

HSBC UK Bank plc €25 billion Global Covered Bond Programme



Investor Report 10th January 2024

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Administration	
Name of issuer	HSBC UK Bank plc
Name of RCB programme	HSBC UK Bank plc EUR25bn Global Covered Bond Programme
Name, job title and contact details of person validating this form	Neelam Sahdev, Senior Manager, HSBC UK Secured Funding Email: neelam.sahdev@hsbc.com Phone: +44 121 4505506 Mobile: +44 7755414219
Date of form submission	25/01/2024
Start date of reporting period	11/12/2023
End date of reporting period	1/01/2024
Web links - prospectus, transaction documents, loan-level data	https://www.about.hsbc.co.uk/hsbc-uk/regulated-covered-bond-programme

	Counterparty	Counterparty		Fitch		Moody's		GBP		DBRS	
		Rating	Issuer	Rating	Current rating	Rating	Current rating	Rating	Current rating	Rating	Current rating
Covered bonds											
Issuer	HSBC UK Bank plc	N/A		N/A	P1+ / AA-	N/A	Aaa	N/A	N/A	N/A	N/A
Seller(s)	HSBC UK Bank plc	BBB-		P1+ / AA-	BBB-(or)	P-1(or) / Aaa3(or)	N/A	N/A	A-1 / Aa	N/A	N/A
Cash manager	HSBC Bank plc	BBB-		P1+ / AA-	BBB-(or)	P-1(or) / Aaa3(or)	N/A	N/A	A-1 / Aa	N/A	N/A
Account bank	HSBC UK Bank plc	F1/A		P1+ / AA-	P-1	P-1(or) / Aaa3(or)	N/A	N/A	A-1 / Aa	N/A	N/A
Stand-by account bank	N/A	N/A		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Servicer(s)	HSBC UK Bank plc	BBB-		P1+ / AA-	BBB-(or)	P-1(or) / Aaa3(or)	N/A	N/A	A-1 / Aa	N/A	N/A
Stand-by servicer(s)	N/A	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		P1+ / AA-	- / A3 (or)	P-1(or) / Aaa3(or)	N/A	N/A	A-1 / Aa	N/A	N/A
Stand-by swap provider(s) on cover pool	N/A	N/A		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Swap notional amount(s) (GBP)	£	2,695,444,429									
Swap notional notionalities	N/A										
LLP average rate/margin		6.07%									
LLP pay rate/margin		2.28%									
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)	£	13,779,311	£	-
Interest Collections	£	6,007,533	£	-
Other net income including bank interest	£	7,771,779	£	-
Excess amount released from Reserve Account	£	-	£	-
Available Revenue Receipts	£	13,779,311	£	-
Senior fees (including Cash Manager, Servicer & Asset Monitor)	£	65,700	£	-
Amounts due under Interest Rate Swap	£	-	£	-
Amounts due under Covered Bond Swap	£	-	£	-
Amounts due under Intercompany Loan	£	-	£	-
Amounts added to Interest Accumulation Account	£	4,581,683	£	-
Amounts added to Pre-Maturity Liquidity Account	£	-	£	-
Amounts added to Reserve Account	£	-	£	-
Deferred Consideration	£	9,081,948	£	-
Members' profit	£	-	£	-
Total distributed	£	13,779,311	£	-
Principal receipts (please disclose all parts of waterfall)	£	24,882,843	£	-
Principal Collections	£	24,882,843	£	-
Any other amount standing to credit Principal Collections Ledger	£	-	£	-
Cash Capital Contribution from Members	£	-	£	-
Available Principal Receipts	£	24,882,843	£	-
Amounts added to Pre-Maturity Liquidity Account	£	-	£	-
Capital Distribution	£	24,882,843	£	-
Total distributed	£	24,882,843	£	-
Interest Collections Ledger	£	13,779,311	£	14,777,498
Principal Collections Ledger	£	24,882,843	£	37,307,878
Interest Accumulation Account	£	4,722,438	£	9,324,101
Intercompany Loan Settlement	£	-	£	-
Pre-Maturity Liquidity Account	£	-	£	-
Reserve Account	£	-	£	-

