

HSBC SFH (France) Investor Report

Collection Period End:

31/05/2011

Date of Report:

14/06/2011

Summary

Cover Pool Overview Data	
Total Outstanding Current Balance:	3 615 450 028
Number of Loans	29 840
Number of Borrowers	26 652
Average Loan Balance	121 161
Weighted Average Seasoning of Loan parts (months)	51.63
Weighted Average Remaining Term of Loan Parts (months)	165.21
Percentage of variable mortgages	3.45%
Weighted Average Current LTV	67.5%
Weighted Average Current Indexed LTV	60.1%
Loan Originator	Total Loan Balance
HBFRR	3 615 450 028

Covered Bonds Overview Data	
Total Covered Bonds Outstanding Balance:	1 924 970 273
Weight Average Maturity	5.81

ACT Results	
Asset Cover Ratio	1.63
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%	546 236 573	8137
>40% - ≤50%	354 185 325	3070
>50% - ≤60%	441 814 566	3459
>60% - ≤70%	475 102 645	3556
>70% - ≤80%	525 839 425	3675
>80% - ≤85%	273 841 322	1810
>85% - ≤90%	289 009 935	1876
>90% - ≤95%	305 725 764	1888
>95% - ≤100%	271 184 499	1601
>100% - ≤105%	95 392 380	563
>105%	37 117 593	205
Total	3 615 450 028	29 840

1.b Indexed LTV Ranges Distribution		
Indexed LTV Range	Total Loan Balance	Number of Loans
0 - ≤40%	844 654 216	11191
>40% - ≤50%	444 127 076	3455
>50% - ≤60%	455 366 369	3303
>60% - ≤70%	496 325 429	3322
>70% - ≤80%	516 162 632	3252
>80% - ≤85%	253 856 366	1563
>85% - ≤90%	225 175 661	1378
>90% - ≤95%	201 238 165	1275
>95% - ≤100%	178 544 115	1101
>100% - ≤105%	-	0
>105%	-	0
Total	3 615 450 028	29 840

2. Current Arrears Ranges Distribution		
Number of months in arrears	Total Loan Balance	Number of Loans
0	3 615 450 028	29 840
>1 - ≤2		
>2 - ≤3		
>3 - ≤4		
>4 - ≤5		
>5 - ≤6		
>6		
Total	3 615 450 028	29 840

HSBC SFH (France) Investor Report

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	356 641 255	55 555 167	37 186 476	42 559 012	45 155 947	51 633 351	34 509 562	27 377 017	28 773 295	32 108 124	1 632 142	151 161
≥12 - <24	388 527 822	42 394 878	30 794 143	38 355 074	40 187 343	53 761 560	24 305 025	31 169 695	34 539 305	40 472 864	36 068 677	16 479 259
≥24 - <36	205 051 240	38 038 680	20 064 631	22 737 514	24 431 262	27 800 173	18 803 597	14 150 197	16 590 628	14 701 976	5 577 191	2 155 391
≥36 - <60	1 149 108 810	132 804 107	97 159 959	120 937 062	136 955 647	164 023 129	93 093 602	106 063 581	132 808 258	98 030 819	54 457 903	12 774 742
≥60	1 516 120 902	273 685 575	164 046 678	214 749 471	218 720 668	227 014 837	104 655 420	104 194 273	99 096 654	90 369 608	10 187 924	9 399 795
Total	3 615 450 028	542 478 407	349 251 887	439 338 132	465 450 867	524 233 049	275 367 207	282 954 763	311 808 140	275 683 392	107 923 836	40 960 347

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	3 264 479 176	506 100 358	326 885 802	405 759 533	420 791 251	472 161 730	242 837 275	242 698 983	271 354 316	243 731 562	94 682 784	37 475 581
RE-MORTGAGE	189 330 541	11 119 411	9 156 186	15 240 699	21 859 002	31 288 460	22 689 543	24 007 259	28 844 518	15 090 273	7 906 585	2 128 606
EQUITY RELEASE	-	-	-	-	-	-	-	-	-	-	-	-
RENOVATION	102 472 469	14 765 035	6 886 258	8 915 071	14 513 730	14 653 847	6 601 160	11 646 402	8 873 662	11 060 364	3 595 559	961 382
Construction (new)	59 167 842	10 493 604	6 323 642	9 422 830	8 286 885	6 129 011	3 239 229	4 602 119	2 735 644	5 801 193	1 738 909	394 778
Other/No data	-	-	-	-	-	-	-	-	-	-	-	-
Total	3 615 450 028	542 478 407	349 251 887	439 338 132	465 450 867	524 233 049	275 367 207	282 954 763	311 808 140	275 683 392	107 923 836	40 960 347

