



# COMMITTEE FOR BETTER BANKS

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BRINGING CHANGE TO OUR INDUSTRY

June 26, 2020

HSBC North America  
President and CEO Michael Roberts  
1800 Tysons Blvd Suite 50 McLean,  
VA 22102

Dear Mr. Roberts,

As our nation continues to be roiled by crises, from a global pandemic causing economic devastation to systemic racism weaponized in everyday encounters and manifest in horrific police brutality, the actions taken by our leading financial institutions will have an enormous impact on our ability to struggle through these crises and come out a stronger and more unified people. Within financial institutions, frontline bank employees have a unique perspective to offer, which is why we regret your refusing our offer to form a USA Banking Crisis Committee. The urgency for establishing this committee has only grown over the past weeks.

In the absence of this committee, the Committee for Better Banks is launching the Better Banks Accountability Project. Our first report will be Bank Scorecard #1: COVID-19 Response. Attached is a draft of your bank's report for your review. Here is a brief explanation of our methodology and findings.

In May and June 2020, the Committee for Better Banks Accountability Project reviewed publicly available information related to corporate responses to the Covid-19 pandemic in three constituent groups: small businesses, workers, and consumers. We reviewed bank websites, media reports, corporate financial disclosures, and internet based sources to evaluate how each bank performed during the first three months of the novel coronavirus pandemic (March – May). Banks received a letter grade based on a percentage score of a total of 115 points. A bank would not be graded for performance under any metric if it did not have a related business line.

This is the grading rubric we used to calculate your final score and grade of **C**.

<b>HSBC North America Final Score Calculation</b>		
<b>Category</b>	<b>Eligible</b>	<b>Awarded</b>
Mainstreet Lending and Protections	30	17
Worker Protections	40	25
Consumer Protections	20	20
Other Factors	5	5
Total	95	67
<b>Final Grade</b>		<b>71</b>

This grade is fully explained in the tables copied below. Please contact us by Thursday, July 2, 2020 if you have any questions or comments regarding the scorecard. You can contact us at [staff@betterbanks.org](mailto:staff@betterbanks.org).

Sincerely,

Nick Weiner  
Co-Director  
Committee for Better Banks

Erin Mahoney  
Co-Director  
Committee for Better Banks

<b>HSBC North America Mainstreet Lending and Protections</b>		<b>Eligible Points</b>	<b>Awarded Points</b>
<b>Stock buybacks</b> Full points for cancelling buybacks during pandemic.	HSBC Planned Halt To Stock Buyback For 2020 And 2021 Prior To Pandemic.	10	10
<b>US Banking Crisis Committee</b> Full points for participation.	No policy or response to letter found.	10	0
<b>Paycheck Protection Program</b> Points deducted for concierge loan services under PPP program; administrative failures; prioritizing classes of customers.	HSBC Stopped Accepting New PPP Applications After April 27, 2020.	10	7
<b>Total</b>		<b>30</b>	<b>17</b>

<b>HSBC North America Worker Protections</b>		<b>Eligible Points</b>	<b>Awarded Points</b>
<p><b>Telework Policy</b></p> <p>Points awarded for including call center workers in remote plans; not requiring office presence for non-site dependent roles.</p>	<p>HSBC Implemented Alternate Work Arrangements During Pandemic, Including Secondary Locations And Remote.</p>	10	5
<p><b>Paid Leave and Hazard Pay</b></p> <p>Points awarded for extended paid leave benefit and hazard pay for duration of pandemic.</p>	<p>HSBC Offered \$1,000 To Employees Making \$75,000 Or Less During Pandemic.</p>	10	5
<p><b>Protections for Returning Workers</b></p> <p>Points awarded for stating social distancing and enhanced cleaning in branches</p>	<p>HSBC Increased Physical Safety Measures At Branches</p>	10	5
<p><b>Workforce issues</b></p> <p>Points awarded for announcing no layoffs in 2020</p>	<p>HSBC Planned To Delay Layoffs Except For Top-Level Cuts Amid Pandemic.</p>	10	10
<b>Total</b>		<b>40</b>	<b>25</b>

<b>HSBC North America Consumer Protections</b>		<b>Eligible Points</b>	<b>Awarded Points</b>
<b>Mortgage Policy</b>  Points awarded for following federal stating each forbearance time period set by CARES Act, clearly suspending foreclosure, eviction, and repossession.	HSBC Offered 90, 180, And 360 Day Forbearance Period For Customers Impacted By Covid.	10	10
<b>Relief from Bank Fees</b>  Points awarded for automatically suppressing fees for all consumer products.	HSBC Waived Fees For Personal Deposit Accounts; HSBC Deferred Payments For Personal Loans And Credit Cards With Fees Waived;	10	10
<b>Relief for Automobile Loans</b>  Full points for applying federal mortgage forbearance timelines.	HSBC Has Not Offered Auto Loans Since 2010;	NA	NA
<b>Relief for Student Loans</b>  Full points for following federal forbearance timelines.)	HSBC Does Not Offer Student Loans In The US.	NA	NA
<b>Total</b>		<b>20</b>	<b>20</b>

HSBC North America Other Factors Considered		Eligible Points	Awarded Points
<p><b>Charitable Donations</b></p> <p>Five bonus points for making charitable donation.</p>	<p><a href="#">Fifth Third Bank Committed \$8.75 Million to Address Effects of Covid-19; Full year net income of \$2.5 billion.</a></p> <p>Donation equaled 0.2% of net income.</p>	5	5