

# HSBC Holdings plc 1Q26 results

Presentation to investors and analysts



# Simple, more agile and growing HSBC

## Targets

- ◆ **Targets unchanged** – confident in our ability to deliver targets announced in February 2026

## Guidance

- ◆ **Banking NII**: updated to ~\$46bn, reflecting an improved rate outlook, while recognising the outlook remains volatile and uncertain\*
- ◆ **ECL charge**: updated to ~(45)bps, reflecting ongoing uncertainty†

## Performance

- ◆ 18.7% annualised RoTE excl. notable items

## Discipline

- ◆ \$0.2bn annualised savings actioned in the quarter; remaining \$0.1bn of our \$1.5bn cost savings target to be actioned by 1H26
- ◆ Completed the privatisation of Hang Seng Bank and the sale of UK Life, Sri Lanka retail banking and South Africa
- ◆ Announced the sale of our retail banking business in Indonesia

Unless otherwise stated, this presentation is presented on a constant currency basis. ▶ denotes a measure shown on a reported FX basis. This presentation focuses on Revenue and PBT excluding notable items on a constant currency basis, see slides 24 and 27 for reconciliation. In this presentation, % changes relating to ECL and costs in ( ) represent adverse movements. Figures throughout this presentation may be subject to rounding adjustments and may not sum precisely to totals given in charts, tables or commentary. Effective from 1 Jan 2025, the Group's operating segments comprise four businesses, along with Corporate Centre. Segmental comparatives have been re-presented on this basis

\* Based on our current expectations for policy rates (mid-April 2026)

† As a percentage of average gross loans and advances, including held-for-sale loan balances. Our medium-term planning range is (30) to (40)bps

# Positive performance in 1Q26

## Performance highlights

Revenue\*

# \$19.1bn

+4% YoY

PBT\*

# \$10.1bn

– YoY

Deposits

# \$1,782bn

+\$99bn YoY†

RoTE‡

# 18.7%

+0.3ppts YoY

\* Revenue and PBT exclude notable items, see slide 24

† Growth of \$99bn includes held-for-sale balances of \$19bn for 1Q26 and \$6bn for 1Q25, which are not included in the \$1,782bn absolute value quoted

Income statement, \$bn	1Q25	1Q26	Δ, \$	Δ, %
Revenue excl. notable items	18.4	19.1	0.7	4%
PBT excl. notable items	10.1	10.1	—	—
Revenue	18.3	18.6	0.3	2%
ECL	(0.9)	(1.3)	(0.4)	(41)%
Costs	(8.5)	(8.7)	(0.3)	(3)%
Associates	0.8	0.8	(0.1)	(8)%
PBT	9.8	9.4	(0.4)	(4)%

Balance sheet	4Q25	1Q26	Δ, \$	Δ, %
Customer loans, \$bn	982	1,002	20	2%
Customer deposits, \$bn	1,773	1,782	9	1%
CET1 ratio, % ▶	14.9%	14.0%	(0.9)ppts	

Key financial metrics	1Q25	1Q26	Δ
EPS excl. material notable items <sup>§</sup> , \$ ▶	0.39	0.44	\$0.05
DPS, \$ ▶	0.10	0.10	—
RoTE <sup>‡</sup> , % ▶	18.4	18.7	+0.3ppts
TNAV per share <sup>¶</sup> , \$ ▶	9.08	9.46	\$0.38

‡ Excluding notable items, YTD annualised

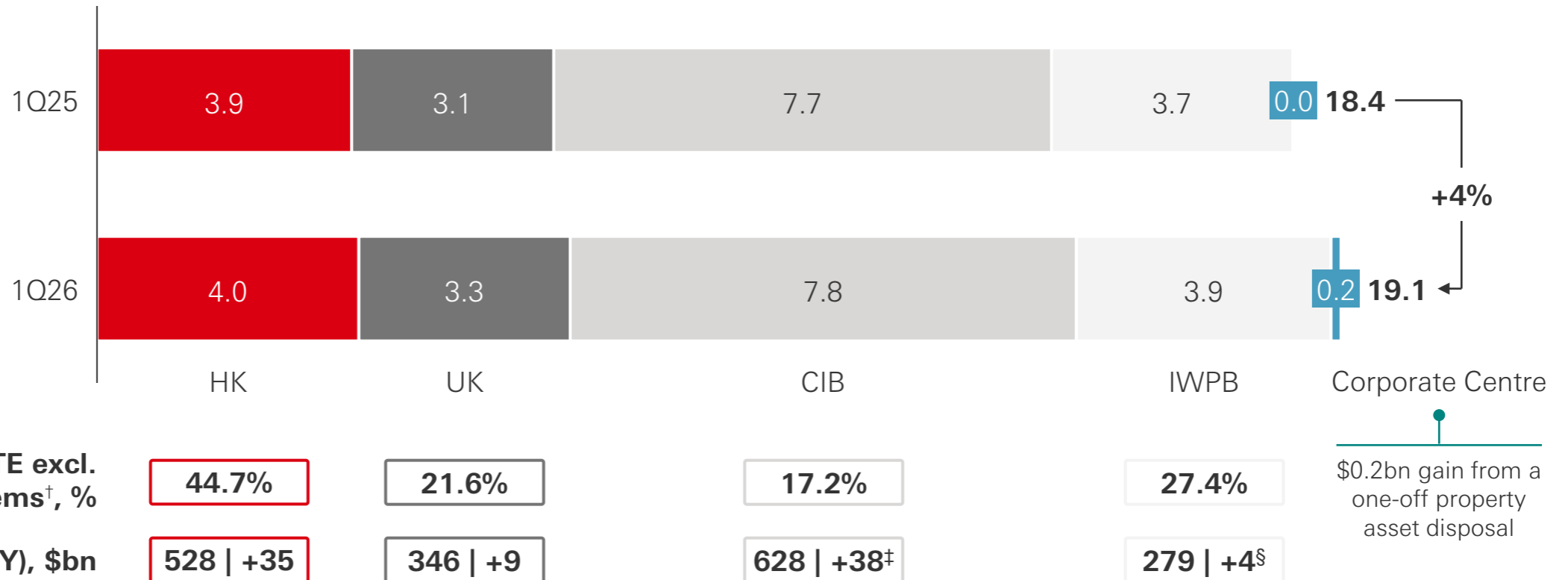
§ Excluding material notable items and related impacts

¶ See 1Q26 Earnings Release page 32 for TNAV reconciliation

# Four growing, high-returning businesses

**All four businesses growing in revenue and deposits, all delivering 17% or better RoTE**

Revenue excl. notable items\*, \$bn



\* See slide 27 for reconciliation of reported revenue to revenue excluding notable items

† See 1Q26 Earnings Release pages 31 and 32 for reconciliation of RoTE to RoTE excl. notable items

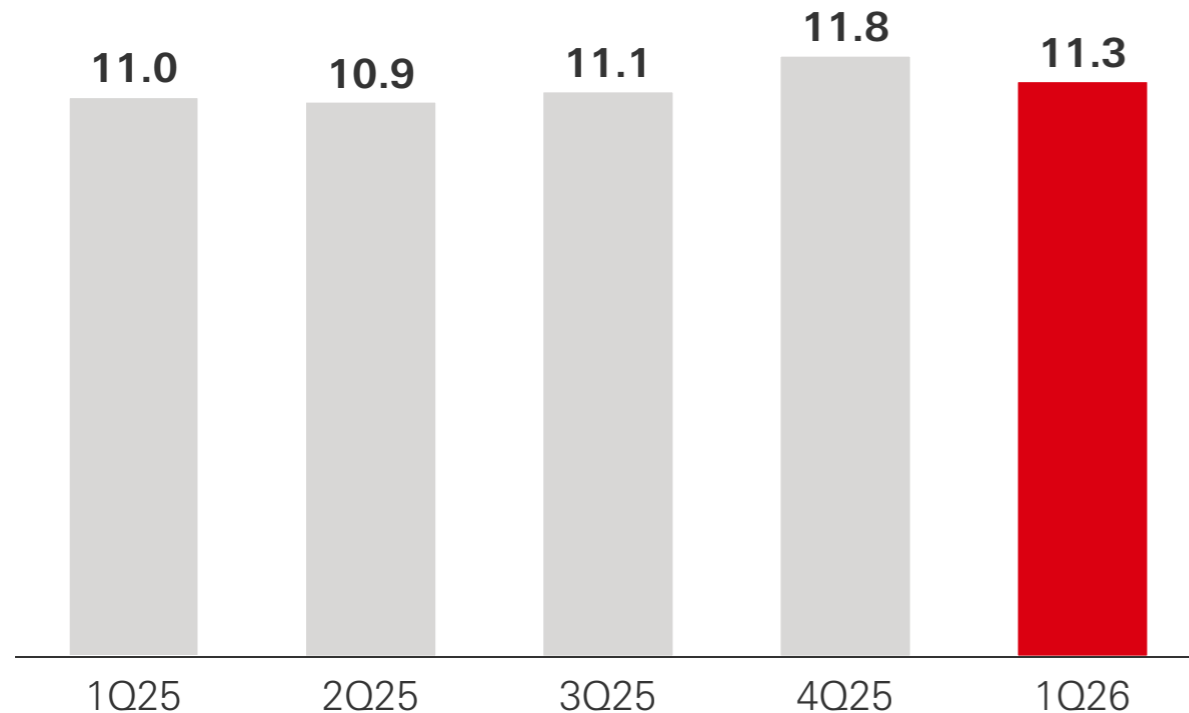
‡ Includes the impact of balance transferred to HFS. At 31 March 2026, HFS balances were: German

custody business (\$9.8bn), Malta (\$2.0bn) and Uruguay (\$0.8bn)

§ Includes the impact of balance transferred to HFS. At 31 March 2026, HFS balances were: Malta (\$5.2bn), Uruguay (\$0.7bn) and Sri Lanka retail banking (\$0.4bn)

