

24 November 2016

AFG

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

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

Dear Sir/Madam

2016 AGM ADDRESSES TO SHAREHOLDERS

The Company will address shareholders today at its Annual General Meeting to be held at 2:00pm Western Standard Time at Level 4, 100 Havelock Street, West Perth WA.

Attached is a copy of the Chairman's address, Managing Director / CEO's address and accompanying presentation.

The live feed of the AGM can be accessed at: <http://www.openbriefing.com/OB/2333.aspx>.

Yours faithfully



LISA BEVAN
Company Secretary

2016 AGM Chairman's Address

24 November 2016

Good afternoon all and welcome to AFG's second AGM as a listed entity.

I would like to thank you all for attending and I would like to express my thanks to the staff of AFG and my fellow board members for another very successful year of operation for the company.

At the completion of the 2016 financial year AFG reported a net profit after tax of \$22.6 million, approximately 15.1% ahead of Prospectus. Taken together, our residential and commercial loan book reached \$120.4 billion for the year.

Increased profit was underpinned by strong sales of AFG branded products, increased residential and commercial settlements and improved securitisation margins.

AFG manages almost 1 in 11 mortgages for Australians, and has in a large part through our extensive broker network been the organization that has stepped up to replace the traditional Bank branches to service and provide choice to Australians when they are undertaking their largest financial transaction. We continue to take this responsibility very seriously and recognize how important we are to the Australian financial system, and equally important is our role to continue to provide choice and competition for the benefit of residential home buyers.

Our core residential business was ahead of target, with residential settlements up 8% to \$33.84 billion for FY16. This result was supported by an exceptional year for the commercial lending business. Our Commercial loan book grew steadily during the year as more small to medium sized businesses recognized the value a commercial broker can deliver.

AFG's own securitized loan book has seen improved net interest margin driving solid returns across the financial year. The FY2016 Securities loan book of \$1.043 billion is up from \$1.020 billion at 30 June 2015.

The final dividend yield of 8.4% per share was based on our closing share price at 30 June 2016. Earnings Per Share (EPS) for FY2016 is 10.54 cents per share, up 48% from FY2015 EPS.

The past year has seen the financial services sector under the spotlight. As Chairman of a diversified financial services company and one of the country's largest mortgage broking groups, I am often asked about the sector. The position a company holds in the community is guided, and measured, by the ethics and actions of those steering and representing that company each and every day. Our guiding principles of fairness, shared prosperity and the provision of choice for Australian consumers steers our interactions with all stakeholder groups.

The attention currently focused on corporate culture and risk is actually refreshing to see. The very essence of AFG's business is a basis of trust - the trust an Australian homebuyer places in their mortgage broker to help them navigate one of the most important financial decisions they are likely to make.

Mortgage brokers are in a unique position to earn and uphold that trust. Their livelihood is based upon that shared interest. Without that trust they will not retain that client or benefit from referrals to grow their business.

I am proud that AFG has been at the forefront of consultation with our industry, the regulators and the federal government to explain the value mortgage brokers bring to the lending landscape and to those Australians seeking to secure finance.

Mortgage brokers are charged with the task of delivering the right product for the borrower's individual circumstances, at the right price, with a lender that can provide the best service to meet the needs of their customer. With the MFAA reporting that broker market penetration of the Australian mortgage market is now at more than 52%. Consumers are clearly indicating a high level of comfort with the choice that the mortgage broking model provides and AFG would not be such a dominant player in providing this choice to customers without the great support of the lenders on our panel.

Through 2016, AFG brought on additional lenders which saw our panel grow to more than 45 lenders, delivering more competition to the market place, securing wider choice for our brokers and further strengthening the broker value proposition. The major banks already have a dominant position within the Australian market; the mortgage broking industry plays a critical role in maintaining a broad choice of lenders by acting as a distribution channel for lenders without a branch network. The lack of face to face contact with representatives of these lenders would have a significant impact on consumer choice if not for the broker channel.

2016 saw AFG welcome two new Non-Executive Directors to our board. AFG is fortunate to be able to have the benefit of the extensive experience of Jane Muirsmith and Melanie Kiely. Their appointments bring additional diversity of thought and internationally informed experience to the AFG board. Both are well placed to guide and support our talented executive team and they will bring valuable strategic insights to the AFG board.

AFG also expanded its management team with the appointment of its former CFO David Bailey to the newly created role of Chief Operating Officer. The introduction of a COO role to AFG's management team has further expanded capacity and the transition of David into this role utilizes his depth of understanding of the business to focus on future opportunities for growth.

The solid results for FY16 are a testament to the Company's focus on our broking business, providing choice to consumers and AFG's earnings diversification strategy. Continued strong cash flows, a growing network and powerful balance sheet provide a solid foundation for the Group's growth plans.

