

HSBC UK Bank plc €25 billion Global Covered Bond Programme



Investor Report 10th March 2024

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Administration	
Name of issuer	HSBC UK Bank plc
Name of PCB programme	HSBC UK Bank plc EUR25bn Global Covered Bond Programme
Name, job title and contact details of person validating this form	Neelam Sabharwal, Senior Manager, HSBC UK Secured Funding Email: neelam.sabharwal@hsbc.com Phone: +44 121 4055556 Mobile: +44 7769175611
Date of form submission	29/03/2024
Start Date of reporting period	11/03/2024
End Date of reporting period	10/03/2024
Web link - prospectus, transaction documents, loan-level data	https://www.about.hsbc.co.uk/hsbc-uk-regulated-covered-bond-programme

Counterparties, Ratings	Counterparties	Fitch		Moody's		GBP		DBRS	
		Rating trigger	Current rating	Rating trigger	Current rating	Rating trigger	Current rating	Rating trigger	Current rating
Covered bonds		N/A	AAA	N/A	AAA	N/A	N/A	N/A	N/A
Issuer	HSBC UK Bank plc	N/A	F1+/AA-	N/A	P-1(G)/Aa3(G)	N/A	A-1/AA	N/A	N/A
Seller(s)	HSBC UK Bank plc	BBB-	F1+/AA-	Baa3(cr)	P-1(G)/Aa3(G)	N/A	A-1/AA	N/A	N/A
Cash manager	HSBC Bank plc	BBB-	F1+/AA-	Baa3(cr)	P-1(G)/Aa3(G)	N/A	A-1/AA	N/A	N/A
Account bank	HSBC UK Bank plc	F1/A	F1+/AA-	P-1	P-1(G)/Aa3(G)	N/A	A-1/AA	N/A	N/A
Standby account bank	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Service(s)	HSBC UK Bank plc	BBB-	F1+/AA-	Baa3(cr)	P-1(G)/Aa3(G)	N/A	A-1/AA	N/A	N/A
Standby servicer(s)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Swap provider(s) on cover pool	HSBC UK Bank plc	F1/A	F1+/AA-	-/A3(cr)	P-1(G)/Aa3(G)	N/A	A-1/AA	N/A	N/A
Standby swap provider(s) on cover pool	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Swap notional amount(s) (GBP)	£	2,649,209,988							
Swap notional amount(s) (EUR)		N/A							
LLP receive rate margin		6.07%							
LLP pay rate margin		2.34%							
Collateral posting amount(s) (GBP)	£								

Accounts - Ledgers	Value as of End Date of reporting period	Value as of Start Date of reporting period	Targeted Value
Revenue receipts (please disclose all parts of waterfall)	£ 13,533,171	£ -	-
Interest Collections	£ 5,647,925	£ -	-
Other net income including bank interest	£ 7,885,246	£ -	-
Expense amount released from Reserve Account	£ -	£ -	-
Available Revenue Receipts	£ 13,533,171	£ -	-
Senior fees (including Cash Manager, Servicer & Asset Monitor)	£ 84,843	£ -	-
Amounts due under Interest Rate Swap	£ -	£ -	-
Amounts due under Covered Bond Swap	£ -	£ -	-
Amounts due under Intercompany Loan	£ -	£ -	-
Amounts added to Interest Accumulation Account	£ 4,417,173	£ -	-
Amounts added to Pre-Maturity Liquidity Account	£ -	£ -	-
Amounts added to Reserve Account	£ -	£ -	-
Deferred Compensation	£ 9,028,156	£ -	-
Members' profit	£ 3,000	£ -	-
Total distributed	£ 13,533,171	£ -	-
Principal receipts (please disclose all parts of waterfall)	£ 23,773,280	£ -	-
Principal Collections	£ 23,773,280	£ -	-
Any other amount standing to credit Principal Collections Ledger	£ -	£ -	-
Cash Capital Contributions from Members	£ -	£ -	-
Available Principal Receipts	£ 23,773,280	£ -	-
Amounts added to Pre-Maturity Liquidity Account	£ -	£ -	-
Amounts used to acquire New Mortgages and Additional Borrowings	£ -	£ -	-
Capital Distribution	£ 23,773,280	£ -	-
Total distributed	£ 23,773,280	£ -	-
Interest Collections Ledger	£ 13,533,171	£ 14,878,478	-
Principal Collections Ledger	£ 23,773,280	£ 34,222,709	-
Interest Accumulation Account	£ -	£ 9,324,101	£ 4,417,173
Intercompany Loan Settlement	£ -	£ -	-
Pre-Maturity Liquidity Account	£ -	£ -	-
Reserve Account	£ -	£ -	-

