

## HBFR Covered Bond Investor Report

Collection Period End:

**31/08/2010**

Date of Report:

**27/09/2010**

### Summary

<b>Cover Pool Overview Data</b>	
Total Outstanding Current Balance:	3 816 271 327.59
Number of Loans	29 200
Number of Borrowers	26 225
Average Loan Balance	130 694
Weighted Average Seasoning of Loan parts (months)	47.97
Weighted Average Remaining Term of Loan Parts (months)	169.55
Percentage of variable mortgages	3.73%
Weighted Average Current LTV	67.9%
Weighted Average Current Indexed LTV	62.8%
Loan Originator	Total Loan Balance
HBFR	3 816 271 327.59
<b>Covered Bonds Overview Data</b>	
Total Covered Bonds Outstanding Balance:	1 774 254 372.27
Weight Average Maturity	6.37
<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%	518 777 440	7 386
>40% - ≤50%	349 098 537	2 958
>50% - ≤60%	480 628 550	3 431
>60% - ≤70%	518 655 781	3 673
>70% - ≤80%	611 270 200	3 914
>80% - ≤85%	318 981 847	2 061
>85% - ≤90%	319 605 812	1 927
>90% - ≤95%	317 638 778	1 897
>95% - ≤100%	266 371 545	1 423
>100% - ≤105%	94 475 754	431
>105%	20 767 083	99
<b>Total</b>	<b>3 816 271 328</b>	<b>29 200</b>

1.b Indexed LTV Ranges Distribution		
Indexed LTV Range	Total Loan Balance	Number of Loans
0 - ≤40%	724 617 128	9 808
>40% - ≤50%	447 244 566	3 419
>50% - ≤60%	494 189 701	3 383
>60% - ≤70%	521 229 307	3 307
>70% - ≤80%	563 236 003	3 305
>80% - ≤85%	299 016 327	1 734
>85% - ≤90%	276 258 326	1 593
>90% - ≤95%	254 512 076	1 412
>95% - ≤100%	235 967 893	1 239
>100% - ≤105%	-	-
>105%	-	-
<b>Total</b>	<b>3 816 271 328</b>	<b>29 200</b>

