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ASX RELEASE

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REDS EHP TRUST ABS OVERSUBSCRIBED, TRANSACTION UPSIZED TO A$950 MILLION

BOQ today advised strong investor demand for its Series 2014-1 REDS EHP Trust had resulted in the transaction being upsized from A$500 million to A$950 million.

Chief Financial Officer Anthony Rose said the transaction demonstrated the importance of the REDS EHP franchise as a source of diversified, long-term funding. It follows a similarly successful ABS transaction which raised $900 million in May 2013.

“This is the ninth transaction issued by the REDS EHP franchise and it further strengthens BOQ’s funding position by increasing the duration of our funding portfolio and diversifying our investor base,” he said.

Mr Rose also said the pricing of the AAA-rated notes was a significant achievement for BOQ and the Australian ABS market.

“The Class A Pricing for this ABS transaction was inside RMBS pricing which is significant because it aligns with how the two asset classes price in global markets,” he said.

“The Aussie dollar market has traditionally priced ABS wider than RMBS and we hope this is a sign that investor demand and comfort with the asset class will see this favourable gap to RMBS continue.”

The transaction was significantly oversubscribed with the pricing of the “AAA rated Class A” notes reflecting the high quality of BOQ’s equipment finance portfolio. The asset pool was comprised of amortising fixed rate car, truck, bus and other wheels financing receivables.

Only Class A and Class B Notes were offered for sale and have been rated by Fitch and Moody’s with pricing details set out below. The subordinated tranches were retained by BOQ.

Class	Ratings (Fitch/Moody’s)	Volume	Weighted Average Life	Margin
Class A	AAAsf / Aaa (sf)	AUD$760.0 million	Weighted Average Life of 1.7 years	1 month BBSW + 68 basis points
Class B	AAsf / Aa2 (sf)	AUD$41.8 million	Weighted Average Life of 2.1 years	1 month BBSW + 100 basis points

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