

Counterparty Focus

HSBC Bank plc

HSBC Bank plc provides various banking products and services worldwide. It operates through Retail Banking and Wealth Management, Commercial Banking, Global Banking and Markets, and Global Private Banking segments.

The company serves small enterprises, government, and corporate and institutional clients, as well as high net worth individuals and families. As of December 31, 2017, it operated 625 branches in the United Kingdom; and 13 located in the Isle of Man and the Channel Islands. The company was founded in 1865 and is based in London, the United Kingdom.

HSBC Bank plc is a subsidiary of HSBC Holdings plc.

Measures of Financial Strength:

Issuer credit rating and outlook for HSBC Bank plc

Agency	Rating	Date rating effective	Outlook	Date outlook effective
Fitch	AA-	07/12/2012	Stable	07/12/2012
Moody's	Aa3	30/05/2018	Stable	30/05/2018
Standard & Poor's	AA-	09/06/2015	Stable	15/11/2017

Source: Bloomberg, 2 July 2018

HSBC Holdings plc CDS & HSBC Bank plc Tier 1 Capital Ratio

HSBC Holdings plc					
CDS	1 year	2 year	3 year	4 year	5 year
	15.14	19.195	24.885	31.825	37.29
Tier 1 Capital Ratio	13.80%				

Source: Bloomberg, 2 July 2018

Definitions:

Tier 1 Capital Ratio:

This is the ratio of a Bank's core equity capital to its total risk weighted assets. A firm's core equity capital is known as Tier 1 capital and is the measure of a bank's financial strength based on the sum of its equity capital and disclosed reserves. Firms must have a Tier 1 capital ratio of 6% or greater.

Credit Default Swap (CDS):

A CDS is effectively an insurance contract – the buyer makes periodic payments to the seller to effectively insure against a debt default and in return receives a payoff, if the underlying financial instrument/institution does default. CDS spreads allow investors to analyse how risky an institution's debt is perceived to be by the market; a relevant factor when considering the credit strength of a counterparty.

This information is for financial advisers only and should not be presented to, or relied upon by private investors.