

11 October 2021

4/100 Havelock Street
West Perth WA 6005

PO Box 710
West Perth WA 6872

AFG successfully completes upsized RMBS transaction

Australian Finance Group Ltd (ASX: AFG) wholly-owned subsidiary AFG Securities Pty Ltd has successfully priced an upsized A\$500m Residential Mortgage Backed Securities (RMBS) issue.

The AFG 2021-2 Trust \$500 million issue of Australian prime residential mortgages is AFG Securities' 12th issue since 2013, taking the total paper issued to the market by AFG Securities to A\$5.325 billion. The transaction is due to settle on Thursday, 14 October 2021.

AFG Chief Executive Officer David Bailey welcomed the support received for the transaction from both domestic and international investors. "We are very pleased to be able to upsize the transaction from \$350 million to \$500 million, particularly in the light of a degree of market uncertainty in recent times.

"The value proposition of brokers in the Australian home lending market has never been stronger and well-positioned products such as those offered by AFG Securities provide choice to Australian homebuyers," he said. "In addition, our conservative underwriting standards and consistent management of the portfolio means our loans track well below the Standard & Poor's Performance Index (SPIN).

"We are very pleased with the upsizing of this transaction and look forward to continuing to deliver a competitive range of home loans to our brokers and their customers and sound investment opportunities to the RMBS market," he concluded.

Details of the notes are as follows:

| Class | Expected Rating | A\$M | Credit Enhancement (%) | WAL (years) | Benchmark + Margin |
|-------|-----------------|--------|------------------------|-------------|--------------------|
| | S&P / Fitch | Amount | | | |
| A1 | AAA(sf) / AAAsf | 450.00 | 10.00% | 2.5 | 1M BBSW + 0.75% |
| A2 | AAA(sf) / NR | 30.00 | 4.00% | 4.3 | 1M BBSW + 1.15% |
| B | AA(sf) / NR | 7.25 | 2.55% | 4.3 | 1M BBSW + 1.30% |
| C | A(sf) / NR | 5.75 | 1.40% | 4.3 | 1M BBSW + 1.45% |
| D | BBB(sf) / NR | 3.00 | 0.80% | 4.3 | 1M BBSW + 2.35% |
| E | BB(sf) / NR | 1.75 | 0.45% | 4.3 | 1M BBSW + 4.50% |
| F | NR / NR | 2.25 | - | 5.0 | Undisclosed |

NAB and ANZ acted as joint-lead managers on the transaction.

The release of this announcement was authorised by AFG's Company Secretary, Lisa Bevan.

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For media enquiries, please contact

Alison Clarke

Head of Corporate Communications

P (08) 9420 7014 | P 0402 781 367

afgonline.com.au