Asset Coverage Test		Value	Description
A	£	2,695,477,054	The lower of (a) Adjusted True Balance and (b) Assets Adjusted True Balance
B	£	-	Principal collections not yet applied
C	£	-	Cash Capital Contributions not yet applied
D	£	-	Substitution assets
E	£	-	For set-off risk
V	£	1,274,897	For additional borrowing capacity
Z	£	13,097,331	For potential negative carry
Total	£	2,695,499,725	
Method used for calculating component 'A'		Act1	
Asset encumbrance (%)		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)	£	1,569,899,728	
Credit support as derived from ACT (%)		186.99%	

Non-Performing Asset Characteristics		£125
Programme currency		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)	£	2,814,618,881
GLC account balance (GBP)	£	45,384,693
Any additional collateral (please specify)		None
Any additional collateral (GBP)	£	-
Aggregate balance of off-set mortgages (GBP)	£	-
Aggregate deposits attaching to the cover pool (GBP)	£	-
Aggregate deposits attaching specifically to the off-set mortgages (GBP)	£	-
Nominal level of overcollateralisation (GBP)	£	1,814,618,881
Nominal level of overcollateralisation (%)		181.46%
Number of loans in cover pool		20,909
Average loan balance (GBP)	£	134,613
Weighted average (non-indexed) LTV (%)		60.80%
Weighted average indexed LTV (%)		44.3
Weighted average seasoning (months)		245.0
Weighted average interest rate (%)		2.47%
Standard Variable Rate(s) (%)		0.99%
Constant Pre-Payment Rate (%) current month		0.48%
Constant Pre-Payment Rate (%) quarterly average		2.05%
Principal Payment Rate (%) current month		0.34%
Principal Payment Rate (%) quarterly average		5.77%
Constant Default Rate (%) current month		0.00%
Constant Default Rate (%) quarterly average		0.00%
Flash Discontinuity Cap		0.00%
Moody's Timely Payment Indicator		Probable
Moody's Collateral Score (%)		0.00%

Mortgage collections	
Mortgage collections (scheduled - interest)	£ 6,007,533
Mortgage collections (scheduled - principal)	£ 11,262,622
Mortgage collections (unscheduled - interest)	£ -
Mortgage collections (unscheduled - principal)	£ 13,620,221

Loan Redemptions & Replacements Since Previous Reporting Date		Number	% of total number	Amount (GBP)	% of total amount
Loan redemptions since previous reporting date		125	0.60%	9,805,784	0.36%
Loans bought back by seller(s)		4	0.02%	581,438	0.02%
of which are non-performing loans		-	0.00%	£	0.00%
of which have breached R&V's		2	0.01%	533,830	0.02%
Loans sold into the cover pool		23	0.11%	2,154,413	0.08%

Product Rate Use and Reversibility Profiles		Number	% of total number	Amount (GBP)	% of total amount	% Current rate	Remaining lesser period (months)	Weighted average	% Reversibility margin	% Total rate
Fixed at origination, reverting to SVR		19,613	96.25%	£ 2,682,518,748	96.30%	2.20%	29.75	2.20%	0.00%	2.20%
Fixed at origination, reverting to Libor		-	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%
Fixed for life		-	0.00%	£	0.00%	0.00%		0.00%	0.00%	0.00%
Tracker at origination, reverting to SVR		945	4.55%	£ 78,445,520	2.73%	5.77%	14.02	5.77%	0.00%	5.77%
Tracker at origination, reverting to Libor		299	1.39%	£ 21,282,885	0.76%	6.99%	0.00	6.99%	0.00%	6.99%
SVR, including discount to SVR		954	4.56%	£ 32,588,725	1.16%	6.99%	0.00	6.99%	0.00%	6.99%
Libor		-	0.00%	£	0.00%	0.00%		0.00%	0.00%	0.00%
Total		20,909	100.00%	£ 2,814,618,881	100.00%	2.47%		2.47%		2.47%

