

## RATING ACTION COMMENTARY

# Fitch Takes Rating Actions on 6 HSBC Opcos Following Criteria Update

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Fitch Ratings - Hong Kong - 12 May 2026: Fitch Ratings has taken rating actions on six subsidiaries of HSBC Holdings plc (HSBC) following the publication on 8 May 2026 of its updated Bank Rating Criteria.

Fitch has upgraded the Long-Term Issuer Default Ratings (IDRs) of HSBC Bank plc (HCIB), HSBC UK Bank plc (HBUK), HSBC Continental Europe S.A. (HBCE), HSBC Bank USA, National Association (HBUS), the Hongkong and Shanghai Banking Corporation Limited (HKSB) and Hang Seng Bank Limited (HSB) to 'AA' from 'AA-'. The Outlooks are Stable. Fitch has also assigned HSBC's 'a+' group Viability Rating (VR) to these subsidiaries, which resulted in a one-notch upgrade of HCIB's and HSB's VRs.

The ratings of HSBC and its other rated subsidiaries are not affected by this rating action. For unaffected ratings, rating drivers and rating sensitivities, those defined in the latest rating action commentaries on each issuer continue to apply and are available at [www.fitchratings.com](http://www.fitchratings.com). A full list of rating actions is below.

The key changes in the updated criteria relate to banks in jurisdictions with developed resolution regimes, with senior resolution debt (senior non-preferred debt in Europe) now excluded from Issuer Default Rating (IDR) reference obligation and greater notching differentiation for deposits, senior unsecured (senior preferred in Europe) and senior resolution debt ratings as well as Derivative Counterparty Ratings (DCRs). The updated criteria also broaden the inclusion criteria for group VRs to the assessment of integration, size and materiality and expected ordinary support.

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Fitch has affirmed the Shareholder Support Ratings (SSR) of HCIB, HBUK, HBUS, HKSB and HSB at 'a+' and HBCE at 'aa-' and simultaneously withdrawn the ratings as they are no longer relevant to the rating agency's coverage following the assignment of the group VR and Government Support Ratings (GSR) of 'no support' to these subsidiaries.

## KEY RATING DRIVERS

**Increased Creditor Protection:** The upgrades of the Long-Term IDRs, senior unsecured debt ratings and, where assigned, the Derivative Counterparty Ratings (DCR) reflect our revised view of increased creditor protection from HSBC's very large resolution debt buffer. At end-2025, HSBC's consolidated buffer was 19% of risk-weighted assets (RWAs), and we expect it to remain sustainably above 15%. The group VR assigned to HSBC's core operating subsidiaries reflects our revised view that they have substantially the same failure risk as the group due to their very close integration and our expectation that ordinary support from the group will prevent failure.

**Group VRs:** The assignment of group VRs to HCIB, HBUK, HBCE, HBUS, HKSB and HSB reflects our view that they are the group's core banks with substantially the same failure risk as the group as a whole. This reflects their highly integrated operations and our expectation that they will benefit from ordinary support from the group to prevent failure. Our view is underpinned by the core role of these subsidiaries in HSBC's global franchise and their very close integration with HSBC's management, risk controls, regulatory oversight and balance-sheet fungibility.

**IDR, Debt Uplifts:** HCIB's, HBUK's, HBCE's, HBUS's, HKSB's and HSB's Long-Term IDRs, senior unsecured debt and, where assigned, deposit ratings and DCRs are two notches above their respective VRs, because the group's buffer of junior and holding company debt provides senior creditors with additional protection in case of failure. The Short-Term IDRs, short-term debt and short-term deposit ratings of 'F1+' map to the respective long-term ratings of 'AA'.

HBCE's ratings are two notches above its group VR, which is at the same level as France's sovereign rating, because the group VR reflects ordinary support from HSBC that is not sensitive to France's operating environment or sovereign rating.

