

HSBC Bank Bermuda Ltd.

August 20, 2025

This report does not constitute a rating action.

Ratings Score Snapshot

SACP: bbb

Support: +2

Additional factors: 0

Anchor	bbb-		ALAC support	0	Holding company ICR
Business position	Adequate	0			A-/Stable/A-2
Capital and earnings	Very Strong	2	GRE support	0	
Risk position	Moderate	-1	Group support	2	
Funding	Adequate	0	Sovereign support	0	
Liquidity	Adequate				
CRA adjustment		0			

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Overview

Key strengths	Key risks
Leading Bermudian bank with significant domestic market share and access to HSBC's global network.	High level of nonperforming loans relative to peers.
Strategically important subsidiary of HSBC Holdings PLC (HSBC; A-/Stable/A-2).	Geographically concentrated loan portfolio in Bermuda, with large single-name exposures.
Very strong risk-weighted capital ratios and large proportion of high-quality liquid assets	History of large annual capital payments made to its parent company.

HSBC Bank Bermuda Ltd.'s (HBBM) profitability will likely fall in 2025, relative to 2024. We expect the decrease in profitability to stem from net interest margin (NIM) likely contracting given lower Federal Reserve policy rates in the second half of 2024, driving lower revenues. Meanwhile, we expect expenses to rise modestly and provisions for loan losses to remain low as we see continued reductions in its loan allowances from elevated levels. The bank reported robust return on average equity (ROE) of 46% (adjusted for a one-time deferred tax reversal of

Primary Contact

Daniel Da Silva
Toronto
1-6474803517
daniel.da.silva
@spglobal.com

Secondary Contact

Lidia Parfeniuk
Toronto
1-416-507-2517
lidia.parfeniuk
@spglobal.com

\$83 million) in 2024. While we do not expect ROE will reach that level in 2025, we believe it will remain elevated versus those of peers.

We expect HBBM's capital ratios will remain very strong despite continued large dividend payments to its parent. The bank's S&P Global Ratings risk-adjusted capital (RAC) ratio was 17.7% at year-end 2024, down from 19.7% at year-end 2023. HBBM's RAC ratio has declined largely because of higher risk-weights on certain credit exposures under our RAC criteria, and higher operational risk as a result of higher revenue levels. Despite the decline in recent years, the bank's RAC ratio continues to maintain a cushion above our very strong threshold of 15%.

We think the bank's RAC ratio will remain comfortably above 15% in the next 12 months despite dividend payouts to its parent that could exceed 100% of net income, given we expect limited risk-weighted asset (RWA) growth. The bank's Tier 1 ratio was very high at 26.9% at year-end 2024.

Although nonperforming loans are declining, we expect they'll remain above those of peers.

The bank has seen consecutive year-over-year improvements in asset quality metrics as it continues to manage the problem loans it originated prior to 2013. Nonperforming assets (NPAs) were 8.2% of total loans at year-end 2024, by our calculation, down from 10.5% in 2023. Despite the improvements, NPAs are still well above the industry and peer averages. We believe that NPAs could continue to fall as restructured loans cure, but this will take time. Nonetheless, loans are less than half of the bank's total assets, which we view favorably.

Outlook

Our stable outlook on HBBM reflects our expectation that the bank will maintain its strategic importance to the HSBC group as a fully owned subsidiary sharing the parent's name, making it likely to receive group support, if required, in most foreseeable circumstances.

We also expect the bank will maintain very strong capital ratios over the next several years without paying larger than historical dividends to the parent that would cause its RAC ratio to fall below 15%. The outlook also incorporates our expectation that the bank's asset quality metrics, which are worse than peers, will remain stable or slightly improve.

Downside scenario

We could lower the ratings if we believe the strategic importance of the Bermudian subsidiary could diminish, particularly if there were an indication that its parent intended to sell HBBM. We could also lower the ratings on HBBM if we revised down our group SACP ('a') on HSBC. Although currently not our expectation, we could lower the ratings if the bank's SACP weakens by more than one notch if, for example, the bank experiences:

- Large credit losses,
- A weakening competitive position,
- Continued deposit outflows, or
- A substantial decline in its RAC ratio such that we expect it to fall and remain below 15%.

Upside scenario

We could raise the rating if the group SACP of the parent were to improve, and we maintained our view of HBBM as strategically important to the group. Strategically important subsidiaries are

eligible for up to three notches of group support above the SACP, subject to a cap of one notch below the group SACP of the parent.