On behalf of the Board I would like to congratulate AFG management and staff and thank the loyal AFG brokers who have helped deliver such a successful year for the company.

2016 AGM Address from the Managing Director & CEO

24 November 2016

Thank you Tony.

AFG has recorded an excellent first full year as a listed company in 2016 with outperformance of prospectus forecast results, culminating in an earnings upgrade in April 2016.

And I am pleased to report we have also had a very successful start to the 2017 financial year, with our residential loan lodgement volume for the first quarter of FY17 sitting at a record \$15.19 billion.

The lending market in Australia is showing credit growth and mortgage brokers are winning market share. As the largest subset of that sector, AFG is translating those conditions into earnings growth. AFG's residential broking business has had a record year by volume.

Our residential loan book rose from \$102.6b at 30 June 2015 to \$114.7b at 30 June 2016.

As Tony mentioned, our commercial book is showing solid growth. Commercial settlements grew by 15% year on year to reach \$2.76b, exceeding the prospectus FY2016 target of \$2.45b. We expect this trend to continue, predominantly in asset lending. Consumer finance also had an exceptional year with settlements increasing 39% and, in part for the same reasons as Commercial, more consumers are recognizing the value brokers can deliver in facilitating better service and better pricing and are seeking out brokers to meet their needs.

We have also achieved a record year in the recruitment of high performing brokers to AFG. We have lifted our broker numbers from just over 2,400 in 2015 to finish the financial year with over 2,650 active brokers working with AFG. Pleasingly this recruitment has been the result of winning market share in New South Wales and Victoria, states that have been a core focus of the business. These results have been obtained in a highly competitive market and are testament to the commitment of our staff.

Our own AFG Home Loans business also outperformed internal expectations. From a prospectus forecast of \$1.3 billion in settlements of white label products, we rounded out the financial year at \$1.44 billion. This was driven by the move from a soft launch to full rollout of our Edge product, and the more recent addition of the Icon home loan. These have been well received by our broker network with the products delivering more choice, competitive pricing and excellent service to our brokers and their customers; we expect further growth from this business line in future years.

We are steadily building a retail footprint for AFG Home Loans as a retail brand in its own right with more than 12,000 customers across Australia receiving AFG branded documentation and collateral.

And as always, the performance of any mortgage starts and ends with credit assessment standards, driven by the risk appetite of the lender. Our own AFG Securities business has since inception written \$2 billion worth of home loans, 100 per cent broker-introduced, and the overall performance of these loans has been exemplary. This performance is a direct reflection of AFG's strong credit assessment procedures and our conservative risk appetite.

Technology is one of AFG's key differentiators and one of the main reasons behind our continued success. Our technology platform FLEX has the ability to generate additional revenue for our brokers by accessing the customer data held within the system. We are able to seamlessly offer building; contents; landlords; life; and income protection insurances to our broker's customers. This year we added the facility to offer our brokers depreciation reports for investment properties and launched a pilot vehicle financing offering to our broker network in February of this year.

The distribution network our brokers provide is a key driver of future growth for AFG and of choice for Australian consumers. We maintain our commitment to invest in the best people, platforms, systems and tools to remain an innovative leader of high quality, resilient and agile technology to help our brokers grow and to continue to attract high quality brokers to our network. This represents a powerful distribution channel that can provide more choice, alternatives, and competition for the benefit of Australian borrowers. Much of our growth and acquisition strategy is about fully leveraging this distribution franchise through new AFG solutions.

Over the last 12 months AFG has completed a migration of our IT systems to the cloud. This enables us to scale far beyond current requirements and the reduction in operational and maintenance activities allow us to further invest in technology innovation.

In August 2016 AFG formed a strategic alliance with leading international fintech company Biz2Credit Inc. The exclusive agreement will leverage Biz2Credit's patented analytics and financial services technology to provide small business borrowers with a broad range of options and deliver faster access to capital. This new platform is a first for Australia and will not only enable existing lenders to reach their target audience in the small to medium enterprise (SME) market faster, but will also open the door to more choice for consumers.

Recent publicity around the lending sector further highlights the value a mortgage broker brings to the lending landscape:

- We work at times and places that suit our customers
- We are open for business when the branches are not
- We speak many languages and many of us are a part of many communities that would otherwise not have any understanding of the way lending works in this country
- We are a highly productive variable cost base for lenders
- We provide a vital distribution channel for those lenders without a branch network
- Without the competition we help drive, prices would inevitably rise
- We spend a considerable amount of our time educating potential clients at no cost to them
- For many rural and regional Australians, we are the only ones in their local communities
- We are working in the interests of consumers trying to negotiate one of the biggest decisions they will make, and that decision is one they will only make a couple of times in their lifetime so the likelihood of knowing the options available to them is remote.

Our story is a great one. And one we share at every opportunity.

