

Press Release

Announcement: Moody's: No rating impact on BOQ's Series 2008-1 REDS Trust after collateral substitution

Sydney, August 26, 2019 -- Moody's Investors Service announced today that the addition of AUD182 million of mortgage loans into Series 2008-1 REDS Trust on 26 August 2019 (the Substitution) will not, in and of itself and as of this time, result in the downgrade or withdrawal of the rating on the Class A notes issued by Perpetual Trustee Company Limited, in its capacity as trustee of Series 2008-1 REDS Trust.

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Moody's has determined that the Substitution will not, in and of itself and at this time, result in the downgrade or withdrawal of the rating on the Class A notes.

However, Moody's opinion addresses only the credit impact associated with the Substitution, and does not express any opinion as to whether the Substitution has, or could have, other non-credit-related effects that may have a detrimental impact on the interests of noteholders and/or counterparties.

The Class A notes - which total AUD4.4 billion - are rated Aaa (sf). The notes benefit from the 11.0% subordination provided by the unrated Class B notes.

The revised pool has a weighted-average current loan-to-value ratio of 62% and seasoning of 53 months.

There is also present a liquidity facility of 1.5% of the outstanding principal balance of the notes, which provides liquidity support to the transaction.

The transaction represents a securitization of a portfolio of Australian prime residential mortgages originated by Bank of Queensland Limited (BOQ, A3 stable).

The principal methodology used in this rating was Moody's Approach to Rating RMBS Using the MILAN Framework published in July 2019. Please see the Rating Methodologies page on www.moody.com for a copy of this methodology.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody.com for the most updated credit rating action information and rating history.

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