

HBFR Covered Bond Investor Report

Collection Period End:

31/12/2010

Date of Report:

20/01/2011

Summary

Cover Pool Overview Data	
Total Outstanding Current Balance:	3 937 749 114
Number of Loans	29 970
Number of Borrowers	26 808
Average Loan Balance	131 390
Weighted Average Seasoning of Loan parts (months)	49.21
Weighted Average Remaining Term of Loan Parts (months)	169.51
Percentage of variable mortgages	3.61%
Weighted Average Current LTV	68.0%
Weighted Average Current Indexed LTV	61.3%
Loan Originator	Total Loan Balance
HBFR	3 937 749 114
Covered Bonds Overview Data	
Total Covered Bonds Outstanding Balance:	1 924 970 273
Weight Average Maturity	6.22
ACT Results	
Asset Cover Ratio	1.77
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%	557 969 938	7 873
>40% - ≤50%	367 910 209	2 999
>50% - ≤60%	491 952 788	3 506
>60% - ≤70%	520 428 260	3 578
>70% - ≤80%	595 355 977	3 803
>80% - ≤85%	332 640 556	2 076
>85% - ≤90%	319 363 256	1 923
>90% - ≤95%	344 139 758	1 974
>95% - ≤100%	282 130 439	1 559
>100% - ≤105%	96 998 455	518
>105%	28 859 478	161
Total	3 937 749 114	29 970

1.b Indexed LTV Ranges Distribution		
Indexed LTV Range	Total Loan Balance	Number of Loans
0 - ≤40%	843 614 305.25	10 716.00
>40% - ≤50%	474 522 518.25	3 510.00
>50% - ≤60%	512 602 319.65	3 388.00
>60% - ≤70%	528 880 672.34	3 285.00
>70% - ≤80%	584 183 145.26	3 379.00
>80% - ≤85%	283 224 219.64	1 634.00
>85% - ≤90%	280 220 361.12	1 573.00
>90% - ≤95%	245 266 861.58	1 378.00
>95% - ≤100%	185 234 710.42	1 107.00
>100% - ≤105%	-	-
>105%	-	-
Total	3 937 749 114	29 970

2. Current Arrears Ranges Distribution		
Number of months in arrears	Total Loan Balance	Number of Loans
0	3 937 749 114	29 970
>1 - ≤2		
>2 - ≤3		
>3 - ≤4		
>4 - ≤5		
>5 - ≤6		
>6		
Total	3 937 749 114	29 970

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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	374 914 573	52 588 652	35 273 522	39 530 470	43 154 142	64 068 193	33 328 055	35 766 897	33 272 253	33 339 551	4 492 078	100 759
≥12 - <24	312 414 351	34 523 324	25 546 736	36 718 705	39 903 089	45 855 422	19 459 354	24 689 658	30 494 327	29 995 953	17 268 108	7 959 676
≥24 - <36	340 338 437	61 306 530	29 001 481	43 109 741	45 692 179	51 512 696	33 873 987	31 005 137	26 708 271	12 372 392	4 856 915	899 108
≥36 - <60	1 671 119 223	162 595 125	131 317 207	179 431 375	210 985 770	253 451 709	141 570 983	162 203 295	179 342 518	158 522 037	76 905 048	14 794 156
≥60	1 238 962 530	237 888 848	141 168 196	190 913 830	175 554 157	183 100 533	95 707 890	69 130 071	70 537 233	58 830 936	8 565 743	7 565 091
Total	3 937 749 114	548 902 479	362 307 142	489 704 121	515 289 338	597 988 553	323 940 269	322 795 058	340 354 603	293 060 869	112 087 893	31 318 791