Asset Coverage Test	Value	Description
A	£ 2,644,875,588	The lower of (a) Adjusted True Balance and (b) Amounts Adjusted True Balance
B	£ -	Principal collections not yet applied
C	£ -	Cash Capital Contributions not yet applied
D	£ -	Substitution assets
X	£ -	For set-off risk
Y	£ 1,319,200	For additional borrowing capacity
Z	£ 31,766,735	For potential negative carry
Total	£ 2,621,789,756	
Method used for calculating component 'A'	40%	
Asset percentage (%)	92.50%	
Maximum asset percentage from Fitch (%)	92.50%	
Maximum asset percentage from Moody's (%)	92.50%	
Maximum asset percentage from S&P (%)	N/A	
Maximum asset percentage from DBRS (%)	N/A	
Credit support as derived from ACT (GBP)	£ 1,521,789,756	
Credit support as derived from ACT (%)	162.18%	

Programme-Level Characteristics	EUR
Programme currency	EUR
Programme size	25,000,000,000
Covered bonds principal amount outstanding (GBP, non-GBP series converted at swap FX rate)	£ 1,000,000,000
Covered bonds principal amount outstanding (GBP, non-GBP series converted at current spot rate)	£ 1,000,000,000
Cover pool balance (GBP)	£ 2,763,001,800
GLP account balance (GBP)	£ 29,364,411
Any additional collateral (please specify)	None
Any additional collateral (GBP)	£ -
Autonomous balance of off-coverage assets (GBP)	£ -
Aggregate deposits attaching to the cover pool (GBP)	£ -
Aggregate deposits attaching specifically to the off-set mortgages (GBP)	£ -
Nominal level of overcollateralisation (GBP)	£ 1,763,001,800
Nominal level of overcollateralisation (%)	176.30%
Number of loans in cover pool	20,684
Average loan balance (GBP)	£ 133,682
Weighted average non-indexed LTV (%)	50.40%
Weighted average indexed LTV (%)	46.40%
Weighted average seasoning (months)	46.0
Weighted average remaining term (months)	244.4
Weighted average interest rate (%)	2.52%
Standard Variable Rate(s) (%)	0.90%
Constant Pre-Payment Rate (%) current month	0.40%
Constant Pre-Payment Rate (%) quarterly average	1.75%
Principal Payment Rate (%) current month	0.80%
Principal Payment Rate (%) quarterly average	2.52%
Constant Default Rate (%) current month	0.00%
Constant Default Rate (%) quarterly average	0.00%
Fitch Discontinuity Cap	0
Moody's TruSty Payment Indicator	Probable
Moody's Collateral Score (%)	4.00%

Mortgage characteristics	
Mortgage collections (scheduled - interest)	£ 5,647,925
Mortgage collections (scheduled - principal)	£ 11,448,350
Mortgage collections (unscheduled - interest)	£ -
Mortgage collections (unscheduled - principal)	£ 17,625,030

Loan Requisitions & Repurchases Since Previous Reporting Date	Number	% of total number	Amount (GBP)	% of total amount
Loans reperfected since previous reporting date	114	0.55%	£ 8,442,205	0.31%
Loans bought back by seller(s)	2	0.01%	£ 281,086	0.01%
of which are non-performing loans	2	0.01%	£ 281,086	0.01%
of which have breached ratings	-	0.00%	£ -	0.00%
Loans sold into the cover pool	33	0.16%	£ 2,320,428	0.08%

