

HBFR Covered Bond Investor Report

Collection Period End:

28/02/2011

Date of Report:

15/03/2011

Summary

Cover Pool Overview Data	
Total Outstanding Current Balance:	4 019 327 827
Number of Loans	30 601
Number of Borrowers	27 310
Average Loan Balance	131 346
Weighted Average Seasoning of Loan parts (months)	49.26
Weighted Average Remaining Term of Loan Parts (months)	169.83
Percentage of variable mortgages	3.50%
Weighted Average Current LTV	68.5%
Weighted Average Current Indexed LTV	60.8%
Loan Originator	Total Loan Balance
HBFR	4 019 327 827

Covered Bonds Overview Data	
Total Covered Bonds Outstanding Balance:	1 924 970 273
Weight Average Maturity	6.06

ACT Results	
Asset Cover Ratio	1.81
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%	565 030 072	8054
>40% - ≤50%	379 881 281	3076
>50% - ≤60%	480 878 419	3499
>60% - ≤70%	524 305 941	3644
>70% - ≤80%	596 304 719	3786
>80% - ≤85%	324 561 419	2009
>85% - ≤90%	325 005 084	1929
>90% - ≤95%	349 307 169	1972
>95% - ≤100%	309 265 718	1736
>100% - ≤105%	118 178 311	653
>105%	46 609 693	243
Total	4 019 327 827	30 601

1.b Indexed LTV Ranges Distribution		
Indexed LTV Range	Total Loan Balance	Number of Loans
0 - ≤40%	890 306 073	11203
>40% - ≤50%	488 344 209	3580
>50% - ≤60%	513 187 397	3419
>60% - ≤70%	566 014 724	3441
>70% - ≤80%	590 199 224	3398
>80% - ≤85%	281 620 076	1633
>85% - ≤90%	263 183 106	1450
>90% - ≤95%	231 253 482	1341
>95% - ≤100%	195 219 535	1136
>100% - ≤105%	-	-
>105%	-	-
Total	4 019 327 827	30 601

2. Current Arrears Ranges Distribution		
Number of months in arrears	Total Loan Balance	Number of Loans
0	4 019 327 827	30 601
>1 - ≤2		
>2 - ≤3		
>3 - ≤4		
>4 - ≤5		
>5 - ≤6		
>6		
Total	4 019 327 827	30 601

HSBC Covered Bonds (France) Investor Report

3. Seasoning												
Seasoning in months	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%
< 12	431 592 097	58 518 758	41 581 950	46 933 611	53 195 973	67 700 114	37 619 553	38 939 047	35 847 239	40 619 771	9 248 408	1 387 673
≥12 - <24	367 087 012	37 661 068	29 466 493	36 724 790	43 353 913	48 195 331	21 708 088	30 317 353	30 966 951	34 894 198	32 872 207	20 926 620
≥24 - <36	290 896 221	50 694 490	26 106 232	34 987 639	34 698 035	41 610 554	26 842 825	22 031 845	25 679 027	18 862 099	7 214 639	2 168 835
≥36 - <60	1 532 183 560	156 000 038	122 503 385	156 059 489	189 053 285	225 684 202	134 625 699	139 065 480	169 230 674	149 635 980	72 477 133	17 848 196
≥60	1 397 568 938	251 092 725	158 536 496	203 508 026	200 547 690	211 326 378	99 858 751	88 418 806	88 679 209	74 374 205	13 241 217	7 985 434
Total	4 019 327 827	553 967 078	378 194 557	478 213 556	520 848 896	594 516 580	320 654 916	318 772 531	350 403 099	318 386 253	135 053 605	50 316 757

4. Loan Purpose												
Loan Purpose	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%
Purchase	3 659 918 423	517 125 672	355 151 492	446 071 494	478 815 043	541 181 568	286 390 534	281 297 362	305 168 585	284 802 849	118 467 410	45 446 413
RE-MORTGAGE	196 629 406	10 535 514	9 483 126	13 284 368	22 335 362	31 387 797	23 297 121	25 785 766	30 168 270	18 944 860	7 937 070	3 470 154
EQUITY RELEASE	-	-	-	-	-	-	-	-	-	-	-	-
RENOVATION	102 177 263	14 768 503	6 728 423	9 513 806	13 003 658	14 988 325	7 700 731	8 045 117	10 636 111	9 693 873	6 137 534	961 182
Construction (new)	60 602 734	11 537 389	6 831 515	9 343 888	6 694 832	6 958 891	3 266 530	3 644 286	4 430 133	4 944 671	2 511 590	439 009
Other/No data	-	-	-	-	-	-	-	-	-	-	-	-
Total	4 019 327 827	553 967 078	378 194 557	478 213 556	520 848 896	594 516 580	320 654 916	318 772 531	350 403 099	318 386 253	135 053 605	50 316 757

