

HBFR Covered Bond Investor Report

Collection Period End:

31/05/2010

Date of Report:

22/06/2010

Summary

Cover Pool Overview Data	
Total Outstanding Current Balance:	3 844 669 486.76
Number of Loans	29 177
Number of Borrowers	26 236
Average Loan Balance	131 771
Weighted Average Seasoning of Loan parts (months)	46.46
Weighted Average Remaining Term of Loan Parts (months)	170.88
Percentage of variable mortgages	3.81%
Weighted Average Current LTV	68.4%
Weighted Average Current Indexed LTV	63.1%
Loan Originator	Total Loan Balance
HBFR	3 844 669 486.76

HSBC Covered Bonds (France) Investor Report

1.a Unindexed LTV Ranges Distribution		
Unindexed LTV Range	Total Loan Balance	Number of Loans
0 - ≤40%	495 938 029	7 034
>40% - ≤50%	341 973 353	2 902
>50% - ≤60%	474 561 302	3 336
>60% - ≤70%	517 176 868	3 620
>70% - ≤80%	614 155 859	3 967
>80% - ≤85%	320 978 275	2 007
>85% - ≤90%	331 407 412	2 059
>90% - ≤95%	316 230 695	1 887
>95% - ≤100%	277 684 258	1 540
>100% - ≤105%	128 205 436	675
>105%	26 357 999	150
Total	3 844 669 487	29 177

1.b Indexed LTV Ranges Distribution		
Indexed LTV Range	Total Loan Balance	Number of Loans
0 - ≤40%	709 229 865	9 503
>40% - ≤50%	440 435 432	3 374
>50% - ≤60%	502 698 437	3 397
>60% - ≤70%	521 622 811	3 330
>70% - ≤80%	557 098 224	3 277
>80% - ≤85%	311 280 804	1 774
>85% - ≤90%	284 053 780	1 636
>90% - ≤95%	272 136 537	1 520
>95% - ≤100%	246 113 598	1 366
>100% - ≤105%	-	-
>105%	-	-
Total	3 844 669 487	29 177

2. Current Arrears Ranges Distribution		
Number of months in arrears	Total Loan Balance	Number of Loans
0	3 844 669 487	29 177
>1 - ≤2		
>2 - ≤3		
>3 - ≤4		
>4 - ≤5		
>5 - ≤6		
>6		
Total	3 844 669 487	29 177

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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	354 183 432	40 859 330	30 253 218	43 736 090	45 941 382	63 696 122	28 365 568	27 312 148	35 503 770	35 731 703	2 784 102	-
≥12 - <24	258 928 951	48 937 125	23 499 911	40 304 233	36 890 935	42 983 482	24 880 008	24 490 777	13 665 734	3 218 609	58 137	-
≥24 - <36	409 039 187	57 845 940	39 861 819	44 624 463	66 033 455	68 623 532	44 508 304	40 303 810	31 038 129	12 719 750	2 608 740	871 244
≥36 - <60	2 049 288 660	184 611 579	157 532 401	218 574 209	249 745 136	317 318 421	172 408 775	199 582 115	200 845 764	213 641 085	115 669 190	19 359 986
≥60	773 229 256	174 485 219	92 739 582	129 396 590	121 228 002	119 133 639	49 174 438	36 955 664	29 856 398	8 949 185	5 536 415	5 774 123
Total	3 844 669 487	506 739 193	343 886 931	476 635 585	519 838 910	611 755 196	319 337 093	328 644 514	310 909 796	274 260 332	126 656 584	26 005 354

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	3 503 167 026	472 938 939	325 264 197	446 815 978	480 981 325	557 939 801	285 395 005	287 491 891	269 531 062	237 216 047	115 727 751	23 865 032
RE-MORTGAGE	197 983 224	9 090 972	8 072 166	12 698 760	19 478 148	31 304 073	21 354 595	29 262 714	30 030 882	27 640 338	7 792 925	1 257 651
EQUITY RELEASE	-	-	-	-	-	-	-	-	-	-	-	-
RENOVATION	86 544 770	13 198 862	6 081 075	8 252 787	11 655 387	15 140 304	9 539 471	7 322 993	7 827 837	5 731 793	1 627 290	166 973
Construction (new)	56 974 467	11 510 421	4 469 493	8 868 060	7 724 051	7 371 018	3 048 022	4 566 916	3 520 015	3 672 155	1 508 618	715 698
Other/No data	-	-	-	-	-	-	-	-	-	-	-	-
Total	3 844 669 487	506 739 193	343 886 931	476 635 585	519 838 910	611 755 196	319 337 093	328 644 514	310 909 796	274 260 332	126 656 584	26 005 354