# Banking NII: updating FY26 guidance to ~\$46bn

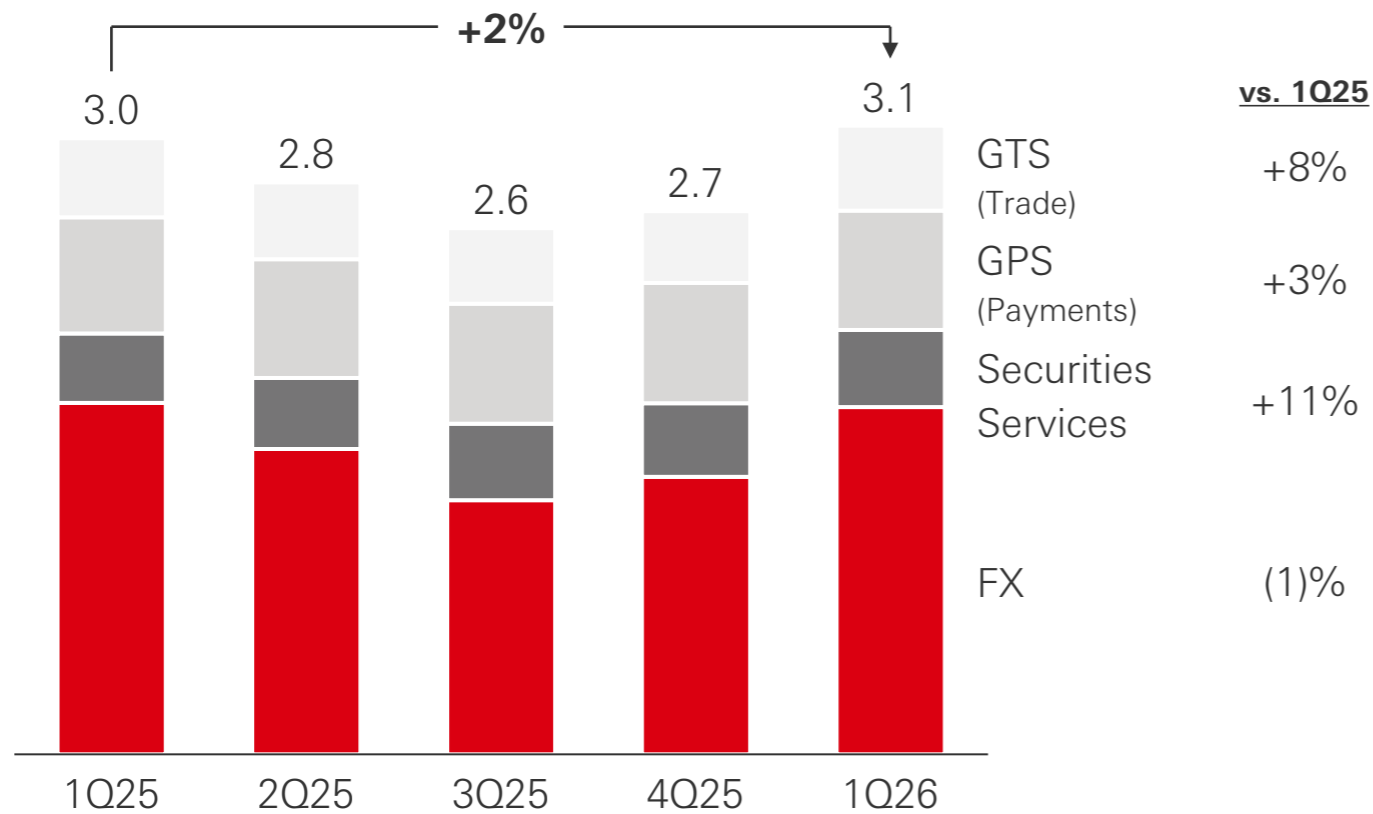
## Banking NII, \$bn



- ◆ **\$(0.5)bn QoQ**, reflecting
  - \$(0.3)bn day count
  - Lower HIBOR in 1Q26, particularly in March
  - One-off items of \$0.1bn in 4Q25 and \$(0.1)bn in 1Q26
- ◆ **Expect FY26 Banking NII of ~\$46bn**, (previous guidance at least \$45bn) reflecting an improved interest rate outlook, while recognising the outlook remains volatile and uncertain

# The world's wholesale transaction bank

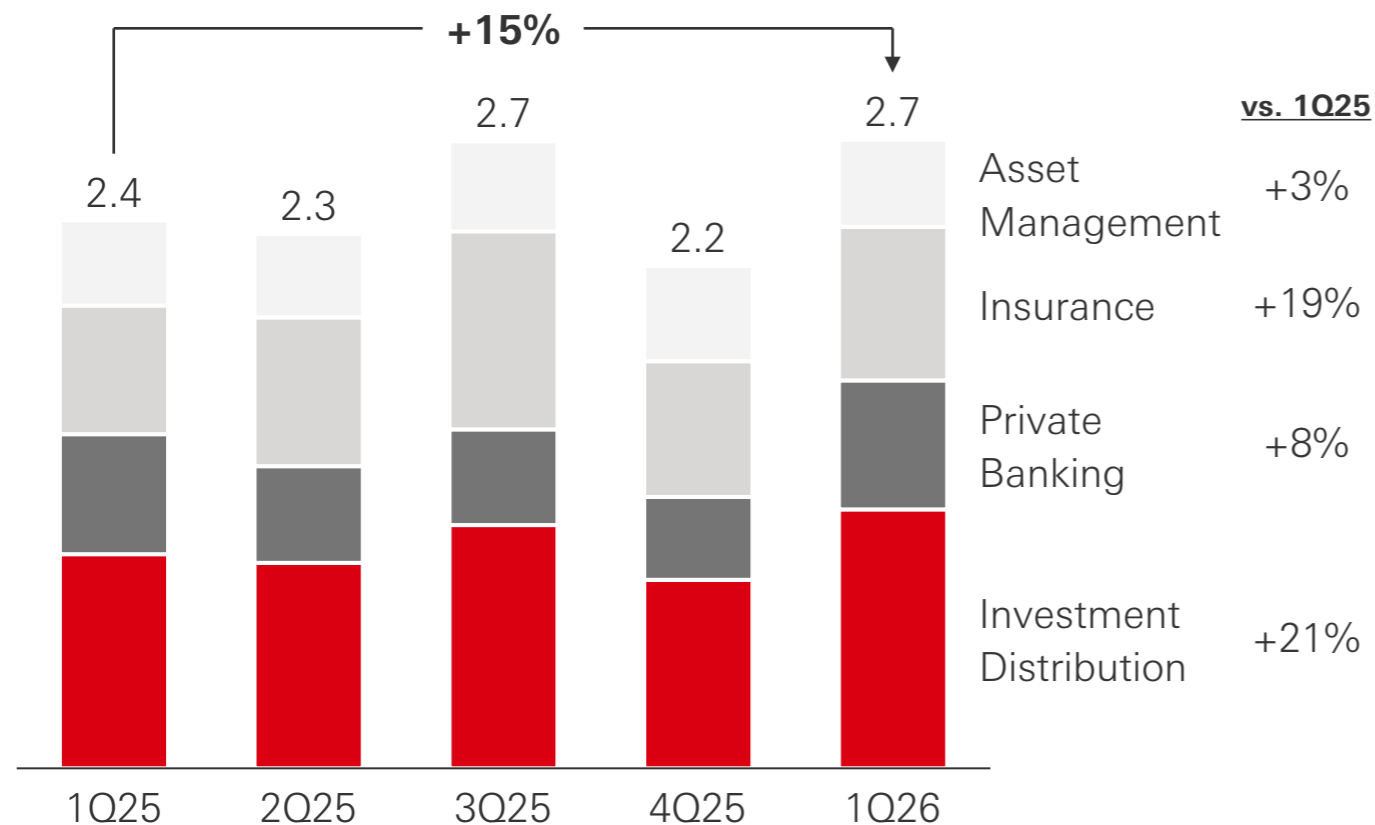
## Fee and other income, \$bn



- ◆ **+11% Securities Services**, due to momentum from new client mandates and higher transaction volumes
- ◆ **+8% GTS**, driven by continued growth in volumes and a one-off recovery fee
- ◆ **+3% GPS**, from continued growth in volumes
- ◆ **(1)% FX**, reflecting a strong 1Q25

# Wealth: strong, broad-based growth showing strategic focus

## Fee and other income, \$bn



**\$1,570bn** (Asia: \$1,068bn)

### 1Q26 Wealth balances

+12% YoY (Asia: +14%)

**\$39bn** (Asia: \$34bn)

### 1Q26 Net New Money

1Q25: \$23bn (Asia: \$19bn)

Of which: **\$5bn** (Asia: \$1bn)

### 1Q26 Net new deposits

1Q25: \$6bn (Asia: \$2bn)

**\$15.2bn**

### 1Q26 Insurance manufacturing CSM balance

1Q25: \$12.8bn (+19% YoY)

**\$1.4bn**

### 1Q26 New business CSM

1Q25: \$1.1bn (+31% YoY)

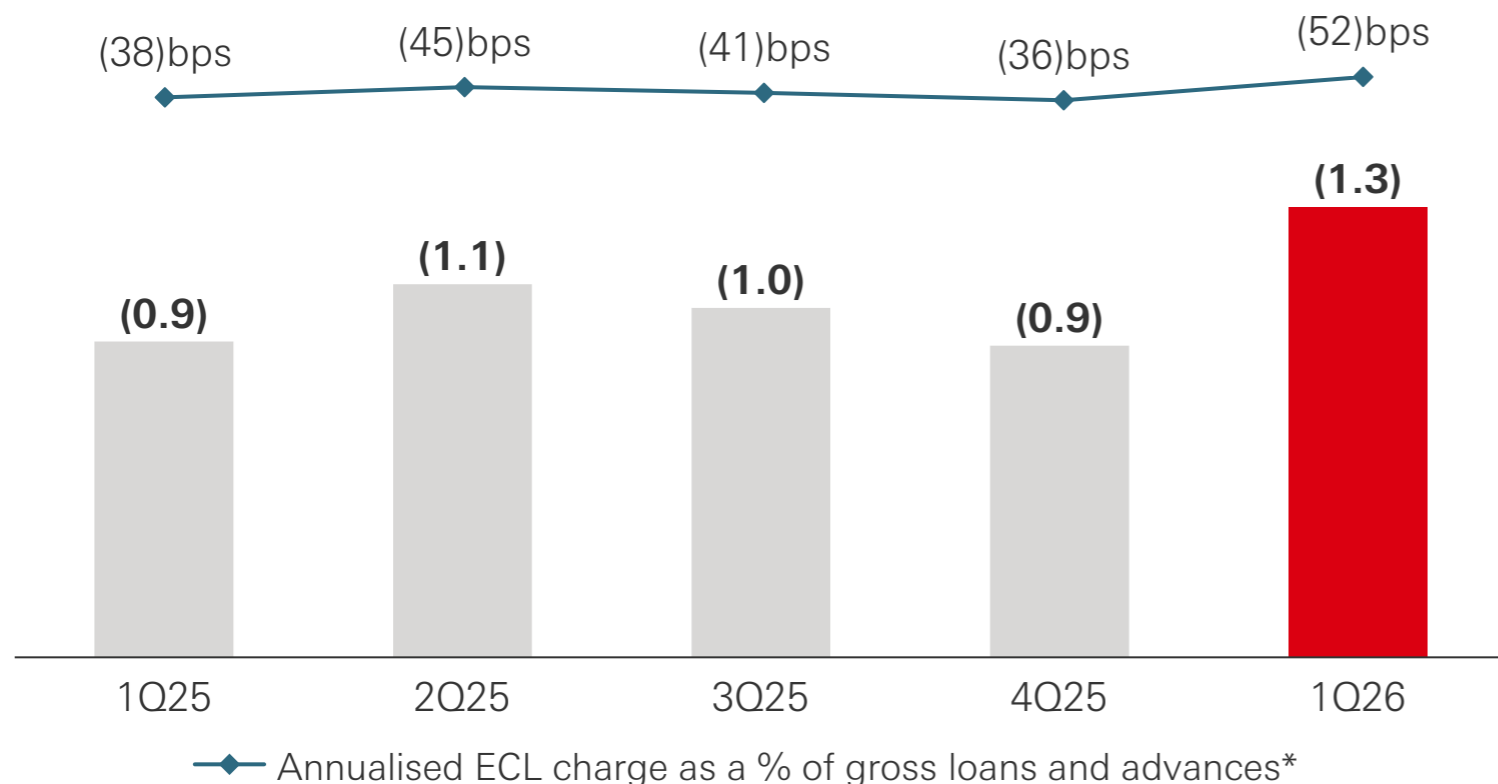
**\$0.4bn**

### 1Q26 CSM release

1Q25: \$0.3bn (+16% YoY)

