Market Release



14 September 2022

4/100 Havelock Street West Perth WA 6005

PO Box 710 West Perth WA 6872

AFG successfully prices upsized A\$1BN RMBS transaction

Australian Finance Group Ltd (**ASX: AFG**) wholly owned subsidiary AFG Securities Pty Ltd has priced a highly successful A\$1BN Residential Mortgage-Backed Securities (RMBS) issue. This transaction is the company's largest issue to date and is further evidence of the strength of the program.

The upsized AFG 2022-2 Trust issue is AFG Securities' 15th transaction since 2013, taking the total paper issued to the market by AFG Securities to A\$7.5 billion.

AFG Chief Executive Officer David Bailey thanked investors for their continued support of AFG's securitisation program. "Once again, we have been extremely pleased with the solid support we have received for our transaction," he said. "This is our largest issue to date, upsizing from \$500 million to \$1 billion thanks to the support of both domestic and international investors."

"In a challenging market, this result is a testament to our depth of understanding of the market and structure of our book to ensure we bring high quality, reliable paper to investors. AFG Securities offers an exceptional lending alternative with industry-leading credit quality delivering a sound investment opportunity to the securitisation market. The upsizing of this transaction to \$1 billion clearly demonstrates that value," he said.

"Over the past twelve months, mortgage brokers have once again increased their market share and continue to be the dominant channel in the Australian home lending market," he said. "As the market reacts to a rising interest rate environment, brokers are only going to be more important to their customers as they help them navigate the changes. AFG Securities' provision of a competitive lending alternative provides choice for Australian homebuyers and drives much-needed competition in the mortgage market," he said.

The transaction settles on 16th September 2022. Details of the notes are as follows:

Class	Issue Size A\$(m)	Expected Ratings S&P / Fitch	Initial Credit Support	Interest Rate	Expected WAL
A1-S	\$300.00	AAAsf/AAAsf	10.00%	BBSW + 110 bps	0.5yrs
A1-A	\$600.00	AAAsf/AAAsf	10.00%	BBSW + 155 bps	2.5yrs
A2	\$43.00	AAAsf/AAAsf	5.70%	BBSW + 235 bps	2.9yrs
В	\$28.00	AAsf/NR	2.90%	BBSW + 290 bps	2.9yrs
С	\$12.50	Asf/NR	1.65%	BBSW + 350 bps	2.9yrs
D	\$7.50	BBBsf/NR	0.90%	BBSW + 415 bps	2.9yrs
E	\$4.00	BBsf/NR	0.50%	BBSW + 635 bps	2.9yrs
F	\$5.00	NR/NR	-	undisclosed	3.0yrs

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

For media enquiries, please contact

Alison Clarke

Head of Corporate Communications

P (08) 9420 7014 | P 0402 781 367

afgonline.com.au

