



21 March 2007

## **HSBC ANNOUNCES DEBUT AUSTRALIAN PRIME RMBS ISSUE**

HSBC Bank Australia Limited has announced its first RMBS issue, totalling A\$1,018.5 million.

The deal, called Lion Series 2007-1 Trust, is Co-Arranged and Joint Lead Managed by HSBC and Commonwealth Bank of Australia.

A domestic roadshow will take place on Monday 26th March and Tuesday 27th March, with meetings in Sydney and conference calls into other jurisdictions.

Pricing is expected on or around 4 April, with Settlement on or around 11 April.

Final maturity is May 2040, with a call date at 10 per cent of the initial note balance.

Tranche details are as follows:

- 1) class A of AUD1,000 million senior notes, to be rated AAA/Aaa by S&P and Moodys respectively, with a 2.85 year average life;
- 2) class B of AUD18.5 million subordinated notes, to be rated AA/Aa2 by S&P and Moodys respectively with a 5.77 year average life.

Key characteristics of the loan pool include 1.82 per cent subordination to the senior notes, a 64.2 per cent current weighted average loan to value ratio, weighted average seasoning of 16.3 months and zero low documentation loans. There are no broker originated loans in the portfolio. The pool contains 29 per cent interest only loans and 41 per cent investment loans. The weighted average loan size is \$246,541.

The mortgage insurers are Genworth Financial Mortgage Insurance (1 per cent) and PMI Mortgage Insurance (99 per cent).

**News Release**

## **HSBC announces debut Australian prime RMBS issue/2**

“As our inaugural RMBS issuance into the wholesale market, this securitisation programme is significant for HSBC in Australia,” said Tony Cripps, Treasurer for HSBC Bank Australia.

“When you combine this with the high quality of asset pool we’re dealing with, we think it’s a compelling opportunity for investors,” he said.

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#### **HSBC Bank Australia**

In Australia, the HSBC Group offers an extensive range of financial services through a network of 35 branches and offices. These services include personal and commercial financial services, financial planning, trade finance, treasury and financial markets, payments and cash management and securities custody. Principal HSBC Group members operating in Australia include HSBC Bank Australia Limited (ABN 48 006 434 162), HSBC Bank plc (ABN 98 067 329 015), The Hongkong and Shanghai Banking Corporation (ABN 65 117 925 970) and HSBC Precious Metals (Australia) Limited (ABN 98 001 930 392). HSBC is marketed worldwide as ‘the world’s local bank’.

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