

27 August 2025

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

Dear Sir/Madam

**AUSTRALIAN FINANCE GROUP LTD ANNOUNCES FY25 RESULTS and
2025 ANNUAL GENERAL MEETING DATE**

Please refer to the following information in relation to Australian Finance Group Ltd's (ASX: AFG) results for the year ended 30 June 2025.

- Part 1: 2025 Annual Report (including Appendix 4E)
- Part 2: Appendix 3A.1 - Notification of Dividend/Distribution
- Part 3: FY25 Results – Investor Presentation
- Part 4: FY25 Market Release
- Part 5: FY25 Corporate Governance Statement and Appendix 4G

Annual General Meeting

In accordance with ASX Listing Rule 3.13.1, Australian Finance Group Ltd advises that its Annual General Meeting will be held on **Friday, 17 October 2025** at **9.00am AWST** as a hybrid meeting in person at Level 16, 240 St Georges Terrace, Perth Western Australia 6000 and through an online platform that allows shareholders to view proceedings of the meeting, submit questions and vote. The Company advises that the last date for receipt of nominations to become a director is Wednesday, 3 September 2025.

Investor Briefing

David Bailey, Chief Executive Officer, and Luca Pietropiccolo, Chief Financial Officer, will give a presentation to analysts and investors via a conference call at 10:00am AEST today. To participate in the call, please pre-register using the following link: <https://s1.c-conf.com/diamondpass/10049302-m1glae.html>.

Pre-registered participants will receive a calendar invite including a phone number to join the conference call, and a unique code which is to be quoted when dialing into the call.

Authorised for disclosure by:



Michelle Palethorpe
Company Secretary

CONTACT DETAILS

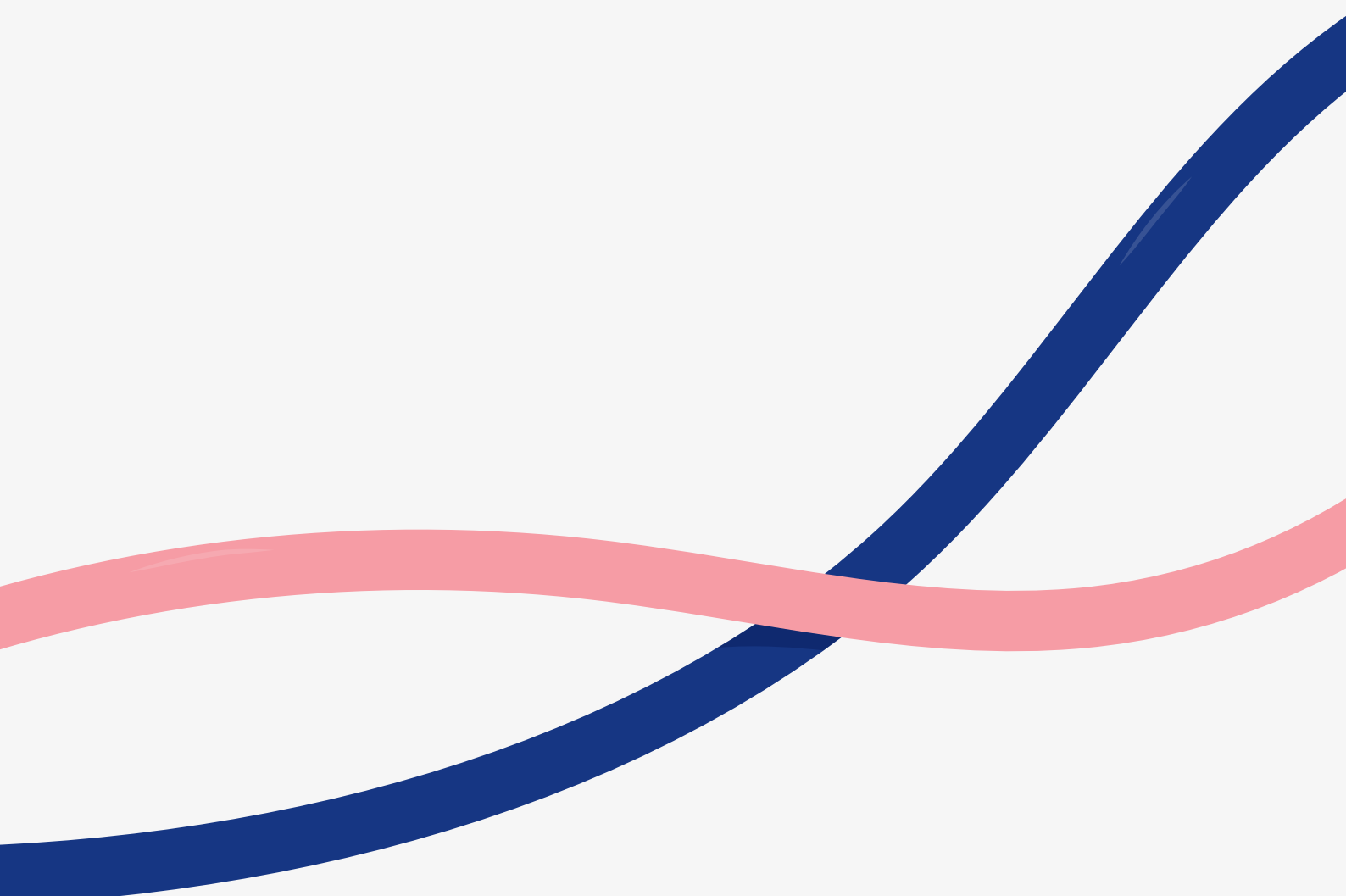
Alison Clarke, AFG Head of Corporate Communications
David Bailey, CEO

