

## HBFR Covered Bond Investor Report

Collection Period End:

**31/07/2010**

Date of Report:

**12/08/2010**

### Summary

<b>Cover Pool Overview Data</b>	
Total Outstanding Current Balance:	3 817 111 064.76
Number of Loans	29 145
Number of Borrowers	26 187
Average Loan Balance	130 970
Weighted Average Seasoning of Loan parts (months)	47.57
Weighted Average Remaining Term of Loan Parts (months)	170.00
Percentage of variable mortgages	3.76%
Weighted Average Current LTV	68.1%
Weighted Average Current Indexed LTV	62.9%
Loan Originator	Total Loan Balance
HBFR	3 817 111 064.76
<b>Covered Bonds Overview Data</b>	
Total Covered Bonds Outstanding Balance:	1 774 254 372.27
Weight Average Maturity	6.46
<b>ACT Results</b>	
Asset Cover Ratio	1.86
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%	512 108 633	7 298
>40% - ≤50%	342 537 386	2 928
>50% - ≤60%	476 713 527	3 368
>60% - ≤70%	526 246 440	3 674
>70% - ≤80%	611 419 203	3 955
>80% - ≤85%	313 755 259	2 032
>85% - ≤90%	325 586 214	1 968
>90% - ≤95%	313 598 768	1 896
>95% - ≤100%	265 062 659	1 436
>100% - ≤105%	107 234 745	478
>105%	22 848 230	112
<b>Total</b>	<b>3 817 111 065</b>	<b>29 145</b>

1.b Indexed LTV Ranges Distribution		
Indexed LTV Range	Total Loan Balance	Number of Loans
0 - ≤40%	720 344 777	9 739
>40% - ≤50%	442 241 002	3 382
>50% - ≤60%	495 972 263	3 383
>60% - ≤70%	527 170 057	3 329
>70% - ≤80%	560 502 173	3 310
>80% - ≤85%	302 516 473	1 729
>85% - ≤90%	271 468 193	1 615
>90% - ≤95%	262 627 024	1 415
>95% - ≤100%	234 269 101	1 243
>100% - ≤105%	-	-
>105%	-	-
<b>Total</b>	<b>3 817 111 065</b>	<b>29 145</b>

2. Current Arrears Ranges Distribution		
Number of months in arrears	Total Loan Balance	Number of Loans
0	3 817 111 065	29 145
>1 - ≤2		
>2 - ≤3		
>3 - ≤4		
>4 - ≤5		
>5 - ≤6		
>6		
<b>Total</b>	<b>3 817 111 065</b>	<b>29 145</b>

## HSBC Covered Bonds (France) Investor Report

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	366 164 683	41 395 152	31 045 839	44 188 734	50 020 578	62 417 719	27 469 847	31 164 407	40 419 109	36 625 327	1 417 972	-
≥12 - <24	213 197 588	39 646 236	17 040 006	31 076 505	27 419 244	37 734 204	18 581 755	19 454 013	14 205 679	7 094 571	945 374	-
≥24 - <36	394 058 117	62 139 148	39 188 799	47 113 911	65 980 845	65 849 182	41 600 288	39 686 910	24 524 746	7 172 288	802 000	-
≥36 - <60	1 944 673 079	176 880 193	148 590 109	210 325 477	240 762 194	308 978 525	163 985 380	190 613 227	196 075 777	195 283 869	97 461 077	15 717 253
≥60	899 017 597	192 047 904	106 672 633	144 008 900	142 063 579	136 439 573	62 117 989	44 667 657	38 373 456	18 886 605	6 608 323	7 130 977
<b>Total</b>	<b>3 817 111 065</b>	<b>512 108 633</b>	<b>342 537 386</b>	<b>476 713 527</b>	<b>526 246 440</b>	<b>611 419 203</b>	<b>313 755 259</b>	<b>325 586 214</b>	<b>313 598 768</b>	<b>265 062 659</b>	<b>107 234 745</b>	<b>22 848 230</b>

