

## HBFR Covered Bond Investor Report

Collection Period End:

**31/01/2011**

Date of Report:

**18/02/2011**

### Summary

<b>Cover Pool Overview Data</b>	
Total Outstanding Current Balance:	4 019 601 356
Number of Loans	30 490
Number of Borrowers	27 220
Average Loan Balance	131 833
Weighted Average Seasoning of Loan parts (months)	49.15
Weighted Average Remaining Term of Loan Parts (months)	170.11
Percentage of variable mortgages	3.54%
Weighted Average Current LTV	68.7%
Weighted Average Current Indexed LTV	60.8%
Loan Originator	Total Loan Balance
HBFR	4 019 601 356
<b>Covered Bonds Overview Data</b>	
Total Covered Bonds Outstanding Balance:	1 924 970 273
Weight Average Maturity	6.14
<b>ACT Results</b>	
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%	559 354 496	7925
>40% - ≤50%	375 358 456	3031
>50% - ≤60%	484 676 410	3493
>60% - ≤70%	518 897 130	3602
>70% - ≤80%	594 807 956	3804
>80% - ≤85%	323 257 340	2013
>85% - ≤90%	320 852 596	1927
>90% - ≤95%	354 400 356	2011
>95% - ≤100%	309 910 187	1727
>100% - ≤105%	128 905 831	699
>105%	49 180 597	258
<b>Total</b>	<b>4 019 601 356</b>	<b>30 490</b>

1.b Indexed LTV Ranges Distribution		
Indexed LTV Range	Total Loan Balance	Number of Loans
0 - ≤40%	887 014 439.88	11098
>40% - ≤50%	490 974 366.42	3564
>50% - ≤60%	517 749 168.69	3436
>60% - ≤70%	558 870 484.25	3428
>70% - ≤80%	586 668 282.51	3380
>80% - ≤85%	283 592 388.24	1624
>85% - ≤90%	265 314 388.48	1483
>90% - ≤95%	237 869 685.27	1359
>95% - ≤100%	191 548 151.97	1118
>100% - ≤105%	-	-
>105%	-	-
<b>Total</b>	<b>4 019 601 356</b>	<b>30 490</b>

2. Current Arrears Ranges Distribution		
Number of months in arrears	Total Loan Balance	Number of Loans
0	4 019 601 356	30 490
>1 - ≤2		
>2 - ≤3		
>3 - ≤4		
>4 - ≤5		
>5 - ≤6		
>6		
<b>Total</b>	<b>4 019 601 356</b>	<b>30 490</b>

## 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	399 721 236	55 287 823	37 376 072	41 866 860	44 976 225	67 020 538	36 532 027	32 779 047	36 013 203	34 957 249	10 960 370	1 951 823
≥12 - <24	351 909 595	36 447 599	26 463 249	35 864 627	42 692 039	46 996 747	19 833 749	27 256 104	29 710 753	33 764 799	33 079 661	19 800 268
≥24 - <36	322 076 993	55 570 875	29 338 529	39 014 790	40 480 949	43 483 477	30 423 996	26 041 684	25 791 924	21 077 440	8 142 686	2 710 645
≥36 - <60	1 619 713 532	157 493 454	126 093 070	170 218 256	198 377 442	238 623 094	139 637 818	147 113 393	177 086 138	162 118 579	81 290 737	21 661 551
≥60	1 326 180 000	245 913 661	149 008 909	196 316 455	189 820 032	195 778 310	98 831 427	80 801 117	80 999 543	68 645 730	12 608 047	7 456 771
<b>Total</b>	<b>4 019 601 356</b>	<b>550 713 412</b>	<b>368 279 827</b>	<b>483 280 987</b>	<b>516 346 687</b>	<b>591 902 165</b>	<b>325 259 018</b>	<b>313 991 345</b>	<b>349 601 560</b>	<b>320 563 797</b>	<b>146 081 500</b>	<b>53 581 056</b>

### 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	3 658 132 035	513 612 192	346 649 835	450 669 608	475 333 825	538 754 445	289 859 899	275 248 131	303 477 675	287 841 469	128 146 771	48 538 186
RE-MORTGAGE	199 439 021	10 458 946	9 229 940	13 833 672	21 418 078	31 272 298	23 751 002	26 910 831	30 406 174	19 105 490	9 290 086	3 762 505
EQUITY RELEASE	-	-	-	-	-	-	-	-	-	-	-	-
RENOVATION	102 022 816	14 738 269	6 544 335	9 558 011	12 988 968	14 952 428	7 848 889	8 391 587	11 116 437	8 993 454	6 050 372	840 064
Construction (new)	60 007 484	11 904 006	5 855 717	9 219 697	6 605 816	6 922 994	3 799 228	3 440 797	4 601 273	4 623 384	2 594 271	440 302
Other/No data	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4 019 601 356</b>	<b>550 713 412</b>	<b>368 279 827</b>	<b>483 280 987</b>	<b>516 346 687</b>	<b>591 902 165</b>	<b>325 259 018</b>	<b>313 991 345</b>	<b>349 601 560</b>	<b>320 563 797</b>	<b>146 081 500</b>	<b>53 581 056</b>

