

HBFR Covered Bond Investor Report

Collection Period End:

30/06/2010

Date of Report:

21/07/2010

Summary

Cover Pool Overview Data	
Total Outstanding Current Balance:	3 842 348 174.87
Number of Loans	29 213
Number of Borrowers	26 229
Average Loan Balance	131 529
Weighted Average Seasoning of Loan parts (months)	47.02
Weighted Average Remaining Term of Loan Parts (months)	170.55
Percentage of variable mortgages	3.79%
Weighted Average Current LTV	68.0%
Weighted Average Current Indexed LTV	62.7%
Loan Originator	Total Loan Balance
HBFR	3 842 348 174.87
Covered Bonds Overview Data	
Total Covered Bonds Outstanding Balance:	1 774 254 372.27
Weight Average Maturity	6.54
ACT Results	
Asset Cover Ratio	1.88
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%	522 324 958	7 421
>40% - ≤50%	349 094 775	2 950
>50% - ≤60%	478 713 270	3 336
>60% - ≤70%	516 770 161	3 618
>70% - ≤80%	611 912 265	3 948
>80% - ≤85%	317 089 458	2 000
>85% - ≤90%	329 300 920	2 001
>90% - ≤95%	309 723 382	1 865
>95% - ≤100%	266 951 664	1 432
>100% - ≤105%	117 235 062	526
>105%	23 232 261	116
Total	3 842 348 175	29 213

1.b Indexed LTV Ranges Distribution		
Indexed LTV Range	Total Loan Balance	Number of Loans
0 - ≤40%	749 998 883	9 863
>40% - ≤50%	445 170 058	3 377
>50% - ≤60%	500 601 286	3 384
>60% - ≤70%	525 247 706	3 311
>70% - ≤80%	560 102 661	3 265
>80% - ≤85%	306 358 083	1 733
>85% - ≤90%	277 703 360	1 593
>90% - ≤95%	260 582 561	1 457
>95% - ≤100%	216 583 575	1 230
>100% - ≤105%	-	-
>105%	-	-
Total	3 842 348 175	29 213

2. Current Arrears Ranges Distribution		
Number of months in arrears	Total Loan Balance	Number of Loans
0	3 842 348 175	29 213
>1 - ≤2		
>2 - ≤3		
>3 - ≤4		
>4 - ≤5		
>5 - ≤6		
>6		
Total	3 842 348 175	29 213

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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	363 623 079	42 068 656	29 883 080	42 552 398	48 651 527	65 398 895	29 181 527	29 995 409	35 746 840	38 412 392	1 732 356	-
≥12 - <24	237 927 286	45 597 894	21 631 791	38 181 177	31 619 143	39 907 189	21 309 319	22 437 201	13 442 131	2 774 046	1 027 394	-
≥24 - <36	401 929 583	61 052 201	39 769 187	46 169 439	64 097 964	67 735 274	42 910 541	40 066 057	26 869 895	11 349 711	1 594 598	314 717
≥36 - <60	2 015 006 948	184 814 865	156 452 718	216 789 655	247 870 773	313 931 720	170 064 945	198 335 267	200 750 234	203 457 452	105 777 841	16 761 479
≥60	823 861 278	188 791 342	101 357 999	135 020 602	124 530 754	124 939 187	53 623 125	38 466 987	32 914 282	10 958 063	7 102 873	6 156 065
Total	3 842 348 175	522 324 958	349 094 775	478 713 270	516 770 161	611 912 265	317 089 458	329 300 920	309 723 382	266 951 664	117 235 062	23 232 261

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	3 502 181 038	488 027 403	329 494 581	449 067 035	477 899 170	558 085 596	282 728 692	286 711 449	267 537 343	234 511 631	106 918 414	21 199 722
RE-MORTGAGE	196 357 823	9 272 811	8 624 865	12 501 461	20 168 154	30 333 641	21 682 659	30 914 159	30 390 853	24 152 109	7 061 983	1 255 129
EQUITY RELEASE	-	-	-	-	-	-	-	-	-	-	-	-
RENOVATION	87 022 010	13 414 888	6 620 813	7 878 685	11 610 918	15 460 060	9 741 803	7 380 433	8 124 035	4 990 038	1 735 266	65 070
Construction (new)	56 787 303	11 609 855	4 354 516	9 266 089	7 091 919	8 032 967	2 936 304	4 294 879	3 671 150	3 297 886	1 519 399	712 339
Other/No data	-	-	-	-	-	-	-	-	-	-	-	-
Total	3 842 348 175	522 324 958	349 094 775	478 713 270	516 770 161	611 912 265	317 089 458	329 300 920	309 723 382	266 951 664	117 235 062	23 232 261