Product Rate Type and Reversionary Profiles	Number	% of total number	Amount (GBP)	% of total amount	% Current rate	Remaining tenor period (months)	Weighted average % Current margin	% Reversionary margin	% Initial rate
Fixed at origination, reverting to SVR	19,321	93.41%	£ 2,635,464,000	95.38%	2.35%	28.55	2.35%	0.00%	2.35%
Fixed at origination, reverting to Libor	-	0.00%	£ -	0.00%	0.00%	0.00	0.00%	0.00%	0.00%
Fixed at origination, reverting to tracker	-	0.00%	£ -	0.00%	0.00%	0.00	0.00%	0.00%	0.00%
Fixed for life	-	0.00%	£ -	0.00%	0.00%	0.00	0.00%	0.00%	0.00%
Tracker at origination, reverting to SVR	528	2.55%	£ 74,780,062	2.71%	5.76%	13.43	0.51%	0.00%	5.76%
Tracker at origination, reverting to Libor	-	0.00%	£ -	0.00%	0.00%	0.00	0.00%	0.00%	0.00%
Tracker for life	276	1.33%	£ 20,126,898	0.73%	6.66%	0.00	1.41%	0.00%	6.66%
SVR, including discount to SVR	669	2.70%	£ 32,830,240	1.18%	6.99%	0.00	0.00%	0.00%	6.99%
Libor	-	0.00%	£ -	0.00%	0.00%	0.00	0.00%	0.00%	0.00%
Total	20,684	100.00%	£ 2,763,001,800	100.00%	2.52%		2.26%		2.52%

