

## HSBC SFH (France) Investor Report

Collection Period End:

**31/07/2012**

Date of Report:

**17/08/2012**

### Summary

<b>Cover Pool Overview Data</b>	
Total Outstanding Current Balance:	3 805 082 219 €
Number of Loans	26 301
Number of Borrowers	24 877
Average Loan Balance	144 674
Weighted Average Seasoning of Loan parts (months)	47.25
Weighted Average Remaining Term of Loan Parts (months)	179.39
Percentage of floating interest rate loans	2.66%
Weighted Average Current LTV	77.4%
Weighted Average Current Indexed LTV	69.6%
Loan Originator	Total Loan Balance
HBFH	3 805 082 219 €
<b>Covered Bonds Overview Data</b>	
Total Covered Bonds Outstanding Balance:	1 924 970 271 €
Weight Average Maturity	4.67
<b>ACT Results</b>	
Asset Cover Ratio	1.74
Asset Cover Test Result	PASS

# HSBC SFH (France) Investor Report

1.a Unindexed LTV Ranges Distribution		
Unindexed LTV Range	Total Loan Balance	Number of Loans
0 - ≤40%	17 738 752 €	164
>40% - ≤50%	249 880 604 €	2 109
>50% - ≤60%	454 522 452 €	3 451
>60% - ≤70%	586 566 919 €	4 311
>70% - ≤80%	688 631 933 €	4 790
>80% - ≤85%	363 930 023 €	2 441
>85% - ≤90%	384 893 874 €	2 534
>90% - ≤95%	385 740 521 €	2 446
>95% - ≤100%	353 970 401 €	2 228
>100% - ≤105%	212 948 580 €	1 283
>105%	106 258 159 €	544
<b>Total</b>	<b>3 805 082 219 €</b>	<b>26 301</b>

1.b Indexed LTV Ranges Distribution		
Indexed LTV Range	Total Loan Balance	Number of Loans
0 - ≤40%	82 200 537 €	697
>40% - ≤50%	566 589 380 €	4 497
>50% - ≤60%	629 191 930 €	4 462
>60% - ≤70%	638 925 665 €	4 359
>70% - ≤80%	672 118 639 €	4 485
>80% - ≤85%	304 170 640 €	2 006
>85% - ≤90%	295 909 189 €	1 893
>90% - ≤95%	306 252 638 €	1 966
>95% - ≤100%	309 723 601 €	1 936
>100% - ≤105%	0 €	-
>105%	0 €	-
<b>Total</b>	<b>3 805 082 219 €</b>	<b>26 301</b>

2. Current Arrears Ranges Distribution		
Number of months in arrears	Total Loan Balance	Number of Loans
0	3 805 082 219 €	26 301
>1 - ≤2		
>2 - ≤3		
>3 - ≤4		
>4 - ≤5		
>5 - ≤6		
>6		
<b>Total</b>	<b>3 805 082 219 €</b>	<b>26 301</b>

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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	609 060 146 €	8 005 378 €	65 616 877 €	75 580 244 €	94 157 321 €	115 505 594 €	53 958 247 €	55 788 987 €	70 40 187 €	68 835 447 €	1 211 865 €	0 €
≥12 - <24	473 080 340 €	1 756 969 €	35 066 470 €	59 362 863 €	57 932 692 €	68 059 790 €	39 971 633 €	40 877 683 €	40 999 993 €	54 772 495 €	48 083 964 €	26 196 588 €
≥24 - <36	512 036 515 €	0 €	24 389 015 €	46 675 773 €	52 603 933 €	67 968 827 €	35 336 752 €	44 557 729 €	45 909 002 €	5 995 897 €	80 529 429 €	54 370 158 €
≥36 - <60	597 727 637 €	5 636 508 €	42 149 323 €	62 168 351 €	78 319 362 €	88 656 086 €	49 125 261 €	60 840 029 €	61 807 585 €	74 814 222 €	60 299 504 €	13 911 405 €
≥60	1 613 177 581 €	2 339 897 €	82 658 919 €	210 735 221 €	303 553 612 €	344 441 636 €	185 538 131 €	182 829 446 €	166 624 555 €	9 852 340 €	22 823 818 €	11 780 007 €
<b>Total</b>	<b>3 805 082 219 €</b>	<b>17 738 752 €</b>	<b>249 880 604 €</b>	<b>454 522 452 €</b>	<b>586 566 919 €</b>	<b>688 631 933 €</b>	<b>363 930 023 €</b>	<b>384 893 874 €</b>	<b>385 740 521 €</b>	<b>353 970 401 €</b>	<b>212 948 580 €</b>	<b>106 258 59 €</b>