In summary, I am very pleased to report AFG has comfortably exceeded Prospectus forecasts and positive outlook for FY2017. AFG's future growth is focused on protecting and growing our share of the mortgage broking market by continuing to expand our broker network and distribution reach, increasing penetration of own branded

product and leveraging our technology investment to pursue other opportunities. We are on track to deliver on all of these initiatives.

I would like to thank AFG staff and our brokers for their support to deliver 2016's terrific result and I look forward to another successful year for AFG.

AFG

2016

Annual General Meeting

Tony Gill, Chairman

Brett McKeon, Managing Director & CEO

24th November 2016



A photograph of three business professionals in suits sitting around a table, engaged in a meeting. A laptop, a tablet, and some papers are on the table. The image is overlaid with a semi-transparent blue filter. A dark blue diagonal shape is on the left side, containing the text.

Welcome

Agenda

1. Introductions and housekeeping
2. Chairman's Address
3. Managing Director'/CEOs Address
4. Formal Business
5. Close



AFG

Chairman's Address

Tony Gill

COMPANY OVERVIEW

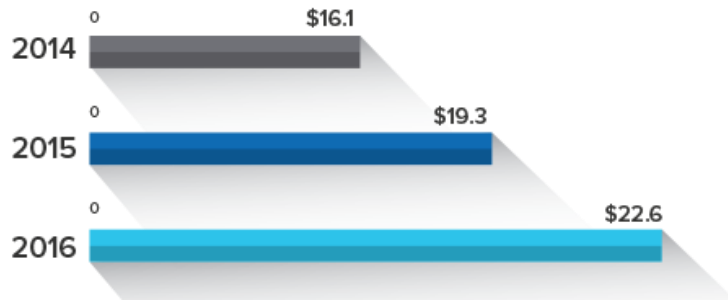
- One of Australia's largest mortgage broking groups, and one of the country's leaders in the provision of financial solutions
- Successfully exceeded all major KPIs with NPAT exceeding Prospectus forecast by 15%
- FY16 growth underpinned by increased sales of AFG branded products, increased residential and commercial settlements and improved securitisation margins
- FY16 results a testament to the Company's focus on its broking business, consumer choice and its ongoing earnings diversification strategy
- 1 in 11 Australian mortgages through AFG

OUR PERFORMANCE

Increased profit underpinned by increased sales of AFG branded products, increased commercial and residential settlements, improved securitisation margins and other income