## Credit: updating FY26 ECL guidance to ~(-45)bps

### ECL charge, \$bn



#### ◆ **\$(1.3)bn 1Q26 ECL charge**

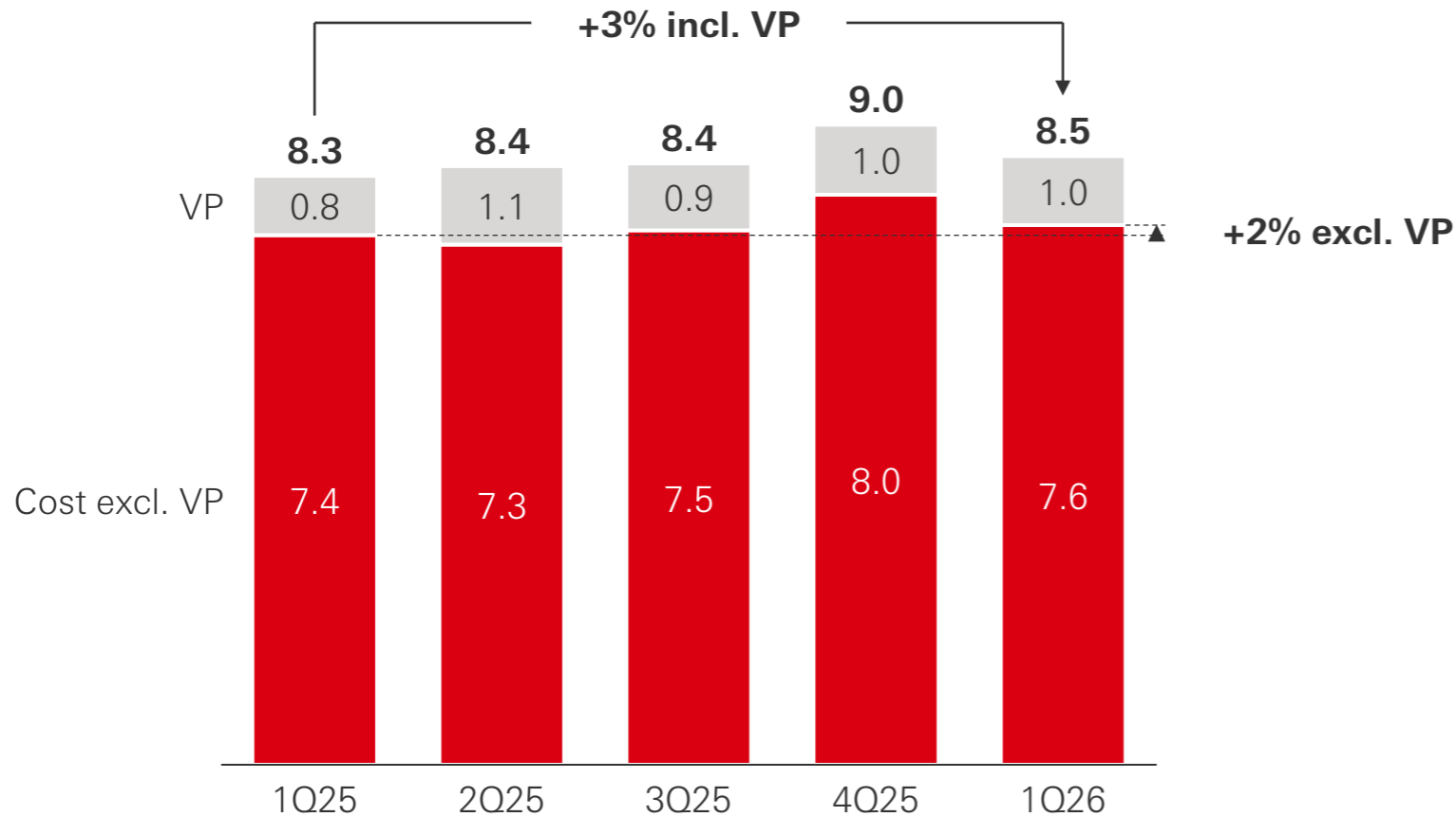
- \$(0.3)bn related to Middle East conflict, including global forward economic guidance and regional overlays
- \$(0.4)bn fraud-related, secondary, securitisation exposure with a financial sponsor in the UK. Further disclosure on slides 15 to 16
- HK CRE stable

- ◆ **Expect FY26 ECL charge\* of ~(-45)bps,** (previous guidance ~(-40)bps) reflecting ongoing uncertainty

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

# Costs: continue to expect FY26 target basis cost growth of ~1%

## Target basis costs, \$bn



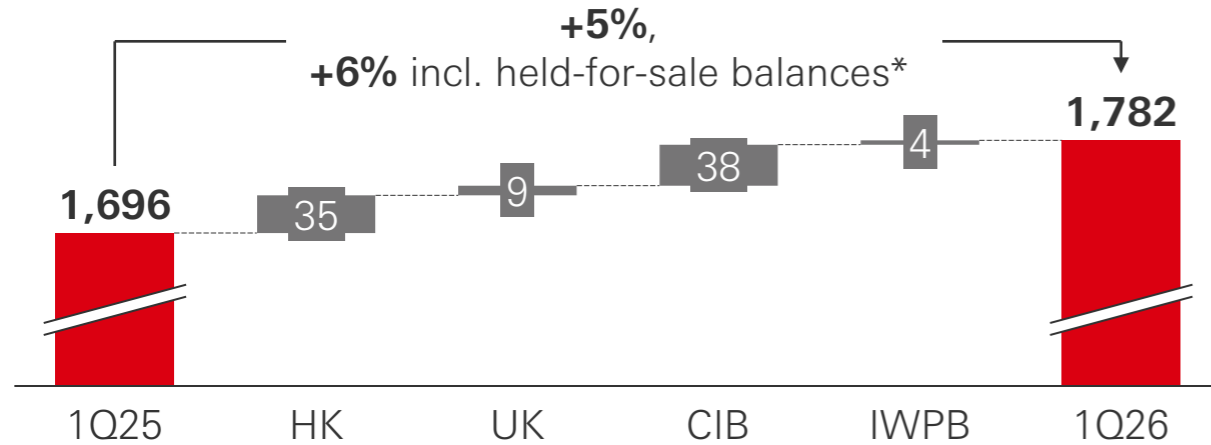
- ◆ **+3% YoY cost growth** driven by higher variable pay ('VP') accrual phasing based on business performance
- ◆ +2% costs excluding VP accrual
- ◆ ~\$0.7bn simplification savings expected to be realised in 2026, of which \$0.3bn in 1Q26
- ◆ **FY26 cost guidance of ~1% growth**, on a target basis\*

Figures in the chart above are subject to rounding adjustments and may not sum to totals

\* FY25 target cost baseline on updated FX: \$(34.0)bn

# Customer deposits & loans: strong and growing deposit franchise, +\$99bn YoY\*

## Deposits, \$bn



**QoQ:**

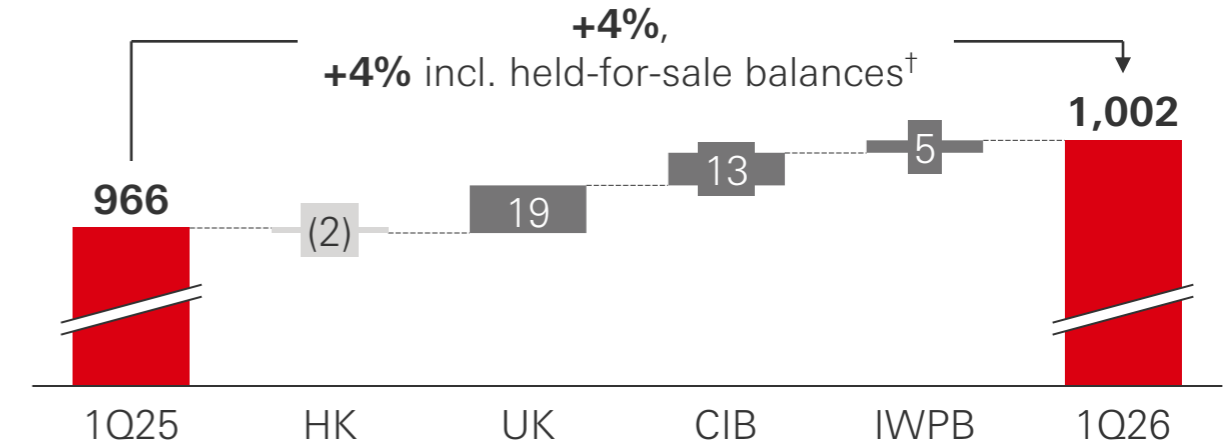
**HK:** seasonal moves into invested assets

**UK:** included expected seasonal outflows, market share broadly stable

**CIB:** new client mandates in Securities Services, primarily in Hong Kong

**IWPB:** \$5bn deposits reclassified to HFS from Malta disposal

## Loans, \$bn



**QoQ:**

**HK:** stabilisation, with uptick in mortgages

**UK:** continued growth in commercial lending and mortgages

**CIB:** continued momentum in GTS, higher term lending in Asia

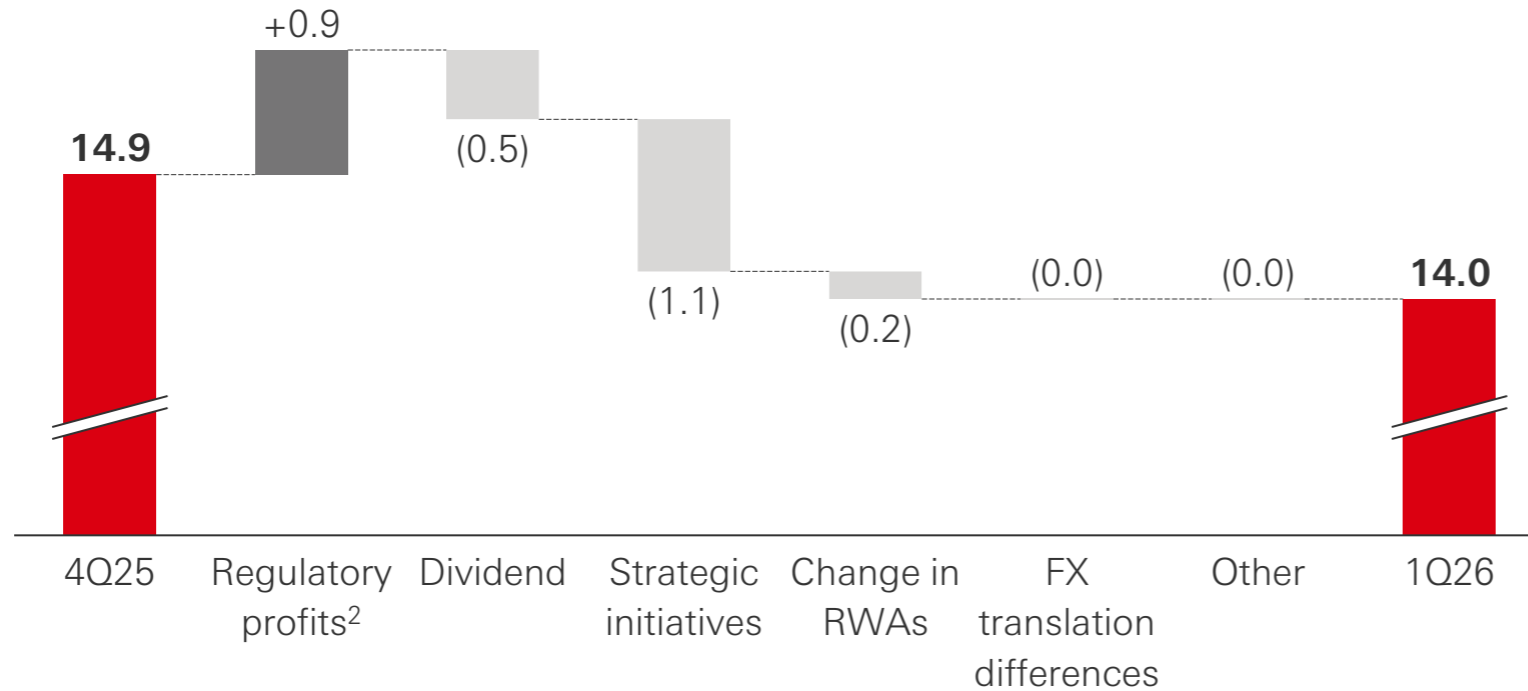
**IWPB:** \$2bn loans reclassified to HFS from Malta disposal

