



100 Havelock Street
West Perth WA 6005

PO Box 710
West Perth WA 6872

Phone 08 9420 7888
Fax 08 9420 7856

www.afgonline.com.au

11 January 2016

Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

AFG MORTGAGE INDEX - DECEMBER QUARTER 2015

Please see attached statement regarding AFG's Mortgage Index for the December quarter 2015.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Lisa Bevan'.

Lisa Bevan
Company Secretary

CONTACT DETAILS

Mark Hewitt, AFG General Manager Sales and Operations
Alison Clarke, AFG Head of Corporate Communications

Mob 0414 801 251 | Tel (08) 9420 7880
Mob 0402 781 367

NATIONAL

HOMEOWNERS STEP UP AS INVESTORS EXIT

11 January 2016

Australian Finance Group (ASX: AFG) has today released its Mortgage Index for the final quarter of 2015.

Investors have continued their retreat from the market with the latest figures showing investor lending had fallen from 40% of total loans processed early in the calendar year to 31% in the last quarter. Gains in both refinancing (36% to 38% of total loans) and upgrader (30% to 35%) categories led to a 7% lift in the total number of home loans processed by AFG for the December quarter compared to the same lending period in 2014.

The figures were led by upward swings in Victoria of 17.69% and New South Wales at 12.23% with a surge in South Australia of 13.41%. These positive results offset a flat market in Queensland at 0.85%, and a decline in the Northern Territory -21.7%, in a comparatively smaller market. WA dipped, -9.55% reflecting a cooling housing market in that state.

AFG General Manager Sales and Operations Mark Hewitt said the final quarter of 2015 painted a fitting picture of the year that was.

"2015 was a year of adjustment for both borrowers and lenders. A shift in requirements for lenders set down by regulators saw many changes to lending policy and interest rates resulting in a level of confusion amongst borrowers. This has made the role of the broker even more important for Australians looking to buy homes.

As foreshadowed by AFG's Competition Index late last month, the number of people keen to fix their loans is on the rise. A long period of low interest rates has many people predicting an upward swing may be on its way in 2016.

As the year drew to a close fixed rate lending lifted by nearly 3% to 14.2% of the product mix. This figure, as a percentage of AFG's overall volume saw its first increase since the final quarter of 2013.

More information can be found at www.afgonline.com.au under Media Hub – News and Data.

ENDS

CONTACT DETAILS

Mark Hewitt, AFG General Manager Sales and Operations
Alison Clarke, AFG Head of Corporate Communications

Mob 0414 801 251 | Tel (08) 9420 7880
Mob 0402 781 367

AFG MORTGAGES SOLD
TABLE 1: ALL AUSTRALIA

FISCAL YEAR	FISCAL QUARTER	TOTAL NUMBER	TOTAL AMOUNT	AVERAGE SIZE	PROPERTY INVESTORS	FIRST TIME BUYERS	REFINANCE %	UPGRADER %
2013	1	21,573	\$8,416,615,856	\$390,146	36%	15%	34%	28%
2013	2	21,409	\$8,487,498,305	\$396,445	36%	12%	34%	31%
2013	3	21,210	\$8,322,560,369	\$392,389	36%	12%	33%	31%
2013	4	24,446	\$9,799,859,819	\$400,878	37%	11%	33%	30%
2014	1	25,819	\$10,541,804,825	\$408,296	38%	10%	31%	32%
2014	2	25,896	\$10,982,752,324	\$424,110	39%	9%	32%	31%
2014	3	24,231	\$10,301,908,234	\$425,154	39%	9%	32%	31%
2014	4	26,968	\$11,552,816,027	\$428,390	39%	9%	34%	30%
2015	1	28,135	\$12,205,519,083	\$433,820	39%	8%	34%	31%
2015	2	28,668	\$12,891,183,842	\$449,672	39%	7%	36%	30%
2015	3	27,498	\$12,263,796,897	\$445,989	40%	8%	35%	30%
2015	4	31,238	\$14,355,751,436	\$459,561	40%	8%	37%	28%
2016	1	29,946	\$14,093,133,807	\$470,618	33%	9%	36%	34%
2016	2	28,953	\$13,795,488,750	\$476,479	31%	7%	38%	35%