2. Current Arrears Ranges Distribution		
Number of months in arrears	Total Loan Balance	Number of Loans
0	3 816 271 328	29 200
>1 - ≤2		
>2 - ≤3		
>3 - ≤4		
>4 - ≤5		
>5 - ≤6		
>6		
<b>Total</b>	<b>3 816 271 328</b>	<b>29 200</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	381 475 349	45 237 114	35 178 899	43 125 234	49 440 496	64 062 692	30 038 669	34 962 997	38 965 396	39 049 897	1 413 956	-
≥12 - <24	211 615 898	38 336 254	17 525 821	31 771 808	27 648 862	34 916 088	18 703 617	17 369 994	14 570 670	9 591 536	1 181 247	-
≥24 - <36	385 918 799	62 832 248	38 751 959	46 535 122	63 430 305	67 041 990	38 471 233	37 706 334	25 249 237	5 400 556	499 816	-
≥36 - <60	1 885 987 736	174 551 866	143 584 888	204 683 433	233 741 007	300 999 518	164 326 234	180 973 518	193 960 522	189 943 936	84 820 474	14 402 340
≥60	951 273 545	197 819 958	114 056 970	154 512 953	144 395 110	144 249 912	67 442 095	48 592 968	44 892 954	22 385 621	6 560 261	6 364 743
<b>Total</b>	<b>3 816 271 328</b>	<b>518 777 440</b>	<b>349 098 537</b>	<b>480 628 550</b>	<b>518 655 781</b>	<b>611 270 200</b>	<b>318 981 847</b>	<b>319 605 812</b>	<b>317 638 778</b>	<b>266 371 545</b>	<b>94 475 754</b>	<b>20 767 083</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	3 476 784 260	483 799 290	328 885 833	450 119 054	477 258 157	560 448 397	281 980 984	278 369 969	275 924 637	234 859 583	86 201 793	18 936 564
RE-MORTGAGE	192 252 333	9 210 982	9 065 188	13 044 814	21 308 054	29 062 260	23 772 569	29 501 422	28 554 910	22 252 576	5 602 776	876 782
EQUITY RELEASE	-	-	-	-	-	-	-	-	-	-	-	-
RENOVATION	90 376 711	14 106 879	6 154 928	9 046 066	12 296 442	14 865 304	9 511 135	7 694 066	8 972 885	6 120 757	1 219 890	388 357
Construction (new)	56 858 024	11 660 289	4 992 588	8 418 615	7 793 128	6 894 239	3 717 159	4 040 356	4 186 347	3 138 629	1 451 295	565 379
Other/No data	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3 816 271 328</b>	<b>518 777 440</b>	<b>349 098 537</b>	<b>480 628 550</b>	<b>518 655 781</b>	<b>611 270 200</b>	<b>318 981 847</b>	<b>319 605 812</b>	<b>317 638 778</b>	<b>266 371 545</b>	<b>94 475 754</b>	<b>20 767 083</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	2 872 977 211	410 052 649	275 118 678	374 139 873	398 256 706	455 969 488	224 007 057	231 729 751	228 725 587	192 926 738	66 849 877	15 200 807
Buy-to let	611 173 633	55 707 248	42 284 356	65 775 054	72 313 138	97 592 402	62 955 815	63 917 705	63 306 353	57 536 499	24 966 713	4 818 350
Vacation / second home	332 120 483	53 017 543	31 695 503	40 713 623	48 085 936	57 708 311	32 018 976	23 958 356	25 606 838	15 908 308	2 659 163	747 925
Other/No data	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3 816 271 328</b>	<b>518 777 440</b>	<b>349 098 537</b>	<b>480 628 550</b>	<b>518 655 781</b>	<b>611 270 200</b>	<b>318 981 847</b>	<b>319 605 812</b>	<b>317 638 778</b>	<b>266 371 545</b>	<b>94 475 754</b>	<b>20 767 083</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	2 525 087 500	328 400 707	231 294 812	313 124 268	344 587 249	422 114 999	205 713 462	209 849 231	210 308 608	179 401 041	65 216 212	15 076 911
Protected life-time emplo	221 477 626	30 718 792	19 273 668	25 987 979	30 119 403	34 530 741	17 336 311	16 199 133	21 313 488	19 034 811	5 583 826	1 379 474
SELF-EMPLOYED	799 400 449	104 668 948	73 597 211	101 054 473	107 128 228	118 873 680	77 235 166	74 645 127	70 668 324	49 453 030	18 525 295	3 550 967
Unemployed	212 936 428	35 713 622	17 935 578	33 168 943	30 759 392	27 976 007	15 464 935	15 810 146	13 803 877	17 194 059	4 445 631	664 239
Other/No data	57 369 326	19 275 371	6 997 269	7 292 887	6 061 509	7 774 773	3 231 974	3 102 175	1 544 481	1 288 604	704 790	95 492
<b>Total</b>	<b>3 816 271 328</b>	<b>518 777 440</b>	<b>349 098 537</b>	<b>480 628 550</b>	<b>518 655 781</b>	<b>611 270 200</b>	<b>318 981 847</b>	<b>319 605 812</b>	<b>317 638 778</b>	<b>266 371 545</b>	<b>94 475 754</b>	<b>20 767 083</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	41 990 184	4 428 944	4 066 808	3 331 073	5 022 569	6 546 478	5 624 777	3 623 541	4 972 551	3 338 392	804 342	230 709
