



# HSBC Legislative Global Covered Bond Programme - Monthly Investor Report

Calculation Date: 9/30/2020

Reporting Date: 10/22/2020

This report contains information regarding the HSBC Bank Canada Legislative Global Covered Bond Programme's Cover Pool as of the indicated Calculation Date. The composition of the Cover Pool will change as Loans (and their Related Security) are added and removed from the Cover Pool from time to time and, accordingly, the characteristics and performance of the Loans (and their Related Security) in the Cover Pool will vary over time.

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THESE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY CANADA MORTGAGE AND HOUSING CORPORATION ("CMHC") NOR HAS CMHC PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE DOCUMENT. THESE COVERED BONDS ARE NOT INSURED OR GUARANTEED BY CMHC OR THE GOVERNMENT OF CANADA OR ANY OTHER AGENCY THEREOF.

Effective August 24, 2018, the Guarantor employs the methodology set out below to determine the indexed valuations for Properties relating to the Loans in the Covered Bond Portfolio (the "Indexation Methodology") for purposes of the Asset Coverage Test, the Amortization Test, the Valuation Calculation, in calculating the value of the covered bond collateral held as Contingent Collateral and for other purposes as may be required by the CMHC Covered Bond Guide (the "CMHC Guide") from time to time. To account for subsequent price developments, the Guarantor has chosen to adjust the original market values of the Properties securing the Loans in the Covered Bond Portfolio by using the Teranet - National Bank House Price Index™ and the Teranet - National Bank Regional and Property Type Sub-Indices™ (collectively the "Indices"), available by subscription at www.housepriceindex.ca This website and its contents do not form part of this Investor Report. (HSBC does not endorse or accept any responsibility for such sites or their content, privacy policy or security standards.)

The Teranet - National Bank House Price Index™ ("HPI Indices") is an independent representation of the rate of change of Canadian single-family home prices. The measurements are based on the property records of public land registries, where sale prices are available. The Teranet - National Bank Regional and Property Type Sub-Indices™ ("Sub-Indices") is an independent representation of the rate of change of Canadian home prices based on property types and regional characteristics. For each region, the Sub-Indices classifies properties into three categories (condo, row housing, single family) and provides an all-types combined index. As of the indicated Calculation Date, the Sub-Indices for the forward sortation area where the property is located is used to calculate the property value. Where a Sub-Indices for the property category is unavailable the Sub-Indices all-types index has been used.

The relevant Sub-Indices are used to maintain updated market property values. At least quarterly, property values are updated based on relative changes in Sub-Indices from the time of original valuation, and used in calculating the loan to value ratios. Properties in geographical areas not covered by the Sub-Indices are adjusted with the national average index, as captured by the HPI Indices. Material risks associated with using the Indexation Methodology include, but are not limited to, the factual correctness of the Indices being relied upon, and, in the case of geographical areas not covered by the Sub-Indices, the risk that the HPI Indices may not accurately capture idiosyncratic factors affecting local housing markets.

As per the CMHC Guide (June 23, 2017) and pursuant to the definition of Indexation Methodology in the Master Definitions and Construction Agreement, notice of any change in the Indexation Methodology must be provided to CMHC and will be reflected in the then-current Investor Report. Changes to the Indexation Methodology may only be made (i) upon notice to CMHC and satisfaction of any other conditions specified by CMHC in relation thereto, (ii) if such change constitutes a material change, subject to satisfaction of the Rating Agency Condition, and (iii) if such change is materially prejudicial to the Covered Bondholders, subject to the consent of the Bond Trustee. The Indexation Methodology must at all times comply with the requirements of the CMHC Guide.

## Programme Information

### Outstanding Covered Bonds

| Series       | Initial Principal Amount | Translation Rate | CAD Equivalent         | Expected Maturity | Legal Final Maturity | Coupon Rate         | Rate Type | Maturity Type |
|--------------|--------------------------|------------------|------------------------|-------------------|----------------------|---------------------|-----------|---------------|
| CBL1         | USD 750,000,000          | 1.326 CAD/USD    | \$994,500,000          | 11-28-2021        | 11-28-2022           | + 3.3%              | Fixed     | Soft Bullet   |
| CBL2         | USD 1,000,000,000        | 1.3343 CAD/USD   | \$1,334,300,000        | 09-10-2022        | 09-10-2023           | + 1.65%             | Fixed     | Soft Bullet   |
| CBL3*        | \$1,500,000,000          | N/A              | \$1,500,000,000        | 03-31-2024        | 03-31-2025           | 3 month CDOR + 1.4% | Floating  | Soft Bullet   |
| CBL4         | USD 1,000,000,000        | 1.4015 CAD/USD   | \$1,401,500,000        | 05-14-2023        | 05-14-2024           | + 0.95%             | Fixed     | Soft Bullet   |
| <b>Total</b> |                          |                  | <b>\$5,230,300,000</b> |                   |                      |                     |           |               |

### OSFI Programme Limit

|                                    |                    |  |                      |
|------------------------------------|--------------------|--|----------------------|
| OSFI Covered Bond Ratio:           | 3.28% <sup>1</sup> | OSFI Covered Bond Ratio Limit:           | 5.50%                |
| OSFI Temporary Covered Bond Ratio: | 4.60% <sup>1</sup> | OSFI Temporary Covered Bond Ratio Limit: | 10.00% <sup>**</sup> |

1. Per OSFI's letter dated May 23, 2019, the OSFI Covered Bond Ratio refers to total assets pledged for covered bonds relative to total on-balance sheet assets. Total on-balance sheet assets are as at August 31, 2020.

