

HBFR Covered Bond Investor Report

Collection Period End:

30/11/2010

Date of Report:

20/12/2010

Summary

Cover Pool Overview Data	
Total Outstanding Current Balance:	3 816 978 338
Number of Loans	29 305
Number of Borrowers	26 292
Average Loan Balance	130 250
Weighted Average Seasoning of Loan parts (months)	49.15
Weighted Average Remaining Term of Loan Parts (months)	168.57
Percentage of variable mortgages	3.71%
Weighted Average Current LTV	67.1%
Weighted Average Current Indexed LTV	62.4%
Loan Originator	Total Loan Balance
HBFR	3 816 978 338
Covered Bonds Overview Data	
Total Covered Bonds Outstanding Balance:	1 774 254 372
Weight Average Maturity	6.12
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%	546 196 490	7 839
>40% - ≤50%	362 280 913	2 994
>50% - ≤60%	482 893 127	3 463
>60% - ≤70%	521 473 420	3 627
>70% - ≤80%	599 916 020	3 817
>80% - ≤85%	319 481 516	2 095
>85% - ≤90%	318 410 558	1 907
>90% - ≤95%	313 096 591	1 821
>95% - ≤100%	263 641 227	1 346
>100% - ≤105%	75 331 397	324
>105%	14 257 079	72
Total	3 816 978 338	29 305

1.b Indexed LTV Ranges Distribution		
Indexed LTV Range	Total Loan Balance	Number of Loans
0 - ≤40%	747 509 798	10 185
>40% - ≤50%	448 760 292	3 374
>50% - ≤60%	492 683 923	3 326
>60% - ≤70%	518 611 029	3 296
>70% - ≤80%	556 185 746	3 285
>80% - ≤85%	299 434 528	1 686
>85% - ≤90%	267 531 459	1 545
>90% - ≤95%	250 478 525	1 430
>95% - ≤100%	235 783 038	1 178
>100% - ≤105%	-	-
>105%	-	-
Total	3 816 978 338	29 305

2. Current Arrears Ranges Distribution		
Number of months in arrears	Total Loan Balance	Number of Loans
0	3 816 978 338	29 305
>1 - ≤2		
>2 - ≤3		
>3 - ≤4		
>4 - ≤5		
>5 - ≤6		
>6		
Total	3 816 978 338	29 305

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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	379 553 880	53 760 483	31 663 298	40 022 117	47 905 710	67 868 525	33 266 601	32 787 559	35 896 577	36 383 009	-	-
≥12 - <24	259 773 954	33 251 356	24 691 488	33 052 504	35 970 232	38 963 738	21 114 989	22 505 092	25 517 623	21 997 771	2 709 162	-
≥24 - <36	334 792 408	63 099 824	32 547 367	43 685 141	50 535 525	55 343 619	34 766 848	33 801 730	17 528 085	3 484 270	-	-
≥36 - <60	1 707 306 820	168 405 883	139 629 188	187 970 223	220 139 732	267 829 011	147 875 018	168 047 480	175 105 041	158 107 526	66 206 780	7 990 940
≥60	1 135 551 276	227 678 943	133 749 573	178 163 142	166 922 221	169 911 128	82 458 059	61 268 699	59 049 266	43 668 651	6 415 455	6 266 139
Total	3 816 978 338	546 196 490	362 280 913	482 893 127	521 473 420	599 916 020	319 481 516	318 410 558	313 096 591	263 641 227	75 331 397	14 257 079

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	3 480 464 809	510 265 922	340 455 718	450 732 719	480 641 281	546 383 753	284 747 930	281 111 031	269 227 644	236 727 717	66 960 911	13 210 183
RE-MORTGAGE	187 382 376	9 947 242	8 875 595	14 023 054	20 909 550	31 024 200	22 878 166	26 032 032	30 592 723	17 345 818	5 342 775	411 221
EQUITY RELEASE	-	-	-	-	-	-	-	-	-	-	-	-
RENOVATION	91 263 917	14 474 705	6 434 966	9 426 285	12 868 119	15 473 606	7 989 944	7 942 085	9 419 174	5 527 002	1 708 030	-
Construction (new)	57 867 237	11 508 621	6 514 634	8 711 069	7 054 470	7 034 461	3 865 476	3 325 411	3 857 050	4 040 690	1 319 681	635 675
Other/No data	-	-	-	-	-	-	-	-	-	-	-	-
Total	3 816 978 338	546 196 490	362 280 913	482 893 127	521 473 420	599 916 020	319 481 516	318 410 558	313 096 591	263 641 227	75 331 397	14 257 079