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	2 648 106 514	423 414 160	267 294 372	335 322 003	337 209 123	376 597 285	198 162 233	200 687 372	220 258 152	188 082 219	74 277 879	26 801 716
Buy-to let	659 003 868	64 635 189	48 606 046	67 680 802	81 559 507	97 175 425	56 202 380	61 281 225	71 074 285	71 330 242	27 767 967	11 690 800
Vacation / second home	308 339 646	54 429 059	33 351 470	36 335 327	46 682 237	50 460 339	21 002 593	20 986 165	20 475 703	16 270 931	5 877 991	2 467 832
Other/No data	-	-	-	-	-	-	-	-	-	-	-	-
Total	3 615 450 028	542 478 407	349 251 887	439 338 132	465 450 867	524 233 049	275 367 207	282 954 763	311 808 140	275 683 392	107 923 836	40 960 347

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	2 391 713 856	335 026 989	231 114 261	299 257 377	306 032 709	349 608 646	181 224 680	183 218 593	216 694 971	188 356 205	74 575 480	26 603 945
Protected life-time employment	224 536 929	32 872 276	21 382 325	25 739 895	30 020 455	31 966 850	19 347 848	20 411 835	19 032 809	15 566 219	5 192 100	3 004 316
SELF-EMPLOYED	745 334 712	111 707 570	67 885 930	85 973 294	93 304 153	113 772 502	58 584 059	64 105 494	59 555 484	56 579 925	23 615 001	10 251 298
Unemployed	192 034 112	40 081 883	21 016 388	20 687 577	30 147 829	22 928 411	12 931 134	12 647 795	14 039 531	13 073 494	3 715 863	764 206
Other/No data	61 830 420	22 789 690	7 852 983	7 679 988	5 945 721	5 956 640	3 279 485	2 571 046	2 485 345	2 107 548	825 391	336 583
Total	3 615 450 028	542 478 407	349 251 887	439 338 132	465 450 867	524 233 049	275 367 207	282 954 763	311 808 140	275 683 392	107 923 836	40 960 347