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	3 476 012 240	477 638 462	323 377 725	447 032 003	485 180 476	558 789 821	277 289 316	283 786 995	270 729 301	233 271 731	98 165 491	20 750 919
RE-MORTGAGE	194 540 838	9 065 758	8 520 486	12 433 987	21 334 141	30 155 113	23 023 316	30 537 252	28 639 265	23 607 482	6 085 785	1 138 253
EQUITY RELEASE	-	-	-	-	-	-	-	-	-	-	-	-
RENOVATION	89 919 261	13 681 846	6 223 576	8 551 467	12 021 118	15 123 353	9 452 898	7 603 415	10 176 979	5 224 193	1 469 790	390 627
Construction (new)	56 638 726	11 722 566	4 415 600	8 696 070	7 710 705	7 350 917	3 989 729	3 658 553	4 053 223	2 959 253	1 513 678	568 431
Other/No data	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3 817 111 065</b>	<b>512 108 633</b>	<b>342 537 386</b>	<b>476 713 527</b>	<b>526 246 440</b>	<b>611 419 203</b>	<b>313 755 259</b>	<b>325 586 214</b>	<b>313 598 768</b>	<b>265 062 659</b>	<b>107 234 745</b>	<b>22 848 230</b>

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	2 881 938 154	406 534 032	270 011 141	371 066 112	404 219 119	458 639 639	222 877 910	235 733 019	226 625 879	193 605 492	76 526 538	16 099 273
Buy-to let	608 400 951	54 281 613	41 408 073	65 193 156	73 630 882	96 044 605	60 410 485	67 353 963	60 341 191	56 287 110	27 452 951	5 996 922
Vacation / second home	326 771 959	51 292 988	31 118 171	40 454 260	48 396 439	56 734 958	30 466 863	22 499 233	26 631 698	15 170 057	3 255 256	752 035
Other/No data	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3 817 111 065</b>	<b>512 108 633</b>	<b>342 537 386</b>	<b>476 713 527</b>	<b>526 246 440</b>	<b>611 419 203</b>	<b>313 755 259</b>	<b>325 586 214</b>	<b>313 598 768</b>	<b>265 062 659</b>	<b>107 234 745</b>	<b>22 848 230</b>