Mob 0402 781 367
Tel (08) 9420 7888

AFG

Annual Report

2025



**Go far.
Go together.**

Appendix 4E (ASX Listing Rules 4.3A)

Report for the year ended 30 June 2025

Reporting period is the year ended 30 June 2025 with the previous corresponding period the year ended 30 June 2024.

Results for announcement to the market

In millions of AUD	2025	2024	Increase / (Decrease)	% Change
Revenue from operating activities	1,235.5	1,077.8	157.7	15%
Net profit after tax (NPAT) from continuing operations attributable to equity holders of the Company	35.0	29.0	6.0	21%
Underlying NPATA from continuing operations ¹	40.8	36.1	4.8	13%
Net tangible assets backing per ordinary security (NTA) (cents)	(385.5)	(389.0)	(3.4)	(1%)
Net tangible asset backing per ordinary security (NTA) including trail book contract asset (cents) ²	42.3	31.7	10.5	33%

1. Underlying NPATA is non-IFRS financial information. Refer to non-IFRS information section for further information.

2. In line with ASIC guidance NTA is shown without the inclusion of the trail book asset (contract asset) but including the associated trail commission payable. However, given the significant value of the trail book and its interrelationship with the trail book liability, a more accurate representation would be to include the trail book asset. Therefore, NTA including the trail book asset has also been calculated and disclosed for both the current period to 30 June 2025 and the prior period to 30 June 2024.

Dividends

On 26 August 2025, the Company declared a fully franked final dividend of 5.3 cents per share with respect to the year ending 30 June 2025.

Record date for determining entitlements to the dividend	5:00 pm (WST) 9 September 2025
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Date the final dividend is payable

8 October 2025

The Company paid an interim dividend during the year of 3.8 cents per share:

Record date	Payment date	Type	Cents per share	Total amount (\$'m)	Franked (%)
6 March 2025	9 April 2025	Interim	3.80	10.3	100%

Financial results

Statutory net profit after tax for the period attributable to equity holders was \$35.0m (2024: \$29.0m). Underlying NPATA results from continuing operations excluding significant items was \$40.8m for the period (2024: \$36.1m).