HSBC SFH (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	38 531 684	4 232 087	3 669 763	2 977 426	4 814 079	7 176 472	4 054 426	3 968 009	2 874 736	4 096 092	434 739	233 856
Aquitaine	167 990 969	22 875 297	15 797 311	20 408 543	22 376 297	25 776 291	13 561 194	13 777 660	14 897 194	13 614 605	4 722 827	183 751
Auvergne	16 908 043	1 972 546	782 063	1 803 695	2 365 244	2 426 852	911 082	1 372 753	2 294 062	2 322 151	369 365	288 230
Basse-Normandie	39 293 452	4 836 663	2 738 994	3 933 698	6 179 911	5 991 436	3 068 797	5 288 390	3 297 984	2 878 673	1 078 905	-
Bourgogne	27 826 291	2 194 224	1 860 222	2 879 404	3 006 910	5 830 056	2 454 323	2 538 490	3 125 716	2 453 823	1 371 761	111 362
Bretagne	61 197 999	7 001 057	5 585 872	8 731 481	8 497 645	10 038 402	6 369 026	4 762 505	4 858 220	4 050 636	907 042	396 114
Centre	58 658 171	6 350 375	5 434 395	5 773 807	6 155 020	8 637 087	5 797 431	5 934 317	4 583 289	5 982 545	3 384 359	625 546
Champagne-Ardenne	10 709 250	1 254 835	560 215	1 056 298	1 295 075	2 164 077	829 111	1 111 635	1 138 710	319 997	877 333	101 965
Corse	9 089 672	1 546 922	757 017	954 366	897 374	1 259 317	449 649	567 951	1 240 886	407 180	464 921	544 088
Départements d'Outre-Mer	-	-	-	-	-	-	-	-	-	-	-	-
Franche-Comté	12 491 648	1 800 797	990 869	1 041 838	2 044 794	2 088 077	1 322 125	549 707	1 094 549	1 415 365	143 526	-
Haute-Normandie	99 433 869	8 796 245	6 319 279	10 258 339	12 268 055	14 448 897	9 589 316	7 233 035	11 774 426	13 710 569	3 916 410	1 119 298
Île-de-France	1 711 167 285	289 239 138	175 742 184	214 151 506	216 869 237	238 655 327	116 517 482	125 090 603	134 969 694	125 465 156	47 150 469	27 316 490
Languedoc-Roussillon	52 938 209	6 987 341	4 360 910	4 873 403	5 878 712	9 963 896	6 593 776	3 769 513	4 669 621	2 944 162	2 389 702	507 174
Limousin	10 563 203	1 142 595	974 176	638 944	2 132 768	1 493 566	1 252 311	1 268 935	967 871	625 649	66 389	-
Lorraine	47 146 554	3 729 142	2 718 223	4 521 879	6 045 694	8 070 193	4 170 322	5 133 788	6 694 870	4 946 981	901 628	213 836
Midi-Pyrénées	68 711 014	9 818 018	6 135 318	7 267 689	10 078 527	8 213 660	4 529 380	6 983 228	9 208 975	4 292 263	1 883 890	300 066
Nord-Pas-de-Calais	218 274 482	27 167 409	17 428 607	23 207 742	29 316 905	28 860 374	18 644 010	19 585 971	21 830 352	19 940 931	10 618 971	1 673 210
Pays-de-la-Loire	82 482 929	11 265 555	9 363 219	9 807 551	13 127 033	12 622 484	7 225 635	6 668 803	5 806 948	4 245 060	1 869 898	480 743
Picardie	21 395 967	2 847 785	1 454 216	1 346 479	1 578 711	2 284 525	1 411 775	1 460 602	3 629 995	3 645 376	1 564 340	172 164
Poitou-Charentes	73 092 191	10 083 513	5 629 184	9 502 493	9 205 760	11 764 447	5 423 016	4 661 063	7 500 212	5 630 120	3 096 253	596 131
Provence-Alpes-Côte d'Azur	483 368 802	76 773 760	44 026 397	55 724 801	63 725 366	70 674 853	36 155 312	37 863 599	47 236 135	36 175 645	12 382 777	2 630 157
Rhône-Alpes	304 178 345	40 563 104	36 923 453	48 476 751	37 591 751	45 792 760	25 037 710	23 364 206	18 113 694	16 520 415	8 328 334	3 466 167
Territoires d'Outre-Mer	-	-	-	-	-	-	-	-	-	-	-	-
No data	-	-	-	-	-	-	-	-	-	-	-	-
Total	3 615 450 028	542 478 407	349 251 887	439 338 132	465 450 867	524 233 049	275 367 207	282 954 763	311 808 140	275 683 392	107 923 836	40 960 347

ASSET COVER TEST

Date of Asset Cover test:

14/06/2011

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

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

R	Asset Cover test Ratio	1.63
	Adjusted Aggregate Asset Amount (AAAA)	3 132 892 189.00
	Aggregate Covered Bond Outstanding Principal Amount	1 924 970 272.80
	Asset Cover Test Result	PASS

A	=min(A1 ; A2)	3 145 441 524.46
A1	Adjusted Home Loan Outstanding Principal Amount	3 517 155 181.45
A2	= a * b	3 145 441 524.46
	Unadjusted Home Loan Outstanding Principal Amount (a)	3 615 450 028.12
	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	43 770 446.00
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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%	55 886 873
	WAM (Weighted Average Maturity)	5.81
	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	5.5918 Years
Serie n°2 ISINCH0111297393 Devise : CHF	200 000 000.00	07/09/2015	4.2192 Years
Serie n°3 ISINCH0111297443 Devise : CHF	200 000 000.00	07/09/2018	7.2219 Years
Serie n°4 ISINCH0120743346 Devise : CHF	200 000 000.00	23/04/2019	7.8466 Years

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