5. Occupancy type												
Occupancy type	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%
Owner-occupied	2 983 868 053	434 295 099	294 132 116	367 490 080	390 124 915	437 800 679	231 744 393	223 147 288	254 334 755	219 711 188	98 291 141	32 796 400
Buy-to let	688 024 543	63 628 208	47 703 418	70 131 055	80 903 549	99 496 503	61 084 234	69 223 447	70 779 728	81 355 405	29 794 473	13 924 523
Vacation / second home	347 435 230	56 043 770	36 359 023	40 592 421	49 820 432	57 219 398	27 826 289	26 401 796	25 288 617	17 319 660	6 967 990	3 595 835
Other/No data	-	-	-	-	-	-	-	-	-	-	-	-
Total	4 019 327 827	553 967 078	378 194 557	478 213 556	520 848 896	594 516 580	320 654 916	318 772 531	350 403 099	318 386 253	135 053 605	50 316 757

6. Borrower Employment type												
Employment type	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%
Employed	2 663 718 521	346 127 987	252 175 050	319 444 493	345 751 947	400 930 867	212 047 219	209 674 061	237 303 382	216 398 017	92 119 847	31 745 652
Protected life-time employment	231 051 674	33 399 464	18 900 737	24 964 857	30 230 302	36 782 349	20 089 755	17 867 844	20 775 525	18 785 556	6 270 166	2 985 120
SELF-EMPLOYED	837 891 551	111 051 465	75 810 512	100 373 231	101 261 637	124 094 602	70 723 142	73 022 853	72 450 541	65 484 630	29 736 104	13 882 834
Unemployed	222 641 641	42 244 601	22 487 646	26 243 327	35 459 620	26 434 732	13 282 906	15 907 782	17 533 291	15 885 206	5 933 849	1 228 680
Other/No data	64 024 439	21 143 562	8 820 611	7 187 648	8 145 390	6 274 030	4 511 895	2 299 991	2 340 361	1 832 842	993 638	474 472
Total	4 019 327 827	553 967 078	378 194 557	478 213 556	520 848 896	594 516 580	320 654 916	318 772 531	350 403 099	318 386 253	135 053 605	50 316 757