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	2 906 137 130	416 303 129	275 461 228	372 144 721	396 339 231	458 112 569	226 712 021	236 504 353	228 392 657	194 943 677	84 941 039	16 282 506
Buy-to let	605 218 653	53 793 193	41 649 756	66 685 387	71 960 673	95 462 628	59 386 719	67 684 690	57 256 048	56 100 682	29 045 062	6 193 815
Vacation / second home	330 992 392	52 228 635	31 983 791	39 883 162	48 470 257	58 337 068	30 990 718	25 111 877	24 074 677	15 907 305	3 248 961	755 940
Other/No data	-	-	-	-	-	-	-	-	-	-	-	-
Total	3 842 348 175	522 324 958	349 094 775	478 713 270	516 770 161	611 912 265	317 089 458	329 300 920	309 723 382	266 951 664	117 235 062	23 232 261

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	2 556 894 396	331 960 259	233 060 328	313 720 466	349 965 941	420 268 318	208 521 669	216 461 111	205 485 176	180 476 409	80 644 440	16 330 280
Protected life-time emplo	224 313 984	30 057 952	17 310 363	26 525 227	29 984 505	34 208 910	17 546 052	18 390 783	19 879 866	20 769 353	7 884 302	1 756 671
SELF-EMPLOYED	808 888 345	107 127 461	74 697 264	101 274 654	104 009 834	124 359 862	71 979 584	75 382 885	70 548 016	52 040 843	23 155 906	4 312 036
Unemployed	200 873 395	34 876 504	18 064 443	30 768 833	27 051 155	26 883 128	16 875 627	15 888 172	12 060 434	12 840 692	5 059 069	505 338
Other/No data	51 378 056	18 302 782	5 962 377	6 424 089	5 758 727	6 192 047	2 166 527	3 177 970	1 749 889	824 366	491 345	327 936
Total	3 842 348 175	522 324 958	349 094 775	478 713 270	516 770 161	611 912 265	317 089 458	329 300 920	309 723 382	266 951 664	117 235 062	23 232 261

