HSBC Holdings

1,305p As of Sun 8 Nov 2026, 12:00 UTC

LSE:HSBA	Financials	Ctry	United Kingdom	PE (Fwd)	9.361	TSR 10Y CAGR	13.49%
Banks (Diversified)		Beta (5Y)	0.57	PE TTM	11.48	TSR TTM	28.94%

Div yield	4.27%	ROTE	14.43%				
Mkt cap	£223.2B	NIM	1.58%				



SE Grade™	★☆☆
Value	★☆☆
Quality	★☆☆
Moat	★☆☆

Consensus	Reference
1,513p	*1,283p*
16.00%	(1.66%)

Buy 4|2|10|1|0

	4Q25	1Q26	2Q26	3Q26
Earnings per share				$
	0.27	0.40	0.45	**0.41**
	2397.93%	2.56%	72.90%	46.43%
Revenue				$B
	15.16	18.62	19.12	**18.62**
	46.31%	5.52%	16.06%	4.68%

Next earnings 27 Oct

TTM	FYE 31 Dec	USD	FY2016	FY2017	FY2018	FY2019	FY2020	FY2022	FY2022	FY2023	FY2024	FY2025	*FY2026E*	Trend	5Y	10Y	Peers
71.53	Revenue	$B	47.96	51.45	53.78	56.10	50.43	48.98	49.94	59.77	64.65	67.07	***75.30***		5.87%	3.80%	73
14.86	*Revenue growth*	*%*	–	*7.26*	*4.54*	*4.31*	*(10.11)*	*(2.88)*	*1.97*	*19.67*	*8.18*	*3.74*	***12.27***		*3.74*	*4.31*	87
1.58	*NIM*	*%*	*1.80*	*1.65*	*1.72*	*1.66*	*1.39*	*1.28*	*1.48*	*1.66*	*1.56*	*1.59*	***1.66***		*1.56*	*1.62*	27
43.27	*Effic. R.*	*%*	*71.34*	*63.19*	*59.73*	*58.19*	*62.95*	*62.97*	*59.73*	*49.44*	*46.48*	*49.37*	***43.27***		*49.44*	*59.73*	90
36.96	*Net margin*	*%*	*2.71*	*18.82*	*23.44*	*10.64*	*7.73*	*25.74*	*28.73*	*37.53*	*35.45*	*31.46*	***37.24***		*31.46*	*24.59*	83
11.48	P/E ratio (avg)	x	104.5	18.81	14.62	26.84	27.14	9.495	8.869	6.567	6.910	10.30	***10.26***		8.869	12.46	67
1.657	P/TBV	x	0.881	1.102	1.139	0.978	0.601	0.673	0.765	0.852	0.918	1.174	***1.674***		0.852	0.899	67
1.550	P/B	x	0.774	0.965	0.990	0.871	0.539	0.633	0.715	0.795	0.856	1.096	***1.566***		0.795	0.825	57
36.74	NII	$B	29.91	28.18	30.49	30.46	27.58	26.49	30.38	35.80	32.73	34.79	***38.67***		4.76%	1.70%	–
–	*NII grth*	*%*	–	*(5.79)*	*8.21*	*(0.09)*	*(9.47)*	*(3.95)*	*14.68*	*17.84*	*(8.56)*	*6.30*	***11.15***		*6.30*	*(0.09)*	43
14.43	*ROTE*	*%*	*0.84*	*5.86*	*7.79*	*3.64*	*2.21*	*7.09*	*8.62*	*12.98*	*13.28*	*11.40*	***15.25***		*11.40*	*7.44*	60
13.65	*Return on equity*	*%*	*0.74*	*5.32*	*6.73*	*3.22*	*2.05*	*6.54*	*7.82*	*12.35*	*12.38*	*11.01*	***14.29***		*11.01*	*6.63*	77
0.77	*Return on assets*	*%*	*0.05*	*0.38*	*0.49*	*0.22*	*0.13*	*0.43*	*0.49*	*0.74*	*0.76*	*0.65*	***0.81***		*0.65*	*0.46*	73
1.53	EPS	$	0.07	0.48	0.63	0.30	0.19	0.62	0.72	1.14	1.24	1.20	***1.71***		44.25%	38.19%	–
60.46	*EPS growth*	*%*	–	*636.99*	*30.79*	*(53.24)*	*(34.72)*	*222.47*	*15.59*	*59.44*	*8.32*	*(3.00)*	***13.25***		*15.59*	*15.59*	93
11.33	Bookvalue per sh	$	8.84	9.40	9.32	9.09	9.70	9.31	8.90	9.46	10.01	11.30	***11.21***		3.08%	2.77%	–
10.59	TBV/sh	$	7.76	8.23	8.10	8.10	8.69	8.76	8.33	8.82	9.34	10.55	***10.48***		3.94%	3.47%	–
0.75	Dividend per sh	$	0.51	0.51	0.51	0.30	0.15	0.25	0.32	0.61	0.66	0.75	***0.84***		37.97%	4.38%	–
4.27	*Div yield (avg)*	*%*	*7.46*	*5.62*	*5.53*	*3.79*	*2.87*	*4.24*	*5.03*	*8.12*	*7.70*	*6.06*	***4.81***		*6.06*	*5.57*	73
49.00	*Payout ratio*	*%*	*775.52*	*106.25*	*80.95*	*101.31*	*78.95*	*40.32*	*44.44*	*53.51*	*53.23*	*62.50*	***52.44***		*53.23*	*70.72*	67
17.11	Shares (diluted)	B	19.84	20.07	19.98	20.23	20.24	20.30	19.99	19.60	18.48	17.55	***17.55***		(2.82%)	(1.36%)	63
0.64	*Buyback yield*	*%*	–	*(1.14)*	*0.44*	*(1.25)*	*(0.04)*	*(0.30)*	*1.56*	*1.93*	*5.69*	*5.07*	–		*1.93*	*0.44*	63
5.70	*Eq/Assets*	*%*	*7.69*	*7.79*	*7.59*	*7.10*	*6.87*	*6.65*	*6.28*	*6.34*	*6.37*	*6.36*	***5.70***		*6.36*	*6.76*	43
3,445	Assets	$B	2,375	2,518	2,558	2,715	2,984	2,954	2,949	3,039	3,017	3,233	***3,458***		1.61%	3.49%	83
575.7	LT debt	$B	131.0	93.40	178.5	187.7	175.8	225.7	156.4	166.8	175.9	199.2	***203.0***		2.54%	4.77%	77