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	3 418 442 355 €	17 108 689 €	231 512 939 €	421 785 884 €	540 053 022 €	625 505 959 €	325 616 136 €	340 106 202 €	345 192 617 €	308 185 209 €	175 647 430 €	87 728 270 €
RE-MORTGAGE	217 278 134 €	49 286 €	6 319 378 €	14 247 455 €	22 675 586 €	36 427 432 €	21 003 385 €	27 166 665 €	18 736 399 €	26 211 743 €	28 158 462 €	16 282 344 €
EQUITY RELEASE	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
Construction (Surface Increase)	110 402 854 €	361 095 €	5 591 678 €	11 920 653 €	15 651 089 €	18 211 498 €	12 227 111 €	12 398 648 €	13 072 20 €	13 223 634 €	6 323 649 €	1 421 597 €
Construction (New Building)	58 958 876 €	219 683 €	6 456 609 €	6 568 461 €	8 187 221 €	8 487 045 €	5 083 392 €	5 222 359 €	8 739 302 €	6 349 816 €	2 819 399 €	825 949 €
Other/No data	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
<b>Total</b>	<b>3 805 082 219 €</b>	<b>17 738 752 €</b>	<b>249 880 604 €</b>	<b>454 522 452 €</b>	<b>586 566 919 €</b>	<b>688 631 933 €</b>	<b>363 930 023 €</b>	<b>384 893 874 €</b>	<b>385 740 521 €</b>	<b>353 970 401 €</b>	<b>212 948 580 €</b>	<b>106 258 159 €</b>

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	2 741 282 858 €	11 234 244 €	187 835 811 €	340 910 512 €	438 180 131 €	504 897 809 €	273 777 298 €	269 171 167 €	274 317 472 €	239 204 852 €	132 892 126 €	68 861 434 €
Buy-to let	774 481 054 €	4 392 710 €	33 607 342 €	68 552 900 €	97 760 793 €	126 832 011 €	64 459 205 €	90 581 323 €	88 15 284 €	91 734 977 €	72 394 001 €	35 980 507 €
Vacation / second home	289 318 308 €	2 111 799 €	28 437 451 €	45 059 041 €	50 625 994 €	56 902 113 €	25 693 520 €	25 141 385 €	23 237 764 €	23 030 571 €	7 662 453 €	1 416 218 €
Other/No data	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
<b>Total</b>	<b>3 805 082 219 €</b>	<b>17 738 752 €</b>	<b>249 880 604 €</b>	<b>454 522 452 €</b>	<b>586 566 919 €</b>	<b>688 631 933 €</b>	<b>363 930 023 €</b>	<b>384 893 874 €</b>	<b>385 740 521 €</b>	<b>353 970 401 €</b>	<b>212 948 580 €</b>	<b>106 258 159 €</b>