\* Including \$19bn held-for-sale balances for 1Q26 and \$6bn for 1Q25

† Including \$5bn held-for-sale balances for 1Q26 and \$1bn for 1Q25

# Capital: strong organic capital generation during the quarter

## CET1 ratio, %<sup>1</sup>



CET1, \$bn	132.6	7.9	(4.1)	(10.5)	(0.8)	(1.1)	124.0
RWAs, \$bn	888.6		(10.4)	10.6	(5.0)		883.8

- ◆ Strategic initiatives mainly driven by Hang Seng Bank privatisation and Malta disposal loss
- ◆ Increase in RWAs mainly driven by higher corporate lending
- ◆ Other includes (12)bps decrease in the fair value of hold-to-collect-and-sell debt instruments due to increase in yields, as well as other offsetting components

# Targets reiterated

**2026, 2027  
and 2028  
targets**

**Revenue**

**Rising to 5% YoY growth by 2028**, excluding notable items

**RoTE**

**17% or better**, excluding notable items, each year

**Dividends**

**50% of EPS**, excluding material notable items and related impacts

# Guidance

2026 guidance	<b>Banking NII</b>	~\$46bn, noting improved, though volatile rate outlook <sup>1</sup>	●   UPDATED
	<b>ECL charge</b>	~(45)bps, reflecting ongoing uncertainty <sup>2</sup>	●   UPDATED
	<b>Costs</b>	~1% growth, on a target basis <sup>3</sup>	
	<b>CET1 ratio</b>	14-14.5% target range <sup>4</sup>	
Simplification	<b>Savings</b>	~\$1.5bn savings from re-organisation to be delivered by YE26	
	<b>Re-allocation</b>	~\$1.8bn costs to be re-allocated to priority growth areas in the medium term* Including \$0.3bn cost synergies in Asia from HSB privatisation, to be achieved by YE28	
Hang Seng privatisation	<b>Revenue and cost benefits</b>	\$0.5bn revenue and cost synergies, to be achieved by YE28 \$0.4bn potential further upside, to be achieved by YE28	
	<b>Restructuring costs</b>	~\$0.6bn, of which one-off P&L impacts will be a material notable item	

# Appendix

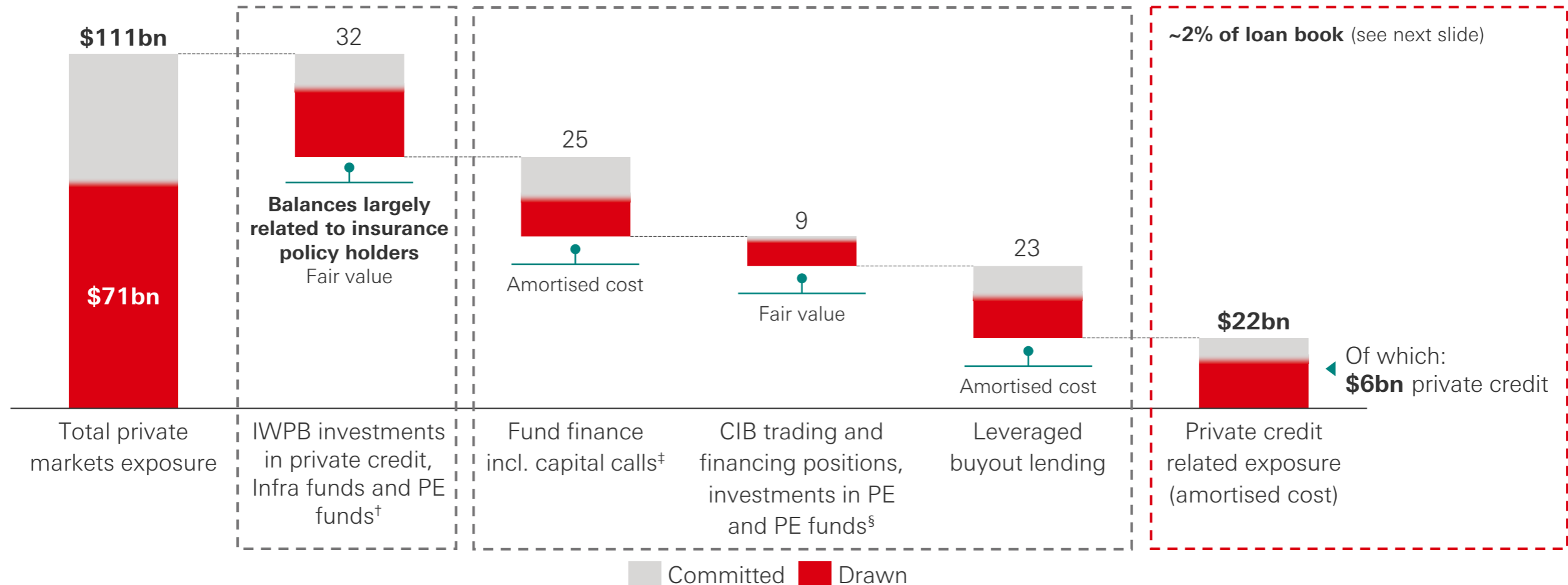
# Quarterly financial performance summary

\$bn	1Q25	2Q25	3Q25	4Q25	1Q26	vs. 1Q25	
<b>Income statement metrics:</b>							
Revenue	18.3	16.6	17.8	16.5	18.6	0.3	2 %
ECL	(0.9)	(1.1)	(1.0)	(0.9)	(1.3)	(0.4)	(41)%
Costs	(8.5)	(9.0)	(10.1)	(9.4)	(8.7)	(0.3)	(3)%
Associates	0.8	(0.2)	0.6	0.7	0.8	(0.1)	(8)%
<b>Profit before tax</b>	<b>9.8</b>	<b>6.3</b>	<b>7.3</b>	<b>6.8</b>	<b>9.4</b>	<b>(0.4)</b>	<b>(4)%</b>
Profit attributable to ordinary shareholders ▶	6.9	4.6	4.9	4.7	6.9	—	—
<b>Memo items:</b>							
Revenue excluding notable items	18.4	17.8	18.0	17.8	19.1	0.7	4 %
— Banking NII	11.0	10.9	11.1	11.8	11.3	0.2	2 %
— Fee and other income	7.4	7.0	6.9	6.0	7.9	0.5	6 %
Profit before tax excluding notable items	10.1	9.2	9.1	8.6	10.1	—	—
<b>Earnings metrics:</b>							
EPS, \$ ▶	0.39	0.26	0.28	0.28	0.41	\$0.02	
EPS ex. material notable items, \$ ▶	0.39	0.39	0.36	0.37	0.44	\$0.05	
DPS, \$ ▶	0.10	0.10	0.10	0.45	0.10	—	
RoTE ex. notable items (annualised), % ▶	18.4	17.8	16.6	15.9	18.7	0.3ppts	
\$bn	1Q25	2Q25	3Q25	4Q25	1Q26	vs. 4Q25	
<b>Balance sheet metrics:</b>							
Customer loans	966	971	977	982	1,002	20	2 %
Customer deposits	1,696	1,698	1,724	1,773	1,782	9	1 %
Centrally funded net trading assets ▶	200	208	236	225	243	18	8 %
Reported RWAs ▶	853	887	879	889	884	(5)	(1)%
CET1 ratio, % ▶	14.7	14.6	14.5	14.9	14.0	(0.9)ppts	
TNAV per share, \$ ▶	\$9.08	\$9.17	\$9.22	\$9.64	\$9.46	\$(0.18)	

▶ denotes a measure shown on a reported FX basis

# Private markets exposure (1/2)

## Total private markets exposure\*, \$bn



\* We recognise there are a broad range of definitions for private markets and private credit across the industry, and we have therefore applied management judgement in determining inclusions. Based on balances and positions as of 31 March 2026

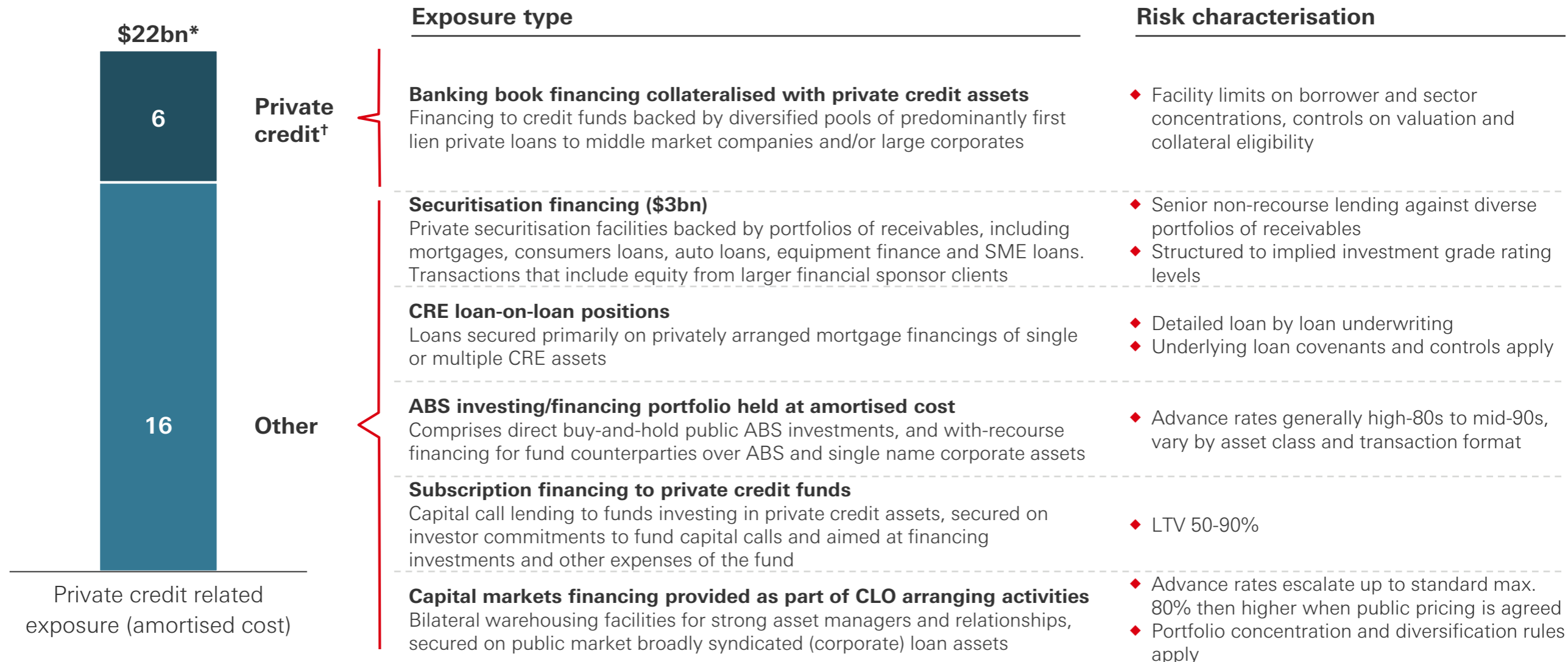
† Includes (i) investments in private credit and infrastructure debt funds, (ii) infrastructure debt investments, (iii) private equity funds