Peers (US$300.3B)	Cap (US$)	PE
Barclays PLC	75.09B	8.448x
Lloyds Banking Group…	73.39B	9.941x
NatWest Group plc	62.50B	7.973x
Bank of China Limited	310.0B	7.072x

Capital	TTM	5Y	10Y
Tang eq %	5.32	5.72	5.96
LT debt %	16.71	5.83	5.86
Cash %	6.46	9.90	8.63
Sh yield %	4.91	10.05	5.97

Owners		
Insiders/Inst %	0.02	59.25
Short interest %		–
SBC / revenue %		–

Record	10Y
Profitable years	10/10
Revenue growth years	7/9
EPS growth years	6/9
Dividend streak yrs	0
ROE range %	1–12
$1 test x	2.2
Incr. ROIC %	–

HSBC's third quarter rested on its core banking franchise. Revenue rose 4.7% year on year and diluted EPS jumped 46.4%. Banking net interest income grew strongly on balance sheet growth in both loans and deposits. Wholesale transaction banking fees climbed on trade guarantees in Asia and payments volumes, and foreign exchange income rose on client demand during higher market volatility. The shares look fairly priced: SE fair value of £13 is 1.3% below the price.

Management maintained every FY2026 target. Banking NII is reiterated at no less than $46 billion, cost growth around 1% on a target basis, which may rise modestly on variable pay, and the credit impairment charge around 45 basis points. Strategy centres on winding down Australian retail banking, building common technology platforms with Hang Seng Bank and redeploying cost from disposals into growth businesses. Analysts pressed on 2027 costs; management gave no guidance there, pointing to redeployment and synergies. Revenue momentum is slowing sharply, while consensus still points to growth in both coming years.

Analysts expect EPS growth of 13.3% in FY2026, easing to 9.7% in FY2027, on FY2026 revenue growth of 12.3%. That revenue figure sits awkwardly beside the third quarter's slowdown, which suggests the year's growth was front-loaded. Our own EPS projections sit below consensus in both years, so we see less earnings power than the market. EPS beat in 6 of the last 8 quarters, though the latest quarter missed. For a fairly priced stock, the room for estimates to fall matters more than the room for them to rise.

Operating discipline has improved. The efficiency ratio fell from 59.7% in FY2022 to 49.4% in FY2025, and ROE rose from 7.8% to 11.0% over the same span. Net margin now stands at 37.0%, above its five-year median, better over three years and in the 83rd percentile of peers. ROE of 13.7% also sits above its median and ranks in the 77th percentile of peers. Quality is still held back by a thin return on assets and a narrow spread of ROE over the cost of equity.

The rerating is already in the price. P/B of 1.55x is 87% above its 10-year median of 0.83x, and P/TBV of 1.66x is 84% above its median of 0.90x. SE fair value of £13 is 1.3% below the price, held with medium confidence. The analyst target of £15 is 16.0% above the price. For the price to hold, the improvement in returns has to prove durable as Hong Kong and UK deposit competition squeezes margins. Banking NII falling short of the reiterated full-year floor would show it is not.

The SE Score is 1 of 3. Quality earned one star because a three-year median ROE of 12% clears the 9.7% cost of equity by only a little, while return on assets stays slim. Moat earned one star because ROE topped 12% in just 2 of the last 10 years, a short record of strong returns for a lender this size. Value earned one star and left the business tier as it was, since the price sits near SE fair value.

Q3 2026

HSBC Holdings plc provides banking and financial products and services worldwide through four segments: Hong Kong, offering retail, wealth and commercial banking via HSBC Hong Kong and Hang Seng Bank; UK, covering retail, wealth and commercial banking, first direct, M&S Bank and HSBC Innovation Bank; Corporate and Institutional Banking, offering transaction banking and capital markets; and International Wealth and Premier Banking.

Profit by segment	Profit	Trend	Revenue	Rel margin	Revenue by region	Top 3 60%	Trend	Reinvestment returns	10Y median	Trend
Commercial and…	35.57%		40.08%	0.89×	Hong Kong	32.99%		Retention rate	11.47%	
Hong Kong	29.92%		21.43%	1.40×	United Kingdom	20.03%		Return on capital	6.63%	
UK	20.95%		18.21%	1.15×	United States	7.03%		Spread over hurdle	(3.03%)	

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