\* For purpose of accessing central bank facilities.

\*\* On March 27, 2020, OSFI announced that the covered bond ratio limit is temporarily increased to 10% to enable access to Bank of Canada facilities while the maximum covered bond assets encumbered relating to market instruments remains limited to 5.5% of issuer's on-balance sheet assets.

Weighted average maturity of Outstanding Covered Bonds (months) 29.08

Weighted average remaining term of Loans in Cover Pool (months) 33.76

### Series Ratings

| Series | Moody's | Fitch |
|--------|---------|-------|
| CBL1   | Aaa     | AAA   |
| CBL2   | Aaa     | AAA   |
| CBL3   | Aaa     | AAA   |
| CBL4   | Aaa     | AAA   |

## Supplementary Information

### Parties to Global Covered Bond Programme

|   |   |
|---|---|
| Issuer                                      | HSBC Bank Canada ("HSBC")   |
| Guarantor Entity                            | HSBC Canadian Covered Bond (Legislative) Guarantor Limited Partnership                                      |
| Servicer & Cash Manager                     | HSBC  |
| Swap Provider                               | HSBC  |
| Covered Bond Trustee & Custodian            | Computershare Trust Company of Canada   |
| Asset Monitor                               | PricewaterhouseCoopers LLP  |
| Account Bank & GIC Provider                 | HSBC  |
| Standby Account Bank & Standby GIC Provider | Bank of Montreal ("BMO")  |
| Paying Agent                                | HSBC Bank plc (EUR); HSBC Bank USA, National Association (USD); Computershare Trust Company of Canada (CAD) |

### HSBC Bank Canada's Ratings

|                | Moody's | Fitch    |
|----------------|---------|----------|
| Long-Term      | A3      | A+       |
| Short-Term     | P-2     | F1+      |
| Rating Outlook | Stable  | Negative |



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**Other:**

|                        | <u>Moody's</u>                                 | <u>Fitch</u>                    |
|------------------------|--|---------------------------------|
| Long term / short term | Counterparty Risk Assessment<br>A2(cr)/P-1(cr) | Issuer Default Rating<br>A+/F1+ |
| Long term / short term | Deposit Rating<br>A3/P-2                       |                                 |

**Applicable Ratings of Standby Account Bank & Standby GIC Provider (BMO)**

|            | <u>Moody's (Deposit Rating)</u> | <u>Fitch (Issuer Default Rating)</u> |
|------------|---------------------------------|--------------------------------------|
| Long Term  | Aa2                             | AA-                                  |
| Short Term | P-1                             | F1+                                  |

**Description of Ratings Triggers**

(Note: Where there are two ratings for a rating agency for a trigger, only one rating is required to be at or above one of such ratings)

**A. Party Replacement**

If the rating(s) of the Party falls below the level stipulated below, such party is required to be replaced or in the case of the Swap Provider:

- (i) transfer credit support; and
- (ii) replace itself or obtain a guarantee for its obligations.

**Role**

|   | <u>Moody's</u>        | <u>Fitch</u> |
|---|-----------------------|--------------|
| Account Bank & GIC Provider (HSBC)                | P-1 (ST rating) or A3 | F1 or A      |
| Standby Account Bank & Standby GIC Provider (BMO) | P-1 (ST rating)       | F1 or A      |
| Cash Manager (HSBC)                               | P-2(cr)               | F2 or BBB+   |
| Servicer (HSBC)                                   | Baa3                  | F2           |
| Interest Rate Swap Provider (HSBC)                | P-2(cr) or A3(cr)     | F2 or BBB+   |
| Covered Bond Swap Provider (HSBC)                 | P-2(cr) or A3(cr)     | F2 or BBB+   |
| Title Holder on Mortgages (HSBC)                  | Baa1                  | BBB+         |

**B. Specified Rating Related Action**

i. The following actions are required if the rating of the Cash Manager (HSBC) falls below the stipulated rating:

|   | <u>Moody's</u> | <u>Fitch</u> |
|---|----------------|--------------|
| (a) Amounts received by the Servicer are to be deposited directly to the GIC Account and not provided to the Cash Manager   | P-1 or A3      | F1 or A      |
| (b) Amounts held by the Cash Manager belonging to the Guarantor are to be deposited to the Transaction Account or the GIC Account, as applicable within 5 business days | P-1 or A3      | F1 or A      |

ii. The following actions are required if the rating of the Servicer (HSBC) falls below the stipulated rating:

|   | <u>Moody's</u> | <u>Fitch</u> |
|---|----------------|--------------|
| (a) Servicer is required to transfer amounts belonging to the Guarantor to the Cash Manager or the GIC Account, as applicable, within 2 business days | P-1(cr)        | F1 or A      |

iii. The following actions are required if the rating of the Issuer (HSBC) falls below the stipulated rating:

|  | <u>Moody's</u> | <u>Fitch</u> |
|--|----------------|--------------|
| (a) Repayment of the Demand Loan   | N/A            | F2 or BBB+   |
| (b) Establishment of the Reserve Fund  | P-1(cr)        | F1 or A      |
| (c) Fund Pre-Maturity Liquidity Required Amount on Hard Bullet Covered Bonds | P-1            | F1+          |

iv. The following actions are required if the rating of the Issuer (HSBC) falls below the stipulated rating:

|  | <u>Moody's</u> | <u>Fitch</u> |
|--|----------------|--------------|
| (a) The Covered Bond Swap will become effective except as otherwise provided in the Covered Bond Swap Agreements | Baa1           | BBB+         |

v. Each Swap Provider is required to transfer credit support, replace itself or obtain a guarantee of its obligations if the rating of such Swap Provider falls below the specified rating:

|                                 | <u>Moody's</u>    | <u>Fitch</u> |
|---------------------------------|-------------------|--------------|
| (a) Interest Rate Swap Provider | P-1(cr) or A2(cr) | F1 or A      |
| (b) Covered Bond Swap Provider  | P-1(cr) or A2(cr) | F1 or A      |