Stratification				
Stratification	Number	% of total number	Amount (GBP)	% of total amount
Arms break-down				
Current	20,672	99.84%	£ 2,761,162,094	99.93%
0-1 month in arrears	8	0.04%	£ 1,627,719	0.06%
1-2 months in arrears	3	0.01%	£ 84,721	0.003%
2-3 months in arrears	-	0.00%	£ -	0.00%
3-6 months in arrears	1	0.00%	£ 217,266	0.01%
6-12 months in arrears	-	0.00%	£ -	0.00%
12+ months in arrears	-	0.00%	£ -	0.00%
Total	20,684	100.00%	£ 2,763,001,800	100.00%
Current non-indexed LTV				
0-50%	11,920	57.63%	£ 1,221,070,543	44.19%
50-55%	2,084	10.12%	£ 320,277,521	11.59%
55-60%	2,155	10.42%	£ 362,287,122	12.75%
60-65%	2,034	9.83%	£ 347,516,681	12.57%
65-70%	4,871	23.55%	£ 378,000,230	13.68%
70-75%	605	2.93%	£ 133,292,538	4.82%
75-80%	3	0.01%	£ 766,870	0.03%
80-85%	-	0.00%	£ -	0.00%
85-90%	-	0.00%	£ -	0.00%
90-95%	-	0.00%	£ -	0.00%
95-100%	-	0.00%	£ -	0.00%
100-105%	-	0.00%	£ -	0.00%
105-110%	-	0.00%	£ -	0.00%
110-125%	-	0.00%	£ -	0.00%
125%+	-	0.00%	£ -	0.00%
Total	20,684	100.00%	£ 2,763,001,800	100.00%
Current indexed LTV				
0-50%	14,543	70.31%	£ 1,593,977,800	57.69%
50-55%	1,915	9.26%	£ 321,450,356	11.63%
55-60%	1,569	7.59%	£ 281,521,660	10.19%
60-65%	1,208	5.83%	£ 239,381,428	8.66%
65-70%	425	2.05%	£ 206,518,243	7.47%
70-75%	458	2.21%	£ 101,677,862	3.68%
75-80%	65	0.31%	£ 17,817,653	0.64%
80-85%	3	0.01%	£ 766,870	0.03%
85-90%	-	0.00%	£ -	0.00%
90-95%	-	0.00%	£ -	0.00%
95-100%	-	0.00%	£ -	0.00%
100-105%	-	0.00%	£ -	0.00%
105-110%	-	0.00%	£ -	0.00%
110-125%	-	0.00%	£ -	0.00%
125%+	-	0.00%	£ -	0.00%
Total	20,684	100.00%	£ 2,763,001,800	100.00%
Current outstanding balance of loan				
0-5,000	355	1.72%	£ 1,072,016	0.34%
5,000-10,000	709	3.43%	£ 2,548,838	0.92%
10,000-25,000	1,865	9.02%	£ 31,879,402	1.16%
25,000-50,000	2,632	12.72%	£ 88,398,881	3.20%
50,000-75,000	3,386	16.34%	£ 149,176,424	5.40%
75,000-100,000	2,273	10.99%	£ 188,175,799	7.17%
100,000-150,000	3,702	17.90%	£ 457,476,677	16.56%
150,000-200,000	2,423	11.71%	£ 420,221,068	15.21%
200,000-250,000	1,486	7.18%	£ 331,450,353	12.00%
250,000-300,000	970	4.69%	£ 260,181,529	9.42%
300,000-350,000	650	3.14%	£ 210,937,081	7.63%
350,000-400,000	386	1.87%	£ 144,109,208	5.22%
400,000-450,000	269	1.30%	£ 113,736,425	4.12%
450,000-500,000	164	0.79%	£ 77,658,919	2.81%
500,000-550,000	222	1.07%	£ 121,074,780	4.38%
550,000-600,000	91	0.44%	£ 60,050,200	2.18%
600,000-650,000	73	0.35%	£ 54,682,420	1.98%
650,000-700,000	25	0.12%	£ 21,179,860	0.77%
700,000-800,000	3	0.01%	£ 2,780,224	0.10%
800,000-1,000,000	-	0.00%	£ -	0.00%
1,000,000+	-	0.00%	£ -	0.00%
Total	20,684	100.00%	£ 2,763,001,800	100.00%
Regional distribution				
East Anglia	2,425	11.72%	£ 338,934,698	12.28%
