

## HBFR Covered Bond Investor Report

Collection Period End:

**28/02/2010**

Date of Report:

**19/03/2010**

### Summary

<b>Cover Pool Overview Data</b>	
Total Outstanding Current Balance:	3 829 668 314.57
Number of Loans	29 018
Number of Borrowers	26 058
Average Loan Balance	131 975.61
Weighted Average Seasoning of Loan parts (months)	44.80
Weighted Average Remaining Term of Loan Parts (months)	172.52
Percentage of variable mortgages	4%
Weighted Average Current LTV	69%
Weighted Average Current Indexed LTV	63%
Loan Originator	Total Loan Balance
HBFR	3 829 668 314.57

<b>Covered Bonds Overview Data</b>	
Total Covered Bonds Outstanding Balance:	1 500 000 000.00
Weight Average Maturity	6.90

<b>ACT Results</b>	
Asset Cover Ratio	2.24
Asset Cover Test Result	PASS

# HSBC Covered Bonds (France) Investor Report

1.a Unindexed LTV Ranges Distribution		
Unindexed LTV Range	Total Loan Balance	Number of Loans
0 - ≤40%	504 522 467	6 959
>40% - ≤50%	344 670 184	2 894
>50% - ≤60%	468 572 612	3 259
>60% - ≤70%	521 815 661	3 547
>70% - ≤80%	590 565 006	3 919
>80% - ≤85%	306 176 119	1 919
>85% - ≤90%	338 255 005	2 149
>90% - ≤95%	304 826 139	1 822
>95% - ≤100%	264 468 784	1 552
>100% - ≤105%	155 286 312	823
>105%	30 510 025	175
<b>Total</b>	<b>3 829 668 315</b>	<b>29 018</b>

1.b Indexed LTV Ranges Distribution		
Indexed LTV Range	Total Loan Balance	Number of Loans
0 - ≤40%	724 359 057	9 553
>40% - ≤50%	445 272 272	3 390
>50% - ≤60%	499 142 363	3 393
>60% - ≤70%	524 886 921	3 238
>70% - ≤80%	539 732 873	3 237
>80% - ≤85%	294 004 706	1 704
>85% - ≤90%	289 739 690	1 622
>90% - ≤95%	266 918 027	1 510
>95% - ≤100%	245 612 406	1 371
>100% - ≤105%	-	-
>105%	-	-
<b>Total</b>	<b>3 829 668 315</b>	<b>29 018</b>

2. Current Arrears Ranges Distribution		
Number of months in arrears	Total Loan Balance	Number of Loans
0	3 829 668 315	29 018
>1 - ≤2		
>2 - ≤3		
>3 - ≤4		
>4 - ≤5		
>5 - ≤6		
>6		
<b>Total</b>	<b>3 829 668 315</b>	<b>29 018</b>

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3. Seasoning		By Unindexed LTV ranges										
Seasoning in months	Total Loan Balance	0 - ≤40%	>40% - ≤50%	>50% - ≤60%	>60% - ≤70%	>70% - ≤80%	>80% - ≤85%	>85% - ≤90%	>90% - ≤95%	>95% - ≤100%	>100% - ≤105%	>105%
< 12	281 383 856	35 470 608	25 205 963	37 315 258	39 861 587	45 853 427	20 874 768	22 046 314	27 560 408	26 590 878	342 713	261 933
≥12 - <24	324 251 368	60 826 600	31 565 316	44 414 965	46 378 815	53 778 070	33 372 922	33 665 241	16 995 236	3 254 203	-	-
≥24 - <36	439 688 224	55 105 700	39 842 740	52 541 657	67 597 073	69 194 262	38 130 632	48 393 210	34 826 151	23 325 751	7 591 295	3 139 753
≥36 - <60	2 083 853 102	192 493 534	161 670 793	222 632 843	260 997 214	312 427 092	169 529 934	202 038 172	194 006 764	204 470 375	142 882 009	20 704 373
≥60	700 491 766	160 626 025	86 385 373	111 667 890	106 980 973	109 312 156	44 267 862	32 112 068	31 437 581	6 827 577	4 470 295	6 403 966
<b>Total</b>	<b>3 829 668 315</b>	<b>504 522 467</b>	<b>344 670 184</b>	<b>468 572 612</b>	<b>521 815 661</b>	<b>590 565 006</b>	<b>306 176 119</b>	<b>338 255 005</b>	<b>304 826 139</b>	<b>264 468 784</b>	<b>155 286 312</b>	<b>30 510 025</b>