MAJOR VS NON MAJOR LENDER MARKET SHARE
TABLE 2: BY BUYER TYPE

FISCAL YEAR	FISCAL QUARTER	TOTAL MORTGAGES		REFINANCE		FIRST HOME BUYERS		INVESTORS		UPGRADER	
		Major	Non-Major	Major	Non-Major	Major	Non-Major	Major	Non-Major	Major	Non-Major
2013	1	77.1%	22.9%	72.9%	27.1%	74.5%	25.5%	79.4%	20.6%	79.5%	20.5%
2013	2	77.6%	22.4%	73.6%	26.4%	74.2%	25.8%	80.8%	19.2%	79.3%	20.7%
2013	3	78.2%	21.8%	73.4%	26.6%	77.1%	22.9%	80.0%	20.0%	80.4%	19.6%
2013	4	77.0%	23.0%	72.6%	27.4%	74.5%	25.5%	79.3%	20.7%	79.3%	20.7%
2014	1	74.1%	25.9%	67.3%	32.7%	72.8%	27.2%	76.5%	23.5%	76.9%	23.1%
2014	2	73.6%	26.4%	67.5%	32.5%	72.3%	27.7%	75.4%	24.6%	76.2%	23.8%
2014	3	74.3%	25.7%	68.3%	31.7%	71.1%	28.9%	77.1%	22.9%	76.7%	23.3%
2014	4	74.8%	25.2%	69.3%	30.7%	71.6%	28.4%	77.3%	22.7%	77.9%	22.1%
2015	1	73.7%	26.3%	66.5%	33.5%	69.7%	30.3%	76.8%	23.2%	77.4%	22.6%
2015	2	69.8%	30.2%	62.5%	37.5%	67.0%	33.0%	74.2%	25.8%	72.6%	27.4%
2015	3	73.3%	26.7%	67.1%	32.9%	72.3%	27.7%	76.5%	23.5%	75.5%	24.5%
2015	4	71.7%	28.3%	64.8%	35.2%	70.6%	29.4%	74.8%	25.2%	75.5%	24.5%
2016	1	73.8%	26.2%	68.9%	31.1%	73.9%	26.1%	72.8%	27.2%	78.1%	21.9%
2016	2	70.0%	30.0%	61.3%	38.7%	70.4%	29.6%	71.2%	28.8%	75.4%	24.6%

CONTACT DETAILS

Mark Hewitt, AFG General Manager Sales and Operations
Alison Clarke, AFG Head of Corporate Communications