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	2 870 280 726	432 285 429	286 479 785	373 015 621	394 045 656	446 188 667	230 203 943	226 372 901	227 937 563	190 271 085	53 508 388	9 971 689
Buy-to let	616 623 040	58 558 622	43 666 000	69 308 995	78 104 028	95 051 127	62 959 491	65 004 840	61 298 933	60 322 111	18 603 430	3 745 463
Vacation / second home	330 074 572	55 352 439	32 135 129	40 568 512	49 323 736	58 676 226	26 318 082	27 032 817	23 860 095	13 048 030	3 219 579	539 928
Other/No data	-	-	-	-	-	-	-	-	-	-	-	-
Total	3 816 978 338	546 196 490	362 280 913	482 893 127	521 473 420	599 916 020	319 481 516	318 410 558	313 096 591	263 641 227	75 331 397	14 257 079

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	2 533 834 926	343 210 366	240 822 855	321 281 617	346 865 066	408 301 971	209 859 166	211 099 469	211 824 618	178 734 848	52 102 172	9 732 778
Protected life-time employment	221 411 781	31 342 310	18 150 914	26 818 104	31 734 674	33 802 155	17 828 904	18 828 089	19 706 716	17 429 907	4 740 625	1 029 382
SELF-EMPLOYED	786 594 815	109 023 059	74 707 960	97 157 573	104 976 940	123 659 309	72 914 326	69 581 946	64 737 578	50 415 671	16 179 819	3 240 635
Unemployed	215 543 489	42 370 476	20 386 195	30 412 631	31 291 925	27 077 472	15 727 233	15 636 191	14 893 051	15 683 259	2 028 950	36 107
Other/No data	59 593 328	20 250 279	8 212 990	7 223 202	6 604 815	7 075 113	3 151 888	3 264 863	1 934 629	1 377 541	279 831	218 178
Total	3 816 978 338	546 196 490	362 280 913	482 893 127	521 473 420	599 916 020	319 481 516	318 410 558	313 096 591	263 641 227	75 331 397	14 257 079