East Midlands	1,708	8.26%	£ 168,412,771	6.10%
London	2,958	14.30%	£ 660,786,191	23.92%
North	595	2.88%	£ 49,202,561	1.78%
North West	2,208	10.68%	£ 209,871,771	7.59%
Northern Ireland	-	0.00%	£ -	0.00%
Outer Metro	-	0.00%	£ -	0.00%
South East	4,120	19.92%	£ 654,333,470	23.68%
South West	1,955	9.46%	£ 230,934,623	8.36%
Scotland	-	0.00%	£ -	0.00%
Wales	979	4.73%	£ 84,485,232	3.06%
West Midlands	1,897	9.17%	£ 192,349,284	6.96%
Yorkshire	1,810	8.75%	£ 173,849,799	6.29%
Other	-	0.00%	£ -	0.00%
Total	20,684	100.00%	£ 2,763,001,800	100.00%
Repayment type				
Capital repayment	20,667	99.92%	£ 2,759,362,366	99.87%
Part and part	-	0.00%	£ -	0.00%
Interest only	17	0.08%	£ 3,639,435	0.13%
Offset	-	0.00%	£ -	0.00%
Total	20,684	100.00%	£ 2,763,001,800	100.00%
Reasoning				
0-12 months	326	1.58%	£ 29,989,213	1.09%
12-24 months	3,928	18.99%	£ 621,862,421	22.50%
24-36 months	3,961	19.15%	£ 601,372,039	21.77%
36-48 months	2,314	11.19%	£ 322,973,932	11.69%
48-60 months	2,252	10.89%	£ 273,776,778	9.91%
60-72 months	3,511	16.97%	£ 402,515,458	14.57%
72-84 months	2,506	12.12%	£ 299,469,322	10.84%
84-96 months	1,850	8.95%	£ 207,515,979	7.50%
96-108 months	21	0.10%	£ 3,933,806	0.14%
108-120 months	4	0.02%	£ 662,783	0.02%
120-150 months	1	0.00%	£ 30,070	0.00%
150-180 months	-	0.00%	£ -	0.00%
180+ months	-	0.00%	£ -	0.00%
Total	20,684	100.00%	£ 2,763,001,800	100.00%
Interest payment type				
Fixed	19,321	93.41%	£ 2,635,464,600	95.38%
SVR	559	2.70%	£ 32,630,240	1.18%
Tracker	804	3.89%	£ 94,908,960	3.43%
Other (please specify)	-	0.00%	£ -	0.00%
Total	20,684	100.00%	£ 2,763,001,800	100.00%
Loan purpose type				
Owner-occupied	20,684	100.00%	£ 2,763,001,800	100.00%
Buy-to-let	-	0.00%	£ -	0.00%
Second home	-	0.00%	£ -	0.00%
Total	20,684	100.00%	£ 2,763,001,800	100.00%
Income verification type				
Fully verified	20,684	100.00%	£ 2,763,001,800	100.00%
Fast-track	-	0.00%	£ -	0.00%
Self-certified	-	0.00%	£ -	0.00%
Total	20,684	100.00%	£ 2,763,001,800	100.00%
Remaining term of loan				
0-30 months	173	0.84%	£ 2,220,194	0.08%
30-60 months	222	1.08%	£ 21,179,420	0.77%
60-120 months	2,974	14.44%	£ 199,299,927	7.21%
120-180 months	4,020	19.44%	£ 401,677,878	14.54%
180-240 months	2,205	10.66%	£ 220,187,164	7.97%
240-300 months	4,785	23.13%	£ 807,819,715	29.24%
300-360 months	2,265	10.95%	£ 429,990,613	15.56%
360+ months	940	4.54%	£ 220,648,484	7.99%
Total	20,684	100.00%	£ 2,763,001,800	100.00%
Employment status				
Employed	18,800	90.89%	£ 2,610,611,915	90.87%
Self-employed	1,013	4.90%	£ 159,591,958	5.78%
Unemployed	8	0.04%	£ 1,187,224	0.04%
Retired	81	0.39%	£ 3,011,989	0.11%
Guarantor	-	0.00%	£ -	0.00%
Other	784	3.79%	£ 88,598,713	3.21%
Total	20,684	100.00%	£ 2,763,001,800	100.00%