4. Loan Purpose		By Unindexed LTV ranges										
Loan Purpose	Total Loan Balance	0 - ≤40%	>40% - ≤50%	>50% - ≤60%	>60% - ≤70%	>70% - ≤80%	>80% - ≤85%	>85% - ≤90%	>90% - ≤95%	>95% - ≤100%	>100% - ≤105%	>105%
Purchase	3 492 347 456	472 947 443	327 286 524	440 318 094	484 337 698	538 539 994	274 895 454	297 655 598	262 453 588	225 411 035	140 417 743	28 084 285
RE-MORTGAGE	198 504 766	8 664 506	7 900 586	10 788 499	19 285 627	29 165 826	20 255 961	29 145 834	31 377 634	30 504 274	9 743 306	1 672 712
EQUITY RELEASE	-	-	-	-	-	-	-	-	-	-	-	-
RENOVATION	83 887 342	11 450 107	5 743 820	8 733 468	11 463 649	14 916 025	8 107 591	8 127 552	6 778 450	6 149 989	2 247 245	169 446
Construction (new)	54 928 750	11 460 411	3 739 254	8 732 552	6 728 687	7 943 160	2 917 113	3 326 020	4 216 469	2 403 486	2 878 017	583 581
Other/No data	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3 829 668 315</b>	<b>504 522 467</b>	<b>344 670 184</b>	<b>468 572 612</b>	<b>521 815 661</b>	<b>590 565 006</b>	<b>306 176 119</b>	<b>338 255 005</b>	<b>304 826 139</b>	<b>264 468 784</b>	<b>155 286 312</b>	<b>30 510 025</b>

5. Occupancy type		By Unindexed LTV ranges										
Occupancy type	Total Loan Balance	0 - ≤40%	>40% - ≤50%	>50% - ≤60%	>60% - ≤70%	>70% - ≤80%	>80% - ≤85%	>85% - ≤90%	>90% - ≤95%	>95% - ≤100%	>100% - ≤105%	>105%
Owner-occupied	2 913 383 686	405 914 754	270 332 859	368 294 493	402 876 682	445 482 108	227 263 072	243 783 844	222 906 397	188 703 240	116 103 459	21 722 777
Buy-to let	593 861 065	48 572 026	43 253 052	64 368 340	66 230 737	90 897 472	53 067 949	67 947 304	60 627 500	56 469 735	35 067 405	7 359 545
Vacation / second home	322 423 564	50 035 687	31 084 272	35 909 780	52 708 242	54 185 426	25 845 098	26 523 857	21 292 243	19 295 809	4 115 447	1 427 703
Other/No data	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3 829 668 315</b>	<b>504 522 467</b>	<b>344 670 184</b>	<b>468 572 612</b>	<b>521 815 661</b>	<b>590 565 006</b>	<b>306 176 119</b>	<b>338 255 005</b>	<b>304 826 139</b>	<b>264 468 784</b>	<b>155 286 312</b>	<b>30 510 025</b>