**Events of Default & Triggers**

|                               | <u>Moody's</u> | <u>Fitch</u> |
|-------------------------------|----------------|--------------|
| Issuer Event of Default       |                | No           |
| Guarantor LP Event of Default |                | No           |



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| Asset Coverage Test  |                         |   |  |
|--|-------------------------|---|--|
| <b>Outstanding Covered Bonds</b>   | \$5,230,300,000         |   |  |
| A = Lesser of (i) LTV Adjusted Loan Balance <sup>1</sup> and<br>(ii) Asset Percentage Adjusted Loan Balance <sup>1</sup> | \$10,650,446,510        | A (i) \$11,767,194,153<br>A(ii): \$10,650,446,510   |  |
| B = Principal Receipts up to Calculation Date not otherwise applied  | \$135,042,471           | Actual Asset Percentage: 90.50%                     |  |
| C = Cash Capital Contributions   | \$0                     | Maximum Asset Percentage: 90.50%                    |  |
| D = Substitute Assets  | \$0                     | Minimum Asset Percentage: 80.00%                    |  |
| E = Reserve Fund Balance   | \$0                     | Regulatory OC Minimum: 103.00%                      |  |
| Y = Contingent Collateral Amount   | \$0                     | Level of Overcollateralization <sup>2</sup> 110.37% |  |
| Z = Negative Carry Factor Calculation  | \$0                     |   |  |
| <b>Adjusted Aggregate Asset Amount<br/>(Total: A + B + C + D + E - Y - Z)</b>  | <b>\$10,785,488,981</b> |   |  |
| <b>Asset Coverage Test</b>   |                         | <b>PASS</b>   |  |

1. LTV Adjusted Loan Balance and Asset Percentage Adjusted Loan Balance are calculated per the Indexation Methodology based on the most recent property appraisal value.  
2. Per Section 4.3.8 of the CMHC Guide, (A) the lesser of (i) the total amount of cover pool collateral and (ii) the amount of cover pool collateral required to collateralize the covered bonds outstanding and ensure the Asset Coverage Test is met, divided by (B) the Canadian dollar equivalent of the principal amount of covered bonds outstanding under the registered covered bond program.

| Valuation Calculation   |                         |   |       |
|---|-------------------------|---|-------|
| <b>Trading Value of Covered Bonds</b>   | <b>\$5,319,384,670</b>  |   |       |
| A = LTV Adjusted Loan Present Value <sup>1</sup>  | \$11,854,801,610        | Weighted Average Effective Yield<br>of Performing Eligible Loans: | 2.22% |
| B = Principal Receipts up to Calculation Date not otherwise applied                     | \$135,042,471           |   |       |
| C = Cash Capital Contributions  | \$0                     |   |       |
| D = Trading Value of Substitute Assets  | \$0                     |   |       |
| E = Reserve Fund Balance  | \$0                     |   |       |
| F = Trading Value of Swap Collateral  | \$0                     |   |       |
| <b>Present Value Adjusted Aggregate Asset Amount<br/>(Total: A + B + C + D + E + F)</b> | <b>\$11,989,844,081</b> |   |       |
| <b>Valuation Calculation</b>  | <b>\$6,670,459,411</b>  |   |       |

1. LTV Adjusted Loan Present Value is calculated per the Indexation Methodology based on the most recent property appraisal value

| Intercompany Loan Balance |                         |  |
|---------------------------|-------------------------|--|
| Guarantee Loan            | \$5,774,487,310         |  |
| Demand Loan               | \$6,040,502,935         |  |
| <b>Total</b>              | <b>\$11,814,990,245</b> |  |

| Cover Pool Losses |                   |                              |
|-------------------|-------------------|------------------------------|
| Period End        | Write-off Amounts | Loss Percentage (Annualized) |
| 9/30/2020         |                   | 0.00%                        |

| Cover Pool Summary Statistics                          |                  |
|--|------------------|
| Previous Month Ending Balance                          | \$11,907,666,722 |
| Current Month Ending Balance                           | \$11,772,624,251 |
| Number of Mortgages in Pool                            | 25,730           |
| Average Mortgage Size                                  | \$457,545        |
| Number of Properties                                   | 23,044           |
| Number of Borrowers                                    | 21,742           |
| Weighted Average Original LTV <sup>1</sup>             | 60.13%           |
| Weighted Average Current LTV <sup>2</sup>              | 53.89%           |
| Weighted Average Indexed Current LTV <sup>2,3</sup>    | 48.52%           |
| Weighted Average Authorized LTV <sup>4</sup>           | 63.67%           |
| Weighted Average Indexed Authorized LTV <sup>3,4</sup> | 57.18%           |
| Weighted Average Mortgage Rate                         | 2.22%            |
| Weighted Average Seasoning (Months)                    | 38.09            |
| Weighted Average Original Term (Months)                | 71.85            |
| Weighted Average Remaining Term (Months)               | 33.76            |

