

HBFR Covered Bond Investor Report

Collection Period End:

31/10/2010

Date of Report:

18/11/2010

Summary

Cover Pool Overview Data	
Total Outstanding Current Balance:	3 806 661 720
Number of Loans	29 189
Number of Borrowers	26 221
Average Loan Balance	130 414
Weighted Average Seasoning of Loan parts (months)	48.85
Weighted Average Remaining Term of Loan Parts (months)	168.66
Percentage of variable mortgages	3.71%
Weighted Average Current LTV	67.5%
Weighted Average Current Indexed LTV	62.6%
Loan Originator	Total Loan Balance
HBFR	3 806 661 720
Covered Bonds Overview Data	
Total Covered Bonds Outstanding Balance:	1 774 254 372
Weight Average Maturity	6.21
ACT Results	
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%	532 051 396	7 539
>40% - ≤50%	362 913 386	3 010
>50% - ≤60%	488 568 926	3 472
>60% - ≤70%	520 707 244	3 641
>70% - ≤80%	608 084 205	3 869
>80% - ≤85%	322 540 224	2 071
>85% - ≤90%	318 410 303	1 935
>90% - ≤95%	317 951 714	1 859
>95% - ≤100%	250 096 075	1 345
>100% - ≤105%	71 266 209	366
>105%	14 072 038	82
Total	3 806 661 720	29 189

1.b Indexed LTV Ranges Distribution		
Indexed LTV Range	Total Loan Balance	Number of Loans
0 - ≤40%	741 495 298	9 921
>40% - ≤50%	453 262 737	3 413
>50% - ≤60%	496 803 898	3 374
>60% - ≤70%	515 910 136	3 300
>70% - ≤80%	563 919 781	3 306
>80% - ≤85%	292 606 287	1 685
>85% - ≤90%	275 554 947	1 585
>90% - ≤95%	252 457 553	1 403
>95% - ≤100%	214 651 083	1 202
>100% - ≤105%	-	-
>105%	-	-
Total	3 806 661 720	29 189

2. Current Arrears Ranges Distribution		
Number of months in arrears	Total Loan Balance	Number of Loans
0	3 806 661 720	29 189
>1 - ≤2		
>2 - ≤3		
>3 - ≤4		
>4 - ≤5		
>5 - ≤6		
>6		
Total	3 806 661 720	29 189

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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	362 498 920	48 121 018	32 058 453	41 054 900	45 856 171	61 842 405	26 269 851	32 786 865	37 508 642	37 000 617	-	-
≥12 - <24	249 694 793	32 993 266	23 454 686	33 086 845	34 939 700	40 181 369	21 953 307	20 084 434	21 270 665	19 108 990	2 621 532	-
≥24 - <36	351 387 415	62 942 938	34 152 849	44 361 109	54 782 002	61 590 741	34 562 846	34 072 092	20 557 761	3 700 374	664 702	-
≥36 - <60	1 755 598 439	169 432 095	139 845 926	193 302 281	222 839 435	278 431 469	156 598 970	167 781 649	182 265 537	165 110 536	69 658 644	10 331 898
≥60	1 087 482 153	213 666 123	126 112 799	174 491 679	163 297 600	162 808 235	79 359 705	57 806 914	56 825 016	40 052 296	6 841 960	6 219 826
Total	3 806 661 720	527 155 440	355 624 713	486 296 814	521 714 907	604 854 220	318 744 679	312 531 954	318 427 620	264 972 812	79 786 838	16 551 724

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	3 471 993 275	491 790 037	334 321 585	454 480 664	480 783 461	552 886 266	283 019 422	273 944 438	274 760 397	237 829 246	72 660 047	15 515 712
RE-MORTGAGE	187 635 055	9 670 030	9 038 593	13 628 933	21 079 490	29 444 460	24 152 519	27 043 675	29 740 288	18 696 137	4 728 873	412 057
EQUITY RELEASE	-	-	-	-	-	-	-	-	-	-	-	-
RENOVATION	90 104 443	13 981 440	6 477 602	9 338 072	12 328 386	15 593 049	8 293 224	7 776 976	9 408 491	5 250 072	1 592 428	64 701
Construction (new)	56 928 948	11 713 932	5 786 933	8 849 144	7 523 570	6 928 444	3 279 514	3 766 865	4 518 445	3 197 357	805 490	559 253
Other/No data	-	-	-	-	-	-	-	-	-	-	-	-
Total	3 806 661 720	527 155 440	355 624 713	486 296 814	521 714 907	604 854 220	318 744 679	312 531 954	318 427 620	264 972 812	79 786 838	16 551 724