‡ Capital calls, management fee and NAV finance to non-private credit funds

§ Includes (i) loan positions originated by HSBC with the intent to distribute to private credit counterparties, (ii) distressed and secondary market loan and claim positions held for trading, (iii) ABS trading and recourse financing positions referencing private credit assets, (iv) private equity and private equity funds

# Private markets exposure (2/2)

## Private credit related exposure, \$bn (drawn and committed balances)



\* Drawn \$16bn; committed \$6bn

† Of which \$3bn drawn

# Group downside Middle East conflict stress scenarios

No significant financial impact experienced to date; modelled downside stress scenarios inform management planning

## Global impacts from modelled downside stress scenarios

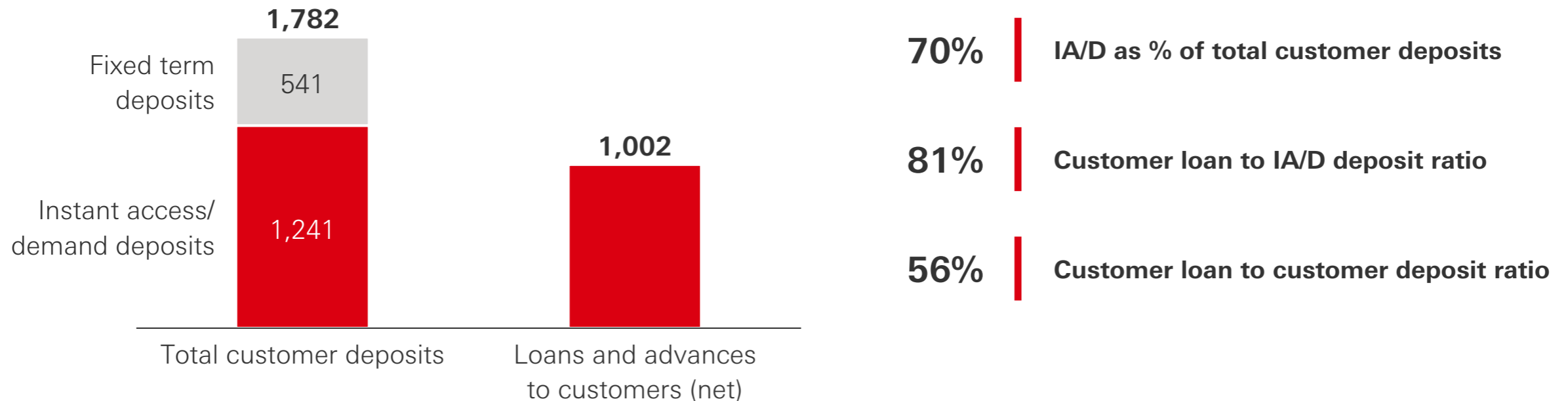
- ◆ **We have not experienced significant financial impacts from recent events in the Middle East to date, and we are well positioned to manage the current uncertainties from a position of financial strength**
- ◆ We conduct regular internal stress testing to understand the nature of emerging risks, quantify their impact, and inform forward management planning
- ◆ We have modelled a range of **top-down integrated downside stress scenarios\*** of increasing severity and duration, with assumptions including:
  - Higher oil prices
  - Rising inflation
  - A material slowdown in GDP
  - Rising unemployment
  - Market disruption
- ◆ **Before management actions**, these stress scenarios could reduce PBT by a mid-to-high single digit % in 2026, across revenue and ECL drivers. In practice, we would expect to take mitigating actions as conditions evolve, consistent with our risk appetite
- ◆ The potential impacts of our modelled downside stress assumptions are uncertain and also dependent on further developments, customer behaviour and activity levels

\* In a top-down integrated downside stress scenario, we apply management judgement to simultaneously stress revenue, ECL and balance sheet drivers, and do not reflect responsive mitigating management actions

## Customer deposits: additional disclosures (1/2)

- ◆ Incremental disclosures are provided to improve visibility into our low-cost, high-quality deposit base which mainly consist of instant access demand deposits:
  - **Instant access/demand deposits** ('IA/D'): 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**: term deposits and instant access / demand deposits where withdrawal is contractually permitted but subject to conditions impacting withdrawal

### Balance sheet, \$bn



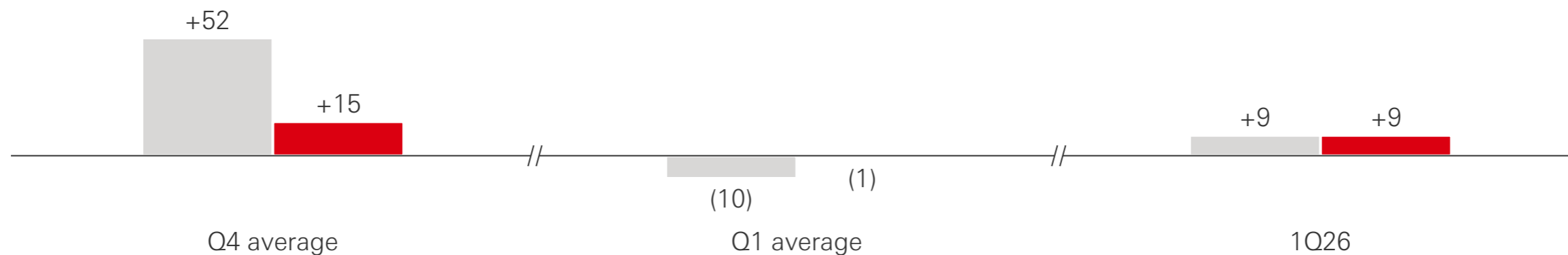
## Customer deposits: additional disclosures (2/2)

\$bn	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 de Financiero HSBC, S.A. de C.V.	Other trading entities	Total
Instant access deposits ('IA/D')	288	223	581	29	92	20	7	1,241
Fixed term deposits	83	90	339	9	8	8	4	541
Total customer accounts	371	314	920	38	100	28	12	1,782
IA/D to total customer accounts ratio (%)	78%	71%	63%	76%	92%	71%	64%	70%
Loans and advances to customers	311	104	479	24	55	24	4	1,002
Loan to IA/D deposit ratio (%)	108%	46%	82%	84%	60%	120%	52%	81%
Loan to customer deposit ratio (%)	84%	33%	52%	64%	55%	85%	34%	56%

# Deposit seasonality

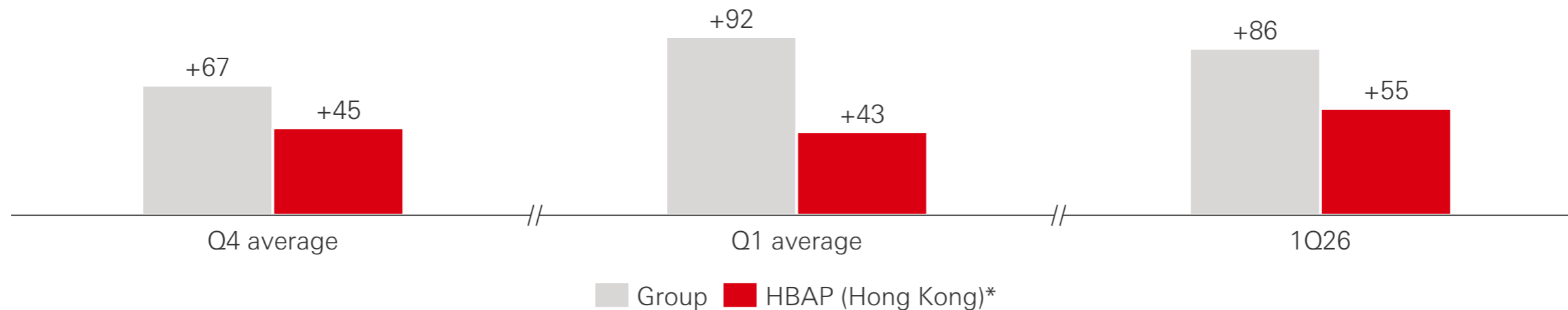
## Typically higher deposit growth in 4Q and lower in 1Q

Change in deposits QoQ (average 2024-2025), \$bn



## Strong growth YoY

Change in deposits YoY (average 2024-2025), \$bn



\* The Hongkong and Shanghai Banking Corporation Limited (Hong Kong)

# Hong Kong commercial real estate

Excluding exposure to mainland China borrowers

## Loans and advances to customers by credit quality, \$bn

	FY25	1Q26
Strong	3.3	3.3
Good	8.2	7.8
Satisfactory	10.4	9.8
Sub-standard	2.4	2.5
— <i>Of which: &gt;70% LTV</i>	0.0	0.0
Credit impaired	6.3	6.0
— <i>Of which: &gt;70% LTV</i>	1.9	2.2
<b>Total</b>	<b>30.6</b>	<b>29.5</b>
<b>Memo items:</b>		
ECL charge	(0.7)	(0.0)
ECL allowance	(1.1)	(1.2)
— <i>Of which: credit impaired</i>	(0.9)	(1.0)
Average LTV sub-standard	42%	44%
Average LTV credit impaired	71%	75%
<b>% portfolio secured*</b>	<b>57%</b>	<b>56%</b>

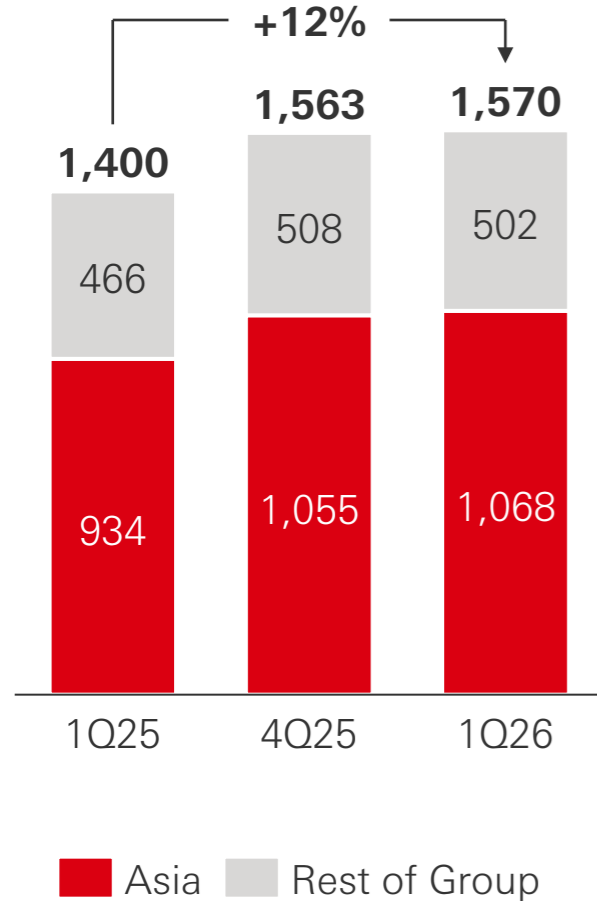
- ◆ Modest increase in ECL allowances in 1Q26, reflecting continued weakness in property prices
- ◆ Unsecured exposures are typically granted to strong, listed Hong Kong developers which are commonly members of conglomerate groups with diverse cashflows
  - Largely stable, with limited Credit impaired levels and 89% rated Strong or Good
- ◆ \$8.6bn rated Sub-standard or Credit impaired:
  - \$2.5bn Sub-standard (immaterial balance LTV >70%)
  - \$6.0bn Credit impaired (of which \$2.2bn LTV >70%), against which we have an ECL allowance of \$(1.0)bn