1. For multi-component loans this is calculated based on all loans secured by the same property within the Cover Pool. If there is an additional advance against the property outside of the Cover Pool the value the Weighted Average Original LTV is recalculated at the time the new tranche is sold into the Cover Pool based on the balances of the loans at the time of the new advance.  
2. For multi-component loans this is calculated based on all loans secured by the same property within the Cover Pool  
3. Indexed LTV's are calculated per the Indexation Methodology based on the most recent property appraisal value  
4. For multi-component loans this is calculated based on loans which are drawn or available to be drawn secured by the same property including those components held outside the Cover Pool



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## Cover Pool Delinquency Distribution

| <u>Aging Summary</u>                   | <u>Number of Loans</u> | <u>Percentage</u> | <u>Principal Balance</u> | <u>Percentage</u> |
|--|------------------------|-------------------|--------------------------|-------------------|
| Current and less than 30 days past due | 25,720                 | 99.96%            | \$11,764,691,535         | 99.93%            |
| 30 to 59 days past due                 | 6                      | 0.02%             | \$3,757,647              | 0.03%             |
| 60 to 89 days past due                 | 0                      | 0.00%             | \$0                      | 0.00%             |
| 90 or more days past due               | 4                      | 0.02%             | \$4,175,069              | 0.04%             |
| <b>Total</b>                           | <b>25,730</b>          | <b>100.00%</b>    | <b>\$11,772,624,251</b>  | <b>100.00%</b>    |

## Cover Pool Provincial Distribution

| <u>Province</u>  | <u>Number of Loans</u> | <u>Percentage</u> | <u>Principal Balance</u> | <u>Percentage</u> |
|------------------|------------------------|-------------------|--------------------------|-------------------|
| British Columbia | 11,461                 | 44.54%            | \$5,986,531,963          | 50.85%            |
| Alberta          | 1,358                  | 5.28%             | \$385,465,610            | 3.27%             |
| Quebec           | 1,381                  | 5.37%             | \$325,265,060            | 2.76%             |
| Ontario          | 11,530                 | 44.81%            | \$5,075,361,618          | 43.11%            |
| Other            | 0                      | 0.00%             | \$0                      | 0.00%             |
| <b>Total</b>     | <b>25,730</b>          | <b>100.00%</b>    | <b>\$11,772,624,251</b>  | <b>100.00%</b>    |

## Cover Pool Interest Rate Type Distribution

| <u>Interest Rate Type</u> | <u>Number of Loans</u> | <u>Percentage</u> | <u>Principal Balance</u> | <u>Percentage</u> |
|---------------------------|------------------------|-------------------|--------------------------|-------------------|
| Fixed                     | 16,944                 | 65.85%            | \$7,190,854,371          | 61.08%            |
| Variable                  | 8,786                  | 34.15%            | \$4,581,769,880          | 38.92%            |
| <b>Total</b>              | <b>25,730</b>          | <b>100.00%</b>    | <b>\$11,772,624,251</b>  | <b>100.00%</b>    |

## Mortgage Asset Type Distribution

| <u>Asset Type</u>           | <u>Number of Loans</u> | <u>Percentage</u> | <u>Principal Balance</u> | <u>Percentage</u> |
|-----------------------------|------------------------|-------------------|--------------------------|-------------------|
| Conventional Mortgage Loans | 1,089                  | 4.23%             | \$423,568,674            | 3.60%             |
| Equity Power Mortgage Loans | 24,641                 | 95.77%            | \$11,349,055,577         | 96.40%            |
| <b>Total</b>                | <b>25,730</b>          | <b>100.00%</b>    | <b>\$11,772,624,251</b>  | <b>100.00%</b>    |

## Cover Pool Occupancy Type Distribution

| <u>Occupancy Type</u> | <u>Number of Loans</u> | <u>Percentage</u> | <u>Principal Balance</u> | <u>Percentage</u> |
|-----------------------|------------------------|-------------------|--------------------------|-------------------|
| Owner Occupied        | 20,952                 | 81.43%            | \$10,277,889,777         | 87.30%            |
| Non-Owner Occupied    | 4,778                  | 18.57%            | \$1,494,734,474          | 12.70%            |
| <b>Total</b>          | <b>25,730</b>          | <b>100.00%</b>    | <b>\$11,772,624,251</b>  | <b>100.00%</b>    |

## Cover Pool Mortgage Rate Distribution

| <u>Mortgage Rate (%)</u> | <u>Number of Loans</u> | <u>Percentage</u> | <u>Principal Balance</u> | <u>Percentage</u> |
|--------------------------|------------------------|-------------------|--------------------------|-------------------|
| 1.9999 and below         | 8,518                  | 33.11%            | \$4,448,493,417          | 37.79%            |
| 2.0000 - 2.4999          | 6,441                  | 25.03%            | \$2,767,408,573          | 23.51%            |
| 2.5000 - 2.9999          | 8,745                  | 33.99%            | \$3,845,875,601          | 32.67%            |
| 3.0000 - 3.4999          | 1,583                  | 6.15%             | \$559,951,646            | 4.76%             |
| 3.5000 - 3.9999          | 419                    | 1.63%             | \$146,435,348            | 1.24%             |
| 4.0000 - 4.4999          | 10                     | 0.04%             | \$847,277                | 0.01%             |
| 4.5000 - 4.9999          | 4                      | 0.02%             | \$1,634,477              | 0.01%             |
| 5.0000 - 5.4999          | 0                      | 0.00%             | \$0                      | 0.00%             |
| 5.5000 - 5.9999          | 0                      | 0.00%             | \$0                      | 0.00%             |
| 6.0000 - 6.4999          | 0                      | 0.00%             | \$0                      | 0.00%             |
| 6.5000 and above         | 10                     | 0.04%             | \$1,977,912              | 0.02%             |
| <b>Total</b>             | <b>25,730</b>          | <b>100.00%</b>    | <b>\$11,772,624,251</b>  | <b>100.00%</b>    |