Non – IFRS financial information

The following table reconciles the underlying earnings to the reported profit after tax for the period in accordance with Australian Accounting Standards:

In millions of AUD	2025		2024	
	Operating income	Profit after tax	Operating income	Profit after tax
Net profit after tax for the period attributable to equity holders	1,235.5	35.0	1,077.8	29.0
Change in the carrying value of trailing commissions contract asset and liability	(38.9)	2.6	2.2	3.9
Net change of fair value put/call liability for Fintelligence	-	(0.3)	-	-
Amortisation of intangibles	-	2.4	-	2.4
Deferred tax adjustment on put/call revaluation	-	-	-	0.8
One-off non-recurring expenses	-	1.1	-	-
Underlying NPATA	1,196.4	40.8	1,080.0	36.1

Other disclosure requirements

Additional ASX Appendix 4E (Listing Rule 4.3A) disclosures can be found in the 2025 Annual Report. This document should be read in conjunction with the 2025 Annual Report and any public announcements made in the period by the Company in accordance with the continuous disclosure requirements of the Corporations Act 2001 and ASX Listing Rules.

This preliminary financial report under ASX Listing Rule 4.3A covers Australian Finance Group Ltd and its controlled entities and is based on the Consolidated Financial Statements and financial report which have been audited by Ernst & Young.

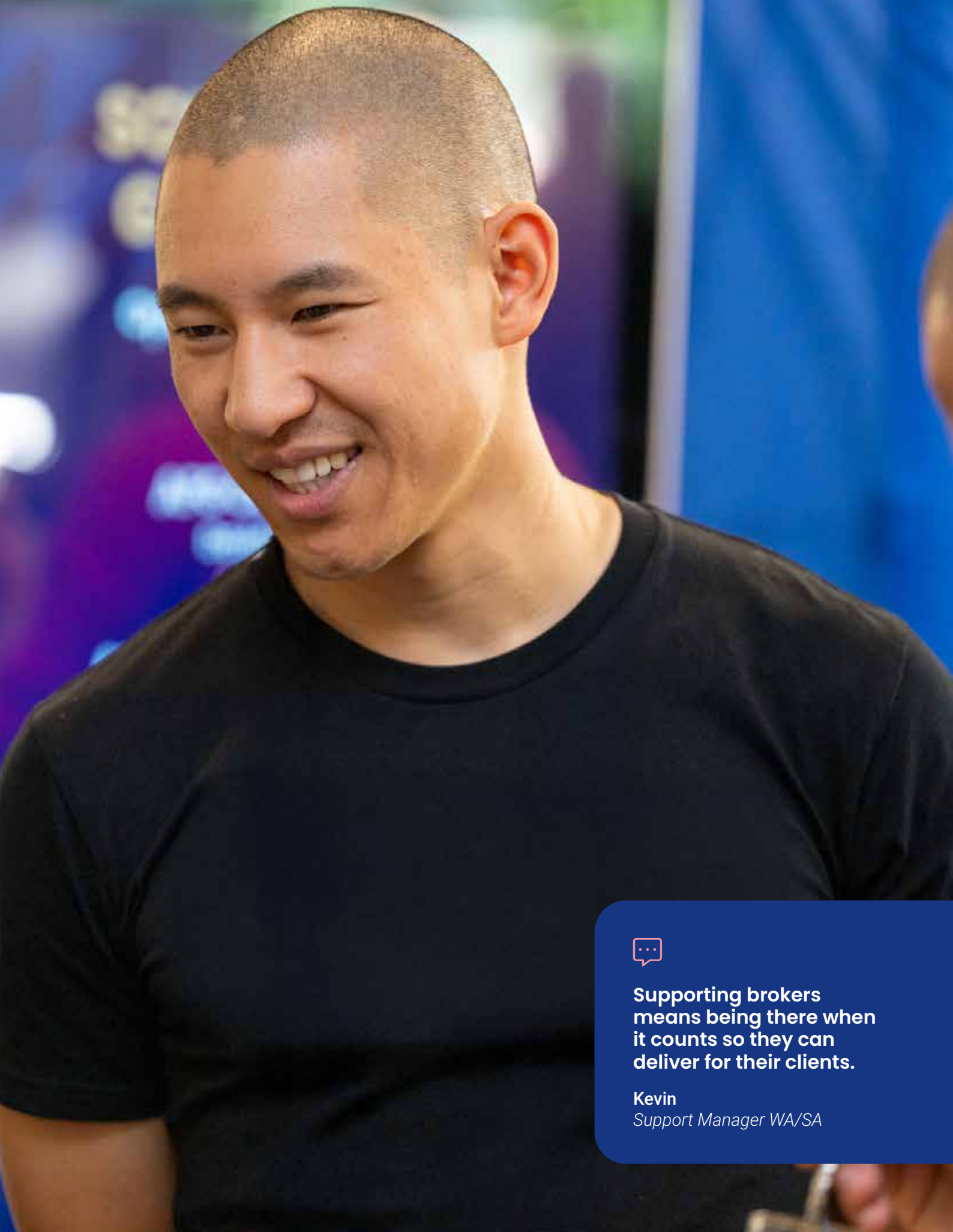
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Acknowledgement of Country

