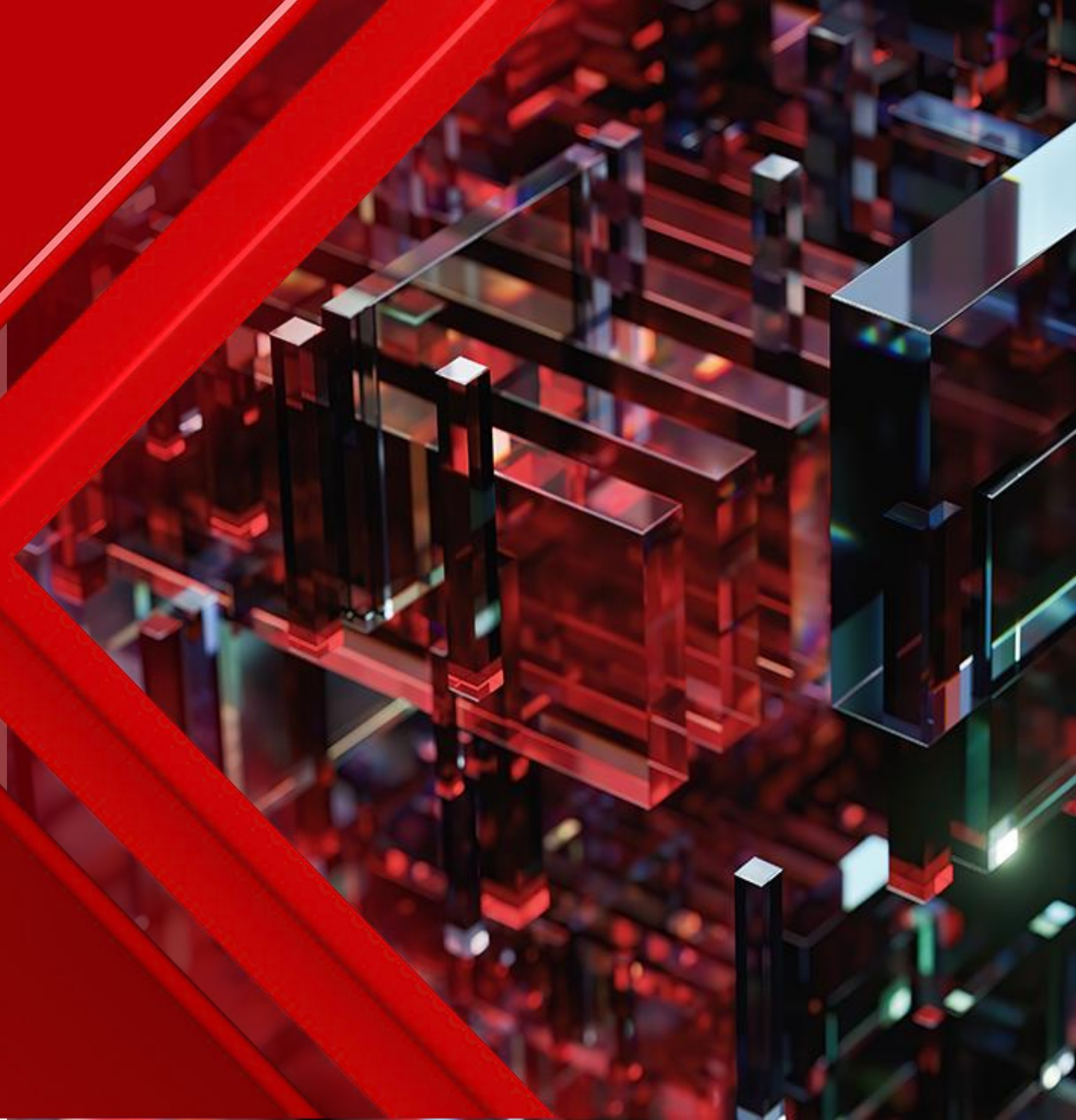
Corporate & Institutional Bank

CBSL Reserve Management Conference 2026

Digital Assets & Tokenisation



HSBC | Opening up a world of opportunity

Digital assets in 2026: what is becoming institutionally relevant first?

Poll 1

Which part of the digital asset landscape is most relevant to your institution over the next three years?

