</b>                  | <b>38,125,983</b> | <b>55,157,735</b>             | <b>3,860,284</b> | <b>8,530</b>        | <b>95,816,998</b> |

1 The award price is the closing price on the day before the grant date for awards made in 2024 and prior. The price for awards made from 2025 is the average closing price of the week prior to the grant date. In all cases the purchase price is nil.

2 The weighted average closing price of the shares immediately before the dates on which the awards were vested was £12.598.

3 The fair values of the awards were calculated according to the IFRS 2 accounting standard. The fair values, which vary based on the length of the vesting period, range between £7.320 and £12.510. These awards include long-term incentive ('LTI') awards and other awards which are subject to satisfaction of performance conditions. LTI awards are subject to a combination of financial and non-financial metrics that are in this report. Other performance conditions on awards can include the completion of a strategically important project.

4 The fair values of the awards were calculated according to the IFRS 2 accounting standard. The fair values, which vary based on the length of the vesting period, range between £11.463 and £12.216. Other performance conditions on awards can include the completion of a strategically important project.

5 The fair values of the awards were calculated according to the IFRS 2 accounting standard. The fair values, which vary based on the length of the vesting period, range between £12.588 and £14.040. Other performance conditions on awards can include the completion of a strategically important project.

6 Relates to the allocation of dividend equivalent shares in relation to eligible awards.



**HSBC Holdings plc**

8 Canada Square  
London E14 5HQ  
United Kingdom  
Telephone: 44 020 7991 8888  
[www.hsbc.com](http://www.hsbc.com)  
Incorporated in England with limited liability  
Registered number 617987