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	3 586 976 887	512 406 485	340 290 663	457 434 397	474 407 331	544 634 102	288 851 609	284 043 358	293 370 937	263 875 692	99 752 556	27 909 757
RE-MORTGAGE	195 240 300	10 533 481	8 854 707	14 335 261	21 209 448	31 047 361	23 471 732	26 159 097	31 993 787	17 209 466	7 946 028	2 479 931
EQUITY RELEASE	-	-	-	-	-	-	-	-	-	-	-	-
RENOVATION	96 895 447	14 712 658	6 571 297	9 347 493	12 439 398	15 582 214	7 701 632	8 931 003	10 736 481	7 549 683	3 077 065	246 522
Construction (new)	58 636 480	11 249 855	6 590 474	8 586 969	7 233 161	6 724 876	3 915 296	3 661 600	4 253 398	4 426 027	1 312 243	682 581
Other/No data	-	-	-	-	-	-	-	-	-	-	-	-
Total	3 937 749 114	548 902 479	362 307 142	489 704 121	515 289 338	597 988 553	323 940 269	322 795 058	340 354 603	293 060 869	112 087 893	31 318 791

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	2 952 340 709	434 348 029	283 506 626	378 928 046	386 755 105	445 796 204	232 997 664	230 121 770	248 877 418	208 460 965	80 853 290	21 695 592
Buy-to let	647 367 616	58 888 395	46 232 332	67 939 207	78 092 576	95 777 552	63 798 661	64 996 898	66 946 040	69 383 636	26 523 113	8 789 204
Vacation / second home	338 040 788	55 666 054	32 568 184	42 836 868	50 441 656	56 414 797	27 143 943	27 676 390	24 531 145	15 216 267	4 711 489	833 995
Other/No data	-	-	-	-	-	-	-	-	-	-	-	-
Total	3 937 749 114	548 902 479	362 307 142	489 704 121	515 289 338	597 988 553	323 940 269	322 795 058	340 354 603	293 060 869	112 087 893	31 318 791

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	2 620 374 260	345 478 643	239 144 123	332 031 324	338 543 606	408 028 070	212 832 819	214 855 203	227 188 796	199 968 620	80 130 120	22 172 938
Protected life-time employment	228 137 047	31 870 188	18 531 094	26 266 987	30 298 536	34 425 676	20 629 120	20 092 297	19 787 921	18 701 327	4 994 081	2 539 821
SELF-EMPLOYED	813 650 577	110 545 924	74 229 496	96 672 200	105 113 234	122 305 875	74 265 299	69 512 933	74 326 087	57 123 832	23 779 019	5 776 676
Unemployed	215 178 925	40 865 533	22 165 443	27 821 669	34 091 743	26 652 645	12 479 845	15 115 361	16 966 886	15 707 312	2 791 910	520 578
Other/No data	60 408 305	20 142 192	8 236 986	6 911 940	7 242 218	6 576 286	3 733 186	3 219 264	2 084 913	1 559 777	392 763	308 779
Total	3 937 749 114	548 902 479	362 307 142	489 704 121	515 289 338	597 988 553	323 940 269	322 795 058	340 354 603	293 060 869	112 087 893	31 318 791