Stratifications				
Criteria breakdown	Number	% of total number	Amount (GBP)	% of total amount
Current	20,899	99.85%	2,811,389,205	99.88%
0-1 month in arrears	18	0.08%	2,620,002	0.09%
1-2 months in arrears	1	0.00%	215,380	0.01%
2-3 months in arrears	4	0.02%	326,148	0.01%
3-6 months in arrears	3	0.01%	188,079	0.01%
6-12 months in arrears	-	0.00%	-	0.00%
12+ months in arrears	-	0.00%	-	0.00%
Total	20,909	100.00%	2,814,618,881	100.00%
Current non-indexed LTV	Number	% of total number	Amount (GBP)	% of total amount
0-50%	11,900	56.91%	1,221,856,234	43.41%
50-55%	1,923	9.20%	337,054,309	11.97%
55-60%	2,158	10.32%	355,416,061	12.63%
60-65%	2,020	9.66%	348,960,676	12.40%
65-70%	1,897	9.05%	387,167,832	13.75%
70-75%	743	3.55%	164,213,674	5.83%
75-80%	-	0.00%	-	0.00%
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	20,909	100.00%	2,814,618,881	100.00%
Current indexed LTV	Number	% of total number	Amount (GBP)	% of total amount
0-50%	14,520	69.44%	1,693,460,108	56.61%
50-55%	1,923	9.20%	325,112,631	11.55%
55-60%	1,898	9.04%	288,708,922	10.26%
60-65%	1,252	5.99%	244,522,077	8.69%
65-70%	976	4.67%	212,905,312	7.56%
70-75%	636	2.95%	124,821,845	4.43%
75-80%	100	0.48%	24,895,812	0.88%
80-85%	4	0.02%	200,173	0.01%
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	20,909	100.00%	2,814,618,881	100.00%
Current outstanding balance of loan	Number	% of total number	Amount (GBP)	% of total amount
0-5,000	368	1.86%	1,065,962	0.38%
5,000-10,000	709	3.39%	5,699,365	0.20%
10,000-25,000	1,871	8.95%	32,213,690	1.14%
25,000-50,000	2,620	12.51%	26,783,036	0.95%
50,000-75,000	2,366	11.32%	147,661,146	5.25%
75,000-100,000	2,321	11.10%	202,066,743	7.18%
100,000-150,000	3,761	17.94%	483,235,365	16.46%
150,000-200,000	2,459	11.76%	425,609,424	15.13%
200,000-250,000	1,627	7.76%	340,585,090	12.10%
250,000-300,000	983	4.70%	268,687,475	9.55%
300,000-350,000	657	3.14%	212,132,036	7.54%
350,000-400,000	409	1.96%	152,486,205	5.42%
400,000-450,000	268	1.27%	112,354,870	3.99%
450,000-500,000	179	0.86%	84,733,679	3.01%
500,000-600,000	228	1.08%	123,350,228	4.38%
600,000-700,000	82	0.40%	69,646,179	2.48%
700,000-800,000	76	0.36%	56,852,799	2.02%
800,000-900,000	27	0.13%	22,792,983	0.81%
900,000-1,000,000	5	0.02%	4,550,746	0.16%
1,000,000 +	-	0.00%	-	0.00%
Total	20,909	100.00%	2,814,618,881	100.00%
Regional distribution	Number	% of total number	Amount (GBP)	% of total amount
East Anglia	2,452	11.73%	244,261,624	12.23%
East Midlands	1,726	8.20%	172,450,900	6.13%
London	2,997	14.33%	874,812,733	23.96%
North	608	2.91%	50,438,312	1.79%
North West	2,229	10.65%	213,779,617	7.60%
Northern Ireland	-	0.00%	-	0.00%
Outer Metro	-	0.00%	-	0.00%
South East	4,160	19.90%	665,236,627	23.63%