Anchor: 'bbb-' For Banks Operating Only In Bermuda

Our anchor of 'bbb-' draws on our Banking Industry Country Risk Assessment (BICRA) analysis of Bermuda and is based on an economic risk score of '6' and an industry risk score of '3'. We view the economic risk and industry risk trends as stable in Bermuda.

Our assessment of Bermuda's economic risk is underpinned by the territory's high GDP per capita, somewhat offset by industry concentration and constraints in terms of macroeconomic policy flexibility. Bermuda's economy is concentrated in the international financial services (IFS) sector, which has historically supported local growth, but also increases the territory's susceptibility to shifts in that sector. We expect that the IFS sector, and in particular the insurance sector, will continue to support the economy in the long term. Bermuda's longstanding hard-peg exchange rate regime limits the territory's monetary flexibility. The Bermuda Monetary Authority neither attempts to influence domestic monetary conditions nor be a lender of last resort, with the Bermudian dollar pegged to the U.S. dollar 1-to-1.

Industry risk is supported by Bermudian banks' regulation that is largely consistent with international standards. Moreover, the small number of domestic banks and the high concentration in simple banking products also support robust supervision. Bermuda's regulator has created a favorable environment for fintech and insurtech companies, which, over time, could increase competition between established banks and emerging competitors. Bermudian banks operate with sound liquidity, supported by stable deposits that cover about 2.7x total loans in the domestic banking sector. Such excess of customer deposits relative to loans and generally no external funding needs offset the absence of a developed capital market and a lender of last resort.

Figures and ratios are as of year-end 2024 (ended Dec. 31), unless otherwise specified. The peer group includes AIB Group PLC, ANZ Bank New Zealand Ltd., Bank of Ireland Group PLC, Bank of New Zealand, The Bank of N.T. Butterfield & Son Ltd., Bank of Valletta PLC, and Webster Financial Corp.

Business Position: Significant Market Share With Limited Competition From Smaller Bermudian Banks

HBBM benefits from its significant market share in Bermuda's small, concentrated, and oligopolistic banking industry. HBBM and The Bank of N.T. Butterfield & Son Ltd. dominate the banking industry, with collective deposit market share of about 88% (51% held by HBBM) and collective loan market share of 80% (41% held by HBBM). The bank has a long track record as a market leader in Bermuda, which we expect will continue, given HBBM's local expertise, Bermuda's strict foreign ownership rules, and limited growth opportunities in the region.

Slow economic growth has led to declining opportunities to lend in Bermuda, and, in line with wider banking industry trends, HBBM's loan book continues to shrink. HBBM's gross loans totaled about \$1.6 billion at year-end 2024, down from about \$1.7 billion in 2023, as loan repayments outpace new originations.

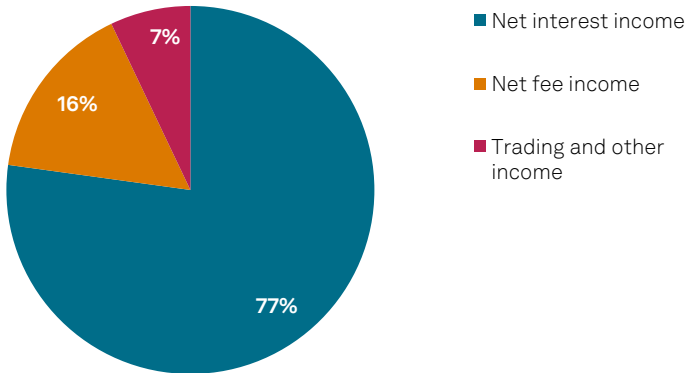
Unlike Bermudian peers, HBBM benefits from its parent's extensive global network, allowing it to attract Bermudian clients that do business internationally, especially large Bermudian insurers.

The bank attracts significant deposits from large insurers, which given limited loan opportunity in Bermuda, it will then place into its securities portfolio or loan to other HSBC subsidiaries.

HBBM's income sources are stable but revenue is sensitive to the interest rate. Net interest income to operating revenue was 77% in 2024, higher than the five-year average of 71%. We expect the proportion of net interest income to operating revenues will fall over the next year as Fed policy rates decline and put downward pressure on net interest income.

Chart 1

HBBM's revenue sources



Data as of Dec. 31, 2024. Source: S&P Global Ratings, company financial statements.