Subordinated debt issued by HBUS was downgraded to 'A-' from 'A' following the assignment of the group VR to HBUS to reflect this lower new anchor rating. The

subordinated debt is rated two notches below the anchor rating to reflect poor

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The Long-Term IDRs and VRs of HCIB, HBUK, HBCE, HBUS, HKSB and HSB would be downgraded if HSBC's VR is downgraded. The rating sensitivities for HSBC's VR defined in the latest rating action commentaries on HSBC continue to apply. For more detail see "Fitch Affirms HSBC Holdings at 'A+' on Hang Seng Offer; Outlook Stable", dated 14 October 2025 and "Fitch Affirms HSBC Holdings at 'A+'; Outlook Stable", dated 19 August 2025, available at [www.fitchratings.com](http://www.fitchratings.com).

A downgrade of the VRs would also result in a downgrade of HCIB's, HBUK's, HBCE's and HBUS's long-term senior unsecured debt ratings, HCIB's, HBUK's, HBCE's and HBUS's deposit ratings, HCIB's and HBCE's DCRs, and the subordinated debt issued by HBUS.

The IDRs, senior unsecured debt ratings and DCRs would also be downgraded if the group's resolution debt buffer falls below 15%. The Long-Term IDRs would also be downgraded if the UK's sovereign rating is downgraded. This is because HSBC's VR would then be rated at the same level as the sovereign rating, and under Fitch's criteria, rating uplift for resolution buffers is limited to one notch above the VR. A downgrade of France's rating could put pressure on HBCE's Long-Term IDR.

### **Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade**

HCIB's, HBUK's, HBCE's, HBUS's, HKSB's and HSB's VRs would be upgraded if HSBC's VR is upgraded. An upgrade of the VR would not result in an upgrade of their Long-Term IDRs and, where assigned, DCRs and long-term senior unsecured and deposit ratings, unless the UK's sovereign rating is upgraded. This is because the rating uplift for resolution buffers is limited to one notch above the VR if the VR is at or above the sovereign rating.

**No Government Support:** The GSRs of 'no support' reflect our view that HCIB's, HBUK's, HBCE's, HBUS's, HKSB's and HSB's senior creditors cannot rely on receiving full extraordinary support from the authorities if the group becomes non-viable given legislation and regulations that require senior creditors to participate in losses in a failure.

An upgrade of the GSRs would require a positive reassessment of the authorities' propensity of support, which we consider extremely unlikely, due to the prevailing

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The principal sources of information used in the analysis are described in the Applicable Criteria.

## ESG CONSIDERATIONS

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

## RATING ACTIONS

ENTITY / DEBT ↕	RATING TYPE ↕	RATING ↕	RATING ACTION ↕	PRIOR ↕
Hang Seng Bank Limited	LT IDR	AA Rating Outlook Stable	Up/ Stable	AA- Rating Outlook Stable
	ST IDR	F1+	Affirmed	F1+
	Viability	a+	Upgrade	a
	Shareholder Support	a+	Affirmed	a+
	Shareholder Support	WD	Withdrawn	
	Government Support	ns	New Rating	
HSBC Bank USA, National Association	LT IDR	AA Rating Outlook Stable	Up/ Stable	AA- Rating Outlook

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Shareholder a+ Affirmed a+  
Support

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**APPLICABLE CRITERIA**

[Bank Rating Criteria \(pub. 09 May 2026\) \(including rating assumption sensitivity\)](#)

**ADDITIONAL DISCLOSURES**

[Dodd-Frank Rating Information Disclosure Form](#)

[Solicitation Status](#)

[Endorsement Policy](#)

**ENDORSEMENT STATUS**

Hang Seng Bank Limited	EU Endorsed, UK Endorsed
HSBC Bank plc	UK Issued, EU Endorsed
HSBC Bank USA, National Association	EU Endorsed, UK Endorsed
HSBC Continental Europe S.A.	EU Issued, UK Endorsed
The Hongkong and Shanghai Banking Corporation Limited	EU Endorsed, UK Endorsed



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<b>ENTITY/SECURITY</b>	<b>ISIN/CUSIP</b>	<b>RATING TYPE</b>	<b>SOLICITATION STATUS</b>
Hang Seng Bank Limited	-	Long Term Issuer Default Rating	Unsolicited
Hang Seng Bank Limited	-	Viability Rating	Unsolicited
Hang Seng Bank Limited	-	Government Support Rating	Unsolicited
Hang Seng Bank Limited	-	Shareholder Support Rating	Unsolicited
Hang Seng Bank Limited	-	Short Term Issuer Default Rating	Unsolicited

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