AFG acknowledges the Traditional Custodians of the lands across Australia, and we pay our respects to Elders past, present and emerging.



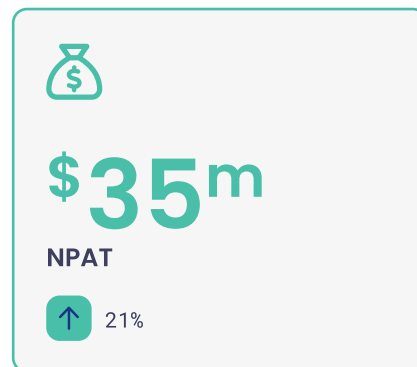
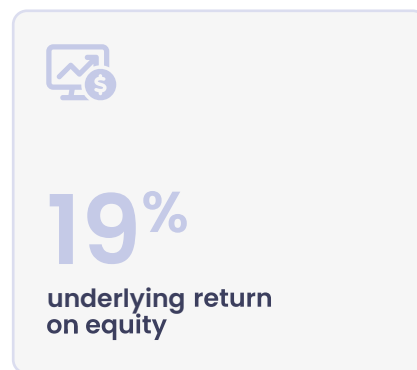
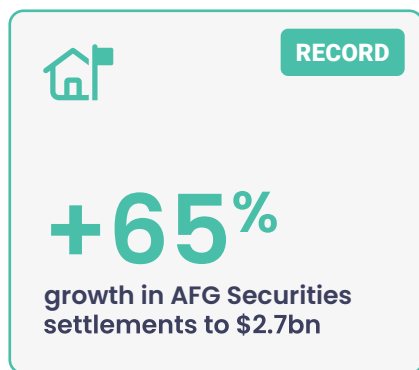
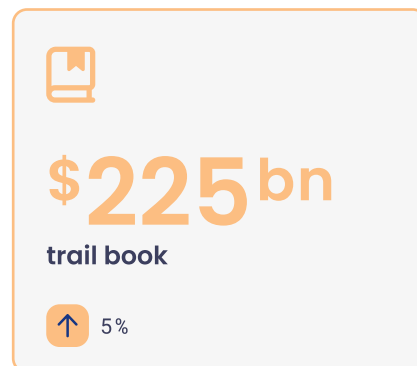
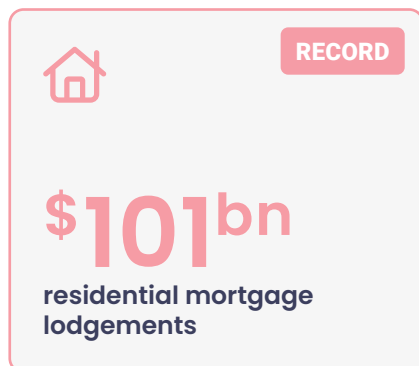


**Supporting brokers
means being there when
it counts so they can
deliver for their clients.**

Kevin
Support Manager WA/SA

Year in review

Financial highlights



Seeing brokers scale with the help of our tech is one of the most satisfying parts of my role.