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Fee income, while not being a significant source of growth, has been stable over the last five years, which we expect will continue. Digital innovation also remains important; however, we think the bank is reliant on its parent to pass down digital innovations.

In September 2024, HBBM appointed Gregory Garnier as its new CEO. We believe the bank's strategy will remain consistent, even under new leadership, with continued focus on core businesses such as International Wealth and Premier Banking (IWPB) and Corporate and Institutional Banking (CIB).

Capital And Earnings: Very Strong Capital Ratios, Despite Large Payouts To Its Parent

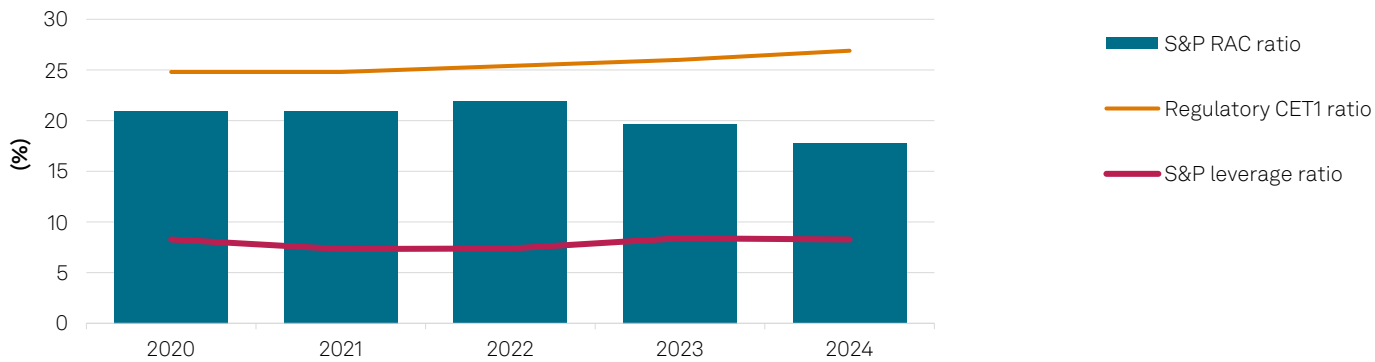
HBBM maintains very strong capital ratios and benefits from its small loan book relative to its large portfolio of highly rated investments. The bank's RAC ratio was 17.7% at year-end 2024, down from 19.7% and 21.9% in 2023 and 2022, respectively. This contrasts with the bank's Tier 1 ratio, which was 26.9% at year-end 2024, up from 26.0% at year-end 2023.

The bank's RAC ratio has declined in recent years, unlike its Tier 1 ratio, largely because of higher risk-weights attributed to HBBM's loan to banks book under our RAC criteria. We place higher risk-weights on such exposures relative to the regulatory calculation. Furthermore, under our RAC criteria, we calculate higher operational risk as a result of higher revenue levels, which differs from the regulatory treatment. Nonetheless, despite the recent decline, the bank's RAC

ratio continues to maintain a cushion above our very strong threshold of 15%, and we expect it will remain comfortably above this threshold.

Chart 2

HBBM's capital metrics



RAC--Risk-adjusted capital. CET1--Common Equity Tier 1. Source: S&P Global Ratings, company financials.

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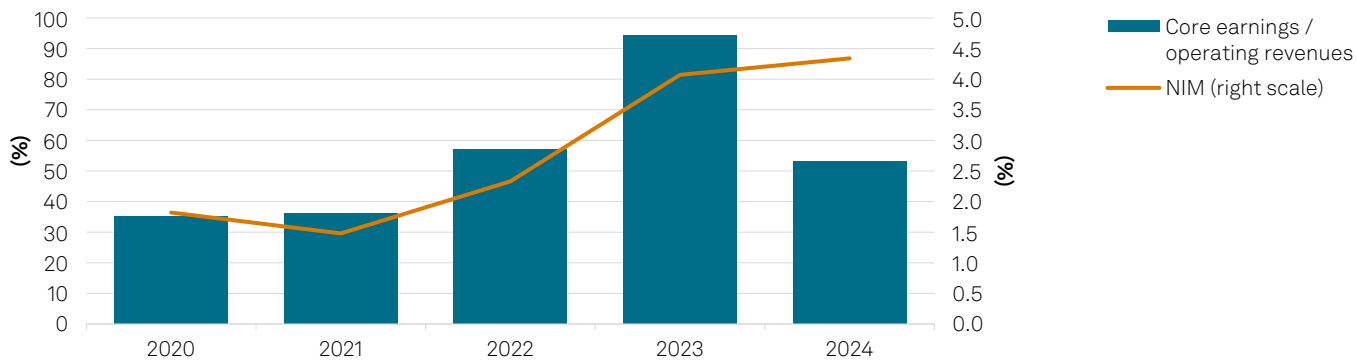
The parent's required capital payouts, which often exceed 100% of net income, have historically constrained HBBM's capital growth. We expect that this will continue in 2025, and while this will limit capital build, it will likely be offset by limited RWA growth as loan growth remains tepid.