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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	42 046 469	4 103 669	3 994 371	3 282 215	5 756 341	7 268 854	5 126 318	4 509 752	3 439 930	3 790 663	537 864	236 493
Aquitaine	168 287 607	22 170 224	13 082 206	18 559 904	21 763 671	27 752 423	14 662 664	17 463 080	15 026 942	12 384 369	4 790 503	631 622
Auvergne	15 728 825	1 361 521	858 109	1 557 542	1 855 262	2 909 676	1 462 985	1 209 358	1 195 365	2 580 396	738 612	-
Basse-Normandie	40 710 926	4 720 528	2 796 448	3 747 670	5 472 046	6 103 924	2 821 583	4 979 873	4 985 711	3 782 273	1 300 870	-
Bourgogne	28 035 405	2 066 836	1 886 043	2 062 591	4 348 769	4 228 763	3 246 074	2 693 415	3 090 525	3 365 251	935 686	111 452
Bretagne	58 449 706	6 949 433	4 946 593	8 557 540	6 687 355	12 631 236	6 193 280	5 244 660	3 675 260	2 563 318	785 172	215 859
Centre	56 417 280	6 320 193	5 482 967	5 711 140	5 558 063	8 683 235	5 760 211	4 947 963	6 611 109	4 564 262	2 633 543	144 595
Champagne-Ardenne	9 225 222	1 196 484	669 151	758 508	1 001 948	1 516 458	757 590	879 378	1 680 419	588 736	176 550	-
Corse	8 792 550	1 544 540	620 129	1 331 869	438 891	1 760 928	476 607	578 546	1 109 281	811 843	119 916	-
Départements d'Outre-Mer	-	-	-	-	-	-	-	-	-	-	-	-
Franche-Comté	12 553 717	1 776 849	1 213 475	980 924	1 444 130	2 242 843	1 708 514	1 217 934	934 204	695 421	339 425	-
Haute-Normandie	99 646 129	8 739 301	5 953 097	10 677 181	13 281 217	14 097 159	9 306 714	9 593 239	8 728 560	12 477 030	6 281 124	511 508
Île-de-France	1 998 888 484	300 756 040	190 221 337	260 518 972	264 500 373	292 322 859	146 973 948	155 353 247	160 836 154	147 040 748	59 779 142	20 585 664
Languedoc-Roussillon	50 526 889	6 706 712	3 522 519	4 852 335	6 325 258	8 022 211	7 062 871	3 789 612	4 170 284	4 173 626	949 196	952 265
Limousin	10 704 561	909 987	966 489	952 734	1 537 426	2 355 371	980 335	1 457 261	839 412	705 547	-	-
Lorraine	47 944 413	4 054 300	2 240 580	3 613 014	5 086 022	8 817 040	5 727 997	5 068 630	5 951 509	5 559 421	1 606 454	219 446
Midi-Pyrénées	69 333 729	9 228 273	6 111 506	9 075 617	8 389 835	9 913 734	4 970 634	5 916 340	7 742 446	6 465 791	1 519 553	-
Nord-Pas-de-Calais	218 637 027	26 530 982	19 584 727	22 896 222	28 838 083	30 072 545	21 952 193	19 090 528	23 456 234	17 747 731	7 371 043	1 096 738
Pays-de-la-Loire	84 760 957	11 524 127	9 208 109	9 065 323	12 213 397	14 730 808	8 037 001	8 941 960	5 177 904	4 834 690	877 038	150 599
Picardie	20 903 853	2 892 465	1 709 322	1 599 355	1 880 056	1 841 504	1 102 437	1 881 458	2 708 561	3 813 809	1 474 887	-
Poitou-Charentes	74 360 435	10 081 920	6 789 769	10 148 999	10 671 192	11 673 723	4 119 438	5 777 420	8 198 659	4 783 940	1 492 018	623 357
Provence-Alpes-Côte d'Azur	512 364 020	75 794 334	44 970 170	58 475 723	69 300 306	83 824 118	40 824 679	41 911 715	49 473 790	33 412 254	12 114 793	2 262 138
Rhône-Alpes	309 430 908	39 473 760	35 480 026	51 278 744	38 939 699	45 219 142	30 666 197	20 289 690	21 322 343	16 919 749	6 264 504	3 577 055
Territoires d'Outre-Mer	-	-	-	-	-	-	-	-	-	-	-	-
No data	-	-	-	-	-	-	-	-	-	-	-	-
Total	3 937 749 114	548 902 479	362 307 142	489 704 121	515 289 338	597 988 553	323 940 269	322 795 058	340 354 603	293 060 869	112 087 893	31 318 791

ASSET COVER TEST

Date of Asset Cover test:

20/01/2011

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

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

R	Asset Cover test Ratio	1.77
	Adjusted Aggregate Asset Amount (AAAA)	3 411 609 147.84
	Aggregate Covered Bond Outstanding Principal Amount	1 924 970 272.80
	Asset Cover Test Result	PASS

A	=min(A1 ; A2)	3 425 841 728.75
A1	Adjusted Home Loan Outstanding Principal Amount	3 825 686 628.02
A2	= a * b	3 425 841 728.75
	Unadjusted Home Loan Outstanding Principal Amount (a)	3 937 749 113.51
	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	45 648 291.73
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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%	59 880 873
	WAM (Weighted Average Maturity)	6.22
	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	6.0055 Years
Serie n°2 ISINCH0111297393 Devise : CHF	200 000 000.00	07/09/2015	4.6329 Years
Serie n°3 ISINCH0111297443 Devise : CHF	200 000 000.00	07/09/2018	7.6356 Years
Serie n°4 ISINCH0120743346 Devise : CHF	200 000 000.00	23/04/2019	8.2603 Years