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	2 721 053 876 €	12 452 606 €	179 430 847 €	327 520 304 €	419 067 991 €	494 823 182 €	258 978 052 €	281 031 277 €	280 057 754 €	236 982 006 €	153 634 933 €	77 074 925 €
Protected life-time employment	283 028 349 €	1 248 028 €	16 213 804 €	33 543 600 €	45 009 476 €	47 97 173 €	26 418 416 €	30 643 632 €	29 623 624 €	31 523 833 €	14 559 916 €	6 245 297 €
SELF-EMPLOYED	602 359 274 €	3 062 343 €	35 070 738 €	63 437 196 €	90 472 443 €	114 90 592 €	60 159 996 €	56 607 168 €	60 382 810 €	69 244 951 €	35 358 428 €	17 072 607 €
Unemployed	138 108 649 €	536 480 €	10 446 522 €	20 029 488 €	22 398 030 €	22 474 737 €	13 140 473 €	12 573 718 €	11 398 744 €	12 372 68 €	7 352 994 €	5 384 807 €
Other/No data	60 532 070 €	439 295 €	8 718 694 €	9 991 865 €	9 618 979 €	11 846 20 €	5 233 086 €	4 038 080 €	4 277 589 €	3 845 403 €	2 02 309 €	480 522 €
<b>Total</b>	<b>3 805 082 219 €</b>	<b>17 738 752 €</b>	<b>249 880 604 €</b>	<b>454 522 452 €</b>	<b>586 566 919 €</b>	<b>688 631 933 €</b>	<b>363 930 023 €</b>	<b>384 893 874 €</b>	<b>385 740 521 €</b>	<b>353 970 401 €</b>	<b>212 948 580 €</b>	<b>106 258 159 €</b>

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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	43 780 081 €	294 617 €	2 903 906 €	5 699 330 €	6 864 055 €	8 871 150 €	4 348 664 €	5 020 037 €	4 011 936 €	4 997 633 €	599 87 €	169 295 €
Aquitaine	181 534 882 €	735 581 €	14 716 939 €	19 634 817 €	26 586 260 €	36 305 902 €	19 655 321 €	16 146 845 €	16 985 865 €	17 537 97 €	9 507 881 €	3 721 493 €
Auvergne	19 908 899 €	39 430 €	1 303 207 €	1 686 237 €	2 609 803 €	3 255 943 €	1 608 945 €	2 118 364 €	2 486 064 €	2 778 350 €	1 562 23 €	460 432 €
Basse-Normandie	42 470 469 €	6 683 €	2 628 889 €	6 419 018 €	6 534 155 €	7 796 471 €	5 237 138 €	3 675 819 €	5 256 799 €	3 496 743 €	899 689 €	519 064 €
Bourgogne	34 368 355 €	397 162 €	1 941 279 €	2 438 227 €	5 953 913 €	5 840 089 €	3 267 091 €	3 703 231 €	5 029 068 €	4 199 290 €	1 599 005 €	0 €
Bretagne	70 696 777 €	464 111 €	5 532 535 €	9 275 655 €	11 384 371 €	14 002 31 €	4 737 887 €	8 451 053 €	7 398 623 €	6 788 742 €	2 10 993 €	550 555 €
Centre	90 903 563 €	118 826 €	5 716 819 €	10 272 534 €	11 730 507 €	15 086 220 €	9 517 835 €	11 207 723 €	8 784 478 €	9 565 908 €	766 948 €	1 225 765 €
Champagne-Ardenne	13 822 002 €	121 384 €	548 134 €	940 828 €	1 411 174 €	3 470 050 €	541 073 €	1 424 048 €	1 746 091 €	1 590 917 €	520 493 €	507 811 €
Corse	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
Départements d'Outre-Mer	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
Franche-Comté	15 062 458 €	62 863 €	1 003 500 €	2 250 995 €	1 519 843 €	3 705 297 €	609 798 €	1 645 875 €	1 744 823 €	1 894 415 €	625 048 €	0 €
Haute-Normandie	101 605 998 €	351 257 €	5 406 519 €	9 979 841 €	14 349 630 €	20 076 07 €	10 027 796 €	8 874 857 €	15 858 166 €	12 184 757 €	4 307 247 €	189 902 €
Île-de-France	1 749 717 514 €	4 953 951 €	102 222 068 €	211 756 328 €	289 956 476 €	312 969 432 €	167 418 246 €	175 033 558 €	172 324 098 €	140 114 602 €	99 242 216 €	73 726 539 €
Languedoc-Roussillon	52 081 925 €	920 892 €	4 778 303 €	6 697 950 €	7 121 28 €	11 915 123 €	4 648 864 €	5 815 407 €	3 734 482 €	3 893 342 €	2 287 861 €	268 404 €
Limousin	11 591 306 €	157 188 €	549 024 €	1 951 323 €	1 590 263 €	2 318 353 €	1 998 875 €	950 406 €	1 018 303 €	650 419 €	407 153 €	0 €
Lorraine	55 002 900 €	71 643 €	2 373 535 €	5 729 777 €	8 207 460 €	10 783 590 €	6 472 857 €	5 785 445 €	8 040 621 €	5 66 758 €	1 601 235 €	289 978 €
Midi-Pyrénées	75 781 447 €	612 490 €	4 909 012 €	8 183 768 €	11 102 89 €	10 758 596 €	9 316 822 €	7 053 605 €	7 946 529 €	7 511 433 €	5 603 467 €	2 783 416 €
Nord-Pas-de-Calais	216 609 118 €	1 052 974 €	12 447 267 €	24 701 284 €	31303 270 €	34 667 921 €	20 314 695 €	22 607 926 €	21 751647 €	25 893 072 €	17 288 091 €	4 580 971 €
Pays-de-la-Loire	90 176 534 €	540 659 €	6 257 087 €	13 096 576 €	14 899 997 €	16 330 347 €	9 029 485 €	6 062 194 €	7 038 556 €	7 620 080 €	7 512 703 €	1 788 851 €
Picardie	95 209 004 €	249 454 €	5 322 405 €	8 208 944 €	8 597 35 €	16 489 788 €	10 691 348 €	13 779 492 €	15 161 549 €	12 312 935 €	3 167 457 €	1 228 247 €
Poitou-Charentes	86 763 148 €	676 496 €	5 978 176 €	9 763 428 €	11 529 39 €	12 778 272 €	8 116 080 €	10 135 220 €	7 844 693 €	1 303 076 €	6 741 792 €	1 896 536 €
Provence-Alpes-Côte d'Azur	458 282 760 €	3 204 450 €	37 502 396 €	56 138 773 €	66296 399 €	87 709 315 €	40 390 772 €	50 860 815 €	45 966 908 €	44 649 019 €	20 651 410 €	4 912 503 €
Rhône-Alpes	299 713 079 €	2 706 641 €	25 839 606 €	39 696 819 €	47018 971 €	53 501 796 €	24 980 431 €	24 541 953 €	25 611222 €	29 340 933 €	19 036 309 €	7 438 398 €
Territoires d'Outre-Mer	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
No data	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €	0 €
<b>Total</b>	<b>3 805 082 219 €</b>	<b>17 738 752 €</b>	<b>249 880 604 €</b>	<b>454 522 452 €</b>	<b>586 566 919 €</b>	<b>688 631 933 €</b>	<b>363 930 023 €</b>	<b>384 893 874 €</b>	<b>385 740 521 €</b>	<b>353 970 401 €</b>	<b>212 948 580 €</b>	<b>106 258 159 €</b>