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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	42 240 192	4 058 700	4 324 589	3 060 274	5 610 213	6 906 642	5 582 534	4 568 417	3 466 829	3 728 945	933 049	-
Aquitaine	164 514 939	21 811 003	13 434 687	18 341 338	20 546 254	28 470 079	14 633 708	17 712 659	12 722 423	11 536 478	4 689 895	616 415
Auvergne	14 801 965	1 456 474	804 608	1 196 852	1 885 966	3 198 802	1 200 280	1 314 167	1 880 208	740 492	-	-
Basse-Normandie	39 273 134	4 566 334	2 812 615	3 639 412	5 535 892	5 870 723	3 020 057	4 596 588	4 422 241	4 227 834	581 438	-
Bourgogne	27 232 842	2 122 913	1 956 004	1 982 472	4 014 828	4 760 682	3 212 093	2 221 434	3 261 499	3 176 133	141 933	382 852
Bretagne	59 846 118	6 471 441	4 874 668	7 895 936	7 492 221	12 638 790	6 181 039	5 443 099	3 990 346	3 605 559	1 036 281	216 739
Centre	55 362 287	6 172 597	6 015 788	5 733 442	5 610 269	8 237 178	6 130 904	4 630 576	6 279 864	4 987 527	1 564 143	-
Champagne-Ardenne	8 593 630	1 249 644	675 122	761 863	1 139 016	1 524 680	747 847	845 830	1 649 628	-	-	-
Corse	7 234 963	1 568 233	589 571	1 344 371	442 439	1 643 032	452 081	626 347	292 270	244 737	31 881	-
Départements d'Outre-Mer	-	-	-	-	-	-	-	-	-	-	-	-
Franche-Comté	12 457 620	1 829 759	1 336 428	675 455	1 749 122	2 252 806	1 570 440	1 194 256	945 531	709 396	194 427	-
Haute-Normandie	94 197 979	8 736 516	5 582 168	9 895 059	13 184 261	13 787 915	10 209 658	9 646 288	8 153 204	10 473 557	4 017 082	512 273
Île-de-France	1 913 133 072	299 382 265	191 170 171	257 014 599	269 786 768	293 361 645	143 693 454	151 618 003	140 781 202	124 945 603	35 800 745	5 578 617
Languedoc-Roussillon	48 788 618	6 985 192	3 138 976	4 880 940	6 461 083	7 352 255	6 299 826	4 433 908	3 467 723	4 143 055	933 756	691 904
Limousin	10 890 730	915 770	1 067 122	924 712	1 484 443	2 453 871	869 594	1 595 969	771 163	808 086	-	-
Lorraine	47 097 865	4 013 865	2 429 745	3 214 812	5 046 290	8 715 156	5 528 126	5 601 202	5 599 943	5 319 438	1 408 732	220 557
Midi-Pyrénées	69 388 957	8 893 506	6 370 090	8 367 060	7 948 867	10 532 639	4 975 650	6 246 005	7 762 381	7 670 049	622 711	-
Nord-Pas-de-Calais	212 677 938	25 672 401	20 043 873	23 030 922	29 625 725	29 776 119	22 021 530	20 136 813	23 283 461	14 533 326	3 724 969	828 799
Pays-de-la-Loire	83 189 413	12 122 609	8 827 702	8 789 886	12 408 271	13 940 636	7 286 730	9 458 252	5 312 741	4 258 693	528 409	255 483
Picardie	18 903 146	2 887 948	1 538 497	1 550 934	2 135 137	1 628 133	779 424	1 826 742	2 702 589	2 084 563	1 769 179	-
Poitou-Charentes	74 858 808	10 020 258	7 330 237	9 995 890	10 313 150	12 801 139	4 067 746	5 560 231	8 287 765	4 934 925	1 053 006	494 462
Provence-Alpes-Côte d'Azur	505 459 873	75 970 086	43 924 880	58 301 738	69 429 054	84 996 150	39 427 384	39 931 274	46 911 364	34 275 615	10 291 270	2 001 059
Rhône-Alpes	306 834 248	39 288 975	34 033 373	52 295 161	39 624 153	45 066 951	31 591 411	19 392 548	21 718 257	16 097 500	5 268 001	2 457 918
Territoires d'Outre-Mer	-	-	-	-	-	-	-	-	-	-	-	-
No data	-	-	-	-	-	-	-	-	-	-	-	-
Total	3 816 978 338	546 196 490	362 280 913	482 893 127	521 473 420	599 916 020	319 481 516	318 410 558	313 096 591	263 641 227	75 331 397	14 257 079

ASSET COVER TEST

Date of Asset Cover test:

20/12/2010

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

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

R	Asset Cover test Ratio	1.87
	Adjusted Aggregate Asset Amount (AAAA)	3 312 170 556.41
	Aggregate Covered Bond Outstanding Principal Amount	1 774 254 372.27
	Asset Cover Test Result	PASS

A	=min(A1 ; A2)	3 320 771 154.42
A1	Adjusted Home Loan Outstanding Principal Amount	3 701 491 253.94
A2	= a * b	3 320 771 154.42
	Unadjusted Home Loan Outstanding Principal Amount (a)	3 816 978 338.41
	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	45 724 112.29
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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%	54 324 710
	WAM (Weighted Average Maturity)	6.12
	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	6.0904 Years
Serie n°2 ISINCH0111297393 Devise : CHF	200 000 000.00	07/09/2015	4.7178 Years
Serie n°3 ISINCH0111297443 Devise : CHF	200 000 000.00	07/09/2018	7.7205 Years