Aquitaine	164 696 843	20 128 678	12 598 855	18 874 795	19 660 050	29 311 121	13 484 161	17 599 749	14 919 507	11 888 345	4 794 763	1 436 818
Auvergne	14 278 681	1 145 724	842 522	1 190 727	2 082 162	3 098 992	1 278 424	868 172	1 248 695	1 598 662	924 600	-
Basse-Normandie	39 456 834	4 435 089	2 740 669	3 418 953	4 907 918	6 064 589	3 458 564	4 016 291	6 122 716	3 274 320	812 993	204 732
Bourgogne	27 015 774	2 291 435	1 843 493	2 039 918	3 806 614	5 033 227	2 839 384	1 901 342	3 308 929	3 421 991	143 027	386 415
Bretagne	60 550 769	6 900 731	4 858 002	7 233 498	7 967 037	11 673 015	5 958 139	6 317 432	4 910 413	3 663 447	693 458	375 599
Centre	54 225 869	5 872 883	5 782 480	6 109 823	5 771 499	7 203 052	4 726 272	5 919 508	6 329 187	5 020 204	1 490 962	-
Champagne-Ardenne	8 806 627	1 165 176	916 866	771 846	1 044 899	1 581 340	614 919	871 511	1 424 699	275 523	139 848	-
Corse	7 827 803	1 767 621	865 048	1 381 593	406 754	1 456 686	367 128	483 472	818 829	280 672	-	-
Départements d'Outre-Mer	-	-	-	-	-	-	-	-	-	-	-	-
Franche-Comté	11 736 035	1 854 578	1 398 719	518 660	1 486 916	2 060 542	1 213 269	1 609 786	733 285	382 465	477 816	-
Haute-Normandie	96 589 063	7 937 853	5 716 406	9 657 718	13 777 200	13 292 316	10 805 782	9 269 041	9 152 892	10 662 523	5 581 638	735 693
Île-de-France	1 905 234 269	281 439 860	182 542 305	256 932 364	269 785 018	301 197 057	146 995 185	149 304 909	138 419 067	124 351 431	46 082 858	8 184 215
Languedoc-Roussillon	48 907 578	6 786 584	2 773 078	4 771 274	7 059 698	7 468 018	6 197 135	3 897 919	4 574 599	3 359 780	1 323 735	695 758
Limousin	10 917 418	1 057 712	838 635	1 146 612	1 387 127	2 574 721	715 609	1 498 871	919 815	616 722	161 596	-
Lorraine	47 645 093	3 934 245	2 172 799	2 945 465	5 259 551	7 447 268	6 498 498	5 072 465	6 790 289	5 166 339	2 134 308	223 866
Midi-Pyrénées	68 572 352	8 541 322	5 532 743	7 040 255	8 880 316	10 978 474	4 886 466	7 570 237	7 612 913	5 896 845	1 341 475	291 304
Nord-Pas-de-Calais	213 797 210	23 504 924	20 300 362	21 780 893	29 735 071	31 564 806	19 577 947	22 235 811	23 123 425	16 092 692	4 470 049	1 411 229
Pays-de-la-Loire	82 188 105	10 461 085	8 752 628	9 089 016	11 543 755	13 593 430	7 162 696	9 528 502	6 385 918	4 278 506	1 089 895	302 677
Picardie	18 527 194	2 826 604	1 707 495	1 390 443	1 698 265	1 971 207	1 331 922	1 445 900	1 931 028	3 048 084	1 176 245	-
Poitou-Charentes	76 456 275	9 444 090	6 342 489	9 596 986	10 714 968	15 040 026	4 360 487	6 255 464	7 564 829	5 090 520	1 342 020	704 396
Provence-Alpes-Côte d'Azur	510 040 862	72 853 474	44 779 958	59 832 621	65 573 704	86 699 999	43 032 184	37 083 570	47 538 688	36 959 512	12 940 957	2 746 194
Rhône-Alpes	306 810 490	39 998 828	31 726 177	51 574 017	41 084 689	45 413 838	27 852 899	23 232 319	18 836 505	17 704 569	6 549 172	2 837 478
Territoires d'Outre-Mer	-	-	-	-	-	-	-	-	-	-	-	-
No data	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3 816 271 328</b>	<b>518 777 440</b>	<b>349 098 537</b>	<b>480 628 550</b>	<b>518 655 781</b>	<b>611 270 200</b>	<b>318 981 847</b>	<b>319 605 812</b>	<b>317 638 778</b>	<b>266 371 545</b>	<b>94 475 754</b>	<b>20 767 083</b>

**ASSET COVER TEST**

Date of Asset Cover test:

27/09/2010

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

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)	3 302 593 082.24
	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>3 320 156 055.00</b>
<b>A1</b>	Adjusted Home Loan Outstanding Principal Amount	3 698 087 522.58
<b>A2</b>	= a * b	3 320 156 055.00
	Unadjusted Home Loan Outstanding Principal Amount (a)	3 816 271 327.59
	Asset Percentage (b)	87.0%

<b>B</b>	Cash Collateral Account	-
----------	-------------------------	---

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

<b>D</b>	Permitted Investments	<b>38 978 231.61</b>
----------	-----------------------	----------------------

<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>56 541 204</b>
	WAM (Weighted Average Maturity)	6.37
	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	6.3397 Years
Serie n°2 ISINCH0111297393 Devise : CHF	200 000 000.00	07/09/2015	4.9671 Years
Serie n°3 ISINCH0111297443 Devise : CHF	200 000 000.00	07/09/2018	7.9699 Years