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AFG prices \$750 million RMBS non-conforming transaction

Australian Finance Group Ltd's (**ASX: AFG**) wholly owned subsidiary AFG Securities Pty Ltd has successfully priced a A\$750 million prime Residential Mortgage-Backed Securities (RMBS) issue. This transaction was upsized from the initial \$500m deal on the back of investor demand.

The AFG 2022-1 Trust \$750 million issue is AFG Securities' 14th issue since 2013, taking the total paper issued to the market by AFG Securities to A\$6.525 billion. The transaction is due to settle on 7th April 2022.

AFG Chief Executive Officer David Bailey welcomed the support for the issue: "We are very pleased to receive such strong support for the issue. The upsizing from A\$500 million to A\$750 million is welcome confirmation from the market that AFG's RMBS program is a sound investment opportunity.

"The transaction further de-risks AFG's balance sheet and locks in longer term funding costs for AFG Securities' products," he said. "We are well placed to continue to provide AFG brokers and their customers with an extensive suite of competitive lending products."

The performance of AFG's RMBS program is exemplary. "With the increased expectation that our economy is about to enter into a rising interest rates environment, AFG's RMBS performance is supported by strong mortgage serviceability and a conservative LVR structure. I would like to thank the investors who have supported this transaction and broader program and look forward to future issues as we continue to provide competitive, well-structured products that meet the needs of Australian homebuyers."

Details of the notes are as follows:

Class	Expected Rating S&P / Fitch	A\$M Amount	Credit Enhancement (%)	WAL (years)	Benchmark + Margin
A1-S	AAA(sf) / AAAsf	150	10.00%	0.3	1M BBSW + 0.60%
A1-L	AAA(sf) / AAAsf	525	10.00%	2.9	1M BBSW + 1.20%
A2	AAA(sf) / AAAsf	33.75	5.50%	4.1	1M BBSW + 1.80%
B	AA(sf) / NR	25.125	2.15%	4.1	1M BBSW + 2.20%
C	A(sf) / NR	7.125	1.20%	4.1	1M BBSW + 2.50%
D	BBB(sf) / NR	3.75	0.70%	4.1	1M BBSW + 2.80%
E	BB(sf) / NR	2.625	0.35%	4.1	1M BBSW + 4.60%
F	NR / NR	2.625	-	5	Undisclosed
Total		750			

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

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