### 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	2 998 366 284	432 620 377	287 738 650	372 624 189	387 580 823	439 056 573	237 127 070	221 550 868	253 772 041	226 838 033	104 121 341	35 336 320
Buy-to let	677 528 803	62 763 276	45 930 547	70 376 436	79 063 353	96 870 907	60 424 777	65 171 179	70 318 897	77 231 224	34 647 882	14 730 324
Vacation / second home	343 706 269	55 329 759	34 610 631	40 280 362	49 702 511	55 974 685	27 707 170	27 269 299	25 510 622	16 494 540	7 312 278	3 514 412
Other/No data	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4 019 601 356</b>	<b>550 713 412</b>	<b>368 279 827</b>	<b>483 280 987</b>	<b>516 346 687</b>	<b>591 902 165</b>	<b>325 259 018</b>	<b>313 991 345</b>	<b>349 601 560</b>	<b>320 563 797</b>	<b>146 081 500</b>	<b>53 581 056</b>

### 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	2 662 822 248	344 609 333	246 352 192	316 779 456	344 305 846	400 393 572	214 029 471	211 015 968	232 346 444	216 460 312	100 366 060	36 163 594
Protected life-time employment	234 749 605	32 495 524	18 923 115	27 523 233	30 491 856	36 515 479	18 801 852	16 944 535	21 695 603	20 755 445	7 502 766	3 100 198
SELF-EMPLOYED	834 907 602	111 720 193	73 768 875	100 285 613	102 115 948	120 902 139	73 582 462	68 115 804	73 715 815	65 669 738	31 807 716	13 223 300
Unemployed	224 028 701	40 789 240	20 576 761	30 682 160	32 945 499	27 271 921	14 940 130	15 028 966	19 743 126	15 658 561	5 605 865	786 472
Other/No data	63 093 200	21 099 122	8 658 884	8 010 526	6 487 539	6 819 054	3 905 103	2 886 072	2 100 572	2 019 741	799 093	307 493
<b>Total</b>	<b>4 019 601 356</b>	<b>550 713 412</b>	<b>368 279 827</b>	<b>483 280 987</b>	<b>516 346 687</b>	<b>591 902 165</b>	<b>325 259 018</b>	<b>313 991 345</b>	<b>349 601 560</b>	<b>320 563 797</b>	<b>146 081 500</b>	<b>53 581 056</b>

