



News release

For immediate use

FirstMac wins investor confidence, upsizing and pricing \$470m deal for home loans

Brisbane, Australia (10 November 2009) – Australian owned, mortgage finance lender FirstMac today successfully upsized, placed and priced its 2-2009 Residential Mortgage Backed Securities (RMBS) issue on the back of strong investor demand. The transaction has been one in a series initiated by the Australian Office of Financial Management (AOFM) since November 2008 to stimulate the Australian mortgage market.

The transaction was initially launched at \$400 million but was increased to \$470 million following greater than anticipated investor bids.

The FirstMac 2-2009 placement, arranged by HSBC Bank, includes \$220.14 million from the AOFM as a cornerstone investor, with a further \$249.86 million provided by external investors.

This level of external investment brings the AOFM investment to less than 50 per cent of the total transaction, indicating a return of confidence to the RMBS market.

The AOFM's investment is part of a scheme to foster competition in Australia's mortgage market through the purchase of RMBS, as announced by Treasurer Swan in September 2008. Up to \$8 billion was made available for the first tranche of AOFM RMBS investments, with \$4 billion allocated to issuers / originators that are non-authorized deposit taking institutions.

FirstMac Chief Financial Officer James Austin said the company remains committed to pass the benefit of the Federal Government's investment in the RMBS through to home buyers and investors which the mandate is intended to assist.

"This is the third allocation of AOFM funds for investment in FirstMac issued RMBS, and enables FirstMac to provide Australians a competitive and quality alternative to the traditional banks in the residential mortgage sector."

FirstMac would like to be able to extend its competitive home loan products to more Australians and has identified that access to retail deposits will be vital to ensure that the major banks do not increase their strangle hold over home buyers. The Company is currently in negotiations with the Australian Prudential Regulation Authority in this regard.

"The flow-on effect from this investment to the average Australian in the housing market should be very positive and felt in the near-term" Mr Austin said.

The Joint Leads and Joint Book Runners to the \$470 million transaction were ANZ, HSBC, Macquarie Bank, and Westpac.

The Class A-1 note, rated AAA by Standard & Poor's and Fitch, priced at 0.80% above the one month Bank Bill Swap (BBSW), the Class A-2 note, rated AAA by both rating agencies, priced at 1.40% above the BBSW, while the Class AB note, also rated AAA priced at 1.95% above BBSW.

Participation in the transaction came from six domestic investors, in addition to the AOFM. The AOFM purchased \$200.4 million of the A-2 notes and all of the AB notes.

Please see over for issue structure.



Issue structure is as follows:

Class	Exp Ratings S&P/Fitch	A\$M	Margin	WAL* Yrs	% Credit Support
A-1 floating	AAA/AAA	137.00	80bps	0.78	8.0
A-2 floating	AAA/AAA	295.40	140bps	3.54	8.0
AB floating	AAA/AAA	19.74	195bps	5.00	3.8
B-1 floating	AA-/AA-	15.98	N/A	4.67	0.4
B-2 floating	AA-/UR	1.88	N/A	4.67	0.0
Total		470.0			

About FirstMac Limited

FirstMac Limited is a leading Australian owned mortgage finance lender with almost 30 years experience. It delivers a comprehensive range of loan products to the Australian consumer through the provision of wholesale funding via a national network of mortgage originators and brokers.

FirstMac is also a provider of third party loan servicing and portfolio management services to the wider market. It has a Standard & Poor's Servicer Rating which was affirmed as "Above Average" with "Stable" Outlook on 06 October 2008.

Since 2003 FirstMac has issued approximately \$9 billion in AAA rated prime Residential Mortgage Backed Securities in the domestic and offshore markets.

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