Covered Bonds Outstanding, Associated Derivatives (please disclose for all bonds outstanding)		
Series	0022-1	2021-1
Issue date	14/09/2021	19/09/2021
Original rating (Moody's/S&P/Fitch/DBRS)	Aaa/AAA	Aaa/AAA
Current rating (Moody's/S&P/Fitch/DBRS)	Aaa/AAA	Aaa/AAA
Denomination	GBP	GBP
Amount at issuance	500,000,000	500,000,000
Amount outstanding	500,000,000	500,000,000
FX swap rate (rate %)		1.000
Maturity type (hard/soft/but/step through)	Soft Bullet	Soft Bullet
Scheduled first maturity date	25/09/2027	25/09/2028
Legal first maturity date	25/09/2028	25/09/2029
ISIN	XS2632981362	XS2682200030
Stock exchange listing	London	London
Coupon payment frequency	Quarterly	Quarterly
Coupon payment date	25th Feb, May, Aug, Nov	25th Feb, May, Aug, Nov
Compounded daily SONIA	Compounded Daily SONIA + 0.62%	Compounded Daily SONIA + 0.50%
Coupon (rate if fixed, margin and reference rate if floating)		
Margin payable under extended maturity period (%)	Compounded Daily SONIA + 0.62%	Compounded Daily SONIA + 0.50%
Swap counterparties	N/A	N/A
Swap notional denomination	N/A	N/A
Swap notional amount	N/A	N/A
Swap notional maturity	N/A	N/A
LLP access rate/margin	N/A	N/A
LLP pay rate/margin	N/A	N/A
Collateral positive amount	N/A	N/A

Programme Triggers				
Event (please list all triggers)	Summary of event	Trigger (S&P, Moody's, Fitch, DBRS - Short-term, Senior term)	Trigger breached (yes/no)	Consequence of a trigger breach
Account Bank rating trigger	Loss of required rating by the Account Bank	Short-term: - / P-1 / F1 / - Long-term: - / - / A / -	no	Within 60 days, replace with a counterparty which has such required ratings, or guarantee the obligations of the Account Bank.
Swap Collateral Account Bank rating trigger	Loss of required rating by the Account Bank	Short-term: - / P-1 / F1 / - Long-term: - / - / A / -	no	Replace or guarantee the obligations of the Swap Collateral Account Bank within 60 days, or move to the Account Bank Remedial Ratings.
Service rating trigger	Loss of required rating by the Servicer	Long-term: - / Baa3(cr) / BBB / -	no	The Servicer shall make all reasonable efforts to enter into a back-up master servicing agreement with a third party as required by LLP and the LLP Security Trustee within 60 days. All Servicer calculations will be subject to the relevant tests by the Asset Monitor following each Calculation Date for a period of six months.
Cash Manager rating trigger	Loss of required rating by the Cash Manager	Long-term: - / Baa3(cr) / BBB / -	no	The Servicer shall make all reasonable endeavours to enter into a back-up cash management agreement with a suitably experienced third party acceptable to the LLP and the Security Trustee within 60 days.
Perfection	Loss of required rating by the Servicer	Long-term: - / Baa3(cr) / BBB / -	no	Transfer of legal title of LLP Mortgages to the LLP within 20 London business days.
Swap Counterparty Trigger	Loss of required rating by the Swap Provider	Short-term: - / F1 / - Long-term: - / A2(cr) / A / -	no	Take measures under Relevant Swap Agreement or any other actions agreed with the Rating Agency including transfer of collateral, replacement of swap counterparty or finding suitably rated co-obligor.
Asset Coverage Test Set-Off Risk Protection	Loss of required rating by the Seller	Short-term: - / P-1 / F1 / - Long-term: - / A3(cr) / A / -	no	The set-off risk protection in the Asset Coverage Test shall be sized as per the Programme documentation.
Reserve Fund	Loss of required rating by the Issuer	Short-term: - / P-1(cr) / F1+ / -	no	Reserve Fund will be credited with the required amount calculated as per the Programme documentation.
Pre-Maturity Test (Hard Bullet Covered Bonds only)	Loss of required rating by the Issuer if the Final Maturity Date of any Series of Hard Bullet Covered Bonds occurs within 6 (Moody's) or 12 (Fitch) months	at 6 months: Short-term: - / P-1(cr) / - / - at 12 months: Short-term: - / F1+ / -	no	Requirement to fund the Pre-Maturity Liquidity Account to the Required Redemption Amount and, if necessary, the sale of Selected Mortgages.