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	2 532 629 234	323 623 351	225 791 603	311 037 866	356 085 683	421 265 378	202 668 132	214 917 732	207 618 180	179 388 244	74 398 913	15 834 151
Protected life-time emplo	222 464 183	29 484 084	18 454 611	25 874 217	30 420 565	32 380 462	18 234 982	16 493 138	22 729 588	19 756 108	6 711 884	1 924 544
SELF-EMPLOYED	803 912 572	105 813 438	72 626 672	101 079 562	107 056 982	121 545 303	75 436 927	74 134 935	70 714 303	50 981 793	20 575 436	3 947 222
Unemployed	202 921 877	34 584 105	19 638 514	31 508 652	26 271 830	28 654 842	14 652 826	16 751 115	11 108 194	13 666 196	5 164 964	920 639
Other/No data	55 183 199	18 603 655	6 025 986	7 213 231	6 411 380	7 573 218	2 762 392	3 289 294	1 428 502	1 270 318	383 548	221 674
<b>Total</b>	<b>3 817 111 065</b>	<b>512 108 633</b>	<b>342 537 386</b>	<b>476 713 527</b>	<b>526 246 440</b>	<b>611 419 203</b>	<b>313 755 259</b>	<b>325 586 214</b>	<b>313 598 768</b>	<b>265 062 659</b>	<b>107 234 745</b>	<b>22 848 230</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	41 227 304	4 167 076	4 031 699	3 509 372	4 429 882	6 626 859	5 115 776	3 710 237	4 989 035	3 207 122	1 209 532	230 714
Aquitaine	164 686 698	19 849 863	11 767 315	18 900 083	19 430 005	29 483 521	14 110 127	17 454 404	15 910 893	11 360 538	4 956 458	1 463 490
Auvergne	14 054 634	1 146 897	781 209	1 305 921	2 050 229	3 035 094	1 358 938	956 806	1 531 461	960 817	927 262	-
Basse-Normandie	38 710 740	4 436 093	2 933 203	2 891 660	5 404 725	6 336 252	3 125 532	3 609 617	6 389 152	2 685 084	694 039	205 383
Bourgogne	27 165 147	2 352 309	1 569 942	2 067 443	3 855 027	5 155 288	2 653 869	1 699 528	3 721 545	3 294 601	408 001	387 594
Bretagne	60 967 475	6 959 612	4 715 918	7 218 404	8 370 938	11 254 188	5 733 185	6 405 998	4 627 798	4 608 724	695 685	377 027
Centre	53 470 631	5 695 115	5 277 240	5 983 277	6 671 869	7 216 357	4 263 555	5 862 600	6 745 032	4 013 598	1 741 988	-
Champagne-Ardenne	8 890 779	1 179 265	968 745	771 550	1 008 851	1 465 221	697 526	894 361	1 158 689	606 236	140 336	-
Corse	7 307 875	1 785 810	727 981	1 529 541	349 650	1 465 378	369 318	485 926	312 497	151 628	130 145	-
Départements d'Outre-Mer	-	-	-	-	-	-	-	-	-	-	-	-
Franche-Comté	11 843 113	1 922 391	1 245 830	655 289	1 531 605	2 268 790	770 897	1 706 655	601 733	660 798	479 125	-
Haute-Normandie	97 387 155	7 682 322	5 995 703	9 454 520	14 113 575	13 314 474	10 002 949	10 183 029	8 869 558	10 811 901	5 929 927	1 029 196
Île-de-France	1 914 557 417	279 513 075	179 658 246	254 302 348	274 535 741	302 957 152	146 956 040	154 879 775	134 578 626	126 510 243	51 937 436	8 728 738
Languedoc-Roussillon	49 066 553	6 765 461	3 067 313	4 731 742	7 368 676	6 894 462	5 680 032	4 449 079	4 855 549	3 227 671	1 143 754	882 815
Limousin	10 903 484	1 067 255	793 080	1 147 541	1 399 802	2 693 630	690 176	1 630 820	730 530	588 649	162 000	-
Lorraine	48 020 763	4 075 578	2 168 033	2 956 641	5 391 782	7 331 933	5 484 269	5 189 910	7 046 993	5 425 280	2 575 762	374 581
Midi-Pyrénées	67 705 263	8 495 242	5 291 329	7 437 662	8 508 920	10 911 965	4 796 328	7 936 501	7 440 871	4 990 798	1 562 700	332 948
Nord-Pas-de-Calais	210 468 295	23 743 931	19 760 697	21 503 814	28 430 928	31 547 694	19 316 416	22 876 910	20 941 092	15 999 187	4 821 416	1 526 211
Pays-de-la-Loire	81 388 573	10 298 012	8 942 875	8 453 231	11 356 341	14 588 796	6 401 569	8 433 371	7 120 384	4 282 901	1 207 632	303 463
Picardie	18 312 185	2 825 877	1 474 921	1 396 868	1 747 520	1 857 312	1 232 154	1 025 941	2 626 047	2 899 269	1 226 276	-
Poitou-Charentes	73 728 361	8 497 228	5 980 161	9 022 421	10 916 429	14 185 914	5 213 988	5 281 719	7 814 563	4 660 516	1 690 736	464 684
Provence-Alpes-Côte d'Azur	505 743 022	71 297 602	44 079 878	59 171 920	68 041 334	84 594 676	41 997 052	35 320 710	45 293 661	36 393 521	16 179 847	3 372 820
Rhône-Alpes	311 505 599	38 352 618	31 306 068	52 302 280	41 332 612	46 234 249	27 785 563	25 592 315	20 293 060	17 723 576	7 414 690	3 168 566
Territoires d'Outre-Mer	-	-	-	-	-	-	-	-	-	-	-	-
No data	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3 817 111 065</b>	<b>512 108 633</b>	<b>342 537 386</b>	<b>476 713 527</b>	<b>526 246 440</b>	<b>611 419 203</b>	<b>313 755 259</b>	<b>325 586 214</b>	<b>313 598 768</b>	<b>265 062 659</b>	<b>107 234 745</b>	<b>22 848 230</b>

**ASSET COVER TEST**

Date of Asset Cover test:

12/08/2010

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

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

<b>R</b>	<b>Asset Cover test Ratio</b>	<b>1.86</b>
	Adjusted Aggregate Asset Amount (AAAA)	3 306 092 460.52
	Aggregate Covered Bond Outstanding Principal Amount	1 774 254 372.27
	<b>Asset Cover Test Result</b>	<b>PASS</b>

<b>A</b>	<b>=min(A1 ; A2)</b>	<b>3 320 886 626.34</b>
<b>A1</b>	Adjusted Home Loan Outstanding Principal Amount	3 698 134 781.79
<b>A2</b>	= a * b	3 320 886 626.34
	Unadjusted Home Loan Outstanding Principal Amount (a)	3 817 111 064.76
	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>42 502 105.43</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>57 296 271</b>
	WAM (Weighted Average Maturity)	6.46
	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	6.4247 Years
Serie n°2 ISINCH0111297393 Devise : CHF	200 000 000.00	07/09/2015	5.0521 Years
Serie n°3 ISINCH0111297443 Devise : CHF	200 000 000.00	07/09/2018	8.0548 Years