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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	41 337 237	4 257 646	3 954 785	3 796 778	4 249 994	6 046 351	5 593 994	3 795 008	4 613 433	3 741 464	1 287 784	-
Aquitaine	164 921 577	20 906 168	11 340 229	20 142 389	19 504 554	29 392 403	14 177 877	17 559 665	13 109 793	11 852 998	5 629 035	1 306 466
Auvergne	14 009 388	1 032 278	883 551	1 416 865	1 890 761	2 717 827	1 274 795	1 155 506	1 493 335	1 277 781	866 689	-
Basse-Normandie	39 126 904	4 729 174	3 031 002	2 543 292	5 699 792	6 302 998	3 694 298	3 671 186	5 895 354	2 444 501	909 274	206 033
Bourgogne	27 016 022	2 382 247	1 607 463	2 309 761	3 337 198	5 190 361	2 795 814	1 795 659	3 544 744	2 686 574	977 433	388 769
Bretagne	61 768 006	7 366 432	4 629 692	6 788 000	8 353 835	11 844 003	6 578 496	5 078 287	5 113 188	4 647 456	715 524	653 092
Centre	53 837 791	5 941 871	5 223 656	5 389 681	6 920 601	7 579 752	4 439 438	5 924 074	6 329 131	4 077 253	2 012 334	-
Champagne-Ardenne	8 508 983	1 245 041	913 142	775 290	1 054 711	1 433 989	563 168	1 024 276	581 700	917 665	-	-
Corse	7 320 781	1 807 466	736 861	1 544 373	220 296	1 605 952	371 499	488 373	263 090	152 391	130 479	-
Départements d'Outre-Mer	-	-	-	-	-	-	-	-	-	-	-	-
Franche-Comté	11 712 478	1 860 835	1 167 704	750 903	1 427 434	2 208 398	920 069	1 629 441	604 023	663 242	480 429	-
Haute-Normandie	97 348 252	8 113 846	5 800 646	9 218 567	13 729 786	12 840 343	10 224 825	11 023 530	8 853 181	10 089 904	6 512 024	941 599
Île-de-France	1 934 770 170	286 584 744	185 391 654	255 217 457	269 657 655	304 381 609	149 859 502	155 898 202	136 603 295	126 243 489	56 235 546	8 697 017
Languedoc-Roussillon	49 856 249	6 471 187	3 588 832	4 217 610	7 679 139	6 848 464	6 030 090	4 996 297	4 056 214	3 704 071	1 378 139	886 205
Limousin	11 135 423	1 034 478	961 995	1 256 142	1 323 872	2 385 773	745 951	1 726 378	946 652	591 781	162 402	-
Lorraine	46 866 952	3 988 907	1 889 003	2 949 037	5 178 724	7 067 334	6 262 224	4 790 655	7 084 149	4 784 969	2 496 099	375 850
Midi-Pyrénées	67 649 216	8 572 660	5 486 020	8 403 075	7 500 619	10 941 865	4 539 088	7 438 984	6 686 059	5 872 403	1 874 416	334 027
Nord-Pas-de-Calais	212 829 093	23 905 891	19 770 773	21 708 722	28 406 202	33 157 825	18 506 322	21 909 942	22 994 480	15 894 239	5 191 638	1 383 058
Pays-de-la-Loire	82 716 494	10 561 705	9 077 814	8 410 164	11 729 985	14 614 559	5 757 777	9 272 297	7 411 035	3 695 858	1 881 052	304 246
Picardie	18 309 522	2 936 105	1 378 245	1 178 745	2 146 392	2 165 679	1 111 214	1 031 629	1 789 429	3 245 366	1 326 716	-
Poitou-Charentes	72 104 134	8 061 690	6 057 204	9 961 050	10 516 856	12 359 220	5 098 097	5 557 542	7 806 742	4 595 490	1 670 584	419 659
Provence-Alpes-Côte d'Azur	506 150 697	73 014 000	44 001 472	58 118 848	64 704 638	85 981 637	42 527 340	36 421 567	43 434 064	38 184 378	15 841 770	3 920 983
Rhône-Alpes	313 052 803	37 550 588	32 203 031	52 616 521	41 537 117	44 845 922	26 017 580	27 112 420	20 510 290	17 588 389	9 655 692	3 415 254
Territoires d'Outre-Mer	-	-	-	-	-	-	-	-	-	-	-	-
No data	-	-	-	-	-	-	-	-	-	-	-	-
Total	3 842 348 175	522 324 958	349 094 775	478 713 270	516 770 161	611 912 265	317 089 458	329 300 920	309 723 382	266 951 664	117 235 062	23 232 261

ASSET COVER TEST

Date of Asset Cover test:

21/07/2010

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

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

R	Asset Cover test Ratio	1.88
	Adjusted Aggregate Asset Amount (AAAA)	3 327 440 942.23
	Aggregate Covered Bond Outstanding Principal Amount	1 774 254 372.27
	Asset Cover Test Result	PASS

A	=min(A1 ; A2)	3 342 842 912.14
A1	Adjusted Home Loan Outstanding Principal Amount	3 722 708 569.33
A2	= a * b	3 342 842 912.14
	Unadjusted Home Loan Outstanding Principal Amount (a)	3 842 348 174.87
	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	42 649 368.23
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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%	58 051 338
	WAM (Weighted Average Maturity)	6.54
	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	6.5096 Years
Serie n°2 ISINCH0111297393 Devise : CHF	200 000 000.00	07/09/2015	5.137 Years
Serie n°3 ISINCH0111297443 Devise : CHF	200 000 000.00	07/09/2018	8.1397 Years