- A Crypto assets as an exposure
- B Digital Money
- C Tokenised bonds and funds
- D Wholesale settlement infrastructure
- E Supervising and regulating all of the above

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Digital assets are not one market

Native cryptoassets	Digital money	Tokenised securities and funds	Other tokenised Real world assets
Out of scope	~$300bn	~$20bn	~$5bn+
A portfolio question, not a settlement one	Stablecoins, nearly all USD; plus tokenised deposits	T-bill funds; corporate and sovereign bonds, equities	Gold/other commodities, real estate

Public sector

- Wholesale CBDC
- Regulation
- Interoperability
- Policy control

Source: rwa.xyz

Digital money: what is the cash leg?

	CBDC	Tokenised Deposit	Stablecoin	Cryptocurrency
Type	Central bank-issued digital fiat for payments and settlements	Bank's traditional deposit represented on blockchain	Blockchain currency pegged 1:1 to reference asset (generally fiat currency via reserves	Decentralized digital asset for P2P transfers, investment, store of value
Issuer	Central Banks	Commercial Banks	Private entities (incl. commercial banks)	Decentralised blockchains & algorithm. No official issuers in most cases
Backing	Sovereign fiat currency (close to risk-free)	Bank Deposits	Reserves, largely fiat money (e.g. T-bills)	No backing mechanism, highly volatile
Regulatory Oversight	Central bank-specific	Subject to banking regulations	Varies from issuer[1] and jurisdictions, still emerging	
Access	Determined by central banks	Clients of commercial banks	Anyone with a wallet or permissioned-based	Anyone with a wallet
Interest - bearing	No	Yes	No	No
Primary Use Cases today	• Retail / wholesale payments • Wholesale settlement • Government initiative	• Real time funding transfer • Tokenised asset settlement • Programmable payments	• Mainly crypto trading, DeFi • Some P2P, P2M payments	• Money Coin: Store of Value (BTC) • Utility Coin: Gas fee for usage (ETH) • Meme coin: DOGE

Note:The icons are examples for reference only. There are too many different others existing in the market.
Note[1]:In some markets, regulatory requirements are published, be that as it may, compliant in one market doesn't naturally mean the same in another.

Tokenised bonds and funds

Same asset. New rail.

Traditional

Issuer → Registrar → Custodian → Paying agent → Investor

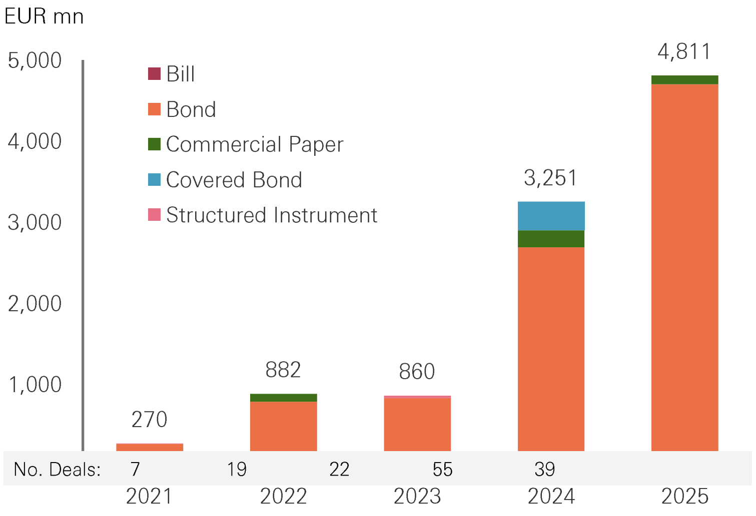
Many books to reconcile. Longer Settlement.