HBBM's quality of capital remains strong, made up wholly of common equity. The bank's Tier 1 ratio of 26.9% is well above that of most rated banks globally. Unrealized losses in HBBM's securities portfolio equated to less than 1% of its securities at year-end 2024 and, in our view, do not pose a significant risk to the bank's capital given its relatively low duration. We calculate a tangible common equity to total assets ratio of 7.9%; adjusting this for unrealized loss, the ratio falls modestly to 7.8%.

HBBM will likely continue to deliver solid operating performance through 2025 as NIM remains elevated (albeit lower than 2024), expense growth increases modestly, and provisions for loan losses remain low as new impairments are offset by releases. We expect that ROE will come down from 2024 levels of 46% but remain above the peer average.

Chart 3

HBBM's profitability metrics



NIM--Net interest margin. Source: S&P Global Ratings, company filings.

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The bank's cost-to-income ratio worsened modestly from a year ago, to 28% from 25%, predominately as a result of lower net interest income. While we expect the ratio will worsen again in 2025, it will likely remain more favorable relative to the bank's five-year historical average of 42%. It could moderate further in 2026 and 2027.

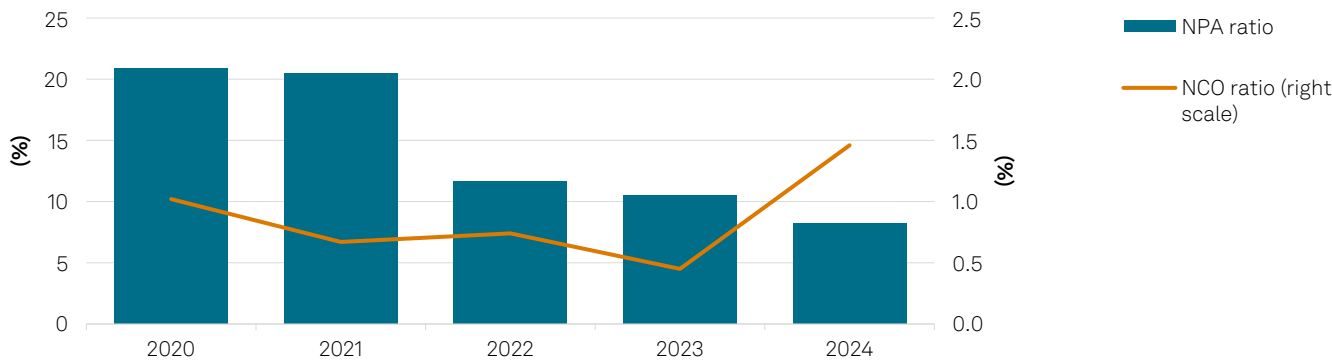
Risk Position: High NPAs Relative To Peers, Although Improving

HBBM's customer loan book is weaker than those of peers, although asset quality is improving. A significant level of NPAs resulted from originations made prior to 2013 (by the former executive team), driven in part by declines in real estate prices in Bermuda. Since 2013, however, tighter lending policies have led to an overall improved risk profile. We now view new originations as much better positioned to withstand an economic downturn.

NPAs were 8.2% of total loans as of year-end 2024, down from 20.9% in 2020. Lower NPA levels are partly due to a policy change implemented in 2022, when the definition of curing was changed to align HBBM with the rest of the HSBC group. In the bank's curing definition, any restructured nonperforming loan that performs for over 12 months under the revised terms is considered cured and no longer categorized as nonperforming. We think improved NPA ratios also reflect a shift in the bank's risk appetite and its efforts to work through legacy loans.