LTV calculations based on data as of 28 February 2026

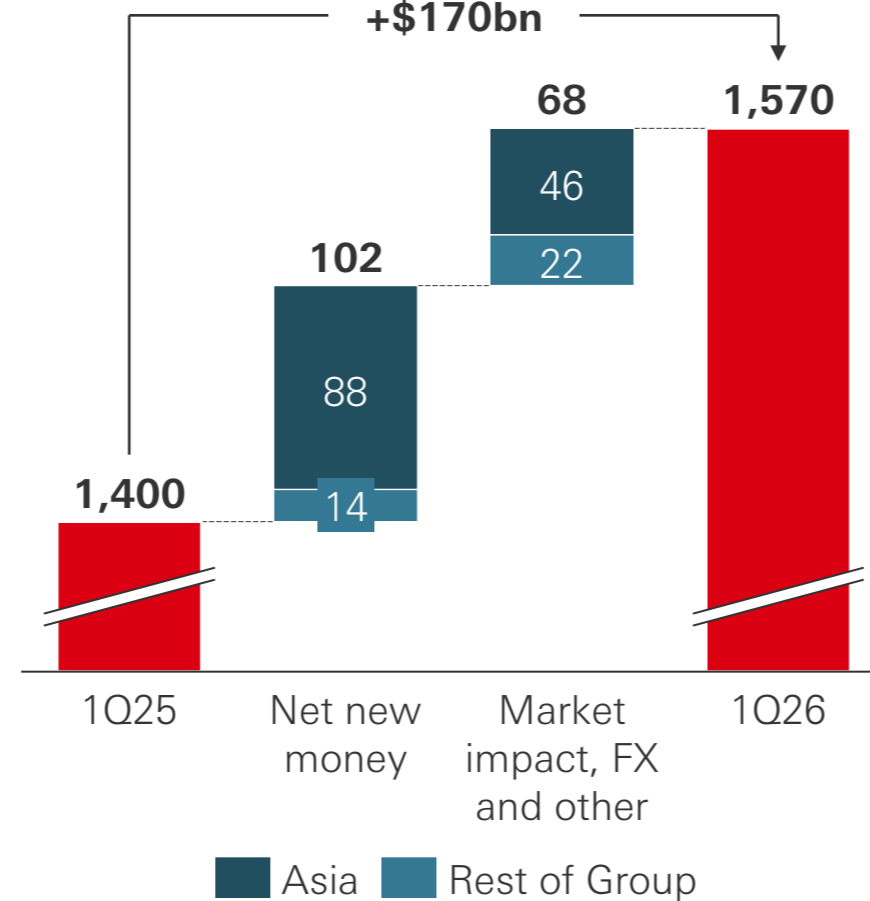
\* Based on total limits, including off balance sheet commitments, of \$43.2bn (FY25: \$42.8bn)

# Wealth metrics

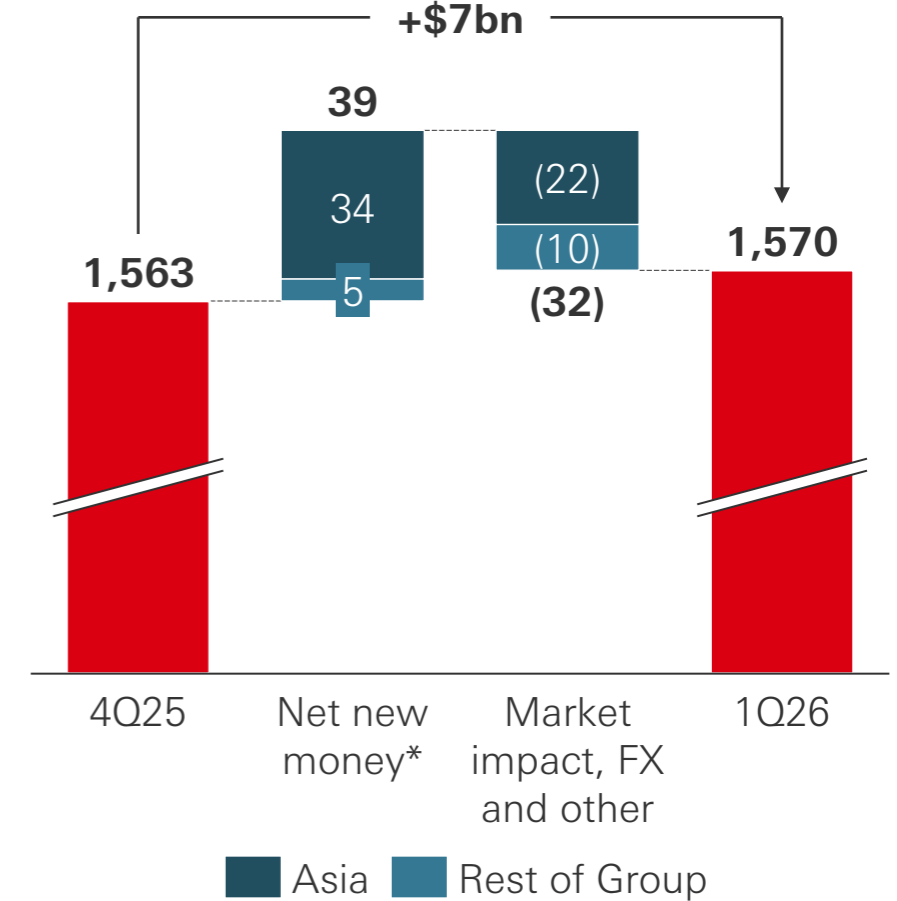
**Wealth balances, \$bn**



**Wealth balances evolution YoY, \$bn**



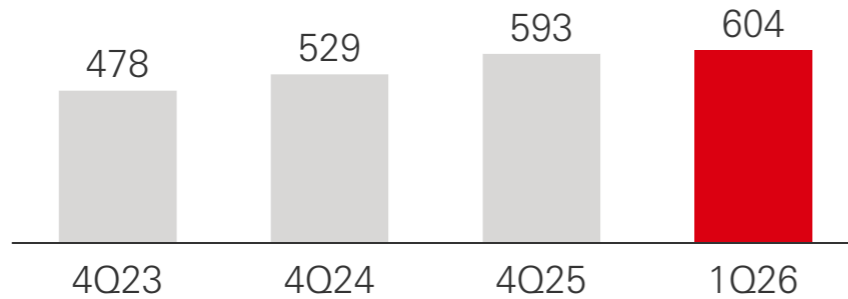
**Wealth balances evolution QoQ, \$bn**



\* Of which NNIA were \$34bn and net new deposits were \$5bn

# Banking NII drivers

## Structural hedge balance, \$bn ▶



## Structural hedge reinvestment

\$bn	Balance	Average yield
Notional balance	604	
– 2Q26-4Q26	~80	~2.7%
– 2027	~110	~3.4%
– 2028	~100	~3.6%

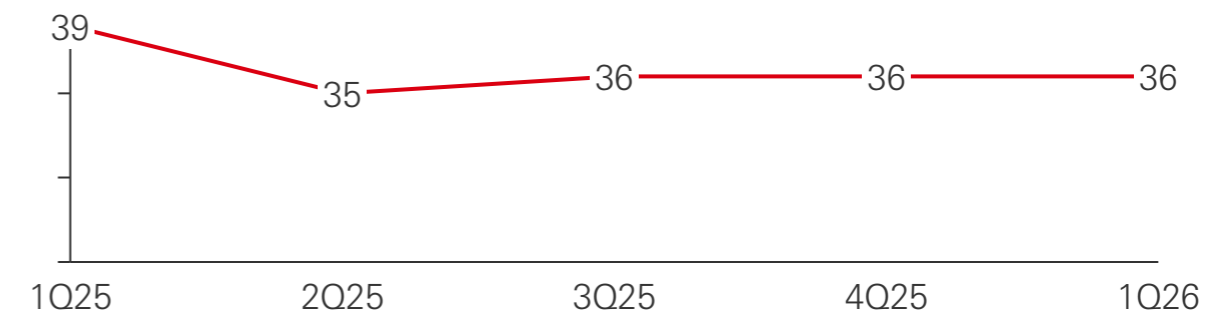
- ◆ The **structural hedge is \$604bn** with an average life remaining around 3.1 years
- ◆ Maturing structural hedge assets are replaced at prevailing rates

## Banking NII – year 1 sensitivity to a (100)bps down-shock\*

As at 31 December 2025

\$m	
USD	(1,184)
HKD	(606)
GBP	(499)
EUR	(129)
Other	(971)
<b>Total</b>	<b>(3,389)</b>

## Time deposits as a % of Hong Kong customer deposits†



\* Assumptions include a static balance sheet, no management actions and a 50% pass-through – see pages 164 – 165 of 2025 Annual Report and Accounts for further detail

† Relates to Hong Kong (entity)

# Notable items

<b>\$bn</b>	<b>1Q25</b>	<b>1Q26</b>
<b>Constant currency PBT</b>	<b>9.8</b>	<b>9.4</b>
Less: notable items	(0.3)	(0.7)
— Disposals, wind-down, acquisitions and related costs	(0.1)	(0.6)
— Restructuring and other related costs	(0.1)	(0.1)
<b>Constant currency PBT, excl. notable items</b>	<b>10.1</b>	<b>10.1</b>

## Strategic transactions material notable items (where disclosed)

	<b>Timing</b>
Malta	\$(0.3)bn fee and other income – 1Q26
UK life insurance <sup>†</sup>	\$(0.2)bn fee and other income – 1Q26
Sri Lanka retail banking	Immaterial gain on disposal – 2Q26*
South Africa <sup>†</sup>	\$(0.2)bn fee and other income – 2H26 <sup>1</sup>
German fund administration	Immaterial gain on disposal – 2H26
Indonesia retail banking <sup>‡</sup>	Up to \$0.4bn gain on disposal – 1H27
Germany custody business	\$0.1bn fee and other income – 2027 <sup>2</sup>
Hang Seng Bank privatisation related restructuring costs	\$(0.6)bn costs – by YE28 <sup>3</sup>

In relation to market participation, other impacts may be incurred in addition to those listed above (e.g. transaction costs). Impacts are estimates as of 31 March 2026, which may change at completion. Details on this slide are included in the 1Q26 Earnings Release pages 14 to 15