Non-Rating Triggers				
Event (please list all triggers)	Description of trigger	Trigger breached (yes/no)	Consequence of a trigger breach	
Asset Coverage Test	The Aggregate Adjusted Cover Amount is less than the Starting Equivalent of the aggregate Principal Amount Outstanding of Covered Bonds as calculated on the relevant Calculation Date, and remains below the aggregate Principal Amount Outstanding of all Covered Bonds at the next Calculation Date.	no	If breach of Asset Coverage Test not remedied on the next Calculation Date will result in the issuance of an Asset Coverage Test Breach Notice and if not rectified by the 3rd calculation date after the issuance of the breach notice an Issuer Event of Default will occur. If not cured, an Issuer Acceleration Notice may be served, which means that each Series of Covered Bonds shall become due and repayable as against the Issuer and following which, a Notice to Pay will be served on the LLP, meaning that the LLP shall be required to make payments of Guaranteed Amounts on the Covered Bonds in accordance with the Guarantee Priority of Payments. Whilst an Asset Coverage Test Breach Notice remains outstanding, no Cash Capital Contributions may be distributed to HSBC UK Bank plc as a Capital Distribution.	
Interest Rate Shortfall Test	The amount of income that the LLP expects to receive in the next LLP Payment Period together with other funds available to it is insufficient to cover the amounts due under each Term Advance and to the Covered Bond Swap Provider(s) and other senior expenses ranking in priority thereto.	no	Servicer to notify the LLP and if required by LLP, Seller to make all reasonable endeavours to offer to sell new mortgages to the LLP on or before the next Calculation Date. New mortgages will have HSBC Variable Rates and/or other discretionary rates or margins, and be sufficient to ensure there would not be an Interest Rate Shortfall on future Calculation Dates.	
Issuer Event of Default	Any of the conditions, events or acts provided in Condition 9(a) (Issuer Events of Default) of the Programme Conditions occur.	no	If not cured, an Issuer Acceleration Notice may be served, which means that each Series of Covered Bonds shall become due and repayable as against the Issuer and following which, a Notice to Pay will be served on the LLP, meaning that the LLP shall be required to make payments of Guaranteed Amounts on the Covered Bonds in accordance with the Guarantee Priority of Payments.	
Amortisation Test	Following a Notice to Pay (but prior to the service of an LLP Acceleration Notice and/or wind-up proceedings), the Amortisation Test Aggregate Asset Amount is less than the Starting Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date.	no	Constitute an LLP Event of Default which if not cured, means that a LLP Acceleration Notice may be served, which means that each Series of Covered Bonds shall become due and repayable as against the Issuer (if not already due and repayable against it following an Issuer Event of Default) and as against the LLP, and the Security shall become enforceable.	
Yield Shortfall Test	Following an Issuer Event of Default which remains outstanding, the mortgages (once accounting for the Interest Rate Swap) must give an annual yield of less than SONIA + 9.40%.	no	LLP variable rate and other discretionary rates and/or margins may be increased.	
LLP Event of Default	Any of the conditions, events or acts provided in Condition 9(b) (LLP Events of Default) of the Programme Conditions occur.	no	If not cured, an LLP Acceleration Notice may be served, which means that each Series of Covered Bonds shall become due and repayable as against the Issuer (if not already due and repayable against it following an Issuer Event of Default) and as against the LLP, and the Security shall become enforceable.	
Perfection	Any of the conditions, events or acts provided in Clause 7 (Perfection of the Assignment) of the Mortgage Sale Agreement occur.	no	Triggers the requirement to prepare perfection of title documents but not the steps necessary to perfect legal title.	

