

HBFR Covered Bond Investor Report

Collection Period End:

30/09/2010

Date of Report:

20/10/2010

Summary

Cover Pool Overview Data	
Total Outstanding Current Balance:	3 824 913 885
Number of Loans	29 253
Number of Borrowers	26 250
Average Loan Balance	130 753
Weighted Average Seasoning of Loan parts (months)	48.26
Weighted Average Remaining Term of Loan Parts (months)	169.36
Percentage of variable mortgages	3.70%
Weighted Average Current LTV	67.5%
Weighted Average Current Indexed LTV	62.6%
Loan Originator	Total Loan Balance
HBFR	3 824 913 885
Covered Bonds Overview Data	
Total Covered Bonds Outstanding Balance:	1 774 254 372
Weight Average Maturity	6.29
ACT Results	
Asset Cover Ratio	1.87
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%	532 184 944	7 620
>40% - ≤50%	358 731 404	2 984
>50% - ≤60%	481 034 503	3 438
>60% - ≤70%	511 669 393	3 644
>70% - ≤80%	609 822 490	3 841
>80% - ≤85%	323 248 427	2 069
>85% - ≤90%	315 862 817	1 912
>90% - ≤95%	319 939 815	1 877
>95% - ≤100%	267 245 917	1 398
>100% - ≤105%	87 239 101	382
>105%	17 935 073	88
Total	3 824 913 885	29 253

1.b Indexed LTV Ranges Distribution		
Indexed LTV Range	Total Loan Balance	Number of Loans
0 - ≤40%	740 822 303	9 987
>40% - ≤50%	446 507 515	3 391
>50% - ≤60%	494 396 069	3 389
>60% - ≤70%	514 325 608	3 290
>70% - ≤80%	562 638 374	3 273
>80% - ≤85%	298 705 396	1 711
>85% - ≤90%	273 452 126	1 591
>90% - ≤95%	253 243 739	1 399
>95% - ≤100%	240 822 755	1 222
>100% - ≤105%	-	-
>105%	-	-
Total	3 824 913 885	29 253

2. Current Arrears Ranges Distribution		
Number of months in arrears	Total Loan Balance	Number of Loans
0	3 824 913 885	-
>1 - ≤2		
>2 - ≤3		
>3 - ≤4		
>4 - ≤5		
>5 - ≤6		
>6		
Total	3 824 913 885	29 253

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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	379 628 340	46 302 436	33 488 146	40 419 235	46 544 027	66 788 899	31 045 463	33 221 081	41 021 908	40 236 527	562 618	-
≥12 - <24	228 657 816	35 341 091	21 095 159	31 978 001	28 741 690	38 048 825	19 089 170	20 556 102	18 665 700	12 703 888	2 438 192	-
≥24 - <36	381 483 486	65 299 855	37 810 208	48 493 038	59 072 246	66 125 704	39 118 367	36 586 103	23 296 648	4 923 198	758 119	-
≥36 - <60	1 800 715 231	172 981 904	143 071 919	194 123 537	222 406 425	286 029 363	160 575 585	173 057 261	184 326 383	177 079 651	75 423 893	11 639 310
≥60	1 034 429 012	212 259 659	123 267 971	166 020 692	154 905 005	152 829 700	73 419 843	52 442 271	52 629 176	32 302 655	8 056 278	6 295 763
Total	3 824 913 885	532 184 944	358 731 404	481 034 503	511 669 393	609 822 490	323 248 427	315 862 817	319 939 815	267 245 917	87 239 101	17 935 073

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	3 486 750 195	498 072 474	337 528 825	449 719 352	470 630 509	558 953 692	286 612 826	274 612 895	278 339 463	237 042 546	78 532 210	16 705 404
RE-MORTGAGE	190 637 556	9 104 673	9 208 446	13 735 059	20 925 357	28 685 336	24 193 823	28 719 320	29 177 148	20 928 264	5 357 574	602 555
EQUITY RELEASE	-	-	-	-	-	-	-	-	-	-	-	-
RENOVATION	91 643 213	13 750 631	6 818 033	8 754 762	12 364 707	15 757 605	9 104 756	8 364 359	8 491 469	6 196 875	1 975 224	64 794
Construction (new)	55 882 921	11 257 166	5 176 100	8 825 331	7 748 820	6 425 858	3 337 022	4 166 243	3 931 735	3 078 233	1 374 093	562 320
Other/No data	-	-	-	-	-	-	-	-	-	-	-	-
Total	3 824 913 885	532 184 944	358 731 404	481 034 503	511 669 393	609 822 490	323 248 427	315 862 817	319 939 815	267 245 917	87 239 101	17 935 073