**ASSET COVER TEST**

Date of Asset Cover test:

17/08/2012

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

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

<b>R</b>	<b>Asset Cover test Ratio</b>	<b>1.74</b>
	Adjusted Aggregate Asset Amount (AAAA)	3 344 488 873.91 €
	Aggregate Covered Bond Outstanding Principal Amount	1 924 970 271.46 €
	<b>Asset Cover Test Result</b>	<b>PASS</b>

<b>A</b>	<b>=min(A1 ; A2)</b>	<b>3 310 421 530.51 €</b>
<b>A1</b>	Adjusted Home Loan Outstanding Principal Amount	3 661 353 077.25 €
<b>A2</b>	= a * b	3 310 421 530.51 €
	Unadjusted Home Loan Outstanding Principal Amount (a)	3 805 082 218.98 €
	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>79 000 000.00 €</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>44 932 657</b>
	WAM (Weighted Average Maturity)	4.67
	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	4.4736
Serie n°2 ISINCH0111297393 Devise : CHF	200 000 000.00	07/09/2015	3.1020
Serie n°3 ISINCH0111297443 Devise : CHF	200 000 000.00	07/09/2018	6.1027
Serie n°4 ISINCH0120743346 Devise : CHF	200 000 000.00	23/04/2019	6.7269

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