Mob 0414 801 251 | Tel (08) 9420 7880
Mob 0402 781 367

TOTAL LODGEMENT VOLUME

TABLE 3: BY STATE/TERRITORY

FISCAL YEAR	FISCAL QUARTER	AUSTRALIA	NSW	QLD	SA	VIC	WA	NT
2013	1	\$8,416,615,856	\$2,316,697,446	\$1,701,187,487	\$539,250,818	\$1,863,981,139	\$1,882,635,836	\$112,863,129
2013	2	\$8,487,498,305	\$2,398,852,212	\$1,624,079,026	\$538,593,521	\$1,900,825,059	\$1,914,759,532	\$110,388,955
2013	3	\$8,322,560,369	\$2,280,581,759	\$1,596,742,132	\$557,028,090	\$1,773,185,026	\$2,013,413,181	\$101,610,181
2013	4	\$9,799,859,819	\$2,888,883,235	\$1,721,114,525	\$548,935,991	\$2,182,800,665	\$2,335,157,058	\$122,968,345
2014	1	\$10,541,804,825	\$3,363,765,941	\$1,839,152,241	\$585,449,797	\$2,298,574,557	\$2,315,671,669	\$139,190,621
2014	2	\$10,982,752,324	\$3,471,438,991	\$1,928,914,555	\$590,007,574	\$2,476,010,606	\$2,369,182,211	\$147,198,387
2014	3	\$10,301,908,234	\$3,186,935,100	\$1,768,250,912	\$546,204,335	\$2,423,999,521	\$2,245,478,475	\$131,039,892
2014	4	\$11,552,816,027	\$3,629,376,839	\$1,967,383,688	\$619,877,859	\$2,703,849,299	\$2,482,937,746	\$149,390,595
2015	1	\$12,205,519,083	\$3,981,871,392	\$2,060,602,810	\$607,398,884	\$2,916,256,148	\$2,486,429,565	\$152,960,284
2015	2	\$12,891,183,842	\$4,473,709,945	\$2,160,878,402	\$687,981,635	\$3,058,631,996	\$2,360,332,709	\$149,649,155
2015	3	\$12,263,796,897	\$4,275,885,388	\$1,994,261,092	\$644,337,590	\$2,930,388,349	\$2,271,133,159	\$147,791,319
2015	4	\$14,355,751,436	\$5,332,216,293	\$2,269,517,331	\$771,581,229	\$3,388,069,830	\$2,477,749,410	\$116,617,343
2016	1	\$14,093,133,807	\$5,272,609,566	\$2,144,601,078	\$760,256,620	\$3,528,145,174	\$2,273,288,807	\$114,232,562
2016	2	\$13,795,488,750	\$5,021,057,842	\$2,142,368,177	\$780,264,683	\$3,599,706,308	\$2,134,911,638	\$117,180,103

AVERAGE MORTGAGE SIZE IN DOLLARS

TABLE 4: STATE BY STATE

FISCAL YEAR	FISCAL QUARTER	AUSTRALIA	NSW	QLD	SA	VIC	WA	NT
2013	1	\$390,146	\$454,076	\$344,579	\$315,721	\$382,905	\$403,048	\$393,251
2013	2	\$396,445	\$471,380	\$343,648	\$314,049	\$385,016	\$411,688	\$379,343
2013	3	\$392,389	\$459,424	\$346,140	\$331,960	\$378,078	\$403,086	\$376,334
2013	4	\$400,878	\$482,929	\$341,559	\$314,037	\$384,431	\$410,180	\$401,857
2014	1	\$408,296	\$496,864	\$347,995	\$318,525	\$389,259	\$408,336	\$397,687
2014	2	\$424,110	\$515,816	\$356,020	\$332,961	\$413,219	\$422,993	\$384,330
2014	3	\$425,154	\$513,111	\$358,599	\$333,255	\$415,852	\$425,683	\$378,728
2014	4	\$428,390	\$522,739	\$364,871	\$330,073	\$412,047	\$425,963	\$410,414
2015	1	\$433,820	\$523,655	\$362,846	\$332,639	\$423,690	\$432,498	\$388,224
2015	2	\$449,672	\$561,107	\$368,373	\$350,475	\$434,218	\$433,327	\$399,064
2015	3	\$445,989	\$550,165	\$370,543	\$338,413	\$429,550	\$433,340	\$392,019
2015	4	\$459,561	\$558,230	\$380,281	\$352,481	\$439,609	\$446,763	\$422,527
2016	1	\$470,618	\$582,287	\$386,763	\$361,855	\$456,068	\$435,162	\$400,816
2016	2	\$476,479	\$583,708	\$393,384	\$374,407	\$465,199	\$444,218	\$423,033

CONTACT DETAILS

Mark Hewitt, AFG General Manager Sales and Operations
Alison Clarke, AFG Head of Corporate Communications

Mob 0414 801 251 | Tel (08) 9420 7880
Mob 0402 781 367

LOAN VALUE RATIOS (loan stated as % of property value)