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### Cover Pool Remaining Term Distribution

| <u>Remaining Term (Months)</u> | <u>Number of Loans</u> | <u>Percentage</u> | <u>Principal Balance</u> | <u>Percentage</u> |
|--------------------------------|------------------------|-------------------|--------------------------|-------------------|
| Less than 12.00                | 1,661                  | 6.46%             | \$626,880,167            | 5.32%             |
| 12.00 - 23.99                  | 5,712                  | 22.20%            | \$2,500,388,018          | 21.24%            |
| 24.00 - 35.99                  | 7,696                  | 29.91%            | \$3,649,189,602          | 31.00%            |
| 36.00 - 47.99                  | 5,838                  | 22.69%            | \$2,632,180,084          | 22.36%            |
| 48.00 - 59.99                  | 4,553                  | 17.70%            | \$2,237,098,245          | 19.00%            |
| 60.00 - 71.99                  | 207                    | 0.80%             | \$103,057,877            | 0.88%             |
| 72.00 - 83.99                  | 3                      | 0.01%             | \$1,226,940              | 0.01%             |
| 84.00 and above                | 60                     | 0.23%             | \$22,603,317             | 0.19%             |
| <b>Total</b>                   | <b>25,730</b>          | <b>100.00%</b>    | <b>\$11,772,624,251</b>  | <b>100.00%</b>    |

### Cover Pool Range of Remaining Principal Balance

| <u>Range of Remaining Principal Balance</u> | <u>Number of Loans</u> | <u>Percentage</u> | <u>Principal Balance</u> | <u>Percentage</u> |
|---|------------------------|-------------------|--------------------------|-------------------|
| 99,999 and below                            | 3,050                  | 11.85%            | \$168,998,252            | 1.44%             |
| 100,000 - 149,999                           | 1,868                  | 7.26%             | \$235,093,728            | 2.00%             |
| 150,000 - 199,999                           | 2,211                  | 8.59%             | \$389,270,332            | 3.31%             |
| 200,000 - 249,999                           | 2,342                  | 9.10%             | \$527,287,144            | 4.48%             |
| 250,000 - 299,999                           | 2,308                  | 8.97%             | \$634,482,193            | 5.39%             |
| 300,000 - 349,999                           | 1,850                  | 7.19%             | \$600,546,734            | 5.10%             |
| 350,000 - 399,999                           | 1,638                  | 6.37%             | \$612,985,857            | 5.21%             |
| 400,000 - 449,999                           | 1,187                  | 4.61%             | \$504,020,939            | 4.28%             |
| 450,000 - 499,999                           | 1,352                  | 5.25%             | \$641,411,621            | 5.45%             |
| 500,000 - 549,999                           | 1,052                  | 4.09%             | \$550,672,872            | 4.68%             |
| 550,000 - 599,999                           | 887                    | 3.45%             | \$508,748,909            | 4.32%             |
| 600,000 - 649,999                           | 691                    | 2.69%             | \$431,797,671            | 3.67%             |
| 650,000 - 699,999                           | 628                    | 2.44%             | \$423,647,073            | 3.60%             |
| 700,000 - 749,999                           | 523                    | 2.03%             | \$378,837,647            | 3.22%             |
| 750,000 - 799,999                           | 505                    | 1.96%             | \$390,921,248            | 3.32%             |
| 800,000 - 849,999                           | 404                    | 1.57%             | \$333,417,943            | 2.83%             |
| 850,000 - 899,999                           | 372                    | 1.45%             | \$325,138,987            | 2.76%             |
| 900,000 - 949,999                           | 291                    | 1.13%             | \$269,015,863            | 2.29%             |
| 950,000 - 999,999                           | 262                    | 1.02%             | \$255,303,183            | 2.17%             |
| 1,000,000 and above                         | 2,309                  | 8.97%             | \$3,591,026,056          | 30.50%            |
| <b>Total</b>                                | <b>25,730</b>          | <b>100.00%</b>    | <b>\$11,772,624,251</b>  | <b>100.00%</b>    |

### Cover Pool Property Type Distribution

| <u>Property Type</u> | <u>Number of Loans</u> | <u>Percentage</u> | <u>Principal Balance</u> | <u>Percentage</u> |
|----------------------|------------------------|-------------------|--------------------------|-------------------|
| Condominium          | 6,123                  | 23.80%            | \$1,848,924,100          | 15.71%            |
| Duplex               | 177                    | 0.69%             | \$58,128,955             | 0.49%             |
| Semi-Detached        | 366                    | 1.42%             | \$132,170,089            | 1.12%             |
| Single Family        | 16,124                 | 62.67%            | \$8,775,652,905          | 74.54%            |
| Townhouse            | 2,860                  | 11.12%            | \$935,994,467            | 7.95%             |
| Other                | 80                     | 0.31%             | \$21,753,733             | 0.18%             |
| <b>Total</b>         | <b>25,730</b>          | <b>100.00%</b>    | <b>\$11,772,624,251</b>  | <b>100.00%</b>    |



