

27 June 2025

SALE OF CUSTODY BUSINESS IN HSBC GERMANY

HSBC Continental Europe has reached an agreement to sell its custody business in Germany to BNP Paribas S.A, Niederlassung Deutschland ('BNP Paribas') (the 'Potential Transaction'), reinforcing its focus on being the leading corporate and institutional bank in Germany and Europe for international clients.

This decision forms part of the simplification strategy of HSBC announced in October 2024. HSBC is focused on increasing its leadership and market share in the areas where it has a clear competitive advantage, and where it has the greatest opportunity to grow and support its clients. This includes connecting European clients to opportunities across HSBC's international network. For Securities Services, this means focusing on HSBC's market-leading franchise in Asia and the Middle East and providing best in class custody and fund services to clients in the UK and Europe via our strategic hubs in London, Ireland and Luxembourg.

The custody business in Germany focuses on domestic custody, clearing and depository services for German institutional clients.

All custody staff employed by HSBC Continental Europe S.A., Germany, as well as its assets and clients, would transfer to BNP Paribas as part of the Potential Transaction.

Completion of the Potential Transaction is subject to customary regulatory and anti-trust approvals and the conclusion of negotiations with the Works Council in Germany.

A phased transfer of staff and clients starting early 2026 is anticipated. Both parties are focused on enabling a smooth transition for clients and colleagues.

The analysis of strategic options for HSBC Germany's fund administration business is ongoing.

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HSBC Continental Europe

Headquartered in Paris, HSBC Continental Europe is an indirectly held subsidiary of HSBC Holdings plc. HSBC Continental Europe comprises corporate and institutional banking, private banking, insurance and asset management activities across Continental Europe, including the business activities of 10 European branches (in Belgium, Czech Republic, Germany, Ireland, Italy, Luxembourg, the Netherlands, Poland, Spain and Sweden) and two banking subsidiaries in Luxembourg and Malta. HSBC Continental Europe's mission is to serve both customers in Continental Europe for their needs worldwide and Group customers for their needs in Continental Europe.

HSBC Continental Europe S.A., Germany ('HSBC Germany')

HSBC Germany is the German branch of HSBC Continental Europe, whose activities comprise corporate and institutional banking, private banking and asset management.

HSBC Holdings plc

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. HSBC serves customers worldwide from offices in 58 countries and territories. With assets of US\$3,054bn at 31 March 2025, HSBC is one of the world's largest banking and financial services organisations.

About BNP Paribas (group.bnpparibas)

Leader in banking and financial services in Europe, BNP Paribas operates in 64 countries and has nearly 178,000 employees, including more than 144,000 in Europe. The Group has key positions in its three main fields of activity: Commercial, Personal Banking & Services for the Group's commercial & personal banking and several specialised businesses including BNP Paribas Personal Finance and Arval; Investment & Protection Services for savings, investment and protection solutions; and Corporate & Institutional Banking, focused on corporate and institutional clients. Based on its strong diversified and integrated model, the Group helps all its clients (individuals, community associations, entrepreneurs, SMEs, corporates and institutional clients) to realise their projects through solutions spanning financing, investment, savings and protection insurance. In Europe, BNP Paribas has four domestic markets: Belgium, France, Italy and Luxembourg. The Group is rolling out its integrated commercial & personal banking model across several Mediterranean countries, Türkiye, and Eastern Europe. As a key player in international banking, the Group has leading platforms and business lines in Europe, a strong presence in the Americas as well as a solid and fast-growing business in Asia-Pacific. BNP Paribas has implemented a Corporate Social Responsibility approach in all its activities, enabling it to contribute to the construction of a sustainable future, while ensuring the Group's performance and stability.

About Securities Services at BNP Paribas (securities.cib.bnpparibas)

BNP Paribas' Securities Services business is a leading global custodian providing multi-asset post-trade and asset servicing solutions to buy-side and sell-side market participants, corporates, and issuers. With a global reach covering 90+ markets, its custody network is one of the most extensive in the industry, enabling clients to maximise their investment opportunities worldwide. As a pillar of BNP Paribas' diversified banking model, Securities Services provides asset servicing solutions that are closely integrated with the first-class services of the Group's other business lines, in particular those of Global Banking and Global Markets. As of 31 March 2025, Securities Services had USD 15.4 trillion in assets under custody, USD 2.9 trillion in assets under administration and 9,350 funds administered.