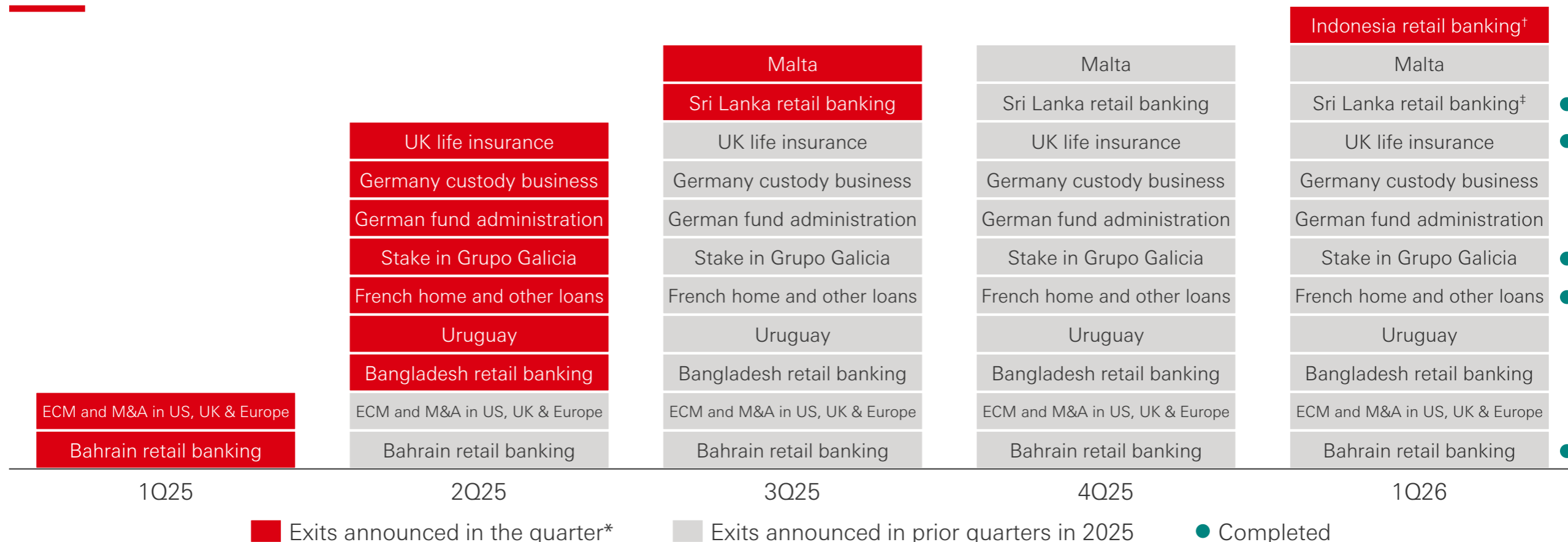
\* Completed on 30 April 2026

† No incremental impact on CET1 capital as a result of UK life insurance and South Africa transactions. See Note 4 on slide 34

‡ Subject to variable consideration terms

# Exits: announced the sale of Indonesia retail banking

## Exits announced



Retail businesses in **Australia, Egypt** and **insurance manufacturing business in Singapore** are under strategic review

In 1Q26, we also completed the sale of our business in South Africa, which was announced in 2024

\* Includes exits announced up to the date of announcement of the earnings release

† Indonesia retail banking sale announced on 4 May 2026

‡ Sri Lanka retail banking sale completed on 30 April 2026

## Revenue – supplementary information

### 1Q26 reported revenue to revenue excluding notable items

\$m	HK	UK	CIB	IWPB	Corporate Centre	Total
<b>Reported revenue</b>	<b>4,024</b>	<b>3,250</b>	<b>7,788</b>	<b>3,749</b>	<b>(187)</b>	<b>18,624</b>
Notable items	—	—	6	(167)	(340)	(501)
<b>Constant currency revenue, excl. notable items</b>	<b>4,024</b>	<b>3,250</b>	<b>7,782</b>	<b>3,916</b>	<b>153</b>	<b>19,125</b>

### 1Q25 reported revenue to revenue excluding notable items

\$m	HK	UK	CIB	IWPB	Corporate Centre	Total
<b>Reported revenue</b>	<b>3,927</b>	<b>2,898</b>	<b>7,371</b>	<b>3,511</b>	<b>(58)</b>	<b>17,649</b>
Currency translation	(12)	209	280	182	11	670
<b>Constant currency revenue</b>	<b>3,915</b>	<b>3,107</b>	<b>7,651</b>	<b>3,693</b>	<b>(47)</b>	<b>18,319</b>
Notable items	—	—	—	(16)	(76)	(92)
<b>Constant currency revenue, excl. notable items</b>	<b>3,915</b>	<b>3,107</b>	<b>7,651</b>	<b>3,709</b>	<b>29</b>	<b>18,411</b>

## Costs – supplementary information

### Target basis costs reconciliation

\$m	FY25	1Q25	1Q26
<b>Costs</b>	<b>(36,974)</b>	<b>(8,453)</b>	<b>(8,721)</b>
Less: Notable items	2,979	198	178
Less: Impact of retranslating prior period results in hyperinflationary economies at constant currency	(23)	(9)	—
<b>Target basis</b>	<b>(34,018)</b>	<b>(8,264)</b>	<b>(8,543)</b>

### ~\$1.5bn simplification savings from our re-organisation

\$bn	FY25	1Q26
Restructuring and other related costs	(1.0)	(0.1)
Annualised cost savings actioned	1.2	0.2
Cost savings realised in P&L	0.6	0.3

- ◆ FY25 target cost baseline of \$(33.5)bn disclosed at 4Q25 results was based on average FY25 FX
- ◆ FY25 target cost baseline rebased at constant currency using average 1Q26 FX is \$(34.0)bn

## EPS excluding material notable items and related impacts

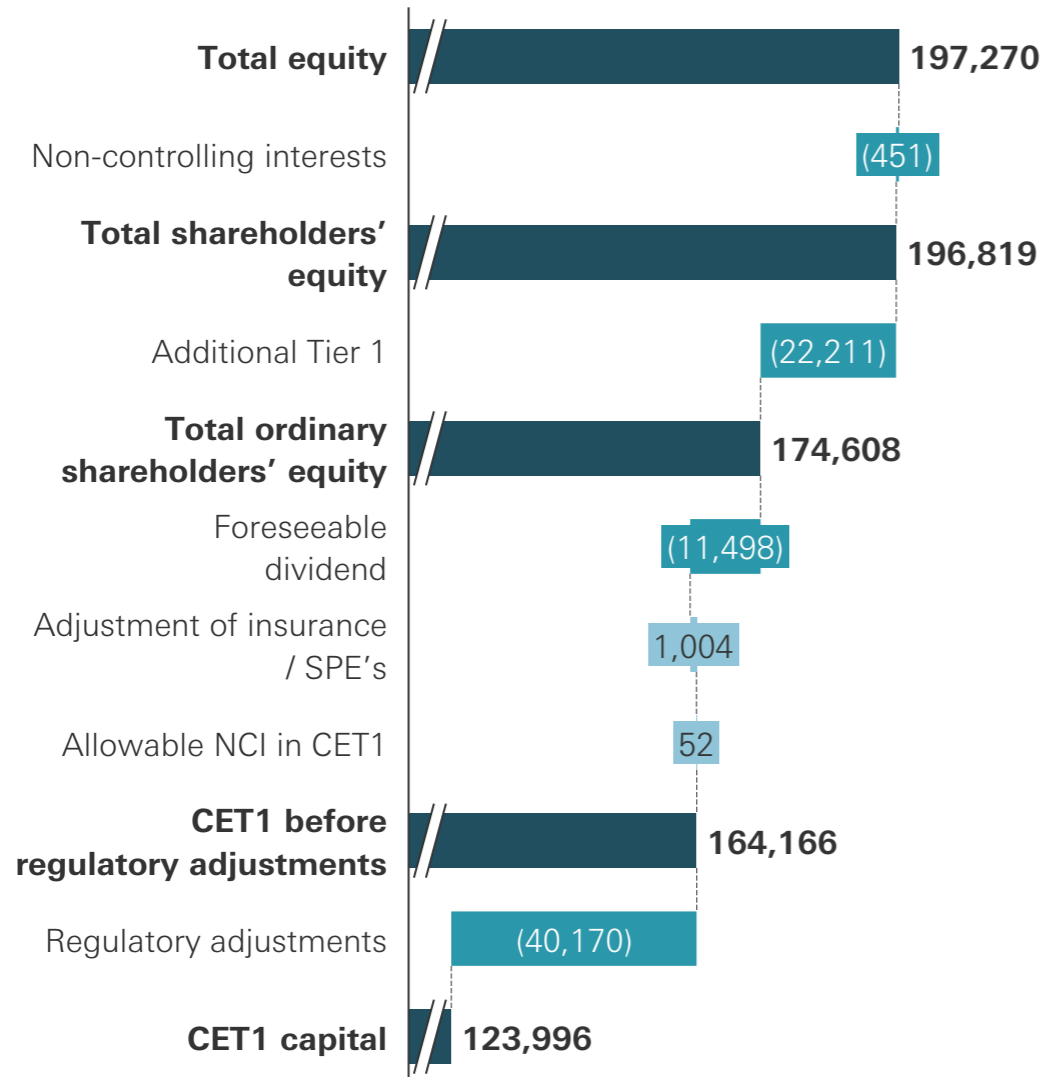
Reported FX, \$m	1Q25	2Q25	3Q25	4Q25	1Q26
<b>Profit attributable to ordinary shareholders (PAOS)</b>	<b>6,932</b>	<b>4,578</b>	<b>4,873</b>	<b>4,719</b>	<b>6,938</b>
Dilution and impairment losses of interest in associate	—	1,988	(32)	—	—
Legal provisions	—	—	1,100	10	—
Impact of disposals, wind-downs, acquisitions and related costs	68	215	224	1,570	535
<b>PAOS excluding material notable items and related impacts</b>	<b>7,000</b>	<b>6,781</b>	<b>6,165</b>	<b>6,299</b>	<b>7,473</b>
Average basic number of ordinary shares, after deducting own shares held (m)	17,769	17,528	17,297	17,136	17,129
Basic EPS, \$	0.39	0.26	0.28	0.28	0.41
<b>Basic EPS excluding material notable items and related impacts, \$</b>	<b>0.39</b>	<b>0.39</b>	<b>0.36</b>	<b>0.37</b>	<b>0.44</b>

# 1Q26 vs. 4Q25 equity drivers

Reported FX	Shareholders' equity, \$bn	Tangible equity, \$bn	TNAV per share, \$	Basic number of ordinary shares outstanding after deducting own shares held, millions
<b>At 31 December 2025</b>	<b>198.2</b>	<b>165.2</b>	<b>9.64</b>	<b>17,140</b>
<b>Profit attributable to:</b>	7.3	7.5	0.44	—
<i>Ordinary shareholders<sup>1</sup></i>	6.9	7.5	0.44	—
<i>Other equity holders</i>	0.4	—	—	—
Dividends	(0.4)	—	—	—
<i>On ordinary shares</i>	—	—	—	—
<i>On other equity instruments</i>	(0.4)	—	—	—
FX <sup>1</sup>	(0.9)	(0.8)	(0.04)	—
Effects of hyperinflation	0.1	0.1	—	—
Issuance/Redemption of securities	1.5	—	—	—
Actuarial gains/(losses) on defined benefit plans	(0.1)	(0.1)	—	—
Cash flow hedge reserves	(1.6)	(1.6)	(0.09)	—
Changes in ownership interest in subsidiaries	(6.6)	(6.6)	(0.39)	—
Fair value movements through 'Other Comprehensive Income'	(0.4)	(0.4)	(0.03)	—
<i>Of which: changes in fair value arising from changes in own credit risk</i>	0.7	0.7	0.04	—
<i>Of which: debt and equity instruments at fair value through OCI</i>	(1.1)	(1.1)	(0.07)	—
Other <sup>1</sup>	(0.3)	(1.0)	(0.07)	24
<b>At 31 March 2026</b>	<b>196.8</b>	<b>162.3</b>	<b>9.46</b>	<b>17,164</b>