6. Borrower Employment type		By Unindexed LTV ranges										
Employment type	Total Loan Balance	0 - ≤40%	>40% - ≤50%	>50% - ≤60%	>60% - ≤70%	>70% - ≤80%	>80% - ≤85%	>85% - ≤90%	>90% - ≤95%	>95% - ≤100%	>100% - ≤105%	>105%
Employed	2 546 791 312	320 923 548	226 576 975	308 010 030	354 823 442	398 447 730	203 384 652	231 697 171	197 531 265	174 924 030	110 314 852	20 157 620
Protected life-time empl	231 788 755	30 210 110	19 011 005	26 077 654	30 350 141	35 523 914	18 074 027	18 807 839	20 092 636	21 242 710	10 362 162	2 036 556
SELF-EMPLOYED	807 107 835	103 544 618	74 243 048	98 922 633	101 896 078	124 459 872	65 625 300	72 093 115	71 786 850	57 635 928	29 824 060	7 076 332
Unemployed	196 577 541	33 792 688	18 847 396	29 426 621	28 615 697	27 602 216	15 826 196	14 362 182	12 889 475	9 650 250	4 467 408	1 097 412
Other/No data	47 402 871	16 051 503	5 991 759	6 135 674	6 130 304	4 531 275	3 265 944	1 294 699	2 525 913	1 015 866	317 830	142 104
<b>Total</b>	<b>3 829 668 315</b>	<b>504 522 467</b>	<b>344 670 184</b>	<b>468 572 612</b>	<b>521 815 661</b>	<b>590 565 006</b>	<b>306 176 119</b>	<b>338 255 005</b>	<b>304 826 139</b>	<b>264 468 784</b>	<b>155 286 312</b>	<b>30 510 025</b>

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7. Geographical distribution												
Region	Total Loan Balance	By Unindexed LTV ranges										
		0 - ≤40%	>40% - ≤50%	>50% - ≤60%	>60% - ≤70%	>70% - ≤80%	>80% - ≤85%	>85% - ≤90%	>90% - ≤95%	>95% - ≤100%	>100% - ≤105%	>105%
Alsace	42 267 580	4 300 906	3 192 580	4 030 544	4 726 442	6 306 060	3 926 053	5 206 672	4 044 353	3 753 727	2 540 795	239 448
Aquitaine	162 711 169	21 156 013	10 559 436	18 536 740	20 369 071	24 708 494	15 652 292	16 152 035	14 066 411	13 571 483	5 989 365	1 949 830
Auvergne	14 288 835	992 243	979 968	1 457 841	1 798 021	2 052 323	2 017 763	950 744	1 110 071	1 048 514	1 881 347	-
Basse-Normandie	40 036 591	4 689 884	3 386 251	2 805 105	5 342 835	6 505 723	3 133 640	2 910 934	6 812 816	3 401 968	838 817	208 620
Bourgogne	27 643 847	2 420 378	1 603 475	2 496 605	3 030 591	4 782 117	3 036 609	2 269 567	2 537 918	3 749 594	1 196 177	520 816
Bretagne	60 971 178	7 156 190	4 774 330	7 063 090	8 164 453	12 682 779	3 956 697	6 975 939	4 227 911	4 514 588	355 981	1 099 220
Centre	52 820 851	5 062 788	4 618 031	6 379 435	6 644 701	7 434 204	3 607 272	5 977 012	5 552 558	5 084 039	1 990 548	470 264
Champagne-Ardenne	9 563 468	1 226 851	738 568	1 062 429	676 947	1 680 938	325 369	835 605	1 204 325	1 358 629	273 268	180 538
Corse	9 102 660	1 727 716	1 099 389	1 343 208	1 355 643	1 362 664	923 863	479 989	68 188	610 197	131 803	-
Départements d'Outre-Mer	-	-	-	-	-	-	-	-	-	-	-	-
Franche-Comté	12 446 820	1 973 387	825 058	1 228 115	1 254 919	2 013 334	1 381 630	1 068 800	1 129 463	910 028	513 148	148 939
Haute-Normandie	97 142 464	7 161 366	6 047 405	8 811 025	14 202 918	10 797 570	9 701 180	11 202 963	9 036 889	10 712 322	7 494 516	1 974 308
Île-de-France	1 928 019 845	278 193 831	185 913 938	254 704 475	272 085 049	293 179 581	153 566 633	154 973 729	139 736 022	111 696 859	75 376 620	8 593 110
Languedoc-Roussillon	49 171 285	6 113 866	3 120 921	4 037 137	8 134 367	5 324 051	5 384 237	6 127 959	4 911 767	3 360 769	1 920 250	735 960
Limousin	11 323 338	1 007 838	772 563	1 290 527	1 465 382	2 390 677	583 089	1 260 061	1 321 080	689 392	542 730	-
Lorraine	46 299 126	3 488 269	2 060 528	3 208 159	4 909 908	6 285 931	5 149 600	5 721 433	5 824 471	4 884 511	4 385 434	380 882
Midi-Pyrénées	66 223 782	8 139 472	4 709 514	8 031 568	7 187 193	10 906 532	4 639 707	7 294 904	6 422 767	5 505 708	3 048 104	338 313
Nord-Pas-de-Calais	212 256 674	23 731 210	19 079 702	19 017 835	29 471 200	31 027 118	17 070 557	23 127 864	21 757 096	18 530 809	7 726 021	1 717 261
Pays-de-la-Loire	85 594 505	10 085 745	8 735 916	8 400 773	11 685 388	15 565 435	4 716 556	10 121 564	8 290 109	5 176 351	1 883 933	932 735
Picardie	18 726 606	3 012 866	1 098 064	1 295 800	2 145 093	2 092 283	1 646 687	1 100 056	1 804 335	3 031 597	1 290 860	208 966
Poitou-Charentes	72 164 335	7 318 052	6 217 144	7 563 452	13 172 498	12 645 080	4 890 939	5 677 573	6 067 215	5 954 849	2 592 099	65 434
Provence-Alpes-Côte d'Azur	492 786 965	70 616 524	43 722 437	53 807 924	62 066 659	84 245 418	36 367 689	37 008 762	39 193 898	38 691 898	21 325 191	5 740 564
Rhône-Alpes	318 106 391	34 947 072	31 414 966	52 000 826	41 926 383	46 576 696	24 498 059	31 810 838	19 706 480	18 230 951	11 989 305	5 004 814
Territoires d'Outre-Mer	-	-	-	-	-	-	-	-	-	-	-	-
No data	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3 829 668 315</b>	<b>504 522 467</b>	<b>344 670 184</b>	<b>468 572 612</b>	<b>521 815 661</b>	<b>590 565 006</b>	<b>306 176 119</b>	<b>338 255 005</b>	<b>304 826 139</b>	<b>264 468 784</b>	<b>155 286 312</b>	<b>30 510 025</b>