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	2 875 459 051	423 340 235	283 731 925	372 190 756	389 932 602	452 565 021	229 431 352	227 163 522	231 269 769	192 786 530	60 414 147	12 633 192
Buy-to let	618 861 997	56 082 586	42 861 971	68 247 145	75 292 220	97 146 311	62 834 357	63 127 374	65 245 999	59 375 948	24 048 221	4 599 864
Vacation / second home	330 592 837	52 762 123	32 137 508	40 596 602	46 444 571	60 111 158	30 982 718	25 571 921	23 424 047	15 083 440	2 776 733	702 017
Other/No data	-	-	-	-	-	-	-	-	-	-	-	-
Total	3 824 913 885	532 184 944	358 731 404	481 034 503	511 669 393	609 822 490	323 248 427	315 862 817	319 939 815	267 245 917	87 239 101	17 935 073

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	2 525 172 147	332 562 488	237 247 075	312 613 638	339 406 778	415 873 857	207 206 457	210 182 369	218 002 518	180 773 975	58 735 188	12 567 803
Protected life-time employment	225 440 911	32 726 901	18 882 485	26 999 586	29 534 537	33 582 353	19 845 088	18 862 576	19 842 221	18 211 595	5 920 534	1 033 035
SELF-EMPLOYED	795 264 492	106 756 223	74 869 674	100 388 376	103 772 912	125 852 926	75 502 443	68 219 570	68 028 282	50 487 447	17 922 340	3 464 300
Unemployed	216 976 604	40 034 346	19 410 166	33 518 350	31 875 174	26 982 071	16 958 491	15 106 737	12 360 906	16 047 921	4 032 442	650 001
Other/No data	62 059 730	20 104 985	8 322 003	7 514 554	7 079 991	7 531 283	3 735 949	3 491 565	1 705 889	1 724 979	628 597	219 934
Total	3 824 913 885	532 184 944	358 731 404	481 034 503	511 669 393	609 822 490	323 248 427	315 862 817	319 939 815	267 245 917	87 239 101	17 935 073