# HSBC Legislative Global Covered Bond Programme - Monthly Investor Report

Calculation Date: 9/30/2020

Reporting Date: 10/22/2020

## Cover Pool Indexed Authorized LTV - Distribution <sup>1</sup>

| Indexed LTV (%)    | Number of Loans | Percentage     | Principal Balance       | Percentage     |
|--------------------|-----------------|----------------|-------------------------|----------------|
| 20.00 and below    | 1,385           | 5.38%          | \$257,665,045           | 2.19%          |
| 20.01 - 25.00      | 635             | 2.47%          | \$114,184,285           | 0.97%          |
| 25.01 - 30.00      | 922             | 3.58%          | \$211,619,940           | 1.80%          |
| 30.01 - 35.00      | 1,303           | 5.06%          | \$343,815,004           | 2.92%          |
| 35.01 - 40.00      | 1,789           | 6.95%          | \$567,657,280           | 4.82%          |
| 40.01 - 45.00      | 2,121           | 8.24%          | \$837,444,903           | 7.11%          |
| 45.01 - 50.00      | 2,427           | 9.43%          | \$1,179,569,569         | 10.02%         |
| 50.01 - 55.00      | 2,647           | 10.29%         | \$1,335,360,979         | 11.34%         |
| 55.01 - 60.00      | 2,742           | 10.66%         | \$1,433,542,963         | 12.18%         |
| 60.01 - 65.00      | 2,715           | 10.55%         | \$1,452,243,265         | 12.34%         |
| 65.01 - 70.00      | 2,460           | 9.56%          | \$1,454,947,707         | 12.36%         |
| 70.01 - 75.00      | 2,132           | 8.29%          | \$1,266,827,381         | 10.76%         |
| 75.01 - 80.00      | 1,453           | 5.65%          | \$832,461,006           | 7.07%          |
| Greater than 80.00 | 999             | 3.88%          | \$485,284,923           | 4.12%          |
| <b>Total</b>       | <b>25,730</b>   | <b>100.00%</b> | <b>\$11,772,624,251</b> | <b>100.00%</b> |

## Cover Pool Indexed Current LTV - Distribution <sup>1</sup>

| Indexed LTV (%)    | Number of Loans | Percentage     | Principal Balance       | Percentage     |
|--------------------|-----------------|----------------|-------------------------|----------------|
| 20.00 and below    | 3,864           | 15.02%         | \$616,745,907           | 5.24%          |
| 20.01 - 25.00      | 1,512           | 5.88%          | \$420,250,691           | 3.57%          |
| 25.01 - 30.00      | 1,858           | 7.22%          | \$623,049,293           | 5.29%          |
| 30.01 - 35.00      | 2,178           | 8.46%          | \$857,736,826           | 7.29%          |
| 35.01 - 40.00      | 2,304           | 8.95%          | \$1,020,678,979         | 8.67%          |
| 40.01 - 45.00      | 2,422           | 9.41%          | \$1,254,817,301         | 10.66%         |
| 45.01 - 50.00      | 2,292           | 8.91%          | \$1,218,567,583         | 10.35%         |
| 50.01 - 55.00      | 2,165           | 8.41%          | \$1,268,674,003         | 10.78%         |
| 55.01 - 60.00      | 2,138           | 8.31%          | \$1,293,471,854         | 10.99%         |
| 60.01 - 65.00      | 1,785           | 6.94%          | \$1,131,878,178         | 9.61%          |
| 65.01 - 70.00      | 1,440           | 5.60%          | \$976,235,250           | 8.29%          |
| 70.01 - 75.00      | 1,118           | 4.35%          | \$712,689,127           | 6.05%          |
| 75.01 - 80.00      | 536             | 2.08%          | \$323,764,232           | 2.75%          |
| Greater than 80.00 | 118             | 0.46%          | \$54,065,026            | 0.46%          |
| <b>Total</b>       | <b>25,730</b>   | <b>100.00%</b> | <b>\$11,772,624,251</b> | <b>100.00%</b> |