TABLE 5: ALL AUSTRALIA

FISCAL YEAR	FISCAL QUARTER	AUSTRALIA	NSW	QLD	SA	VIC	WA	NT
2013	1	69.6%	69.8%	70.2%	69.0%	70.5%	70.1%	68.3%
2013	2	70.2%	70.5%	70.5%	70.3%	71.1%	71.9%	66.9%
2013	3	70.3%	70.0%	70.2%	70.4%	71.8%	71.2%	68.0%
2013	4	70.0%	69.7%	69.8%	70.3%	72.0%	70.3%	68.0%
2014	1	69.8%	69.6%	70.4%	69.3%	71.9%	71.6%	66.3%
2014	2	70.4%	69.3%	71.3%	71.3%	71.9%	71.6%	67.2%
2014	3	69.9%	69.0%	70.0%	70.8%	72.7%	70.6%	66.2%
2014	4	69.5%	68.6%	69.4%	71.3%	72.8%	70.1%	65.1%
2015	1	70.1%	68.8%	69.0%	70.9%	72.5%	71.3%	68.3%
2015	2	70.5%	68.8%	69.8%	71.7%	73.1%	70.5%	69.1%
2015	3	69.7%	68.4%	69.9%	70.7%	72.8%	70.7%	65.9%
2015	4	69.7%	66.9%	69.6%	71.7%	72.6%	70.9%	66.3%
2016	1	69.7%	67.3%	69.2%	69.7%	72.8%	71.5%	67.8%
2016	2	69.3%	65.5%	69.7%	71.4%	71.4%	71.1%	67.0%

LOAN TYPE

TABLE 6: ALL AUSTRALIA

FISCAL YEAR	FISCAL QUARTER	BASIC VARIABLE	EQUITY	FIXED	INTRO	STANDARD VARIABLE
2013	1	7.6%	6.9%	14.5%	2.5%	68.5%
2013	2	7.6%	6.0%	15.5%	1.9%	69.0%
2013	3	6.6%	5.2%	18.2%	3.1%	66.8%
2013	4	6.1%	5.7%	21.7%	3.8%	62.7%
2014	1	6.5%	5.4%	20.3%	4.6%	63.2%
2014	2	5.4%	5.1%	20.1%	4.4%	65.0%
2014	3	5.7%	5.1%	17.7%	5.8%	65.8%
2014	4	6.1%	5.3%	17.4%	5.2%	66.0%
2015	1	6.6%	4.6%	17.5%	5.6%	65.8%
2015	2	5.9%	4.6%	16.7%	4.5%	68.2%
2015	3	6.4%	4.0%	14.3%	7.0%	68.3%
2015	4	6.0%	3.5%	14.5%	6.3%	69.8%
2016	1	8.7%	3.3%	11.4%	5.4%	71.3%
2016	2	8.5%	3.3%	14.2%	4.2%	69.8%

CONTACT DETAILS

Mark Hewitt, AFG General Manager Sales and Operations
Alison Clarke, AFG Head of Corporate Communications

Mob 0414 801 251 | Tel (08) 9420 7880
Mob 0402 781 367

DATA NOTE

Victorian data includes Tasmania and NSW data includes ACT.

DEFINITIONS

1. **Standard Variable:** includes the full range of features available.
2. **Basic Variable:** without some features, lower fees and rates.
3. **Intro:** also known as 'honeymoon' where the borrower is offered a very cheap initial rate (fixed or variable) before the loan reverts to a Standard Variable.
4. **Fixed:** interest rate is fixed for a nominated period before it reverts to a Standard Variable.
5. **Equity:** also known as 'line of credit' allows the borrower to draw out money up to a specified limit. Generally more expensive than Standard Variable loans.

AFG is Australia's largest mortgage broking group and one of the country's largest financial services companies. Established in 1994, the company now provides more than 16% of brokers nationwide with access to Australia's leading lending institutions, and has a mortgage book in excess of \$100 billion.