Shelley
Business and Operations Manager - BrokerEngine

AFG at a Glance

Our vision shapes our future

Create Australia's most innovative
financial solutions provider

We are guided by our values



INTEGRITY



ACCOUNTABILITY



CUSTOMER CENTRIC



TEAM PLAYER

31+

years of innovation

92%

feel they can bring their
authentic self to work



STAFF DEIB
SURVEY (2025)

22
years

of consecutive
loan book growth



\$225BN

31
years

of consistent growth
in broker numbers
using our technology



4200+
BROKERS

S&P ASX300 company

Our importance to Australia's finance system



77%

Australian
mortgage broker
market share
(MFAA June 2025)



1 in 6

Australian brokers
is an AFG broker



1 in 10

mortgages written
by an AFG broker



550k+

customers helped
by an AFG broker

We grow through a portfolio of businesses

fintelligence

Thinktank..

BrokerEngine

AFG
HOME LOANS

Broker
Investments

From the Chair

Dear Shareholders,

I am pleased to present Australian Finance Group Ltd's Annual Report for the financial year ended 30 June 2025. This year has been marked by strong market fundamentals and continued momentum across our business.

AFG's Net Profit After Tax (NPAT) for the full year was \$35 million, an increase of 21 per cent. We are delighted to once again pay a fully franked final dividend of 5.3 cents per share, bringing fully franked dividends for the year to 9.1 cents per share and delivering a 3 year Total Shareholder Return (TSR) of 73%.



Greg Medcraft
Chair

Market strength and broker channel growth

Australia's economy has remained resilient. Economic stability, including strong employment, easing inflation and a recovery in real household incomes has seen confidence in the housing market accelerate. These conditions underpin a buoyant property sector, as evidenced by strong property price growth, which is largely expected to persist in the near term.

The current market dynamics have supported a vibrant broker channel, reflecting its critical role in helping Australians secure finance. AFG's settlements across all products reached a record \$72 billion and one in six Australian brokers is an AFG broker. The importance of the channel to the country's lenders, both large and small, continues to increase.

Welcome cash rate reductions have provided additional tailwinds, supporting both new lending and refinance activity. These shifts have positively impacted both our Distribution and Manufacturing businesses, with the residential loan book originated by AFG brokers now reaching a record \$211 billion.

Our strategy to broaden the range of products available to AFG brokers continues to deliver strong results. This is reflected in the 14% increase in commercial settlements, now exceeding \$5 billion, and the 33% growth in leasing and asset finance settlements, which have reached \$3.5 billion in just over two years since completing the full acquisition of the Fintelligence Group.

AFG Securities: strong momentum

AFG Securities has delivered exceptional performance. A strategic decision to selectively expand our credit appetite and develop products that meet market needs has resulted in record settlements. The timing of cash rate reductions has supported Net Interest Margin (**NIM**) expansion, while also stimulating refinance activity. Although this presents some run-off risk for all lenders across the market it also creates opportunity for non-bank lenders like AFG Securities.

Access to wholesale funding for smaller banks and non-bank lenders, including credit unions and building societies, remains challenging. Residential Mortgage-Backed Securities (**RMBS**) programs provide a much-needed additional source of competitive funding to help the country's smaller lenders compete with the 'Big Four' banks and keep pricing down for all borrowers.

Together with others in our industry AFG continues to advocate for a publicly supported RMBS scheme in Australia to significantly and sustainably strengthen competition in Australia's home lending market and mitigate systemic liquidity risk in the financial markets.

Such a scheme would enable smaller lenders to access funding at the same rates as the major banks and earn a viable return, while providing consumers with real choice through competition. The greater choice and more competitive landscape would, in turn, lead to lower interest rates for all homebuyers.

Strategic execution

AFG remains firmly on track to deliver against our strategic objectives – to grow our broker network, provide market leading technology and deliver higher margin through our distribution network.

AFG's diversified business model and scale provide resilience and flexibility. We continue to recruit high-quality brokers, with over 200 broker groups joining our network this year. Our broker proposition remains a clear competitive advantage and this year we completed a major technology investment with the successful delivery of a refined version of the technology, BrokerEngine Plus, for AFG brokers.

This technology helps brokers manage their workflow, significantly reducing the time for each transaction. The results of this investment have been positive, with users increasing 28% in 12 months and Net Promoter Score (NPS) scores near 50 – an outstanding result. We will continue to deliver new features to further enhance our core technology and be the leaders in the market for broker efficiency.