# Total shareholders' equity to CET1 capital

## 1Q26 total equity to CET1 capital (reported FX), \$m



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

	3Q25	4Q25	1Q26
<b>Total equity (per balance sheet)</b>	<b>198,688</b>	<b>205,666</b>	<b>197,270</b>
Non-controlling interests*	(7,258)	(7,441)	(451)
<b>Total shareholders' equity</b>	<b>191,430</b>	<b>198,225</b>	<b>196,819</b>
Additional Tier 1	(20,716)	(20,716)	(22,211)
<b>Total ordinary shareholders' equity ('NAV')</b>	<b>170,714</b>	<b>177,509</b>	<b>174,608</b>
Foreseeable dividend	(6,328)	(7,842)	(11,498)
Adjustment for insurance / SPE's	740	767	1,004
Allowable NCI in CET1*	3,386	3,303	52
Contingent purchase of own shares for employee benefit	—	(750)	—
<b>CET1 before regulatory adjustments</b>	<b>168,512</b>	<b>172,987</b>	<b>164,166</b>
Prudential valuation adjustment	(1,268)	(1,348)	(1,588)
Intangible assets	(13,549)	(13,626)	(13,362)
Deferred tax asset deduction	(3,078)	(3,076)	(2,980)
Cash flow hedge adjustment	206	(450)	1,121
Excess of expected loss	(3,460)	(3,593)	(3,214)
Own credit spread and debt valuation adjustment	1,579	1,725	980
Defined benefit pension fund assets	(6,025)	(6,167)	(6,155)
Direct and indirect holdings of CET1 instruments	(40)	(40)	(40)
Other regulatory adjustments to CET1 capital	(43)	(40)	(23)
Threshold deductions	(15,069)	(13,779)	(14,909)
<b>Regulatory adjustments</b>	<b>(40,747)</b>	<b>(40,394)</b>	<b>(40,170)</b>
<b>CET1 capital</b>	<b>127,765</b>	<b>132,593</b>	<b>123,996</b>

\* Hang Seng Bank non-controlling interest removed in 1Q26 post privatisation

# Digital assets ecosystem

## Digital assets: recent developments

### Tokenised Deposit Service

- ◆ Launched in the US, 5<sup>th</sup> market after UK, HK, Singapore and Luxembourg
- ◆ Completed first pilot for issuance, transfer and atomic settlement on a public blockchain – Canton Network

### Digital bonds

- ◆ Facilitated HKSAR's third digital green bond, the world's largest to-date
- ◆ Selected by HM Treasury for UK's first digital gilt pilot

### Tokenised gold

- ◆ HK's first SFC-approved, retail-focused gold token
- ◆ Surpassed \$1bn in traded value to-date

### Central Bank Digital Currency ('CBDC')

- ◆ Participating in CBDC projects with 8 central banks including HK, UK, Singapore, mainland China and UAE
- ◆ Completed testing for HKMA's e-HKD project

## Stablecoin: joint first licensed issuer in HK

- ◆ Joint first issuer licence awarded by HKMA on 10 April
- ◆ HKD-denominated stablecoin expected to be launched in 2H26, fully backed by reserves
- ◆ Offering faster, always on, more flexible and secure options for Retail Banking and Wealth customers, for their retail payment and transaction needs, exclusively via PayMe and HSBC HK App

## Use cases

### Peer-to-Peer ('P2P') payments

Instantly transfer value to friends and family using stablecoins

### Peer-to-Merchant ('P2M') payments

Pay participating merchants directly with stablecoins

### Tokenised investments

Subscribe to tokenised investments using stablecoins

# Glossary

ABS	Asset-backed security	GPS	Global Payments Solutions
Banking NII	Banking net interest income is an alternative performance measure, and is defined as Group net interest income after deducting: (1) the internal cost to fund trading and fair value net assets for which associated revenue is reported in 'Net income from financial instruments held for trading or managed on a fair value basis', also referred to as 'trading and fair value income'. These funding costs reflect proxy overnight or term interest rates as applied by internal funds transfer pricing; (2) the funding cost of foreign exchange swaps in Markets Treasury, where an offsetting income or loss is recorded in trading and fair value income. These instruments are used to manage foreign currency deployment and funding in our entities; (3) third-party net interest income in our insurance business	Group	HSBC Holdings plc and its subsidiary undertakings
Bps	Basis points. One basis point is equal to one-hundredth of a percentage point	GTS	Global Trade Solutions
CET1	Common Equity Tier 1	HBAP	The Hongkong and Shanghai Banking Corporation Limited
CIB	Corporate and Institutional Banking	HFS	Held-for-sale
CLO	Collateralised loan obligation	HIBOR	Hong Kong Inter-bank Offered Rate
Corporate Centre (CC)	Corporate Centre primarily comprises the financial impact of certain acquisitions and disposals, and the share of profit, dilution and impairment loss impacts from interests in our associates and joint ventures. It also includes Central Treasury, stewardship costs and consolidation adjustments	HKSAR	The Hong Kong Special Administrative Region
CRE	Commercial Real Estate	HSB	Hang Seng Bank
CSM / CSM balance	Contractual Service Margin, a component of the carrying amount of a group of insurance contract assets or liabilities which represents the unearned profit which the Group will recognise as it provides insurance contract services under the insurance contracts in the Group	IA/D	Instant access/demand deposits
CSM release	The systematic recognition of the unearned profit of insurance contracts in revenue over the period that services are provided	IFRS	International Financial Reporting Standard
DPS	Dividend per share	IWPB	International Wealth and Premier Banking
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	LTV	Loan-to-value
ECM	Equity Capital Markets	Markets Treasury	Execution arm of HSBC's Treasury function, responsible for cash and liquidity management, funding, and management of structural interest rate risk of the Group
EPS	Earnings per share	M&A	Mergers and acquisitions
FVOCI	Fair value through other comprehensive income	NAV	Net asset value
FX	Foreign Exchange	New business CSM	Insurance new business contractual service margin
		OCI	Other comprehensive income
		PAOS	Profit attributable to ordinary shareholders
		PBT	Profit before tax
		PE	Private equity
		Ppt	Percentage points
		P2M	Peer-to-Merchant
		P2P	Peer-to-Peer
		Return on tangible equity / RoTE	Return on average tangible equity
		RWA	Risk-weighted asset
		SFC	Securities and Futures Commission of Hong Kong
		SME	Small and medium-sized enterprise
		SPE	Special purpose entity
		TNAV	Tangible net asset value
		VP	Variable pay
		Wholesale Transaction Banking	Comprises the following products in our CIB, Hong Kong and UK businesses: Global Trade Solutions, Global Payments Solutions, Global Foreign Exchange and Securities Services

# Footnotes

## 1Q26 results

### **Slide 10: Capital**

1. Ratio movements include the impact of threshold deductions
2. Regulatory profits exclude the impact of strategic initiatives

### **Slide 12: Guidance**

1. Based on our current expectations for policy rates
2. As a percentage of average gross loans and advances, including held-for-sale loan balances. Our medium-term planning range is (30) to (40)bps
3. Our target basis costs exclude notable items and includes the impact of simplification-related saves associated with our announced reorganisation
4. Over the medium term

## Appendix

### **Slide 25: Strategic transactions material notable items**

1. South Africa: transaction completed in 1Q26, upon subsequent 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
2. Germany custody business: the sale will be completed in a phased manner, starting in 1Q26. Completion of the transaction depends on the timing for completion of all client transfers
3. Of which one-off income statement impacts would be recognised as material notable item
4. UK life insurance: recycling of foreign currency translation reserves losses, no incremental impact on CET1 capital  
South Africa: recycling of foreign currency translation reserves and other reserves losses, no incremental impact on CET1 capital

### **Slide 30: 1Q26 vs. 4Q25 equity drivers**

1. Differences between shareholders' equity and tangible equity drivers primarily reflect goodwill and other intangible impairment and amortisation expense within 'Profit Attributable to Ordinary shareholders', FX on goodwill and intangibles within 'FX', and intangible additions and other movements within 'Other'

# Disclaimer

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This Presentation may contain projections, estimates, forecasts, ambitions, targets, commitments, opinions, prospects, results, returns and forward-looking statements with respect to the financial condition, results of operations, capital position, environmental, social and governance (“ESG”)- related matters, strategy and business of the Group which can be identified by the use of forward-looking terminology such as “may”, “will”, “should”, “expect”, “anticipate”, “project”, “plan”, “estimate”, “seek”, “intend”, “target”, “believe”, “potential” and “reasonably possible” or the negatives thereof or other variations thereon or comparable terminology (together, “forward-looking statements”), including the strategic priorities and any financial, investment and capital targets and any ESG ambitions, targets and commitments described herein. Any such forward-looking statements are not a reliable indicator of future performance, as they may involve significant stated or implied assumptions and subjective judgements which may or may not prove to be correct. There can be no assurance that any of the matters set out in forward-looking statements are attainable, will actually occur or will be realised or are complete or accurate. The assumptions and judgments may prove to be incorrect and involve known and unknown risks, uncertainties, contingencies and other important factors, many of which are outside the control of the Group. Actual achievements, results, performance or other future events or conditions may differ materially from those stated, implied and/or reflected in any forward-looking statements due to a variety of risks, uncertainties and other factors (including, without limitation, those which are referable to general market or economic conditions, regulatory and government policy changes, continued volatility in trade and tariff policies, increased volatility in interest rates and inflation levels and other macroeconomic risks, geopolitical tensions such as the Russia-Ukraine war, the conflict in the Middle East (which began on 28 February 2026), or any potential military action or conflict elsewhere, specific economic developments, such as the uncertain performance of the commercial real estate sector and the residential property sector in mainland China and Hong Kong, or the efficacy of the Group’s actions in managing and mitigating ESG-related risks, and in progressing towards the Group’s ESG ambitions, targets and commitments. Any such forward-looking statements are based on the beliefs, expectations and opinions of the Group at the date the statements are made, and the Group does not assume, and hereby disclaims, any obligation or duty to update, revise or supplement them if circumstances or management’s beliefs, expectations or opinions should change. For these reasons, recipients should not place reliance on, and are cautioned about relying on, any forward-looking statements. No representations or warranties, expressed or implied, are given by or on behalf of the Group as to the achievement or reasonableness of any projections, estimates, forecasts, ambitions, targets, commitments, prospects or returns contained herein.

Additional detailed information concerning important factors, including but not limited to ESG-related factors, that could cause actual results to differ materially from this Presentation is available in our Annual Report and Accounts for the fiscal year ended 31 December 2025, filed with the Securities and Exchange Commission (the “SEC”) on Form 20-F on 26 February 2026 (the “2025 Form 20-F”) and our 1Q 2026 Earnings Release, which we expect to furnish to the SEC on Form 6-K on or around 5 May 2026 (the “1Q 2026 Earnings Release”).

## Alternative Performance Measures

This Presentation contains non-IFRS measures used by management internally that constitute alternative performance measures under European Securities and Markets Authority guidance and non-GAAP financial measures defined in and presented in accordance with SEC rules and regulations (“Alternative Performance Measures”). The primary Alternative Performance Measures we use are presented on a “constant currency” basis which is computed by adjusting comparative period reported results for the effects of foreign currency translation differences, which distort period-on-period comparisons.

Reconciliations between Alternative Performance Measures and the most directly comparable measures under IFRS are provided in our 2025 Form 20-F and the 1Q 2026 Earnings Release when furnished to the SEC, each of which is available at [www.hsbc.com](http://www.hsbc.com).

Information in this Presentation was prepared as at 5 May 2026.