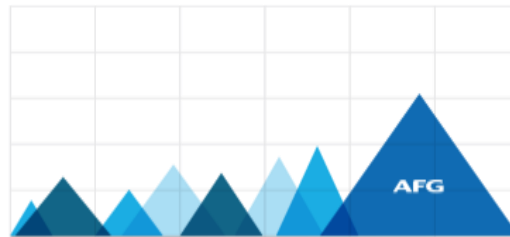
NPAT

\$22.6 MILLION FOR THE 2016 FINANCIAL YEAR



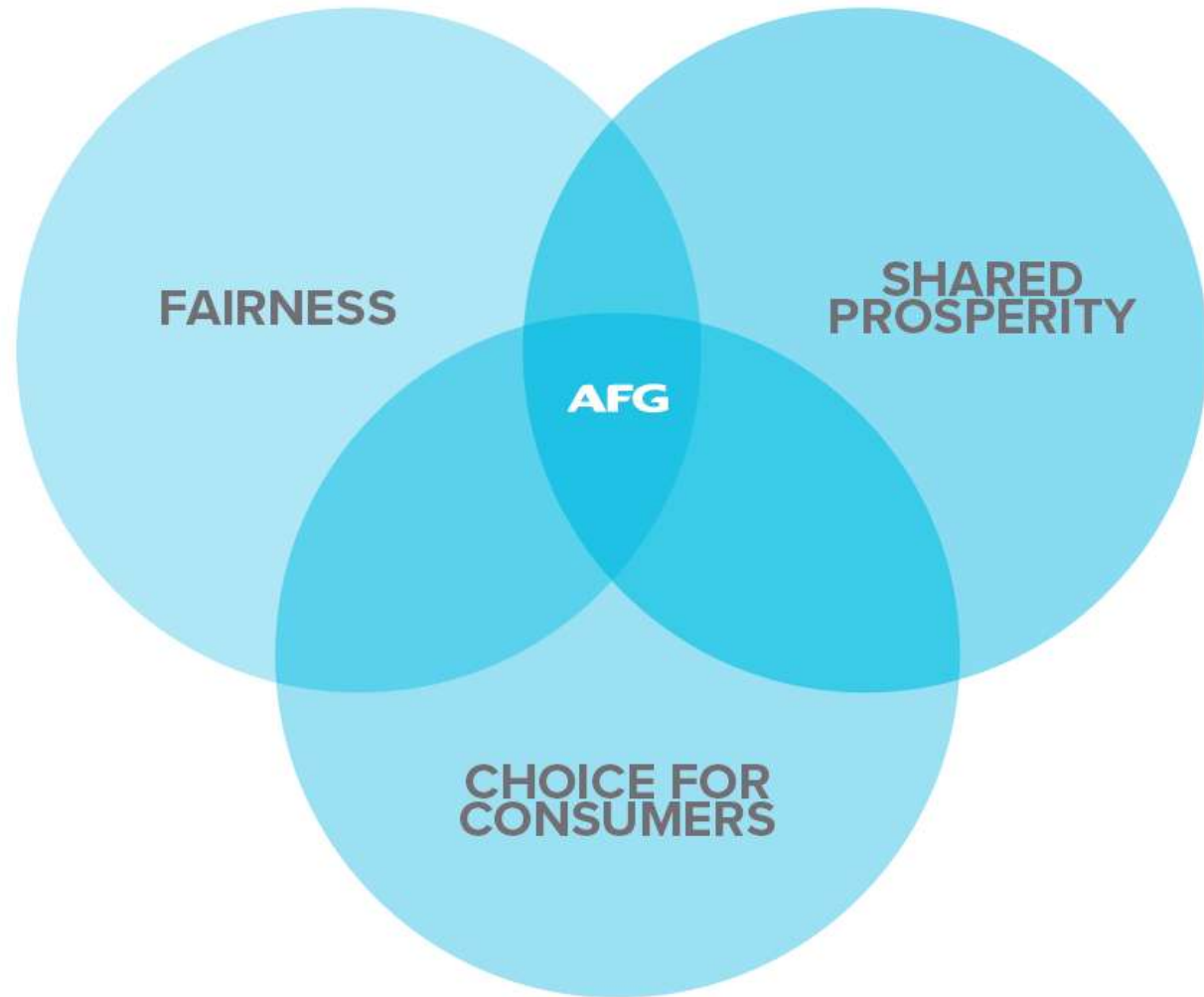
LOAN BOOK

\$120 BILLION LOAN BOOK OF OVER
↑12% INCREASE FROM FY2015 (\$107B)



	FY16 \$000's	FY15 \$000's	
Statutory NPAT	22,644	20,374	11%
Represented by Continuing Operations	22,644	15,296	48%
Discontinued Operations (Property Business)	-	5,078	
Loan Book	120,402,698	106,926,558	13%
Settlements			
Residential	33,840,648	31,242,452	8%
Commercial	2,755,778	2,392,418	15%
AFGHL Edge and Icon Settlements	1,441,652	460,000	213%
AFG Securities Loan Book	1,043,479	1,020,294	2%
Net Interest	13,563	10,438	30%
Net Interest Margin	1.32%	1.00%	32%
EPS (Statutory)	10.5 cents	9.5 cents	11%
EPS (Continuing Operations)	10.5 cents	7.1 cents	48%