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	2 863 936 643	416 132 427	280 442 680	377 688 006	397 235 967	449 714 234	229 048 474	224 105 911	231 999 274	189 712 977	55 342 364	12 514 328
Buy-to let	612 621 672	56 564 456	43 254 832	67 734 120	75 836 833	96 459 285	62 329 776	63 252 567	63 005 875	59 268 791	21 420 878	3 494 258
Vacation / second home	330 103 405	54 458 557	31 927 201	40 874 687	48 642 107	58 680 700	27 366 429	25 173 476	23 422 472	15 991 044	3 023 595	543 138
Other/No data	-	-	-	-	-	-	-	-	-	-	-	-
Total	3 806 661 720	527 155 440	355 624 713	486 296 814	521 714 907	604 854 220	318 744 679	312 531 954	318 427 620	264 972 812	79 786 838	16 551 724

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	2 517 007 869	329 435 775	234 711 462	318 740 208	349 026 218	409 120 481	206 382 800	206 232 740	215 516 162	179 070 886	56 995 401	11 775 736
Protected life-time employment	222 301 666	31 153 880	19 070 122	27 190 349	31 154 583	33 293 979	17 062 340	19 341 173	20 141 873	17 989 450	4 609 078	1 294 841
SELF-EMPLOYED	796 006 772	107 571 033	73 624 123	100 340 484	105 402 763	127 398 725	75 470 912	70 372 053	67 555 778	50 427 361	14 767 672	3 075 867
Unemployed	210 695 153	39 816 721	19 331 709	32 222 574	29 477 361	27 603 472	16 402 535	12 959 213	13 814 741	15 849 010	3 031 595	186 223
Other/No data	60 650 261	19 178 031	8 887 296	7 803 199	6 653 983	7 437 564	3 426 092	3 626 775	1 399 066	1 636 105	383 092	219 058
Total	3 806 661 720	527 155 440	355 624 713	486 296 814	521 714 907	604 854 220	318 744 679	312 531 954	318 427 620	264 972 812	79 786 838	16 551 724