This year, AFG has continued its commitment to offering innovative solutions for our brokers. Our heritage of partnering with our brokers to grow their businesses has evolved into the establishment of a Broker Investments program, with three investments to date. This is just the beginning of the program, with an ambition to invest in 35 groups by 2029. Over time, we are building a portfolio of growth opportunities designed to drive long-term value creation.

These investments align with our strategy to broaden our earnings base. Our strong balance sheet and disciplined capital allocation has seen us deploy over \$60 million since FY23, which will see our already strong underlying return on equity of 19% increase in time.

AFG remains focused on supporting brokers to build enduring businesses while delivering exceptional customer outcomes. Our investments in digital solutions, combined with our experienced broker support teams will continue to strengthen our value proposition.

AFG recognises the alignment between long-term shareholder value and performance on key sustainability metrics. Our commitment to minimising our environmental impact is matched by our dedication to supporting our people, customers and the broader community. Further detail on our efforts in this area is outlined in our Sustainability Report in this publication.

Outlook

Mortgage brokers continue to be the channel of choice for Australian consumers and the competitive environment that they enable benefits all Australian borrowers. AFG remains at the forefront of the industry supporting brokers and the provision of lending alternatives.

Our performance this year reflects the strength of our team, the quality of our broker network and the enduring importance of our business model in a dynamic market.

Thank you for your continued trust and support.

From the CEO

Dear Shareholders,

I am pleased to share with you the progress we have made this year. The AFG Group has continued to deliver strong results, underpinned by disciplined execution of our strategy, investment in technology, and the dedication of our people and broker network. Our diversified business model remains a clear strength in an ever-changing economic landscape.



David Bailey
CEO

Distribution: growing our broker network

Our Distribution business has delivered strong results in FY25, driven by the quality and resilience of our broker network and our continued focus on broker support, compliance and technology enablement. We achieved record residential lodgements of \$101 billion and record settlements of \$63 billion for the year, reflecting both broker recruitment and strong broker productivity. The final quarter of FY25 delivered record lodgements, positioning us strongly as we head into the new financial year.

Within the Asset Finance segment Fintelligence also recorded its highest-ever lodgement volume this year. While margin compression has tempered the impact of volume growth on earnings, our continued investment in technology and broker engagement strategies remains a key driver of performance and positions us strongly for future growth.

Our Broker Services offering remains integral to our group strategy, driving operational efficiency, regulatory confidence and sustainable growth across our broker network. By delivering essential tools, actionable insights, and high-impact support, we enhance broker performance and strengthen our long-term value proposition. During the year we expanded our suite of compliance, marketing and business management services. Furthermore, these advancements strengthen AFG's role as a trusted and reliable partner, helping lenders on our panel reduce their need for direct customer-facing investments.

Our technology upgrades, training programs, and data-driven insights are delivering real benefits for brokers and their customers.

We remain committed to harnessing new technology to drive efficiencies across the AFG Group and to equipping our brokers with market-leading tools to grow their businesses sustainably.

Delivering higher margin products through Manufacturing

AFG Securities (AFGS) delivered an excellent performance in FY25, achieving a record loan book size of \$5.5 billion, an increase of 23% for the year. This milestone reflects the trust placed in us by brokers and customers, and our ability to offer competitive and flexible home loan solutions. Importantly, this growth was achieved while upholding our industry leading credit quality, with another year of no loan losses.

Growth in our loan book was supported by improved Net Interest Margin (NIM), as funding initiatives delivered a reduction in cost of funds towards the end of the financial year. We broadened our funding base with our first private Residential Mortgage-Backed Securities (RMBS) placement, a significant milestone that reflects the maturity of our program and our ability to deliver strong outcomes for investors, brokers, and customers alike.

While funding markets have been and continue to be more favourable, they remain vulnerable to a dynamic environment. In parallel, prior technology investments enabled us to achieve record volumes with only a modest increase in operating costs, highlighting the operational leverage embedded in our model.

Earnings in our Manufacturing segment have also been supported by our investment in Thinktank, which benefitted from improved funding and market conditions.