## Provincial Distribution by Indexed Current LTV and Aging Summary

### Days Delinquent

#### Current - <30

| LTV           | British Columbia       | Alberta              | Quebec               | Ontario                | Other    | Total                   |
|---------------|------------------------|----------------------|----------------------|------------------------|----------|-------------------------|
| <20.00        | \$327,179,102          | \$7,630,725          | \$18,720,300         | \$260,259,967          | -        | \$613,790,095           |
| 20.01 - 25.00 | \$215,216,636          | \$7,857,988          | \$10,347,457         | \$186,978,688          | -        | \$420,400,769           |
| 25.01 - 30.00 | \$316,344,742          | \$7,196,719          | \$10,639,089         | \$289,099,356          | -        | \$623,279,906           |
| 30.01 - 35.00 | \$449,865,002          | \$16,181,376         | \$28,914,850         | \$362,329,059          | -        | \$857,290,287           |
| 35.01 - 40.00 | \$532,256,458          | \$13,996,473         | \$30,854,450         | \$443,295,987          | -        | \$1,020,403,369         |
| 40.01 - 45.00 | \$684,027,225          | \$22,968,487         | \$39,646,198         | \$508,175,391          | -        | \$1,254,817,301         |
| 45.01 - 50.00 | \$616,563,328          | \$17,829,519         | \$38,452,751         | \$544,561,553          | -        | \$1,217,407,150         |
| 50.01 - 55.00 | \$632,600,346          | \$22,964,204         | \$37,765,310         | \$573,709,245          | -        | \$1,267,039,105         |
| 55.01 - 60.00 | \$615,324,091          | \$28,942,101         | \$36,938,017         | \$612,815,066          | -        | \$1,294,019,275         |
| 60.01 - 65.00 | \$562,007,149          | \$43,441,820         | \$34,607,030         | \$488,154,862          | -        | \$1,128,210,861         |
| 65.01 - 70.00 | \$421,352,960          | \$49,503,534         | \$19,461,124         | \$486,305,055          | -        | \$976,622,673           |
| 70.01 - 75.00 | \$385,004,308          | \$56,841,198         | \$13,605,913         | \$258,130,070          | -        | \$713,581,488           |
| 75.01 - 80.00 | \$202,331,281          | \$70,075,019         | \$5,312,571          | \$46,045,361           | -        | \$323,764,232           |
| >80.00        | \$22,405,059           | \$20,036,449         | -                    | \$11,623,519           | -        | \$54,065,026            |
| <b>Total</b>  | <b>\$5,982,477,687</b> | <b>\$385,465,610</b> | <b>\$325,265,060</b> | <b>\$5,071,483,177</b> | <b>-</b> | <b>\$11,764,691,535</b> |



## HSBC Legislative Global Covered Bond Programme - Monthly Investor Report

Calculation Date: 9/30/2020

Reporting Date: 10/22/2020

**Days Delinquent**

**30 - <60**

| LTV           | British Columbia   | Alberta  | Quebec   | Ontario            | Other    | Total              |
|---------------|--------------------|----------|----------|--------------------|----------|--------------------|
| <20.00        | \$98,174           | -        | -        | -                  | -        | \$98,174           |
| 20.01 - 25.00 | -                  | -        | -        | -                  | -        | -                  |
| 25.01 - 30.00 | -                  | -        | -        | -                  | -        | -                  |
| 30.01 - 35.00 | -                  | -        | -        | \$446,539          | -        | \$446,539          |
| 35.01 - 40.00 | -                  | -        | -        | -                  | -        | -                  |
| 40.01 - 45.00 | -                  | -        | -        | -                  | -        | -                  |
| 45.01 - 50.00 | -                  | -        | -        | \$948,832          | -        | \$948,832          |
| 50.01 - 55.00 | \$1,299,078        | -        | -        | -                  | -        | \$1,299,078        |
| 55.01 - 60.00 | -                  | -        | -        | -                  | -        | -                  |
| 60.01 - 65.00 | \$965,024          | -        | -        | -                  | -        | \$965,024          |
| 65.01 - 70.00 | -                  | -        | -        | -                  | -        | -                  |
| 70.01 - 75.00 | -                  | -        | -        | -                  | -        | -                  |
| 75.01 - 80.00 | -                  | -        | -        | -                  | -        | -                  |
| >80.00        | -                  | -        | -        | -                  | -        | -                  |
| <b>Total</b>  | <b>\$2,362,276</b> | <b>-</b> | <b>-</b> | <b>\$1,395,371</b> | <b>-</b> | <b>\$3,757,647</b> |

**Days Delinquent**

**60 - <90**

| LTV           | British Columbia | Alberta  | Quebec   | Ontario  | Other    | Total    |
|---------------|------------------|----------|----------|----------|----------|----------|
| <20.00        | -                | -        | -        | -        | -        | -        |
| 20.01 - 25.00 | -                | -        | -        | -        | -        | -        |
| 25.01 - 30.00 | -                | -        | -        | -        | -        | -        |
| 30.01 - 35.00 | -                | -        | -        | -        | -        | -        |
| 35.01 - 40.00 | -                | -        | -        | -        | -        | -        |
| 40.01 - 45.00 | -                | -        | -        | -        | -        | -        |
| 45.01 - 50.00 | -                | -        | -        | -        | -        | -        |
| 50.01 - 55.00 | -                | -        | -        | -        | -        | -        |
| 55.01 - 60.00 | -                | -        | -        | -        | -        | -        |
| 60.01 - 65.00 | -                | -        | -        | -        | -        | -        |
| 65.01 - 70.00 | -                | -        | -        | -        | -        | -        |
| 70.01 - 75.00 | -                | -        | -        | -        | -        | -        |
| 75.01 - 80.00 | -                | -        | -        | -        | -        | -        |
| >80.00        | -                | -        | -        | -        | -        | -        |
| <b>Total</b>  | <b>-</b>         | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> |

