

## **Fitch Affirms 26 FirstMac RMBS Tranches; Revises 2 LS Ratings**

Fitch Ratings-Sydney/Taipei/Singapore-28 April 2009: Fitch Ratings has today affirmed 26 classes of notes from eight FirstMac Series of Australian RMBS as detailed below. These transactions are backed by pools of Australian conforming residential mortgages originated by third-party originators in the name of FirstMac Assets Pty Ltd and other nominee originator subsidiaries, and sold to the trust by FirstMac Debt Securities Pty Ltd and various warehouses.

The rating affirmations and Stable Outlooks on the senior notes for all transactions reflect Fitch's view that available credit enhancement is able to support the notes at their current ratings and the credit quality of the loans contained in the collateral pools remains in line with the agency's expectations.

"The underlying mortgage loans in these transactions have performed well, with a maximum cumulative loss claimed against lenders' mortgage insurance (LMI) of 0.52% of the closing collateral balance in FirstMac Bond Series 2-2005 Trust," notes April Chen, Associate Director in Fitch's Structured Finance team. "The amount of 30+ days arrears has also been decreasing in all transactions since mid-2009. Fitch does not believe there will be significant credit deterioration in the short-to-medium term" added Ms Chen.

As of February 2010, the 30+ day delinquencies of the corresponding collateral pools were 2.39% (FirstMac Bond Series 2-2004 Trust), 2.77% (FirstMac Bond Series 2-2005 Trust), 0.74% (FirstMac Bond Series 1E-2006 Trust), 1.68% (FirstMac Mortgage Funding Trust Series 1-2007), 0.56% (FirstMac Mortgage Funding Trust Series 1E-2007), 0.30% (FirstMac Mortgage Funding Trust Series 2-2008), 0.86% (FirstMac Mortgage Funding Trust Series 1-2009), and 0.59% (FirstMac Mortgage Funding Trust Series 2-2009).

All transactions have mortgage insurance in place with policies provided by QBE Lenders Mortgage Insurance Ltd (IFS 'AA-'/Stable Outlook) and Genworth Financial Mortgage Insurance Pty Ltd.

Since closing, almost all senior classes have been paid down sequentially or on a pro rata basis, according to the terms of the respective transaction documents. As such, the credit enhancement levels for current senior notes have generally increased, and the ratings on the senior notes remain independent of the ratings of mortgage insurers.

Rating Outlooks have been published for all newly issued Asia Pacific Structured Finance tranches since June 2008, and concurrently with rating actions for tranches issued prior to June 2008. Unlike a Rating Watch which notifies investors that there is a reasonable probability of a rating change in the short term as a result of a specific event, rating Outlooks indicate the likely direction of any rating change over a one- to two-year period.

FirstMac Bond Series 2-2004 Trust:  
AUD48m Class B affirmed at 'A+'; Outlook Negative; 'LS-1'.

FirstMac Bond Series 2-2005 Trust:  
AUD184.9m Class A-1 (ISIN AU300FMA5015) affirmed at 'AAA'; Outlook Stable; 'LS-1';  
AUD10.5m Class AB (ISIN AU300FMA5023) affirmed at 'AAA'; Outlook Stable; 'LS-2'; and  
AUD16.5m Class B (ISIN AU300FMA5031) affirmed at 'A+'; Outlook Negative; Loss Severity Rating revised to 'LS-1' from 'LS-2'.

FirstMac Bond Series 1E-2006 Trust:  
EUR205.0m Class A (ISIN XS0250012498) affirmed at 'AAA'; Outlook Stable; 'LS-1'; and  
AUD50.5m Class B (ISIN AU300FMA9017) affirmed at 'A+'; Outlook Negative; 'LS-1'.

FirstMac Mortgage Funding Trust Series 1-2007:  
AUD291.8m Class A (ISIN AU0000FMAHA0) affirmed at 'AAA'; Outlook Stable; 'LS-1';  
AUD35.6m Class AB (ISIN AU3FN0001889) affirmed at 'AAA'; Outlook Stable; 'LS-1'; and  
AUD27.0m Class B (ISIN AU3FN0001897) affirmed at 'A+'; Outlook Negative; 'LS-1'.

FirstMac Mortgage Funding Trust Series 1E-2007:

EUR130.7m Class A1 (ISIN XS0305486127) affirmed at 'AAA'; Outlook Stable; 'LS-1';  
AUD349.6m Class A2 (ISIN AU3FN0003026) affirmed at 'AAA'; Outlook Stable; 'LS-1'; and  
AUD40.6m Class B (ISIN AU3FN0003018) affirmed at 'A+'; Outlook Negative; 'LS-1'.

FirstMac Mortgage Funding Trust Series 2-2008:

AUD88.0m Class A1 (ISIN AU3FN0007043) affirmed at 'AAA'; Outlook Stable; 'LS-1';  
AUD325.0m Class A2 (ISIN AU3FN0007050) affirmed at 'AAA'; Outlook Stable; 'LS-1';  
AUD39.0m Class AB (ISIN AU3FN0007068) affirmed at 'AAA'; Outlook Stable; 'LS-1';  
AUD15.0m Class B1 (ISIN AU3FN0007076) affirmed at 'AA'; Outlook Stable; Loss Severity Rating  
revised to 'LS-1' from 'LS-2'; and  
AUD6.0m Class B2 (ISIN AU3FN0007084) affirmed at 'A+'; Outlook Negative; 'LS-3'.

FirstMac Mortgage Funding Trust Series 1-2009:

AUD20.8m Class A2 (ISIN AU3FN0008405) affirmed at 'AAA'; Outlook Stable; 'LS-1';  
AUD458.0m Class A3 (ISIN AU3FN0008413) affirmed at 'AAA'; Outlook Stable; 'LS-1'.  
AUD40.6m Class AB (ISIN AU3FN0008421) affirmed at 'AAA'; Outlook Stable; 'LS-1';  
AUD15.6m Class B1 (ISIN AU3FN0008439) affirmed at 'AA'; Outlook Stable; 'LS-2'; and  
AUD6.3m Class B2 (ISIN AU3FN0008447) affirmed at 'A+'; Outlook Negative; 'LS-3'.  
Class A1 notes were paid in full in October 2009.

FirstMac Mortgage Funding Trust Series 2-2009:

AUD131.4m Class A1 (ISIN AU3FN0009486) affirmed at 'AAA'; Outlook Stable; 'LS-1';  
AUD295.4m Class A2 (ISIN AU3FN0009494) affirmed at 'AAA'; Outlook Stable; 'LS-1'.  
AUD19.7m Class AB (ISIN AU3FN0009502) affirmed at 'AAA'; Outlook Stable; 'LS-2'; and  
AUD16.0m Class B1 (ISIN AU3FN0009510) affirmed at 'AA-'; Outlook Negative; 'LS-2'.

Applicable criteria are available on Fitch's website at [www.fitchratings.com](http://www.fitchratings.com): "Global Structured Finance Rating Criteria", dated 30 September 2009; "Criteria for Structured Finance Loss Severity Ratings", dated 17 February 2009; and "Australian Residential Mortgage Default Criteria", dated 3 April 2008.

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