Distributed Ledger

Issuer → **One record** → Investor

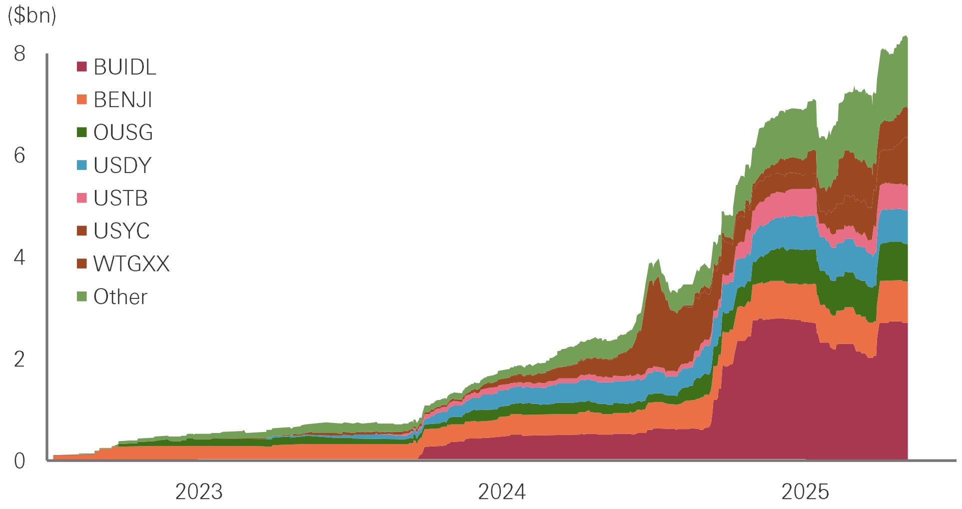
Atomic delivery-versus-payment. Faster Settlement.

Global DLT Fixed Income Issuance by Instrument (2025 YTD[1])



The growth of tokenized money market funds (TMMFs)

Total value locked in TMMFs has surged[2]



1. Sept 2025; Source: DB research, AFME, Coingecko, BCG, DB research, BIS
2. Total value locked (TVL); based on a sample of 36 TMMFs

Gold and RWAs: what is tokenisation-friendly?

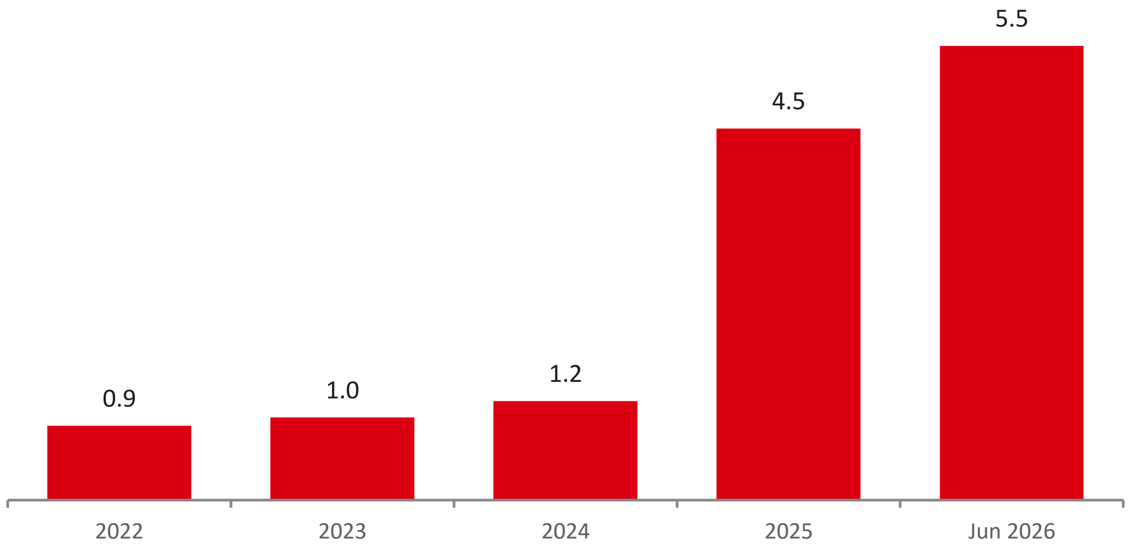
Why an asset fits

- ✓ Transferability, accessibility and cleaner ownership
- ✓ Divisibility where useful
- ✓ Better compatibility with digital collateral ecosystems
- ✓ Operational simplification

Not all RWAs scale equally

- ✓ Digital form does not automatically create liquidity
- ✓ Custody and legal wrapper still matter
- ✓ Many RWA categories remain much less intuitive than gold or government paper

Tokenised gold, market cap ($bn)



Gold roughly doubled in price over 2025, so much of the rise is price. Wallets, volume and collateral use grew too: on-chain spot volume in early 2026 ran ahead of all of 2025. XAUT and PAXG are ~90% of the category. Source: CoinGecko, CEX.IO.