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	2 909 338 403	402 882 819	272 215 667	369 015 915	399 528 246	460 012 257	231 052 665	236 327 857	228 382 280	198 445 751	93 558 350	17 916 597
Buy-to let	603 639 341	52 368 313	41 741 999	66 888 519	71 115 195	92 616 098	58 859 996	68 321 219	58 532 585	56 444 778	29 421 716	7 328 921
Vacation / second home	331 691 743	51 488 061	29 929 265	40 731 151	49 195 469	59 126 841	29 424 432	23 995 438	23 994 931	19 369 803	3 676 518	759 835
Other/No data	-	-	-	-	-	-	-	-	-	-	-	-
Total	3 844 669 487	506 739 193	343 886 931	476 635 585	519 838 910	611 755 196	319 337 093	328 644 514	310 909 796	274 260 332	126 656 584	26 005 354

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	2 559 785 530	317 959 782	226 560 829	315 288 491	349 567 109	424 885 656	211 929 118	215 236 928	204 717 831	187 551 906	87 498 054	18 589 825
Protected life-time empl	228 738 302	30 791 851	18 526 417	26 602 345	29 616 953	34 251 122	17 712 612	21 542 379	20 420 157	18 945 834	8 426 509	1 902 123
SELF-EMPLOYED	811 687 797	104 400 939	75 289 635	99 295 059	106 965 838	121 025 502	73 110 088	76 075 532	72 502 253	52 692 984	25 353 758	4 976 208
Unemployed	195 723 592	36 915 460	17 597 902	29 108 615	28 235 260	25 703 385	14 055 372	12 831 156	11 841 995	14 378 203	4 849 618	206 626
Other/No data	48 734 266	16 671 163	5 912 148	6 341 074	5 453 750	5 889 531	2 529 902	2 958 519	1 427 559	691 404	528 645	330 572
Total	3 844 669 487	506 739 193	343 886 931	476 635 585	519 838 910	611 755 196	319 337 093	328 644 514	310 909 796	274 260 332	126 656 584	26 005 354