HSBC Covered Bonds (France) Investor Report

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	41 891 679	3 979 775	4 050 666	3 170 978	6 266 481	6 870 410	5 285 289	4 179 225	3 072 582	4 646 541	133 843	235 891
Aquitaine	170 275 099	21 669 808	14 377 808	18 923 981	22 721 171	27 404 482	14 283 162	16 621 325	16 275 919	12 833 749	4 881 053	282 641
Auvergne	16 293 306	1 567 420	774 570	1 788 961	1 823 927	2 967 682	1 222 848	1 121 884	1 547 124	2 429 207	907 077	142 606
Basse-Normandie	40 618 502	4 810 314	2 985 802	4 272 234	5 211 055	6 172 204	2 838 453	5 202 321	4 349 534	3 285 490	1 226 757	264 336
Bourgogne	28 768 135	2 201 812	1 984 197	2 192 015	3 926 568	5 073 983	2 681 186	2 037 831	4 309 746	3 033 998	1 215 383	111 416
Bretagne	63 125 957	7 017 441	5 657 462	8 243 197	8 212 403	11 801 842	6 903 604	5 276 049	3 931 159	4 314 591	1 367 982	400 226
Centre	59 490 680	6 701 047	5 523 383	5 203 352	6 995 374	8 487 958	5 836 593	5 061 735	6 099 449	6 721 353	2 313 899	546 537
Champagne-Ardenne	10 727 040	1 321 250	684 150	880 845	984 438	1 527 730	1 470 880	825 503	1 444 630	731 098	753 412	103 102
Corse	9 754 210	1 496 841	900 734	1 169 402	628 458	1 793 704	487 778	591 348	1 330 335	793 155	562 455	-
Départements d'Outre-Mer	-	-	-	-	-	-	-	-	-	-	-	-
Franche-Comté	13 029 512	1 684 744	1 208 102	960 375	1 698 637	2 327 109	1 802 471	901 767	859 538	1 442 137	144 632	-
Haute-Normandie	103 503 029	8 737 484	6 654 251	10 220 934	13 371 473	13 489 689	9 769 631	8 674 198	10 093 035	14 244 450	6 675 977	1 571 906
Île-de-France	2 011 439 823	302 111 820	197 500 499	247 597 416	260 233 357	290 064 952	144 235 579	153 775 465	160 641 654	152 050 224	67 377 766	35 851 090
Languedoc-Roussillon	53 849 575	7 265 028	4 121 816	5 234 134	6 737 652	9 305 368	5 958 289	3 215 705	4 796 785	4 524 743	2 178 199	511 856
Limousin	10 736 946	924 255	917 601	916 476	2 097 598	1 705 765	949 924	1 350 840	1 116 687	738 237	19 563	-
Lorraine	50 079 146	4 067 241	2 379 975	3 994 316	5 717 482	8 209 678	5 034 925	5 734 160	6 866 479	6 268 286	1 589 391	217 213
Midi-Pyrénées	72 266 488	9 388 933	7 151 101	8 483 052	9 250 737	8 968 454	6 298 013	5 672 998	8 821 782	6 058 041	2 122 560	50 817
Nord-Pas-de-Calais	230 174 465	26 267 766	19 761 275	24 304 847	29 401 474	30 563 675	20 960 982	18 381 838	23 615 669	24 172 608	10 891 506	1 852 825
Pays-de-la-Loire	86 522 122	11 379 314	9 826 279	10 164 562	11 974 668	14 474 353	7 719 713	6 775 560	7 273 024	4 536 196	1 934 872	463 582
Picardie	22 349 447	2 728 852	1 751 817	1 694 715	1 877 807	2 382 147	916 688	2 650 702	3 403 040	3 099 585	1 670 669	173 425
Poitou-Charentes	77 434 319	9 752 522	6 888 451	10 810 799	9 481 125	12 842 899	4 422 344	6 172 801	7 435 339	5 738 716	3 116 066	773 256
Provence-Alpes-Côte d'Azur	530 658 575	79 042 061	45 722 776	58 221 034	72 814 219	82 322 876	41 530 297	42 624 217	52 548 145	38 623 476	14 250 648	2 958 825
Rhône-Alpes	316 339 771	39 851 348	37 371 840	49 765 930	39 422 793	45 759 617	30 046 270	21 925 058	20 571 444	18 100 372	9 719 895	3 805 206
Territoires d'Outre-Mer	-	-	-	-	-	-	-	-	-	-	-	-
No data	-	-	-	-	-	-	-	-	-	-	-	-
Total	4 019 327 827	553 967 078	378 194 557	478 213 556	520 848 896	594 516 580	320 654 916	318 772 531	350 403 099	318 386 253	135 053 605	50 316 757

ASSET COVER TEST

Date of Asset Cover test:

15/03/2011

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

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

R	Asset Cover test Ratio	1.81
	Adjusted Aggregate Asset Amount (AAAA)	3 484 089 157.67
	Aggregate Covered Bond Outstanding Principal Amount	1 924 970 272.80
	Asset Cover Test Result	PASS

A	=min(A1 ; A2)	3 496 815 209.19
A1	Adjusted Home Loan Outstanding Principal Amount	3 907 641 758.09
A2	= a * b	3 496 815 209.19
	Unadjusted Home Loan Outstanding Principal Amount (a)	4 019 327 826.65
	Asset Percentage (b)	87.0%

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	45 594 250.26
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Y	Payments under Issuer Hedging Agreement	-
	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 α 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%	58 320 302
	WAM (Weighted Average Maturity)	6.06
	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	5.8438 Years
Serie n°2 ISINCH0111297393 Devise : CHF	200 000 000.00	07/09/2015	4.4712 Years
Serie n°3 ISINCH0111297443 Devise : CHF	200 000 000.00	07/09/2018	7.474 Years
Serie n°4 ISINCH0120743346 Devise : CHF	200 000 000.00	23/04/2019	8.0986 Years