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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	41 502 499	4 376 876	4 021 300	2 942 819	5 256 644	6 927 901	5 293 101	3 600 307	4 545 271	3 451 224	951 471	135 585
Aquitaine	165 266 196	21 225 663	12 561 710	18 922 537	19 623 319	29 369 252	13 800 560	17 336 700	14 596 503	11 843 663	4 980 440	1 005 849
Auvergne	14 184 558	1 214 105	939 559	1 248 862	1 950 715	3 126 828	1 315 024	969 851	1 210 316	1 380 952	828 347	-
Basse-Normandie	39 043 883	4 681 653	2 723 207	3 211 866	5 185 974	6 110 320	3 484 150	3 798 999	5 188 492	3 645 277	809 864	204 079
Bourgogne	27 033 993	2 263 540	1 890 038	2 126 676	3 620 164	5 276 154	2 982 816	1 684 599	3 492 000	3 170 112	142 663	385 231
Bretagne	60 495 389	7 018 456	4 879 197	7 721 183	7 618 960	12 286 124	6 025 098	6 354 225	4 152 203	3 445 201	620 579	374 165
Centre	54 671 568	6 238 373	5 933 066	5 623 377	5 826 690	7 389 891	4 906 868	6 216 463	6 558 352	4 545 310	1 433 178	-
Champagne-Ardenne	8 737 685	1 192 948	867 555	768 532	940 417	1 541 033	396 574	865 901	1 861 362	303 364	-	-
Corse	8 006 551	1 817 864	740 045	1 369 233	449 493	1 610 998	522 743	323 195	932 509	208 114	32 357	-
Départements d'Outre-Mer	-	-	-	-	-	-	-	-	-	-	-	-
Franche-Comté	12 026 544	1 774 300	1 319 975	673 146	1 747 524	2 145 743	1 232 680	1 370 334	905 242	662 447	195 152	-
Haute-Normandie	96 784 947	8 218 385	5 841 243	10 156 072	13 382 977	13 295 740	11 100 149	9 153 730	9 261 134	11 221 342	4 386 847	767 327
Île-de-France	1 914 442 854	290 715 562	190 238 097	256 631 116	264 295 853	300 241 606	147 203 339	148 572 479	141 172 287	124 440 234	44 770 492	6 161 789
Languedoc-Roussillon	48 453 636	6 687 046	2 853 488	4 686 236	7 318 624	7 302 237	6 884 375	3 370 611	4 404 291	3 558 892	693 356	694 479
Limousin	10 925 923	922 128	897 080	1 079 757	1 366 001	2 556 415	750 105	1 499 911	1 090 095	536 917	227 513	-
Lorraine	46 978 990	3 927 182	2 403 275	2 975 754	4 953 807	7 395 217	6 273 204	5 747 479	5 905 224	5 387 283	1 787 797	222 767
Midi-Pyrénées	70 542 123	8 531 059	5 480 132	7 915 850	8 886 443	10 630 224	5 641 663	7 105 789	7 719 935	6 837 869	1 502 725	290 432
Nord-Pas-de-Calais	211 656 909	24 585 281	19 960 345	22 328 447	29 305 757	29 657 636	21 190 006	20 529 055	23 294 584	15 860 811	3 510 023	1 434 965
Pays-de-la-Loire	84 072 999	10 733 815	8 794 874	9 230 967	11 850 230	14 195 859	7 275 870	10 511 603	5 521 922	4 703 602	952 370	301 888
Picardie	18 515 329	2 861 157	1 678 962	1 285 311	2 142 391	1 943 509	1 205 667	1 290 325	2 390 827	2 729 585	987 594	-
Poitou-Charentes	74 946 949	9 507 372	7 023 145	9 765 944	10 911 953	14 094 231	3 679 507	5 660 471	7 594 350	5 373 255	634 945	701 778
Provence-Alpes-Côte d'Azur	508 348 236	73 603 461	45 138 531	58 535 912	66 424 957	87 263 229	42 588 393	37 621 803	46 827 166	36 580 961	11 168 453	2 595 371
Rhône-Alpes	308 276 123	40 088 718	32 546 580	51 834 906	38 610 498	45 462 344	29 496 536	22 278 986	21 315 750	17 359 503	6 622 936	2 659 368
Territoires d'Outre-Mer	-	-	-	-	-	-	-	-	-	-	-	-
No data	-	-	-	-	-	-	-	-	-	-	-	-
Total	3 824 913 885	532 184 944	358 731 404	481 034 503	511 669 393	609 822 490	323 248 427	315 862 817	319 939 815	267 245 917	87 239 101	17 935 073

ASSET COVER TEST

Date of Asset Cover test:

20/10/2010

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

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

R	Asset Cover test Ratio	1.87
	Adjusted Aggregate Asset Amount (AAAA)	3 317 741 037.52
	Aggregate Covered Bond Outstanding Principal Amount	1 774 254 372.27
	Asset Cover Test Result	PASS

A	=min(A1 ; A2)	3 327 675 080.08
A1	Adjusted Home Loan Outstanding Principal Amount	3 707 288 717.25
A2	= a * b	3 327 675 080.08
	Unadjusted Home Loan Outstanding Principal Amount (a)	3 824 913 885.15
	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	45 876 450.77
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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%	55 810 493
	WAM (Weighted Average Maturity)	6.29
	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	6.2575 Years
Serie n°2 ISINCH0111297393 Devise : CHF	200 000 000.00	07/09/2015	4.8849 Years
Serie n°3 ISINCH0111297443 Devise : CHF	200 000 000.00	07/09/2018	7.8877 Years