## 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	42 835 431	4 119 013	4 083 324	3 096 638	5 861 590	7 102 893	5 301 302	4 576 838	3 264 441	4 184 660	1 008 540	236 193
Aquitaine	170 006 480	21 788 962	13 780 000	18 534 187	22 336 725	26 804 725	15 290 429	16 987 539	14 994 069	12 924 453	6 281 727	283 665
Auvergne	16 620 293	1 537 165	736 954	1 623 944	1 560 216	2 932 527	1 521 151	1 013 725	1 398 351	2 830 037	1 380 036	86 186
Basse-Normandie	40 388 110	4 765 777	3 048 353	3 785 812	5 135 577	6 165 245	2 689 822	5 582 685	4 784 552	3 133 198	1 297 089	-
Bourgogne	28 753 614	2 116 950	1 892 469	2 193 191	4 150 573	4 501 830	3 009 520	2 173 327	3 753 087	3 413 067	1 320 234	229 367
Bretagne	61 065 739	6 862 421	5 363 325	8 143 362	7 315 089	12 455 491	6 521 766	4 831 111	4 116 397	3 683 277	1 371 913	401 587
Centre	58 189 074	6 574 751	5 233 554	5 534 022	5 730 076	9 627 567	5 339 764	4 840 206	6 414 363	5 840 493	2 836 888	217 391
Champagne-Ardenne	10 144 368	1 291 604	645 861	755 140	994 813	1 661 879	1 052 902	574 323	1 706 485	690 890	666 991	103 479
Corse	9 509 337	1 520 733	809 543	1 180 247	634 037	1 513 550	472 195	535 142	1 104 941	1 174 684	564 264	-
Départements d'Outre-Mer	-	-	-	-	-	-	-	-	-	-	-	-
Franche-Comté	12 332 060	1 739 195	1 201 653	970 665	1 589 654	2 210 387	1 878 326	880 165	870 011	653 309	338 695	-
Haute-Normandie	103 797 304	8 608 589	6 508 019	10 377 697	13 273 886	13 715 116	9 756 277	8 423 121	10 002 353	14 534 795	7 189 904	1 407 547
Île-de-France	2 026 740 254	300 456 634	194 247 640	253 599 837	262 806 233	287 158 558	148 479 341	151 544 660	159 514 689	157 647 137	72 470 371	38 815 154
Languedoc-Roussillon	53 206 822	7 149 711	3 408 724	5 398 246	6 310 265	8 730 292	6 459 322	3 791 107	4 879 859	4 591 040	1 813 110	675 148
Limousin	11 241 084	938 384	1 005 492	923 324	2 111 375	1 699 649	932 482	1 736 252	1 179 932	694 482	19 711	-
Lorraine	49 303 251	3 880 063	2 260 538	3 895 374	5 388 687	8 346 420	5 519 134	5 459 076	6 431 046	6 467 817	1 436 763	218 332
Midi-Pyrénées	71 346 525	9 403 346	5 815 279	9 800 186	8 092 739	9 655 640	5 311 653	6 259 967	8 055 709	6 897 610	2 002 522	51 873
Nord-Pas-de-Calais	230 837 712	26 661 640	19 455 149	24 271 997	29 028 958	30 814 594	21 336 762	18 655 844	24 513 901	22 235 598	11 737 560	2 125 708
Pays-de-la-Loire	85 391 300	11 327 090	9 250 759	9 376 457	12 493 982	14 671 773	7 684 719	6 741 603	6 710 040	4 365 522	2 260 494	508 860
Picardie	22 393 382	2 789 183	1 732 262	1 704 397	1 821 296	1 910 155	1 100 029	2 217 806	3 865 707	3 242 699	1 836 006	173 842
Poitou-Charentes	76 138 192	9 693 355	7 069 137	10 456 882	9 243 139	12 628 670	4 223 525	5 033 541	8 645 146	5 029 881	3 281 495	833 421
Provence-Alpes-Côte d'Azur	521 603 782	77 885 590	43 683 530	56 956 190	71 447 113	81 620 284	40 810 749	41 650 888	51 812 134	37 167 432	15 450 320	3 119 552
Rhône-Alpes	317 757 243	39 603 254	37 048 262	50 703 193	39 020 661	45 974 920	30 567 847	20 482 421	21 584 348	19 161 715	9 516 868	4 093 753
Territoires d'Outre-Mer	-	-	-	-	-	-	-	-	-	-	-	-
No data	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4 019 601 356</b>	<b>550 713 412</b>	<b>368 279 827</b>	<b>483 280 987</b>	<b>516 346 687</b>	<b>591 902 165</b>	<b>325 259 018</b>	<b>313 991 345</b>	<b>349 601 560</b>	<b>320 563 797</b>	<b>146 081 500</b>	<b>53 581 056</b>

**ASSET COVER TEST**

Date of Asset Cover test:

18/02/2011

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

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

<b>R</b>	<b>Asset Cover test Ratio</b>	<b>1.81</b>
	Adjusted Aggregate Asset Amount (AAAA)	3 483 627 977.53
	Aggregate Covered Bond Outstanding Principal Amount	1 924 970 272.80
	<b>Asset Cover Test Result</b>	<b>PASS</b>

<b>A</b>	<b>=min(A1 ; A2)</b>	<b>3 497 053 179.47</b>
<b>A1</b>	Adjusted Home Loan Outstanding Principal Amount	3 907 167 646.13
<b>A2</b>	= a * b	3 497 053 179.47
	Unadjusted Home Loan Outstanding Principal Amount (a)	4 019 601 355.71
	Asset Percentage (b)	87.0%

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

<b>D</b>	Permitted Investments	<b>45 635 712.95</b>
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<b>Y</b>	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  $\alpha$  plus 2 months, where alpha means the period between 2 interest payment dates (1st day of such period included and last day of

<b>Z</b>	WAM * Covered Bond Outstanding Principal Amount * 0.50%	<b>59 060 915</b>
	WAM (Weighted Average Maturity)	6.14
	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	5.9205 Years
Serie n°2 ISINCH0111297393 Devise : CHF	200 000 000.00	07/09/2015	4.5479 Years
Serie n°3 ISINCH0111297443 Devise : CHF	200 000 000.00	07/09/2018	7.5507 Years
Serie n°4 ISINCH0120743346 Devise : CHF	200 000 000.00	23/04/2019	8.1753 Years