Investments delivering additional earnings

The work completed on the expansion of our proprietary lending platform and the growth of BrokerEngine users to more than 3,700 have contributed to enhanced broker engagement and improved operational efficiency for AFG staff.

As Greg has mentioned, FY25 also saw the successful commencement of our Broker Investments program. The three investments, including one highly successful business outside of the AFG network are expected to be earnings accretive while continuing the broadening of our diversified earnings strategy. Importantly, our investment pipeline continues to strengthen, positioning us to expand the scope of this program in the coming years.

Looking ahead

AFG enters FY26 with a strong balance sheet, a diversified business model, and a clear strategic focus. While economic conditions remain dynamic we are well positioned to navigate these challenges and continue delivering for our shareholders, brokers, customers and employees.

On behalf of the AFG Executive Team, I thank our brokers for their dedication to their customers; our lending partners for their continued collaboration; and our employees for their commitment to excellence. I also extend my appreciation to our shareholders for their ongoing support.

We remain focused on building an even stronger AFG, delivering sustainable growth and creating long-term value for all stakeholders.

Sustainability at AFG

I am pleased to deliver
our report on the Group's
Environmental, Social and
Governance practices.



Greg Medcraft
Chair



AFG Climate Conscious



530

Tonnes CO₂-e voluntarily offset through Greenfleet in FY25



7,000+

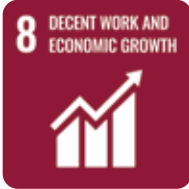
Trees planted through Carbon Positive Australia (since 2022)

Principal Partner



The Foyer Foundation is a national, for-purpose organisation that unlocks thriving futures for young people aged 16-24 who are experiencing or at risk of homelessness.

United Nations Sustainable Development Goals



About AFG

AFG is one of Australia's largest mortgage broker aggregators and leading diversified financial services companies. Established in 1994, and listed on the ASX in 2015, AFG has over 30 years' experience supporting finance brokers in Australia.

By offering choice to Australian borrowers through creating competition between lenders, AFG proudly fulfils its purpose of creating a fairer financial future.

AFG is a participant in the United Nations Global Compact and its business approach is guided by the UN's Sustainable Development Goals – a set of 17 goals that identify global priorities and aspirations. AFG has identified eight goals in which it believes it can make the most impact.

Once again, this year's AFG Sustainability Report has been prepared on a voluntary basis. FY25 marks the fifth year AFG has chosen to report on these issues.

From next financial year, AFG will report in accordance with the mandatory climate reporting requirements of the Corporations Act 2001 (Cth) and the Australian Sustainability Reporting Standards S2 issued by the Australian Accounting Standard Board (**AASB**).



Governance

The AFG Board of Directors provides oversight and strategic guidance as AFG delivers on its purpose and strategy. The majority of Directors, including the Chair, are independent.

Together with Management, the Board is committed to strong governance, transparency, and accountability, and considers sustainability risks across the Group, including climate and human rights.

Two Board Committees support this work. The Risk and Compliance Committee leads our sustainability approach, covering climate, cyber security, and human rights.

The Remuneration and Nomination Committee oversees people-related matters, including Diversity, Equity and Inclusion (DEI).

Further details on these Board Committees are available on page 31.

Management Committees include Risk and Compliance, and Sustainability.

Established in 2021, the Management Sustainability Committee strengthens our broader Environmental, Social and Governance (ESG) practices.

The Management Risk and Compliance Committee monitors climate risks, with a focus on the AFG Securities lending portfolio — a standing item on its quarterly agenda.








Additional groups supporting sustainability include our DEI Committee, Modern Slavery Working Group and Green Team.

As part of AFG's commitment to strong corporate governance, we maintain a comprehensive suite of policies and processes that underpin our culture and business practices. These align with the ASX Corporate Governance Council's Principles and Recommendations (4th Edition), providing a solid foundation for meeting regulatory and legal obligations. AFG's policies can be found on the AFG Investor Centre www.afgonline.com.au/investors/.



Management of ESG risks


Beyond the traditional credit, liquidity, and market risks, AFG has identified and mapped our main environmental, social, and governance (ESG) topics. This review and assessment was conducted by subject matter experts, the Management Sustainability Committee, and the Management Risk and Compliance Committee.