Glossary		
Ref	Description	
Reporting period	Reporting period runs from and including the eleventh day of a calendar month to, and including, the tenth day of the following calendar month. True Balance means, for any Mortgage on any relevant date of determination, the aggregate (but avoiding double counting) of the following: (a) the aggregate of all principal amounts advanced to the relevant Borrower; and (b) Capitalised Expenses; and (c) Capitalised Interest; and (d) (to the extent not covered by paragraphs (b) and (c) above) Capitalised Arrears; and (e) any other amount (including, for the avoidance of doubt, Accrued Interest and Arrears of Interest) which is due or accrued (whether or not due) and which has not been paid by the relevant Borrower and has not been capitalised in accordance with the relevant Mortgage Conditions or with the relevant Borrower's consent but which is secured or intended to be secured by that Mortgage, less any repayment or payment of any of the foregoing made on or before the end of the Business Day immediately preceding the date of determination and excluding any retentions made but not released and any Additional Borrowings committed to be made but not made by the end of the Business Day immediately preceding the date of determination.	
Current non-indexed LTV	Current non-indexed LTV is the aggregate true balance of all loans within a mortgage account, divided by the value of the property securing the loans in that mortgage account at the date of the latest lending. Current non-indexed LTV is reported as zero where a customer borrower paid more than the outstanding balance of a mortgage.	
Current indexed LTV	Current indexed LTV is the aggregate true balance of all loans within a mortgage account, divided by the indexed value of the property securing the loans in that mortgage account at the reporting date. Indexation is applied on a regional basis to property valuations on a quarterly basis in January, April, July and October of each year using the Halifax House Price Index published by Market Group Limited. Indexed LTV is reported as zero where a customer borrower paid more than the outstanding balance of a mortgage.	
Monthly Constant Pre-Payment Rate (CPR)	Monthly Constant Pre-Payment Rate (CPR) is calculated as the total unscheduled principal receipts received over the last Calculation Period, divided by the total principal amount outstanding of the loans comprised in the portfolio at the beginning of the last Calculation Period. Unscheduled principal receipts does not comprise payments from HSBC UK Bank plc for the repurchase of loans from the portfolio. These are annualised using the formula: $1 / (1 - M)^{12}$ where M is the monthly CPR expressed as a percentage.	
Monthly Principal Payment Rate (PPR)	Monthly Principal Payment Rate (PPR) is defined as the total scheduled and unscheduled principal receipts received over the last Calculation Period, divided by the total principal amount outstanding of the loans comprised in the portfolio at the beginning of the last Calculation Period. These are annualised using the formula: $1 / (1 - M)^{12}$ where M is the monthly PPR expressed as a percentage.	
Quarterly Average CPR/PPR	Quarterly Average CPR/PPR is the average of the three most recent monthly CPR / PPR expressed as a percentage. These are annualised using the formula: $1 / (1 - M)^{12}$ where M is the Quarterly Average CPR/PPR expressed as a percentage.	
Arrears	Number of Months in Arrears means, as at the date of determination in respect of a Mortgage, the result of the calculation (A-B) / C, where: (a) 'A' equals the sum of all Monthly Payments in respect of advances under that Mortgage that were due and payable by the relevant Borrower on any due date up to that date of determination; (b) 'B' equals the sum of all payments actually made by that Borrower in respect of that Mortgage up to that date of determination (the difference between 'A' and 'B' being the "arrears balance"); and (c) 'C' equals the then Monthly Payment in respect of all advances under that Mortgage.	
Mortgage collections	Mortgage Collections include all cash receipts on a mortgage within the portfolio excluding monies paid by HSBC UK Bank plc in respect of mortgages repurchased from the portfolio.	
Seasoning	Seasoning refers to the number of months since the date of origination of the loan.	
Remaining Term	Remaining Term refers to the number of remaining months to maturity of each loan.	
Weighted Average (WA)	All Weighted Average (WA) calculations are weighted by True Balance.	
Supplementary notes		
Ref	Description	
Counterparties, Ratings table	The swap provider's rating trigger disclosed is the next trigger point. There may be subsequent triggers, as detailed in the relevant swap agreement. There are no minimum ratings for the issuer, although its ratings are linked to certain programme triggers - see the Programme Triggers section. Swap details relate to interest rate swaps and exclude covered bond swaps. HSBC UK Bank plc entered into a fixed interest rate swap to hedge against some or all possible variances between interest payable on cover pool and compounded daily SONIA rate. The waterfall reported (including intercompany loan settlement) is that which will be made in the next reporting period.	
Accounts, Ledgers table	Members' profits is paid rate a day on the LLP payment date, which the anniversary of the programme establishment falls into. Ledgers and Accounts balances are reported as at the reporting period end, before the distribution of revenue and principal receipts. For full description of the ACT requirements, please refer to the Prospectus.	
Asset Coverage Test ("ACT") table	Method A(i) is calculated as the lower of (i) the actual True Balance of the Mortgage and (ii) the Partially Indexed Valuation relating to that Mortgage multiplied by M (where for all Mortgages that are less than three months in arrears or not in arrears, M = 0.75; for all Mortgages that are three months or more in arrears and have a True Balance to Partially Indexed Valuation ratio of less than or equal to 75 per cent, M = 0.40; and for all Mortgages that are three months or more in arrears and have a True Balance to Partially Indexed Valuation ratio of more than 75 per cent, M = 0.25). Method A(ii) is calculated as the Asset Percentage multiplied by the lower of (i) the True Balance of the Mortgage and (ii) the Partially Indexed Valuation relating to that Mortgage multiplied by N (where for all Mortgages that are less than three months in arrears or not in arrears, N = 1; for all Mortgages that are three months or more in arrears and have a True Balance to Partially Indexed Valuation ratio of less than or equal to 75 per cent, N = 0.40 and for all Mortgages that are three months or more in arrears and have a True Balance to Partially Indexed Valuation ratio of more than 75 per cent, N = 0.25).	
Programme-Level Characteristics table	Item 8 of the Asset Coverage Test excludes principal balances distributed back to the seller in the next reporting period. Balance disclosed as CIC account is made up of the following LLP bank accounts at the reporting period end: Covered Bond Account (includes cash collected from mortgages on the last day of the reporting period, passed to the LLP on the first day of the following reporting period), Interest Accumulation Account, Reserve Account and Pre-Maturity Liquidity Account. Balance disclosed as Aggregate deposits attaching to the cover pool (GBP) is the amount required under item X (set-off risk) of the ACT. The minimal level of over-collateralisation includes cash held on the principal ledger, excluding any waterfall distributions back to the seller in the next calendar month. The Constant Default Rate is not applicable to revolving programmes. Moody's Timely Payment Indicator and Moody's Collateral Score (N) are sourced from "Moody's Investor Service". Fitch Payment Continuity Light (PCL) is reported as Fitch Discontinuity Cap.	
Mortgage collections table	Mortgage collections (unscheduled - principal) does not comprise payments from HSBC UK Bank plc for the repurchase of loans from the portfolio, and comprise capital repayments and redemptions other than those received at the expected term end date of the loan.	
Loan Redemptions & Replenishments Since Previous Reporting Date table	Loan redemptions and Loans bought back by seller are reported as of the immediately preceding reporting period end. Loans sold into the cover pool are reported as of the reporting period end.	
Product Rate Type and Reversionary Profiles table	Standard Variable Rate (SVR) refers to HSBC Standard Variable rate applicable to residential mortgages. Margins are based on the index rate, therefore fixed loans are reported at the fixed rate, tracker are reported over BBR (E 25%) and variable over SVR (E 99%).	
Regional distribution table	The initial rate is considered to be the same as the current rate. Regions are defined in line with Level 1 of the International Territorial Levels (ITL) codes of the United Kingdom.	
Assignment type table	The analysis is performed at loan level and therefore there are no balances shown in part and part.	
Employment status table	Employment status reported is the latest information held on borrower's record. First borrower's employment status is reported. Where the first borrower is unemployed, then second borrower's employment status is reported.	