**Days Delinquent**

**90+**

| LTV           | British Columbia   | Alberta  | Quebec   | Ontario            | Other    | Total              |
|---------------|--------------------|----------|----------|--------------------|----------|--------------------|
| <20.00        | \$1,691,999        | -        | -        | \$784,949          | -        | \$2,476,948        |
| 20.01 - 25.00 | -                  | -        | -        | -                  | -        | -                  |
| 25.01 - 30.00 | -                  | -        | -        | -                  | -        | -                  |
| 30.01 - 35.00 | -                  | -        | -        | -                  | -        | -                  |
| 35.01 - 40.00 | -                  | -        | -        | \$275,610          | -        | \$275,610          |
| 40.01 - 45.00 | -                  | -        | -        | -                  | -        | -                  |
| 45.01 - 50.00 | -                  | -        | -        | -                  | -        | -                  |
| 50.01 - 55.00 | -                  | -        | -        | -                  | -        | -                  |
| 55.01 - 60.00 | -                  | -        | -        | -                  | -        | -                  |
| 60.01 - 65.00 | -                  | -        | -        | \$1,422,511        | -        | \$1,422,511        |
| 65.01 - 70.00 | -                  | -        | -        | -                  | -        | -                  |
| 70.01 - 75.00 | -                  | -        | -        | -                  | -        | -                  |
| 75.01 - 80.00 | -                  | -        | -        | -                  | -        | -                  |
| >80.00        | -                  | -        | -        | -                  | -        | -                  |
| <b>Total</b>  | <b>\$1,691,999</b> | <b>-</b> | <b>-</b> | <b>\$2,483,070</b> | <b>-</b> | <b>\$4,175,069</b> |

|              |                        |                      |                      |                        |          |                         |
|--------------|------------------------|----------------------|----------------------|------------------------|----------|-------------------------|
| <b>Total</b> | <b>\$5,986,531,963</b> | <b>\$385,465,610</b> | <b>\$325,265,060</b> | <b>\$5,075,361,618</b> | <b>-</b> | <b>\$11,772,624,251</b> |
|--------------|------------------------|----------------------|----------------------|------------------------|----------|-------------------------|



## HSBC Legislative Global Covered Bond Programme - Monthly Investor Report

Calculation Date: 9/30/2020

Reporting Date: 10/22/2020

### Cover Pool Indexed Current LTV<sup>1</sup> by Credit Bureau Score

| Indexed LTV (%) | Score Unavailable    | <600                 | 600 - 650            | 651 - 700            | 701 - 750              | 751 - 800              | >800                   | Total                   |
|-----------------|----------------------|----------------------|----------------------|----------------------|------------------------|------------------------|------------------------|-------------------------|
| 20.00 and below | \$13,354,105         | \$4,530,377          | \$11,666,215         | \$26,725,339         | \$52,308,648           | \$142,701,764          | \$365,078,769          | \$616,365,217           |
| 20.01 - 25.00   | \$9,033,442          | \$3,842,476          | \$5,106,766          | \$14,048,008         | \$37,070,600           | \$112,832,743          | \$238,466,733          | \$420,400,769           |
| 25.01 - 30.00   | \$19,013,552         | \$6,233,605          | \$4,450,783          | \$26,875,847         | \$57,892,969           | \$157,027,744          | \$351,785,405          | \$623,279,906           |
| 30.01 - 35.00   | \$32,316,855         | \$4,319,012          | \$13,481,929         | \$31,468,874         | \$81,598,675           | \$205,394,480          | \$489,157,001          | \$857,736,826           |
| 35.01 - 40.00   | \$36,854,309         | \$10,555,201         | \$16,442,717         | \$54,309,578         | \$101,370,027          | \$296,830,084          | \$504,317,064          | \$1,020,678,979         |
| 40.01 - 45.00   | \$47,348,698         | \$12,221,971         | \$14,927,942         | \$72,802,853         | \$131,628,993          | \$363,811,612          | \$612,075,232          | \$1,254,817,301         |
| 45.01 - 50.00   | \$35,563,084         | \$13,054,117         | \$17,327,256         | \$80,433,260         | \$155,327,626          | \$333,077,237          | \$583,573,402          | \$1,218,355,981         |
| 50.01 - 55.00   | \$23,371,092         | \$6,476,579          | \$17,906,256         | \$77,629,045         | \$178,110,054          | \$415,773,331          | \$549,071,827          | \$1,268,338,184         |
| 55.01 - 60.00   | \$20,942,578         | \$11,694,553         | \$30,123,384         | \$65,207,367         | \$174,661,593          | \$448,250,487          | \$543,139,314          | \$1,294,019,275         |
| 60.01 - 65.00   | \$27,175,599         | \$12,149,786         | \$25,532,976         | \$70,761,206         | \$177,977,358          | \$357,173,359          | \$459,828,110          | \$1,130,598,395         |
| 65.01 - 70.00   | \$13,328,612         | \$5,555,873          | \$20,877,087         | \$64,954,766         | \$140,457,621          | \$323,536,135          | \$407,912,579          | \$976,622,673           |
| 70.01 - 75.00   | \$4,730,109          | \$14,562,143         | \$16,143,707         | \$53,907,567         | \$117,840,560          | \$245,729,839          | \$260,667,562          | \$713,581,488           |
| 75.01 - 80.00   | \$3,125,048          | \$6,436,431          | \$11,470,400         | \$15,941,371         | \$40,481,643           | \$117,432,518          | \$128,876,822          | \$323,764,232           |
| 80.00 and Above | \$492,288            | \$1,984,182          | \$662,291            | \$2,507,806          | \$8,605,754            | \$16,845,877           | \$22,966,828           | \$54,065,026            |
| <b>Total</b>    | <b>\$286,649,369</b> | <b>\$113,616,308</b> | <b>\$206,119,708</b> | <b>\$657,572,889</b> | <b>\$1,455,332,121</b> | <b>\$3,536,417,209</b> | <b>\$5,516,916,648</b> | <b>\$11,772,624,251</b> |

1. Indexed Current LTV is calculated per the Indexation Methodology based on the most recent property appraisal value

### Appendix

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