

The Hongkong and Shanghai Banking Corporation Limited Annual Results for 2025

Consolidated Income Statement for the Year Ended 31 December 2025

	2025 HK\$m	2024 HK\$m
Net interest income	128,403	117,637
– interest income	285,202	315,868
– interest expense	(156,799)	(198,231)
Net fee income	50,551	42,517
– fee income	65,641	56,219
– fee expense	(15,090)	(13,702)
Net income from financial instruments held for trading or managed on a fair value basis	85,054	91,930
Net income from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	76,017	36,024
Insurance finance expense	(75,650)	(35,663)
Insurance service result	11,998	8,131
– Insurance revenue	20,886	16,533
– Insurance service expense	(8,888)	(8,402)
Other operating income/(expense)	(1,622)	5,119
Net operating income before change in expected credit losses and other credit impairment charges	274,751	265,695
Change in expected credit losses and other credit impairment charges	(12,752)	(11,946)
Net operating income	261,999	253,749
Employee compensation and benefits	(41,562)	(40,028)
General and administrative expenses	(62,208)	(57,967)
Depreciation and impairment of property, plant and equipment	(7,181)	(10,925)
Amortisation and impairment of intangible assets	(9,929)	(8,672)
Total operating expenses	(120,880)	(117,592)
Operating profit	141,119	136,157
Share of profit in associates and joint ventures	16,761	17,775
Impairment of interest in associate	(8,270)	–
Profit before tax	149,610	153,932
Tax expense	(25,493)	(24,681)
Profit for the year	124,117	129,251
Attributable to:		
– ordinary shareholders of the parent company	112,982	118,787
– other equity holders	5,304	3,576
– non-controlling interests	5,831	6,888
Profit for the year	124,117	129,251

¹ The amount in 'Other operating income/(expense)' includes a loss of HK\$8,955m inclusive of reserves recycling, recorded in 2025 as a result of the dilution of our shareholding in BoCom. We have also recognised a HK\$8,270m impairment loss following an impairment test on the carrying amount of the group's investment in BoCom in 'Impairment of interest in associate'. Further details are set out in Note 14 'Interests in associates and joint ventures'.

Consolidated Balance Sheet at 31 December 2025

	2025 HK\$m	2024 HK\$m
ASSETS		
Cash and balances at central banks	204,345	211,047
Hong Kong Government certificates of indebtedness	342,994	328,454
Trading assets	1,223,430	1,085,321
Derivatives	398,946	505,260
Financial assets designated and otherwise mandatorily measured at fair value through profit or loss	924,722	781,210
Reverse repurchase agreements – non-trading	885,669	816,102
Loans and advances to banks	516,658	480,740
Loans and advances to customers	3,641,752	3,494,298
Financial investments	2,537,975	2,337,844
Amounts due from Group companies	192,443	175,004
Interests in associates and joint ventures	178,839	178,330
Goodwill and intangible assets	42,638	41,308
Property, plant and equipment	116,262	120,774
Deferred tax assets	17,803	10,307
Prepayments, accrued income and other assets ¹	458,755	382,941
Total assets	11,683,231	10,948,940
Liabilities		
Hong Kong currency notes in circulation	342,994	328,454
Repurchase agreements – non-trading	622,751	624,784
Deposits by banks	232,930	183,612
Customer accounts	7,097,003	6,564,606
Trading liabilities	88,404	86,557
Derivatives	418,974	473,488
Financial liabilities designated at fair value	195,199	178,739
Debt securities in issue	47,020	64,362
Retirement benefit liabilities	811	805
Amounts due to Group companies	387,744	396,356
Accruals and deferred income, other liabilities and provisions ¹	320,213	339,713
Insurance contract liabilities	943,838	799,443
Current tax liabilities	16,670	7,096
Deferred tax liabilities	24,509	22,917
Total liabilities	10,739,060	10,070,932
Equity		
Share capital	180,181	180,181
Other equity instruments	79,158	64,677
Other reserves	136,194	102,993
Retained earnings	489,400	471,198
Total shareholders' equity	884,573	819,049
Non-controlling interests	59,598	58,959
Total equity	944,171	878,008
Total liabilities and equity	11,683,231	10,948,940

Capital adequacy ratios

The following table shows the capital ratios as contained in the 'Capital Adequacy Ratio' return submitted to the HKMA on a consolidated basis under the requirements of section 3C(1) of the Banking (Capital) Rules.