**ASSET COVER TEST**

Date of Asset Cover test:

19/03/2010

$$R = \frac{\text{Adjusted Aggregate Asset Amount (AAAA)}}{\text{Aggregate Covered Bond Outstanding Principal Amount}} \geq 1$$

Adjusted Aggregate Asset Amount (AAAA) = A + B + C + D - (Y + Z)

<b>R</b>	<b>Asset Cover test Ratio</b>	<b>2.24</b>
	Adjusted Aggregate Asset Amount (AAAA)	3 361 182 115.70
	Aggregate Covered Bond Outstanding Principal Amount	1 500 000 000.00
	<b>Asset Cover Test Result</b>	<b>PASS</b>

A	=min(A1 ; A2)	<b>3 370 108 116.82</b>
A1	Adjusted Home Loan Outstanding Principal Amount	3 706 914 252.05
A2	= a * b	3 370 108 116.82
	Unadjusted Home Loan Outstanding Principal Amount (a)	3 829 668 314.57
	Asset Percentage (b)	88.0%

B	Cash Collateral Account	-
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C	Aggregate Substitution Asset Amount (ASAA)	-
	ASAA level limit	20%
	ASAA level is acceptable	TRUE

D	Permitted Investments	<b>42 813 722.52</b>
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Y	Payments under Issuer Hedging Agreement	-
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Equal to:

i) Zero before Issuer hedging Agreement is entered into by Issuer subject to, and in accordance with, the Hedging Strategy

ii) Otherwise, an amount equal to payments due under the Issuer hedging Agreements (plus interest thereon) within the period of  $\alpha$  plus 2 months, where alpha means the period between 2 interest payment dates (1st day of such period included and last day of

Z	WAM * Covered Bond Outstanding Principal Amount * 0.50%	<b>51 739 724</b>
	WAM (Weighted Average Maturity)	6.90
	Negative Carry Adjustment	0.50%

Name of Series	Outstanding Principal Amount	Scheduled Maturity Date	Remaining Maturity
Serie n°1 ISINFR0010849174 Devise : EUR	1 500 000 000.00	20/01/2017	6.90 Years