Where utility is real, and what still slows adoption

Where utility is measured

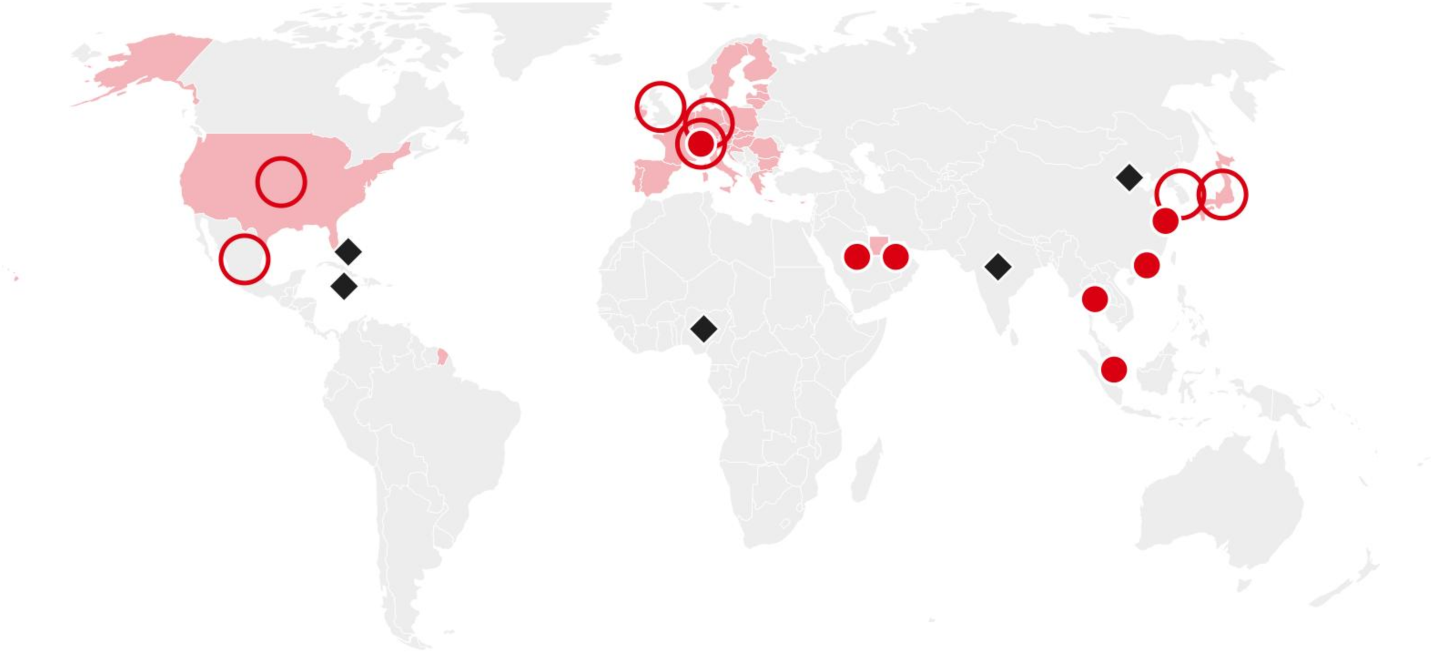
1. **Settlement Efficiency**
   Shorter settlement cycles and cleaner transfer mechanics
2. **Collateral Mobility**
   Potentially easier collateral movement, reuse and intraday precision in liquidity workflows.
3. **Treasury and collateral Management**
   Digital money rails may support better operating hours, programmability and cross-border workflow design.
4. **Transparency and Servicing**
   Improved record-keeping, audit trails and servicing automation in some product categories

What slows adoption

1. **Legal certainty**
   Title, insolvency treatment, governing law and settlement finality still dominate institutional comfort
2. **Operational readiness**
   Custody, recovery procedures, integration, resilience and governance need to be credible in practice
3. **Liquidity reality**
   Digital form does not guarantee secondary depth or easier exit under stress.
4. **Governance**
   Interoperability gaps, standards divergence and multiple rails can slow ecosystem-scale adoption