CONTACT DETAILS

Mark Hewitt, AFG General Manager Sales and Operations

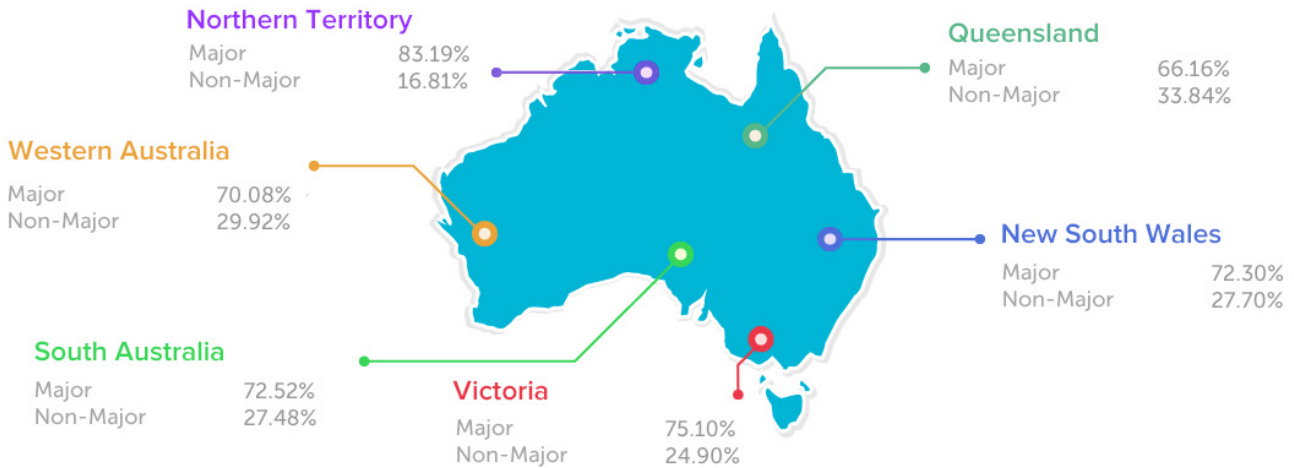
Mob 0414 801 251 | Tel (08) 9420 7880

Alison Clarke, AFG Head of Corporate Communications

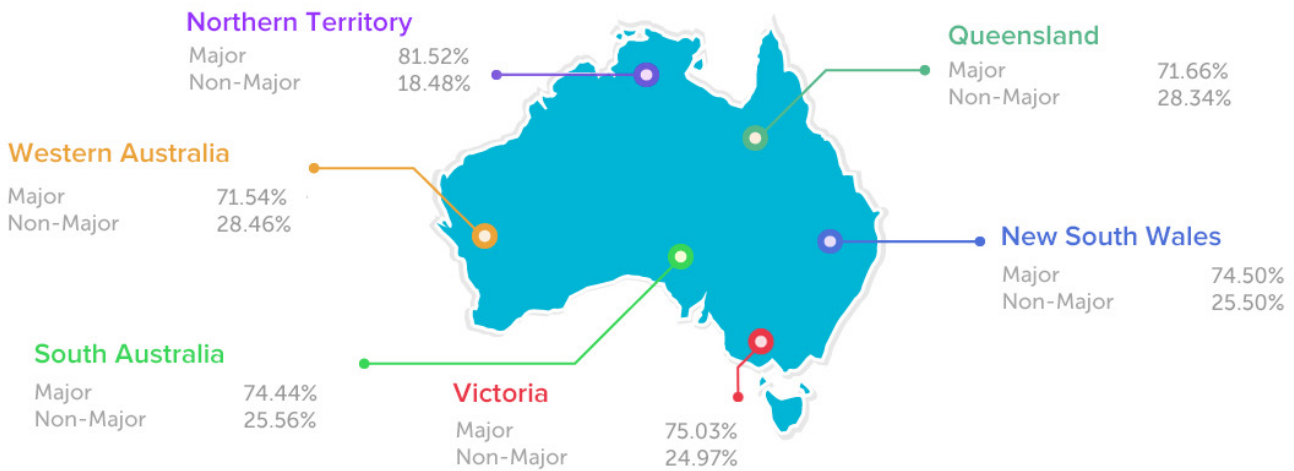
Mob 0402 781 367

MAJOR VS NON-MAJOR BY STATE

Fiscal Year: 2015 | Fiscal Quarter 4



Fiscal Year: 2016 | Fiscal Quarter 1



Fiscal Year: 2016 | Fiscal Quarter 2