	At 31 December 2025 %	At 31 December 2024 %
Common Equity Tier 1 ('CET1') capital ratio	19.1	16.3
Tier 1 capital ratio	21.8	18.4
Total capital ratio	23.6	20.3

Board of Directors

Dr Peter Tung Shun Wong, GBS, JP, <i>Non-executive Chairman</i>	Yiu Kwan Choi*
David Gordon Eldon, GBS, CBE, JP, <i>Independent non-executive Deputy Chairman</i>	Andrea Lisa Della Mattea*
David Yi Chien Liao [†]	Pam Kaur [†]
Surendranath Ravi Roshia [†]	Rajnish Kumar*
Paul Jeremy Brough*	Beau Khoon Chen Kuok*
Judy Lai Kun Chau*	Fred Tin Fuk Lam,* GBS, JP
Edward Wai Sun Cheng,* GBS, JP	Annabelle Yu Long*
Sonia Chi Man Cheng*	

*Independent non-executive Director [†]Non-executive Director [‡]Co-Chief Executive Officer

Independent Auditor's Report to the Shareholder of The Hongkong and Shanghai Banking Corporation Limited (incorporated in Hong Kong with limited liability)

Opinion

What we have audited

The consolidated financial statements of The Hongkong and Shanghai Banking Corporation Limited (the 'Bank') and its subsidiaries (the 'group'), which are set out on pages 64 to 126, comprise:

- the consolidated balance sheet as at 31 December 2025;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes¹ to the consolidated financial statements, comprising material accounting policies and other explanatory information.

¹ Certain required disclosures as described in Note 1.1(d) on the consolidated financial statements have been presented elsewhere in the Annual Report and Accounts 2025, rather than in the notes to the consolidated financial statements. These are cross-referenced from the consolidated financial statements and identified as 'Audited'.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ('HKICPA') and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ('HKSAs') as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the group in accordance with the HKICPA's Code of Ethics for Professional Accountants ('the Code'), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

The directors of the Bank are responsible for the other information. The other information obtained at the date of this auditor's report is the information included in the Certain defined terms, Cautionary statement regarding forward-looking statements, Financial Highlights, Report of the Directors (excluding the list of the directors of the Bank's subsidiary undertakings during the period from 1 January 2025 to 25 February 2026), Task Force on Climate-related Financial Disclosures, Financial Review, Risk Review (excluding the Banking Disclosure Statement at 31 December 2025) and Additional Information sections of the Annual Report and Accounts 2025, but does not include the consolidated financial statements and our auditor's report thereon. The other information does not include the specific information presented therein that is identified as being an integral part of the consolidated financial statements and, therefore, covered by our audit opinion on the consolidated financial statements.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

The directors of the Bank are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

The Audit Committee is responsible for overseeing the group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

– Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

– Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Yip Siu Foon Linda (practising certificate number: P04851).

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 25 February 2026



Annual Report and Accounts

The consolidated Balance Sheet and consolidated Income Statement printed above are extracted from the 2025 Annual Report and Accounts of The Hongkong and Shanghai Banking Corporation Limited. The notes form an integral part of the audited financial statement and a full understanding of the statements cannot be achieved without reference to the complete set of financial statements. Copies of the 2025 Annual Report and Accounts are available for viewing at the website www.hsbc.com.hk

Name of all Subsidiary Companies of the Bank

A list of the Bank's subsidiaries is exhibited in the Bank's branches in Singapore. The list of subsidiaries can be made available upon request from: Corporate Governance & Secretariat Department, 10 Marina Boulevard, Marina Bay Financial Centre, Tower 2 #48-01, Singapore 018983.

Deposits

The laws in the country of incorporation of the Head Office of the Branch (the 'Home Country')(the "Bank") do not require the Bank to confer lower priority to the depositors of its foreign offices, vis-à-vis its Home Country depositors, in the repayment of deposits in the event of receivership, winding up proceedings or equivalent proceedings of the Bank