Public-sector direction of travel

Where policy is live, mid-2026



Stablecoin frameworks
EU, Japan, UAE; HK, Singapore, Bahrain, US (implementation / rulemaking continuing)

Wholesale digital Money / CBDC-related pilots and live experiments
Helvetia, Singapore, Ensemble, mBridge

Project Agora Participants:
UK, US, Mexico, Japan, Korea, Switzerland, Euro area

Retail CBDC launched or pilot
Nigeria, Bahamas, Jamaica (launched)
China and India (Pilot)

146 countries and currency unions exploring a CBDC
Atlantic Council, BIS

0 of 101 surveyed central banks reported holdings of stablecoins or cryptoassets
Reserve Management Trends 2026

27% Of surveyed reserved managers say digital currencies are becoming more credible
Reserve Management Trends 2026

HSBC case studies

HSBC Orion	*Digital bond platform* HSBC Orion is a market leading digital securities platform for issuing and servicing digitally native bonds for sovereigns, supranational, financial institutions and corporates. Currently Live in Hong Kong and Luxembourg. HSBC Orion UK will be used for the DSD set up by HSBC in UK.
Tokenised Deposit Service	*Digital representation of deposits* Live in 6 locations (HK, UK, SG, Lux, US, UAE); enabling real-time, programmable and cross-border transactions with the reliability of a next generation deposit ledger and payment rail
HSBC Gold Token	*Fractional ownership of physical gold* HSBC Gold Token is the first tokenised real-world asset from a bank for retail investors
Fund Tokenisation	*Funds on new rails* Live in HK, enabling asset managers to issue and distribute fund units on public blockchains

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Appendix

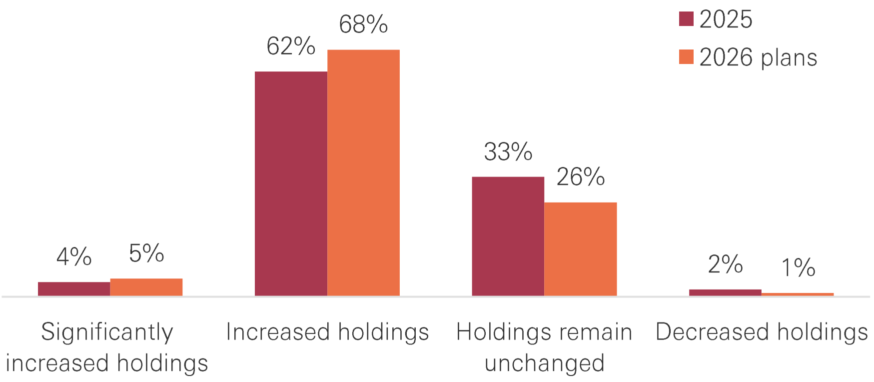
Institution perspective on Digital Assets (1/2)

Institutional Investor Digital Assets Survey conducted by EY Parthenon from **Jan 13 - Jan 30, 2026**

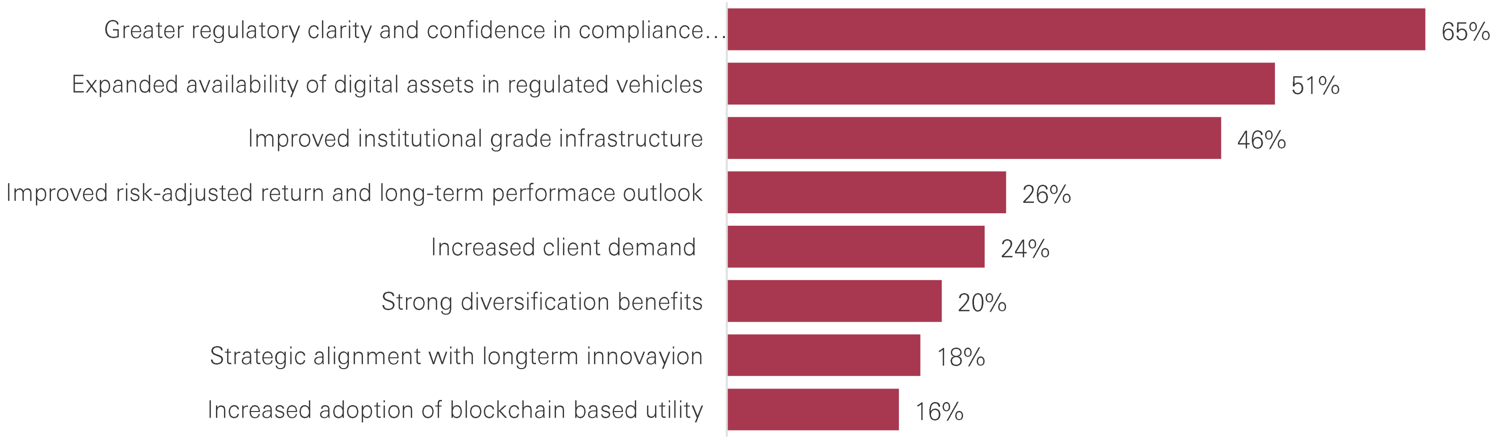
Survey of **N=351 institutional investors** (e.g., COO, CEO, Head of Transformation) with influence over allocation decisions, prioritizing firms with >$1b AUM