OUR AIM



OUR LENDERS

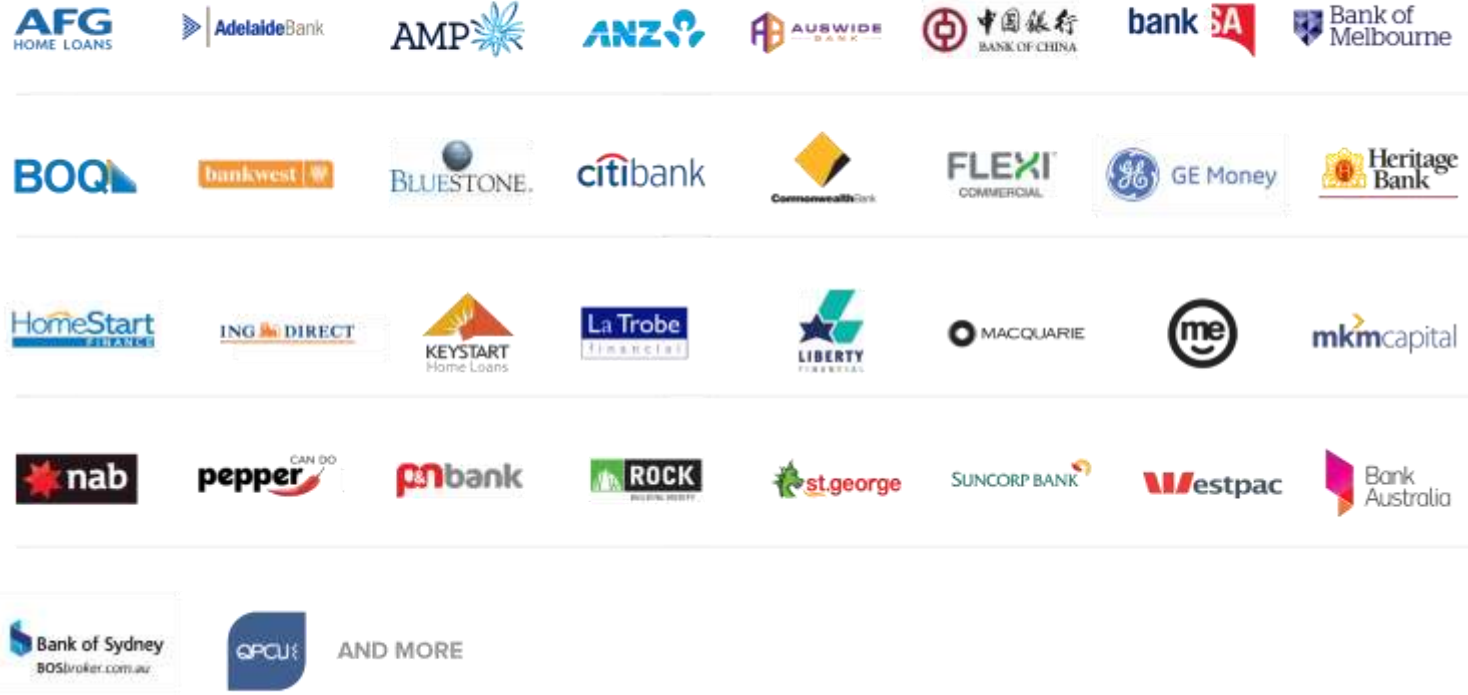
THE NUMBER OF LENDERS ON THE AFG PANEL

45+ 

THE NUMBER OF FINANCIAL PRODUCTS
AVAILABLE TO AFG BROKERS

1,450+

OUR LENDER PANEL





TONY GILL
CHAIRMAN



BRETT MCKEON
MANAGING DIRECTOR



MALCOLM WATKINS
EXECUTIVE DIRECTOR



KEVIN MATTHEWS
NON-EXECUTIVE DIRECTOR



JIM MINTO
NON-EXECUTIVE DIRECTOR FCA, FAIM



CRAIG CARTER
NON-EXECUTIVE DIRECTOR



MELANIE KIELY
NON-EXECUTIVE DIRECTOR



JANE MUIRSMITH
NON-EXECUTIVE DIRECTOR



AFG

Managing Director/CEO's Address

Brett McKeon

THE YEAR

Combination of market share, recruitment, new AFG branded products, cross sell opportunities and record low interest rates continue to leave us optimistic about the sector

- Outperformed prospectus forecast
- Earnings upgrade April 2016
- Residential loan lodgement volume first quarter FY17 record \$15.19 b
- Broker market penetration of the Australian mortgage market – now more than 52% across the full financial year, up from 51.3% across the FY15 financial year. AFG continues to be systematically important to the Australian banking system

RESIDENTIAL PORTFOLIO JUNE 2016

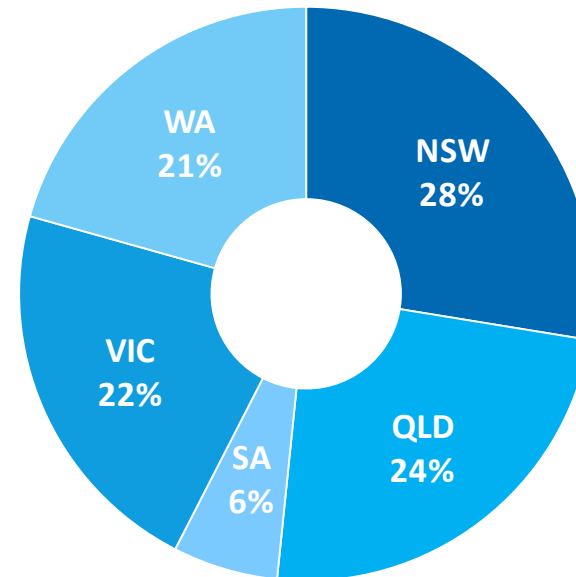
The Residential portfolio again grew in all geographical markets, residential loan book of \$114.7 billion generating ongoing trail commission