Chart 4

HBBM's asset quality metrics



NPA--Nonperforming assets. NCO--Net charge-offs. Source: S&P Global Ratings, company filings.

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We believe that the NPA ratio could continue to fall as restructured loans likely cure over the next several years. Still, HBBM's loan book remains geographically concentrated with large single-name exposures, which makes the bank susceptible to an economic downturn in Bermuda.

HBBM reported limited or negative loan growth in many recent quarters, scaling back the type of loans it is willing to make. Loans now only account for 21% of its balance sheet and pose a lower risk to its overall creditworthiness than they did in previous years. Loans originated prior to 2013 also have fallen as a portion of total gross loans. This includes pre-2013 originated mortgages, which accounted for about 74% of mortgages in 2019 versus 51% in 2024.

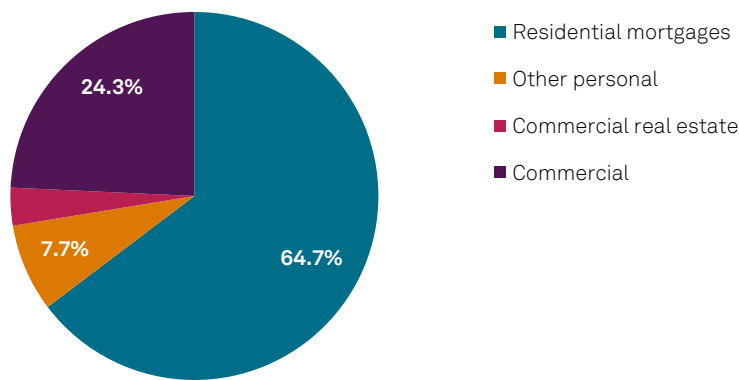
HBBM's largest loan exposure is its mortgage portfolio, which accounts for approximately 65% of gross loans and about 90% of total NPAs. The majority (96%) of NPAs were originated pre-2013, and the ratio of pre-2013 mortgage NPAs to mortgages originated pre-2013 is 21% (versus 1.0% post-2013). While we continue to view mortgages originated pre-2013 as risky, the book overall is well provisioned, with allowances to gross loans at about 6.0%.

Given likely slowing economic growth, we expect that borrowers could be under some pressure. However, provisions for loan losses will likely remain low given elevated allowances. While not our base case, house prices in Bermuda are susceptible to volatility, which could strain asset quality if prices decline significantly. That said, the average loan-to-value ratio of the mortgage book is a conservative 50%, providing some cushion.

HBBM's wholesale lending book accounts for about 28% of total gross loans. Wholesale NPAs as a percentage of total gross wholesale loans declined to 2.6% in 2024 from 5.6% in 2023, and is significantly lower than 14.6% reported in 2020. Concentration in the book's wholesale book remains a key risk and it is more susceptible to year-to-year variations in asset quality metrics.

Chart 5

HBBM's gross loan breakdown



Data as of Dec. 31, 2024. Source: S&P Global Ratings, company filings

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HBBM maintains a robust \$3.9 billion securities portfolio that is predominately made up of high-quality debt instruments, making up about 52% of total assets.

HBBM also maintains a loan book to banks of about \$1.6 billion. The book predominately includes loans to subsidiaries within the HSBC network. In a stress scenario, we think HBBM could renegotiate contract terms or get early repayment, if needed. As a result, we view these intercompany loans more like interbank deposits, from an analytical perspective, rather than traditional external bank loans.

Funding And Liquidity: Broad And Relatively Stable Deposit Franchise

Like other Bermudian banks, HBBM relies on customer deposits for funding, with minimal wholesale funding needs. The bank’s deposit base is made up of retail customers, corporate customers, and financial institutions. We calculate core deposits at 65% of the funding base, which is below the peer average of 81% due to deposit exposure from corporate and financial clients.

This corporate and financial deposit concentration is partially offset by HBBM's large deposit market share, in our view. The bank contained funding costs and maintained a low deposit beta because of its significant deposit market share. While total deposits fell 9% in 2024 as clients repositioned cash holdings in search of higher yields, a large portion of those deposits flowed off balance sheet to HBBM's asset management subsidiary. We expect that deposit levels will remain stable through 2025.