Survey was focused on **US** (**60% of respondents**) and **Europe (20% in UK/EU**), with **20%** representation from rest of world

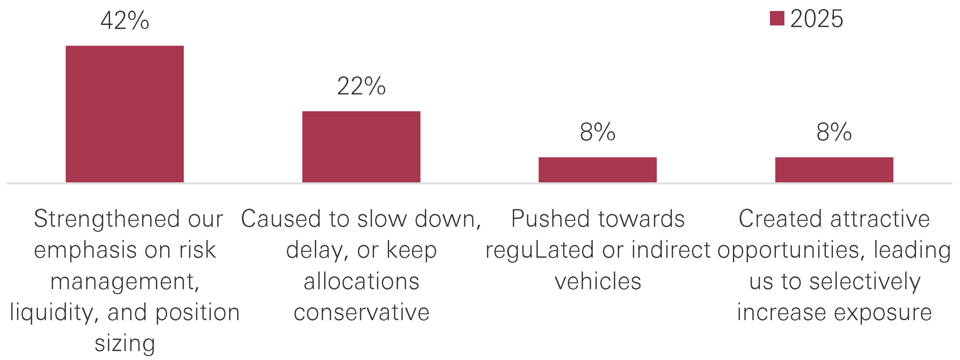
Firm's allocation to cryptocurrencies, digital assets, or related products change in 2026 vs 2025



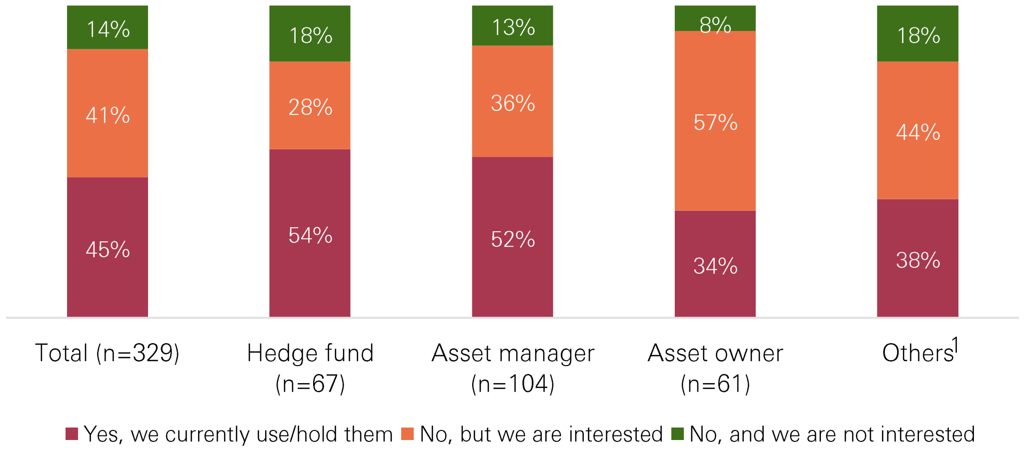
Main reasons to invest in digital assets