OUR RESIDENTIAL SETTLEMENTS

\$33.84BILLION

↑8% INCREASE FROM FY2015

Residential Loan Book Location



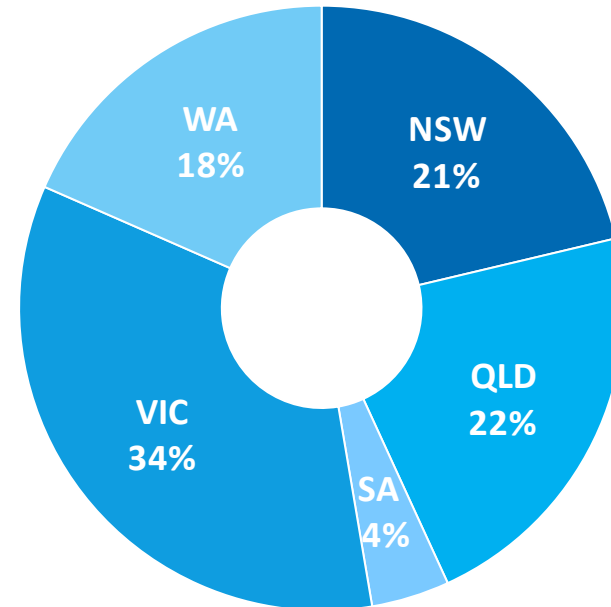
COMMERCIAL PORTFOLIO JUNE 2016

Growth in all geographical markets, commercial loan book of \$5.7 billion generating ongoing trail commission.

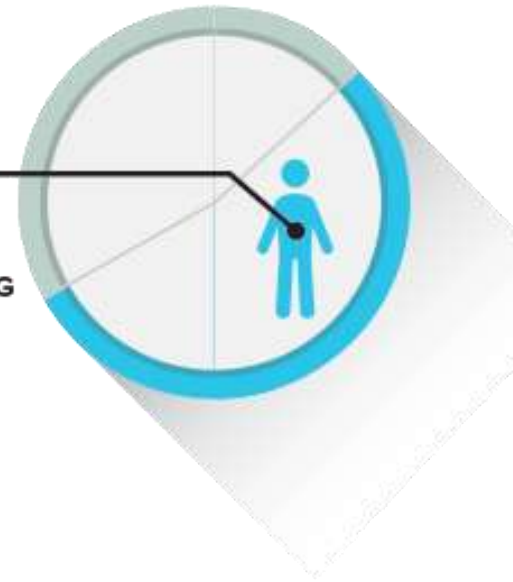
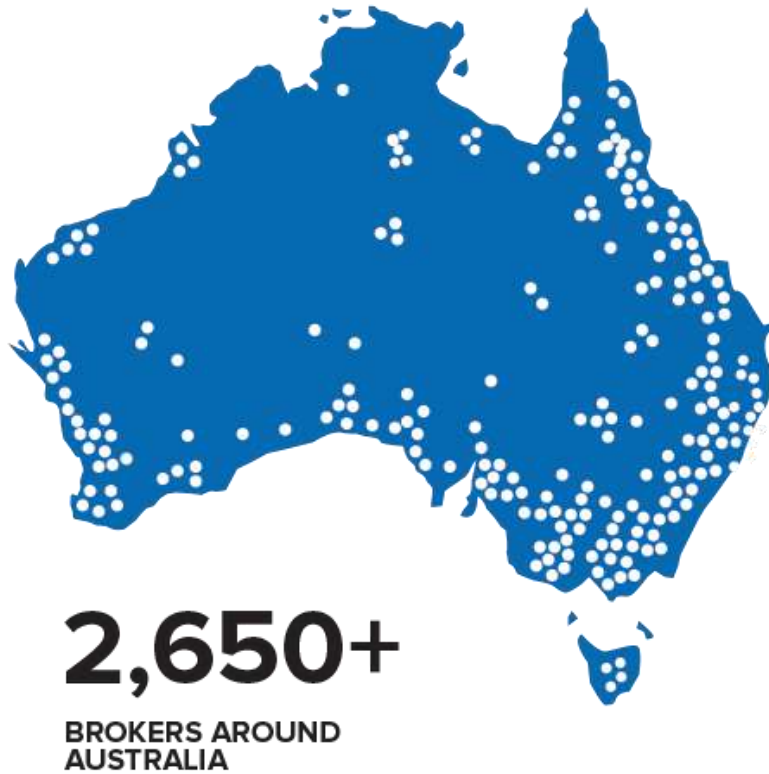
OUR COMMERCIAL SETTLEMENTS

\$2.76 BILLION
↑15% INCREASE FROM FY2015

Commercial Loan Book Location



OUR BROKERS



AFG HOME LOANS

- Consistent growth in our distribution network together with delivery on cross sell strategy has generated excellent AFG Home Loans results.
- Settlements up 99% to \$1.94 billion across all AFG Home Loans branded products.
- Steadily building a retail footprint. 12,000+ customers across Australia with an AFG branded product



TECHNOLOGY



Biz2Credit

Alliance Summary

Biz2Credit is the provider of an innovative marketplace lending experience for small businesses that uses patented analytics and financial services technology to process small business loan requests faster and more efficiently. AFG brings to the table its extensive distribution network and its technical support in matching the technical solution to the Australian marketplace, and will take the lead in working with local service providers.

Marketplace Growth

Originated ~US\$1.4B funded since inception.
250,000+ customers, with 1.6M reach through partners.
US Platform growth 131% YoY Compound Average Growth.