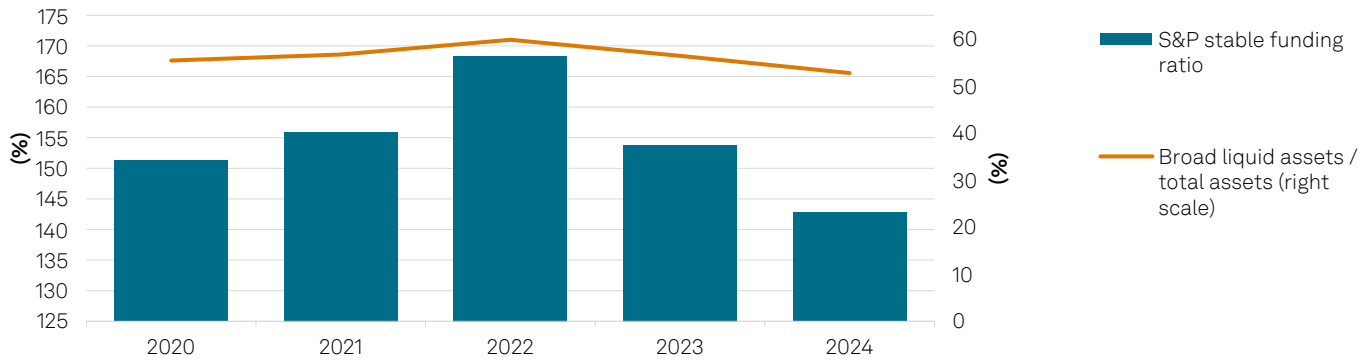
HBBM’s deposit franchise also benefits from being part of the HSBC network where it can attract deposits from large Bermudian corporate clients that do business internationally, with limited competition.

We think Bermudian banks tend to keep more conservative funding and liquidity partly because Bermuda lacks a lender of last resort, unlike other jurisdictions in HBBM's peer group.

Additionally, there is no Bermudian debt market, so any potential capital markets funding must come from abroad (accounted for via our Banking Industry Country Risk Assessment for Bermuda). In 2016, Bermuda authorities implemented deposit insurance that covers Bermudian dollar (BM\$) 25,000 per insured depositor for Bermuda-based depositors, which provides very limited coverage by our calculation.

Chart 6

HBBM's funding and liquidity metrics



Source: S&P Global Ratings, company filings.

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HBBM's liquidity remains adequate compared with that of peers. Given few opportunities to lend in Bermuda, the bank keeps a significant portfolio of investment securities that can provide a secondary source of liquidity, if necessary. For example, broad liquid assets to total assets at 53% is well above the peer average of 34%.

HBBM's regulatory liquidity coverage ratio remains strong at 175%, well above the 100% minimum. While we expect it could come down somewhat, we believe it will remain well above the regulatory minimum. The bank's loans-to-core-deposits ratio at 33% (peer average is 77%) also remains robust.

In our view, the government would likely step in and provide support if Bermudian banks were to run into funding and liquidity constraints, given HBBM is systemically important to Bermuda.

Support: Two Notches Of Uplift Given Our View Of HBBM's Strategic Importance To Its Parent

We view HBBM as a strategically important subsidiary of HSBC because it is a wholly owned subsidiary of HSBC (purchased on Feb. 18, 2004), it has a leading market position in Bermuda, and it changed its legal name in 2010 to include HSBC. We think customers' view that HSBC stands behind its subsidiaries is important to HSBC's global franchise.

On the other hand, HBBM is not in one of the group's priority growth markets. We think it is less connected to the rest of the group versus subsidiaries in larger exporting economies, and it is relatively small, representing only about 1% of group capital. Also, we do not rule out the possibility that the supporting factors may weaken in the future.

We do not assume HBBM is among those subsidiaries most important to HSBC and, in our view, additional loss-absorbing capacity uplift in the parent's group credit profile is not likely to be extended to HBBM. As a result, the 'A-' rating on HBBM is two notches above the 'bbb' SACP on the bank and capped one notch below our 'a' group SACP.

Environmental, Social, And Governance

Environmental, social, and governance factors are neutral to our credit rating analysis of HBBM. Although the bank is exposed to natural disasters such as hurricanes, the island of Bermuda has withstood such occurrences with limited infrastructure issues, and they did not meaningfully affect the bank's operating results or loan performance.

We believe HBBM's corporate governance is on par with that of peers and is an extension of its parent's. We consider the bank's risk appetite to be relatively conservative and risk management controls to be appropriate. From a social standpoint, the bank has not experienced any policy failures that would jeopardize its reputation or its customers.