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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	41 913 302	4 253 412	3 867 908	3 642 098	4 533 646	6 295 785	4 886 385	3 937 664	5 081 264	3 404 935	1 779 478	230 726
Aquitaine	164 105 098	19 947 744	11 780 284	19 122 351	19 236 245	27 099 365	14 936 861	17 286 365	15 284 282	11 818 743	6 161 355	1 431 503
Auvergne	13 712 912	884 866	732 344	1 469 337	2 139 445	2 150 212	1 476 555	1 550 290	1 381 220	671 854	1 256 789	-
Basse-Normandie	39 512 397	4 473 826	2 993 429	3 109 564	5 509 852	6 693 857	3 028 548	3 276 713	6 328 562	3 112 843	778 522	206 682
Bourgogne	27 750 922	2 442 355	1 753 331	2 126 185	3 363 707	4 867 376	3 382 474	1 482 410	3 694 109	3 167 565	1 081 471	389 940
Bretagne	60 811 614	7 040 845	4 267 493	6 678 594	8 471 454	12 170 370	5 558 032	5 687 898	4 263 122	5 036 054	818 234	819 518
Centre	53 978 007	5 477 068	5 201 578	5 933 252	6 962 890	7 244 605	4 729 610	5 974 007	6 330 012	4 586 531	1 538 455	-
Champagne-Ardenne	8 632 645	1 183 498	956 880	801 173	1 041 758	1 460 920	412 776	583 456	844 785	1 206 092	141 307	-
Corse	8 396 012	1 829 041	659 663	1 687 269	872 442	1 482 717	927 947	388 512	264 459	117 561	166 401	-
Départements d'Outre-Mer	-	-	-	-	-	-	-	-	-	-	-	-
Franche-Comté	11 770 621	1 919 516	805 827	1 040 676	1 409 246	2 312 749	837 534	1 402 489	811 391	749 466	481 728	-
Haute-Normandie	96 914 482	7 842 805	5 797 975	9 604 967	13 459 573	12 427 589	10 565 727	10 876 401	8 748 992	9 780 162	6 551 524	1 258 766
Île-de-France	1 936 742 470	274 658 441	183 078 462	256 374 339	269 158 038	306 561 571	154 095 940	153 964 462	139 786 229	127 338 056	61 992 593	9 734 338
Languedoc-Roussillon	49 617 745	6 366 795	3 725 207	4 150 844	7 244 234	7 027 286	5 863 605	5 016 707	4 289 467	3 590 806	1 382 590	960 204
Limousin	11 292 084	1 052 141	789 455	1 437 693	1 284 010	2 401 320	533 447	1 640 840	1 248 151	590 273	314 754	-
Lorraine	46 997 843	3 839 586	1 977 508	3 047 197	4 878 205	6 877 552	6 423 162	5 143 963	6 830 885	4 384 944	3 217 726	377 115
Midi-Pyrénées	66 825 781	8 151 701	5 100 020	7 042 488	6 826 167	11 431 651	5 059 384	7 827 291	6 709 941	6 306 563	2 035 470	335 104
Nord-Pas-de-Calais	212 618 238	23 504 138	19 544 058	19 805 016	30 015 235	31 558 002	18 942 520	23 475 216	21 898 784	16 532 663	5 852 255	1 490 351
Pays-de-la-Loire	82 509 060	10 563 863	9 061 337	8 491 536	11 278 264	14 773 990	5 473 025	9 158 701	7 859 865	3 680 163	1 863 288	305 027
Picardie	18 511 443	2 901 484	1 405 041	1 243 655	2 062 440	2 024 726	1 480 198	914 186	2 019 369	3 130 001	1 123 717	206 626
Poitou-Charentes	73 307 250	8 250 688	5 798 289	9 532 805	11 021 495	13 538 361	5 109 841	5 389 880	6 997 928	5 085 098	1 917 968	664 897
Provence-Alpes-Côte d'Azur	505 613 757	73 104 153	43 259 001	57 866 787	66 324 093	86 107 122	41 016 969	35 454 139	41 822 310	39 306 649	17 127 879	4 224 655
Rhône-Alpes	313 135 805	37 051 228	31 331 842	52 427 758	42 746 470	45 248 070	24 596 554	28 212 921	18 414 669	20 663 311	9 073 079	3 369 902
Territoires d'Outre-Mer	-	-	-	-	-	-	-	-	-	-	-	-
No data	-	-	-	-	-	-	-	-	-	-	-	-
Total	3 844 669 487	506 739 193	343 886 931	476 635 585	519 838 910	611 755 196	319 337 093	328 644 514	310 909 796	274 260 332	126 656 584	26 005 354

ASSET COVER TEST

Date of Asset Cover test:

22/06/2010

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

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

R	Asset Cover test Ratio	1.88
	Adjusted Aggregate Asset Amount (AAAA)	3 328 729 772.54
	Aggregate Covered Bond Outstanding Principal Amount	1 774 254 372.27
	Asset Cover Test Result	PASS

A	=min(A1 ; A2)	3 344 862 453.48
A1	Adjusted Home Loan Outstanding Principal Amount	3 721 961 335.16
A2	= a * b	3 344 862 453.48
	Unadjusted Home Loan Outstanding Principal Amount (a)	3 844 669 486.76
	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%	58 782 049
	WAM (Weighted Average Maturity Negative Carry Adjustment)	6.63
		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	6.5918 Years
Serie n°2 ISINCH0111297393 Devise : CHF	200 000 000.00	07/09/2015	5.2192 Years
Serie n°3 ISINCH0111297443 Devise : CHF	200 000 000.00	07/09/2018	8.2219 Years