Data Analytics

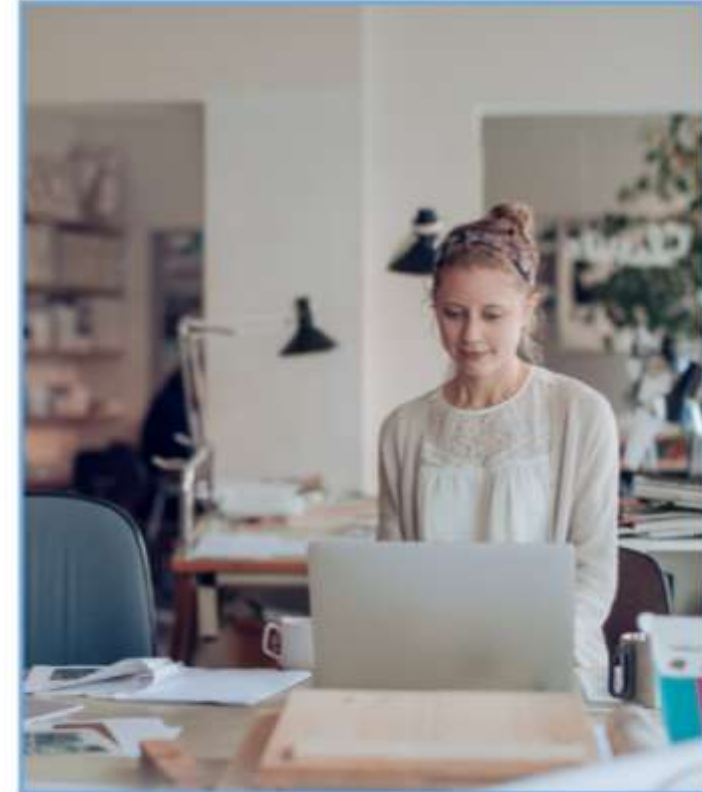
Biz2Credit has created an industry-adopted Small Business Lending index in US.
Proprietary BizAnalyzer scorecard for SME engagement and automated underwriting.

Industry Partnerships

Existing and planned data integrations include: Veda, Australian Business Register (ABR), PSMA Australia, Yodlee, Glass’s Guide, Twilio, PPSR, Xero, MYOB, Quickbooks, Document Verification Service, Austrac.

Technology Platform

Existing and planned data integrations include: Veda, Australian Business Register (ABR), PSMA Australia, Yodlee, Glass’s Guide, Twilio, PPSR, Xero, MYOB, Quickbooks, Document Verification Service, Austrac.



OUR STORY IS A GREAT ONE

- We work at times and places that suit our customers
- We are open for business when the branches are not
- We speak many languages and many of us are a part of many communities that would otherwise not have any understanding of the way lending works in this country
- We are a highly productive variable cost base for lenders
- We provide a vital distribution channel for those lenders without a branch network
- Without the competition we help drive, prices would inevitably rise
- We spend a considerable amount of our time educating potential clients at no cost to them
- For many rural and regional Australians, we are the only ones in their local communities
- We are working in the interests of consumers trying to negotiate one of the biggest decisions they will make, and that decision is one they will only make a couple of times in their lifetime so the likelihood of knowing the options available to them is remote.

IN CONCLUSION

— Strong first full year as a listed company in 2016 with outperformance of Prospectus forecast results and a positive outlook for the future

Future growth

- Protecting and growing our share of the mortgage broking market
- Continuing to expand our broker network and distribution reach
- Increasing penetration of own branded product
- Leveraging our technology investment

AFG on track to deliver on these initiatives

AFG

Q&A



AFG

Formal Business

AFG

Notice of Meeting

Item 1:

Presentation of Accounts – financial year ended 30 June 2016.

The Financial Report, director's report and auditor's report for the financial year ended 30 June 2016 is tabled for discussion.

Item 2:

Re-election and Election of Directors

Item 2(a):

Re-election of Tony Gill as a director of the Company

In accordance with the Notice of Meeting the resolution to be put before the members is:

“That Tony Gill, who retires as a director of the Company in accordance with rule 8.1(e) of the Company’s constitution, and being eligible, be re-elected as a director of the Company.”

Summary of proxies received

	11	AGAINST	OPEN	ABSTAIN	TOTAL ELIGIBLE
NO. OF SHARES	99,076,654	30,000	575,883	2,257,083	99,682,537
% OF ELIGIBLE VOTES	99.39%	0.03%	0.58%		
NO. OF PROXY FORMS	37	1	11	3	49

Item 2(b):

Election of Melanie Kiely as a director of the Company

In accordance with the Notice of Meeting the resolution to be put before the members is:

“That Melanie Kiely who retires as a director of the Company in accordance with rule 8.1(d) of the Company’s constitution, and being eligible, be elected as a director of the Company.”