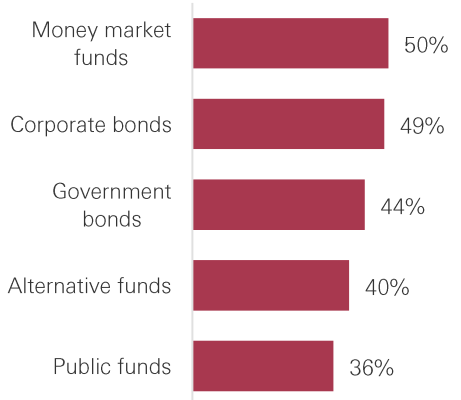
Impact on high volatility of crypto markets since Q4 2025 on investment plans for 2026



Firm's exposure to stable coins



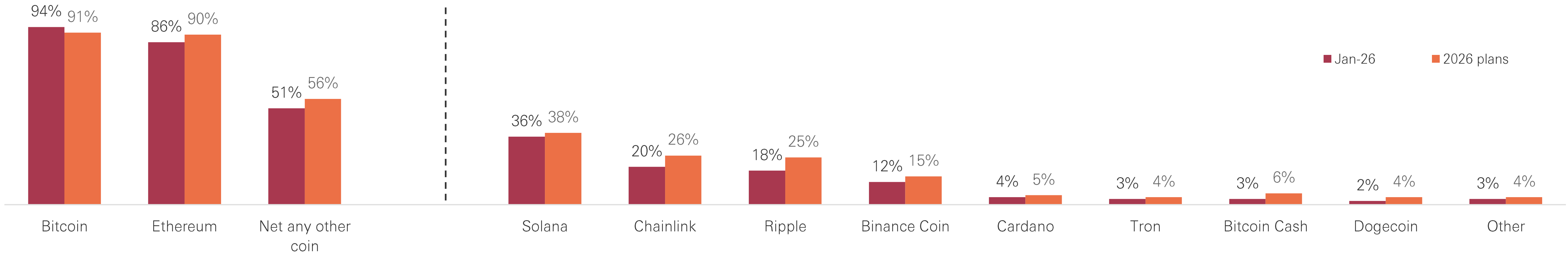
Tokenized Assets that firms are interested in



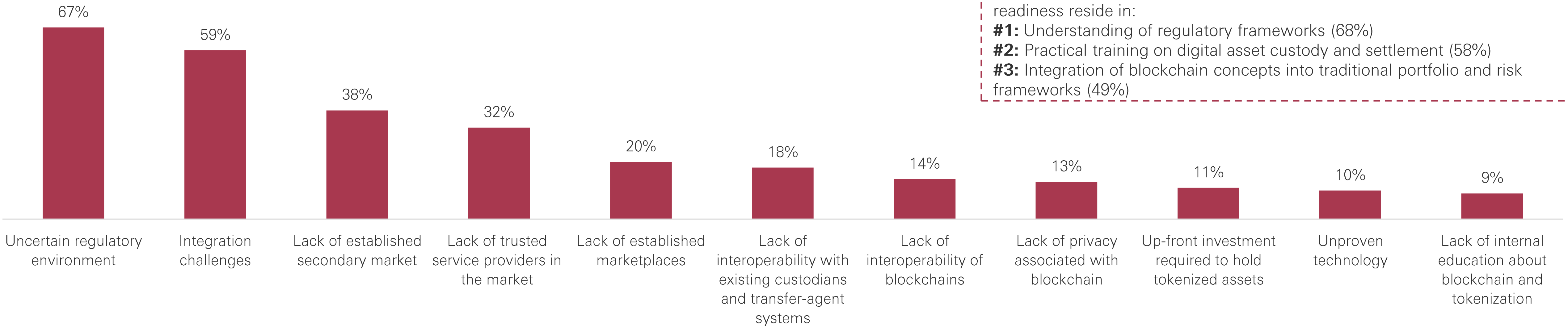
Note:
1. Includes family offices, private banks, and venture capital funds
2. Source: EY

Institution perspective on Digital Assets (2/2)

The proportion of investors holding non-BTC/ETH cryptocurrencies is expected to increase



Main challenges/concerns while investing in digital assets



Among all respondents, the greatest gaps in education and institutional readiness reside in:
#1: Understanding of regulatory frameworks (68%)
#2: Practical training on digital asset custody and settlement (58%)
#3: Integration of blockchain concepts into traditional portfolio and risk frameworks (49%)

Note:
1. Source: EY