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HSBC Considers Selling Retail Bank in Australia

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HSBC is reportedly exploring the sale of its Australian retail banking operations as part of its global restructuring efforts. According to sources cited by *The Australian Financial Review*, the process is being managed by Citi and has the potential to draw interest from local banks looking to expand their consumer finance portfolios.

HSBC's Australian retail division includes credit cards, residential mortgages, and savings products. While the bank has not issued a public comment on the matter, reports indicate it intends to retain its commercial banking presence in the country.

The bank has operated in Australia since 1986, following the market's opening to foreign financial institutions under former treasurer Paul Keating. As of May this year, HSBC held around A\$23 billion in owner-occupier mortgages and A\$10 billion in investor loans. Despite this, it has struggled to match the scale and reach of Australia's leading domestic banks.

The credit card segment is particularly notable, with HSBC holding approximately A\$486 million in outstanding debt, more than Bendigo and Adelaide Bank, as well as Macquarie. It also manages A\$18 billion in household deposits, with services that often appeal to migrants from Asia and internationally mobile high-net-worth individuals, particularly through its multi-currency accounts.

A sale would be subject to approval by the Australian Competition and Consumer Commission (ACCC), which evaluates whether such transactions would significantly reduce competition in the financial sector. A precedent exists: in 2021, the ACCC allowed National Australia Bank to acquire Citi's local retail operations in a A\$1.2 billion deal.

One potential suitor, ANZ, is led by new chief executive Nuno Matos, who previously headed HSBC's retail operations across the UK and Europe. However, Matos is currently focused on integrating Suncorp Bank, acquired by ANZ last year.

HSBC's broader restructuring plan was outlined in October, when the bank's group chief executive Georges Elhedery announced a new strategy to simplify operations and cut costs. The overhaul reduces its geographical structure from five regions to two and introduces four core business lines: Hong Kong, the UK, corporate and institutional banking, and international wealth and premier banking.

The bank is aiming to save A\$461 million in 2025 and cut its annual cost base by A\$1.5 billion by the end of next year. These efforts include closing parts of its investment banking units in Europe and the Americas.

In a separate move earlier this week, HSBC reached an agreement to sell its Uruguay business to Brazil's BTG Pactual for US\$175 million.