Summary of proxies received

	FOR	AGAINST	OPEN	ABSTAIN	TOTAL ELIGIBLE
NO. OF SHARES	99,316,987	43,000	575,883	2,003,750	99,935,870
% OF ELIGIBLE VOTES	99.38%	0.04%	0.58%		
NO. OF PROXY FORMS	34	4	11	2	49

Item 2(c):

Election of Jane Muirsmith as a director of the Company

In accordance with the Notice of Meeting the resolution to be put before the members is:

“That Jane Muirsmith who retires as a director of the Company in accordance with rule 8.1(d) of the Company’s constitution, and being eligible, be elected as a director of the Company.”

Summary of proxies received

	FOR	AGAINST	OPEN	ABSTAIN	TOTAL ELIGIBLE
NO. OF SHARES	99,317,987	42,000	575,883	2,003,750	99,935,870
% OF ELIGIBLE VOTES	99.38%	0.04%	0.58%		
NO. OF PROXY FORMS	35	3	11	2	49

Item 3:

Adoption of Remuneration Report

In accordance with the Notice of Meeting the resolution to be put before the members is to consider, and if thought fit, to pass the following in accordance with section 250R(2) of the *Corporations Act 2001* (Cth):

“That the Remuneration Report of the Company for the year ended 30 June 2016 be adopted.”

Summary of proxies received

	FOR	AGAINST	OPEN	ABSTAIN	TOTAL ELIGIBLE
NO. OF SHARES	75,785,132	44,666	74,217	2,016,250	75,904,015
% OF ELIGIBLE VOTES	99.84%	0.06%	0.10%		
NO. OF PROXY FORMS	32	5	9	3	46

Item 4:

Grant of 2017 LTI Award to Executive Director – Brett McKeon

In accordance with the Notice of Meeting the resolution to be put before the members is to consider, and if thought fit, to pass the following in accordance with section 250R(2) of the *Corporations Act 2001* (Cth):

“That approval be given, for the purposes of ASX Listing Rule 10.14 and sections 200B and 200E of the Corporations Act and for all other purposes, to grant 176,452 Performance Rights to the Managing Director, Brett McKeon, under the Company’s long term incentive plan as set out in the Explanatory Notes accompanying the 2016 AGM Notice of Meeting.”

Summary of proxies received

	FOR	AGAINST	OPEN	ABSTAIN	TOTAL ELIGIBLE
NO. OF SHARES	80,171,009	86,705	579,217	0	80,836,931
% OF ELIGIBLE VOTES	99.18%	0.11%	0.72%		
NO. OF PROXY FORMS	30	10	11	0	51

Item 5:

Grant of 2017 LTI Award to Executive Director – Malcolm Watkins

In accordance with the Notice of Meeting the resolution to be put before the members is to consider, and if thought fit, to pass the following in accordance with section 250R(2) of the *Corporations Act 2001* (Cth):

“That approval be given, for the purposes of ASX Listing Rule 10.14 and sections 200B and 200E of the Corporations Act and for all other purposes, to grant 176,452 Performance Rights to the IT & Marketing Executive Director, Malcolm Watkins, under the Company’s long term incentive plan as set out in the Explanatory Notes accompanying the 2016 AGM Notice of Meeting.”

Summary of proxies received

	FOR	AGAINST	OPEN	ABSTAIN	TOTAL ELIGIBLE
NO. OF SHARES	80,171,009	86,705	579,217	0	80,836,931
% OF ELIGIBLE VOTES	99.18%	0.11%	0.72%		
NO. OF PROXY FORMS	30	10	11	0	51

AFG

Poll



AFG

Results of Poll

AFG

Q&A



AFG

Close



Disclaimer

This presentation contains general information which is current as at 24 November 2016. The information is intended to be a summary of Australian Finance Group Limited (AFG) and its activities as at 30 June 2016, and does not purport to be complete in any respect. The information in this presentation is not a recommendation or advice about shares in AFG (or any other financial product or service). It is not intended to influence, or be relied upon by, any person in making a decision in relation to AFG shares (or any other financial product). This presentation does not take into account the objectives, financial situation or needs of any particular investor. You should consider your own objectives, financial situation and needs when considering this presentation and seek independent investment, legal, tax, accounting or such other advice as you find appropriate before making any financial or investment decision. This presentation contains some forward looking statements. Such statements only reflect views held by AFG as at the date of this presentation and are subject to certain risks, uncertainties and assumptions. Actual events and results may vary from the events or results expressed or implied in these statements. You should not place undue reliance on any of these statements. No representation or warranty is made in respect of the accuracy or completeness of any information in this presentation, or the likelihood of any of the forward looking statements in the presentation being fulfilled. For further information visit: www.afgonline.com.au or contact Alison Clarke Head of Corporate Communications +61 402 781 367



AFG