Key Statistics

HSBC Bank Bermuda Limited Key Figures

Mil. \$	2024	2023	2022	2021	2020
Adjusted assets	7,645	8,551	9,632	9,470	9,052
Customer loans (gross)	1,592	1,716	1,743	1,949	2,080
Adjusted common equity	630	712	700	693	747
Operating revenues	439	446	308	216	238
Noninterest expenses	125	110	142	134	115
Core earnings	234	421	176	78	84

HSBC Bank Bermuda Limited Business Position

(%)	2024	2023	2022	2021	2020
Return on average common equity	34.2	60.2	26.4	10.3	10.7

HSBC Bank Bermuda Limited Capital And Earnings

(%)	2024	2023	2022	2021	2020
Tier 1 capital ratio	26.9	26.0	25.4	24.8	24.7
S&P Global Ratings' RAC ratio before diversification	17.7	19.7	21.9	21.0	20.9
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	100.0
Net interest income/operating revenues	77.2	79.9	71.1	62.8	65.8
Fee income/operating revenues	15.8	15.0	19.2	21.5	19.4
Market-sensitive income/operating revenues	7.1	5.0	9.6	15.5	13.3
Cost to income ratio	28.4	24.6	46.1	61.9	48.3
Preprovision operating income/average assets	3.9	3.7	1.7	0.9	1.4
Core earnings/average managed assets	2.9	4.6	1.8	0.8	1.0

HSBC Bank Bermuda Limited Risk Position

(%)	2024	2023	2022	2021	2020
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HSBC Bank Bermuda Limited Risk Position

Growth in customer loans	(7.2)	(1.6)	(10.5)	(6.3)	(9.7)
Total managed assets/adjusted common equity (x)	12.1	12.0	13.8	13.7	12.1
New loan loss provisions/average customer loans	(0.1)	(0.1)	(0.5)	0.2	1.8
Net charge-offs/average customer loans	1.5	0.5	0.7	0.7	1.0
Gross nonperforming assets/customer loans + other real estate owned	8.2	10.5	11.7	20.5	20.9
Loan loss reserves/gross nonperforming assets	59.2	57.9	55.3	34.1	33.3

HSBC Bank Bermuda Limited Funding And Liquidity

(%)	2024	2023	2022	2021	2020
Core deposits/funding base	65.5	65.05	63.7	65.6	65.4
Customer loans (net)/customer deposits	33.3	33.0	28.8	31.9	36.5
Long-term funding ratio	68.2	68.3	66.1	68.2	68.6
Stable funding ratio	142.8	153.8	168.3	156.0	151.3
Short-term wholesale funding/funding base	2.1	0.8	1.5	0.3	0.3
Regulatory net stable funding ratio	147.6	134.3	150.6	148.0	--
Broad liquid assets/short-term wholesale funding (x)	27.2	82.8	44.2	192.0	179.3
Broad liquid assets/total assets	52.7	56.4	59.8	56.7	55.4
Broad liquid assets/customer deposits	88.6	98.6	101.7	94.4	94.5
Net broad liquid assets/short-term customer deposits	106.7	121.7	124.3	117.4	117.5
Regulatory liquidity coverage ratio (LCR) (x)	175.4	157.6	141.9	168.3	--
Short-term wholesale funding/total wholesale funding	6.2	2.2	4.0	0.9	1.0

Rating Component Scores	
Issuer Credit Rating	A-/Stable/A-2
SACP	bbb
Anchor	bbb-
Business position	Adequate (0)
Capital and earnings	Very Strong (2)
Risk position	Moderate (-1)
Funding and liquidity	Adequate and Adequate (0)
Comparable ratings analysis	0
Support	2
ALAC support	0
GRE support	0
Group support	2
Sovereign support	0
Additional factors	0
SACP--Stand-alone credit profile. ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.	

Related Criteria

- [Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology](#), April 30, 2024
- [Criteria | Financial Institutions | General: Financial Institutions Rating Methodology](#), Dec. 9, 2021
- [Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions](#), Dec. 9, 2021
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [Rating Component Scores For U.S., Canadian, And Bermudian Banks](#), June 30, 2025
- [Comparative Statistics: U.S. Banks](#), April 9, 2025
- [HSBC Bank Bermuda Ltd.](#), Oct. 9, 2024
- [Research Update: HSBC Bank Bermuda Ltd. 'A-' Issuer Credit Rating Affirmed; SACP Revised To 'bbb' From 'bbb-' On Improved Risk Profile](#), Sept. 26, 2024

Ratings Detail (as of August 20, 2025)*	
HSBC Bank Bermuda Ltd.	