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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	41 470 493	4 394 019	4 214 767	3 246 137	5 222 698	6 328 457	5 249 302	3 390 582	4 704 826	3 553 545	800 226	365 936
Aquitaine	162 826 825	20 757 184	13 131 948	18 673 824	19 482 362	28 621 586	12 999 303	17 862 818	13 873 425	11 952 627	4 736 541	735 205
Auvergne	14 874 422	1 239 221	909 307	1 126 866	1 974 957	3 097 591	1 498 969	1 008 569	1 389 506	1 803 168	826 268	-
Basse-Normandie	39 112 822	4 457 476	2 821 531	3 780 637	5 051 186	6 197 339	3 374 580	4 492 774	4 513 060	3 483 147	737 665	203 426
Bourgogne	27 133 567	2 146 310	1 959 341	2 034 134	3 904 092	4 839 492	2 938 831	2 058 699	3 420 863	3 305 463	142 299	384 043
Bretagne	60 527 405	6 862 686	4 849 322	7 462 702	8 313 176	12 705 932	5 995 700	5 828 789	4 008 198	3 669 949	613 334	217 615
Centre	54 369 368	5 988 916	5 943 337	5 634 265	6 018 685	7 313 131	5 167 586	5 882 098	6 424 283	4 595 280	1 401 786	-
Champagne-Ardenne	8 403 783	1 084 980	860 726	765 204	1 046 117	1 258 749	577 231	794 391	2 016 384	-	-	-
Corse	7 822 974	1 926 274	636 487	1 356 826	445 973	1 641 626	674 029	635 657	311 314	162 670	32 120	-
Départements d'Outre-Mer	-	-	-	-	-	-	-	-	-	-	-	-
Franche-Comté	11 659 602	1 836 879	1 361 421	667 022	1 841 853	2 115 520	943 891	1 310 325	790 298	597 603	194 790	-
Haute-Normandie	94 176 247	7 957 468	5 874 964	9 891 211	13 029 776	13 154 654	10 626 410	9 377 682	9 124 027	10 214 466	4 412 554	513 036
Île-de-France	1 913 136 040	287 710 954	185 687 260	260 710 602	272 279 714	298 015 522	146 854 502	148 634 152	139 166 753	127 333 995	40 455 798	6 286 790
Languedoc-Roussillon	48 545 589	6 931 844	3 309 874	4 628 961	6 684 713	7 174 490	6 615 032	4 062 633	3 830 643	3 996 948	617 256	693 195
Limousin	11 006 821	928 142	1 075 709	905 804	1 314 710	2 672 695	875 407	1 287 536	880 129	1 066 689	-	-
Lorraine	46 738 407	3 956 431	2 393 559	3 109 453	4 714 256	7 895 816	5 811 359	5 819 156	5 631 748	5 549 109	1 421 200	436 320
Midi-Pyrénées	69 229 736	8 453 759	5 296 893	7 615 905	9 040 159	11 056 568	5 363 733	6 282 852	7 589 283	7 254 590	1 095 376	180 617
Nord-Pas-de-Calais	210 821 547	24 645 150	20 031 486	22 830 352	28 587 615	30 594 664	21 072 124	20 627 220	23 434 910	14 116 804	3 705 555	1 175 666
Pays-de-la-Loire	85 112 327	11 553 248	8 974 990	9 104 273	12 506 644	13 961 258	7 702 413	10 130 703	5 651 377	4 409 652	861 712	256 058
Picardie	18 885 013	2 669 795	1 715 454	1 337 985	2 202 384	2 129 782	1 235 794	1 831 088	2 286 271	2 491 347	985 114	-
Poitou-Charentes	74 860 923	9 791 812	6 840 491	9 900 040	10 159 894	14 201 360	4 013 446	5 107 984	8 442 431	5 035 257	552 365	815 842
Provence-Alpes-Côte d'Azur	501 428 153	72 425 803	44 988 444	59 091 711	69 329 349	84 833 920	39 654 279	35 418 447	49 177 974	34 297 874	10 565 985	1 644 367
Rhône-Alpes	304 519 657	39 437 090	32 747 403	52 422 901	38 564 594	45 044 068	29 500 757	20 687 798	21 573 359	16 269 189	5 628 892	2 643 606
Territoires d'Outre-Mer	-	-	-	-	-	-	-	-	-	-	-	-
No data	-	-	-	-	-	-	-	-	-	-	-	-
Total	3 806 661 720	527 155 440	355 624 713	486 296 814	521 714 907	604 854 220	318 744 679	312 531 954	318 427 620	264 972 812	79 786 838	16 551 724

ASSET COVER TEST

Date of Asset Cover test:

18/11/2010

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

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

R	Asset Cover test Ratio	1.86
	Adjusted Aggregate Asset Amount (AAAA)	3 302 491 512.42
	Aggregate Covered Bond Outstanding Principal Amount	1 774 254 372.27
	Asset Cover Test Result	PASS

A	=min(A1 ; A2)	3 311 795 696.63
A1	Adjusted Home Loan Outstanding Principal Amount	3 690 172 234.37
A2	= a * b	3 311 795 696.63
	Unadjusted Home Loan Outstanding Principal Amount (a)	3 806 661 720.26
	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	45 751 242.25
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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%	55 055 426
	WAM (Weighted Average Maturity)	6.21
	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	6.1726 Years
Serie n°2 ISINCH0111297393 Devise : CHF	200 000 000.00	07/09/2015	4.8 Years
Serie n°3 ISINCH0111297443 Devise : CHF	200 000 000.00	07/09/2018	7.8027 Years