South West	2,002	9.57%	235,166,421	8.36%
Scotland	-	0.00%	-	0.00%
Wales	983	4.70%	85,635,732	3.04%
West Midlands	1,916	9.16%	195,874,691	6.96%
Yorkshire	1,827	8.74%	177,013,621	6.29%
Other	-	0.00%	-	0.00%
Total	20,909	100.00%	2,814,618,881	100.00%
Repayment type	Number	% of total number	Amount (GBP)	% of total amount
Capital repayment	20,898	99.95%	2,811,848,034	99.90%
Part and part	-	0.00%	-	0.00%
Interest only	11	0.05%	2,730,848	0.10%
Offset	-	0.00%	-	0.00%
Total	20,909	100.00%	2,814,618,881	100.00%
Revolving	Number	% of total number	Amount (GBP)	% of total amount
0-12 months	303	1.44%	28,371,018	1.01%
12-24 months	4,695	22.45%	745,374,603	26.48%
24-36 months	3,569	17.07%	543,834,790	19.32%
36-48 months	3,313	15.85%	528,807,760	18.80%
48-60 months	2,181	10.43%	260,662,084	9.27%
60-72 months	3,760	17.98%	439,644,115	15.62%
72-84 months	2,511	12.01%	297,493,866	10.56%
84-96 months	1,546	7.39%	172,380,379	6.12%
96-108 months	7	0.03%	1,365,969	0.05%
108-120 months	4	0.02%	572,457	0.02%
120-150 months	-	0.00%	-	0.00%
150-180 months	-	0.00%	-	0.00%
180+ months	-	0.00%	-	0.00%
Total	20,909	100.00%	2,814,618,881	100.00%
Relevant payment type	Number	% of total number	Amount (GBP)	% of total amount
Fixed	19,513	93.32%	2,682,318,748	95.30%
SVR	964	2.70%	32,688,729	1.16%
Transfer	632	3.08%	98,711,405	3.54%
Other (please specify)	-	0.00%	-	0.00%
Total	20,909	100.00%	2,814,618,881	100.00%
Loan purpose type	Number	% of total number	Amount (GBP)	% of total amount
Owner-occupied	20,909	100.00%	2,814,618,881	100.00%
Buy-to-let	-	0.00%	-	0.00%
Second home	-	0.00%	-	0.00%
Total	20,909	100.00%	2,814,618,881	100.00%
Income verification type	Number	% of total number	Amount (GBP)	% of total amount
Fully verified	20,909	100.00%	2,814,618,881	100.00%
Fast-track	-	0.00%	-	0.00%
Self-certified	-	0.00%	-	0.00%
Total	20,909	100.00%	2,814,618,881	100.00%
Remaining term of loan	Number	% of total number	Amount (GBP)	% of total amount
0-30 months	196	0.93%	2,068,214	0.73%
30-60 months	707	3.38%	20,450,989	0.73%
60-120 months	2,602	12.44%	160,973,843	5.72%
120-180 months	4,031	19.28%	424,322,613	14.97%
180-240 months	5,278	25.25%	720,544,774	25.60%
240-300 months	4,891	23.39%	826,647,136	29.37%
300-360 months	2,317	11.08%	441,183,789	15.67%
360+ months	966	4.62%	225,548,443	8.12%
Total	20,909	100.00%	2,814,618,881	100.00%
Employment status	Number	% of total number	Amount (GBP)	% of total amount
Employed	19,003	90.88%	2,456,609,117	80.83%
Self-employed	1,020	4.88%	163,250,878	5.80%
Unemployed	6	0.03%	1,186,569	0.04%
Retired	84	0.40%	3,139,309	0.11%
Overseas	-	0.00%	-	0.00%
Other	796	3.81%	90,423,200	3.24%
Total	20,909	100.00%	2,814,618,881	100.00%