HSBC Bank Bermuda Ltd.

Ratings Detail (as of August 20, 2025)*

Issuer Credit Rating	A-/Stable/A-2
Issuer Credit Ratings History	
19-Feb-2019	A-/Stable/A-2
01-Jul-2014	A-/Negative/A-2
11-Mar-2014	A/Watch Neg/A-1
Sovereign Rating	
Bermuda	A+/Stable/A-1
Related Entities	
<u>Banco HSBC S.A.</u>	
Issuer Credit Rating	
<i>Brazil National Scale</i>	brAAA/Stable/brA-1+
<u>Hang Seng Bank (China) Ltd.</u>	
Issuer Credit Rating	A+/Stable/A-1
<u>Hang Seng Bank Ltd.</u>	
Issuer Credit Rating	AA-/Stable/A-1+
<u>Hang Seng Insurance Co. Ltd.</u>	
Financial Strength Rating	
<i>Local Currency</i>	AA-/Stable/--
Issuer Credit Rating	
<i>Local Currency</i>	AA-/Stable/--
<u>Hongkong and Shanghai Banking Corp. Ltd. (Sydney Branch) (The)</u>	
Senior Unsecured	AA-
<u>Hongkong and Shanghai Banking Corp. Ltd. (The)</u>	
Issuer Credit Rating	AA-/Stable/A-1+
Certificate Of Deposit	
<i>Foreign Currency</i>	A-1+
Senior Unsecured	A-1+
Senior Unsecured	AA-
<u>HSBC Bank Australia Ltd.</u>	
Issuer Credit Rating	A+/Stable/A-1
Commercial Paper	
<i>Foreign Currency</i>	A-1
Senior Unsecured	A+
Short-Term Debt	A-1
Subordinated	A
<u>HSBC Bank (China) Co. Ltd.</u>	
Issuer Credit Rating	A+/Stable/A-1
<u>HSBC Bank PLC</u>	
Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	AA-/--/A-1+
Commercial Paper	A-1
Senior Unsecured	A+
Subordinated	BBB+

HSBC Bank Bermuda Ltd.

Ratings Detail (as of August 20, 2025)*

HSBC Bank (Taiwan) Ltd.

Issuer Credit Rating	A+/Stable/A-1
<i>Taiwan National Scale</i>	twAAA/Stable/twA-1+

HSBC Bank USA N.A.

Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	A+/-/A-1
Senior Unsecured	A+
Subordinated	A-

HSBC Continental Europe

Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	AA-/-/A-1+
Commercial Paper	
<i>Local Currency</i>	A-1
Senior Unsecured	A+
Senior Unsecured	A-1
Short-Term Debt	A-1

HSBC Holdings PLC

Issuer Credit Rating	A-/Stable/A-2
Senior Unsecured	A-
Short-Term Debt	A-2
Subordinated	BBB

HSBC Innovation Bank Limited

Issuer Credit Rating	A/Stable/A-1
Resolution Counterparty Rating	A+/-/A-1

HSBC Life (International) Ltd.

Financial Strength Rating	
<i>Local Currency</i>	AA-/Stable/--
Issuer Credit Rating	
<i>Local Currency</i>	AA-/Stable/--

HSBC Life (Singapore) Pte. Ltd.

Financial Strength Rating	
<i>Local Currency</i>	A+/Stable/--
Issuer Credit Rating	
<i>Local Currency</i>	A+/Stable/--

HSBC Mexico S.A.

Issuer Credit Rating	BBB/Stable/A-2
<i>CaVal (Mexico) National Scale</i>	mxAAA/Stable/mxA-1+

HSBC Securities (USA) Inc.

Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	A+/-/A-1

HSBC UK Bank PLC

Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	AA-/-/A-1+

Ratings Detail (as of August 20, 2025)*

Commercial Paper	A+/A-1
Senior Unsecured	A+
Short-Term Debt	A-1
HSBC USA Inc.	
Issuer Credit Rating	A-/Stable/A-2
Senior Unsecured	A-
Subordinated	BBB+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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