Covered Bonds Outstanding, Associated Derivatives (please disclose for all bonds outstanding)

Series	2022-1	2023-1
Issue date	14/09/2022	19/09/2023
Original rating (Moody's/S&P/Fitch/BBB)	Aaa/AAA	Aaa/AAA
Current rating (Moody's/S&P/Fitch/BBB)	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	1.000
Maturity type (hard/soft/bullet/pass-through)	Soft Bullet	Soft Bullet
Scheduled final maturity date	25/09/2027	25/09/2028
Legal final maturity date	25/09/2028	25/09/2029
ISIN	XS243281182	XS246220030
Stock exchange listing	London	London
Coupon payment frequency	Quarterly	Quarterly
Coupon payment date	25th Feb, May, Aug, Nov	25th Feb, May, Aug, Nov
Coupon (rate if fixed, margin and reference rate if floating)	Compounded Daily SONIA + 0.62%	Compounded Daily SONIA + 0.50%
Margin payable under extended maturity period (%)	0.62%	0.50%
Sweep counterparty/ies	N/A	N/A
Sweep notional denomination	N/A	N/A
Sweep notional amount	N/A	N/A
Sweep notional maturity	N/A	N/A
LLP net asset realisation	N/A	N/A
LLP pay rate/margin	N/A	N/A
Collateral posting amount	N/A	N/A

Programme Triggers

Event (please list all triggers)	Summary of event	Trigger (S&P, Moody's, Fitch, (BBB, short-term, long-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.
Sweep 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 Sweep Collateral Account Bank within 60 days, or move to the Account Bank Remedial Ratings.
Serviceur rating trigger	Loss of required rating by the Serviceur	Long-term: - / Baa3(c) / BBB / -	no	The Serviceur 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 Serviceur 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(c) / BBB / -	no	The Serviceur 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 Serviceur	Long-term: - / Baa3(c) / BBB / -	no	Transfer of legal title of LLP Mortgages to the LLP within 20 London business days.
Sweep Counterparty Trigger	Loss of required rating by the Sweep Provider	Short-term: - / F1 / - Long-term: - / A2(c) / A / -	no	Take measures under Relevant Swap Agreement or any other actions agreed with the Rating Agency including transfer of collateral, replacement of sweep counterparty or finding suitably rated co-obligor.
Asset Coverage Test Set-Off Risk Protection	Loss of required rating by the Seller	Short-term: - / F1 / - Long-term: - / A2(c) / 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(c) / 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(c) / F1 / - 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-Ratio 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 Sterling equivalent of the aggregate Principal Amount Outstanding of all 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 a 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 would be amounts due under each Term Advance and to the Covered Bond Swap Provider(s) and other senior expenses ranking in priority thereto.	no	Serviceur 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 Sterling Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date.	no	Constitutes 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 + 0.40%.	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		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 indexed LTV		Current non-indexed LTV is reported as zero where a customer borrower paid more than the outstanding balance of a mortgage. 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 Marks 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 interest - see the Programme Triggers section.
Accounts, Ledgers table		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.
Asset Coverage Test ("ACT") table		Members' profit is paid once a year, on the LLP payment date, which is 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. 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 GIC 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 Aesopate deposits attaching to the cover pool (GBP) is the amount required under Item X last-off risk of the ACT. The nominal level of over-collateralisation includes cash held on the principal ledger, including 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 Uplift (PCU) is reported as Fitch Discontinuity Cap.
Mortgage collections table		Mortgage collections (unscheduled - interest) is not reported as all unscheduled collections are treated as principal. 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 (0.25%) and variable over SVR (0.99%). The initial rate is considered to be the same as the current rate.
Regional distribution table		Regions are defined in line with List 1 of the Nomenclature of Territorial Units for Statistics (NUTS) codes of the United Kingdom.
Repayment type table		The analysis is performed at loan level and therefore there are no balances shown as 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.