AFG is committed to regularly reviewing these risks, mitigants, and any gaps to adapt to changing circumstances as part of our ongoing commitment to sustainability.

ESG topic	ESG risk type	Associated risk/consequence	Mitigating/managing actions
Regulatory and compliance  	G	Severe penalties and impact on reputation	<ul style="list-style-type: none"> Compliant with all applicable laws and regulations, overseen by internal legal and compliance functions Annual compulsory training for all employees on Code of Conduct to ensure awareness of key regulatory obligations Oversight of all material regulatory risks by Board Risk and Compliance Committee and Management Risk and Compliance Committee
Business ethics/conduct     	G, S	Conduct falls short of community and stakeholder expectations	<ul style="list-style-type: none"> Oversight of all material risks by Board Risk and Compliance Committee and Management Risk and Compliance Committee Risk Appetite Statement which is reviewed at least annually and clearly specifies risks to which AFG is intolerant Three lines of defence Risk Management Framework Code of Conduct supporting company culture and values Full suite of policies or programs including Anti-Bribery and Corruption, Anti-Money Laundering and Counter Terrorism Financing, Dealing in Securities, Continuous Disclosure, Whistleblower, Supplier Code of Conduct, Risk Management, Work Health and Safety, Diversity Equity and Inclusion and annual Modern Slavery Statement Dedicated complaints contact and resolution process Robust whistleblower mechanism with full protection Principal Partner of Foyer Foundation (youth homelessness support) and regular volunteering days at Tranby Engagement Hub crisis centre in Perth Long term sponsor of the AFG Primary Interschool Numero® Challenge (financial literacy program for children) AFG Securities' Plant-A-Tree program for every securitised loan settled

ESG topic	ESG risk type	Associated risk/ consequence	Mitigating/managing actions
Supporting customers and responsible lending practices   	G, S	Irresponsible mortgage provision by brokers Poor recognition of customer needs amongst underserved	<ul style="list-style-type: none"> Responsible Lending and Best Interests Duty Policies in place for mortgage and finance brokers Dedicated compliance function Comprehensive compliance training requirements for mortgage and finance brokers Support for customers experiencing financial hardship Legal review of any product marketing campaigns Suite of products (including low document mortgages) aimed at underserved borrowers including the self-employed, later-life lending, part-time and casual workers and customers with credit impairments Use of Comprehensive Credit Reporting to enable a more precise measure of credit risk to improve assessment of underserved customers Active participation in Mortgage and Finance Association of Australia (MFAA) through a position on the Board of Directors, Chair of the Compliance Committee and membership of the MFAA Aggregator Forum Dedicated complaints and resolution process
Climate risks in mortgage portfolio 	E	Increasing likelihood of floods and fires in some areas rendering properties uninsurable, increasing loan delinquency	<ul style="list-style-type: none"> Board level oversight of climate risks through Board Risk and Compliance Committee Climate scenario risk modelling to help make informed lending choices and to ensure adequate insurance coverage on existing loans Properties in the portfolio, based on their postcodes are assessed for climate risk using actual weather events and ability of regions to recover from events. This analysis is based on three Representative Concentration Pathways RCP2.6, RCP4.5 and RCP 8.5 to provide a forecast of the current portfolio into 2030 & 2050
Direct impact on climate 	E	Business operations contributing to greenhouse gas emissions Exposure to environmental, regulatory and reputational risks	<ul style="list-style-type: none"> Board level oversight of climate risks through Board Risk and Compliance Committee Management Sustainability Committee and employee-led 'Green Team' Voluntary annual measurement and reporting of carbon emissions (Some scope 3 emissions are not measured) Minimising travel, and voluntary purchase of offsets to cover unavoidable travel emissions Energy saving initiatives and recycling program in head office Transition to paperless documentation (ongoing) Employee volunteer tree planting days AFG Securities' Plant-A-Tree program for every securitised loan settled

ESG topic	ESG risk type	Associated risk/ consequence	Mitigating/managing actions
Privacy of data and cyber security 	G, S	Unauthorised disclosure of personal information, either deliberately or inadvertently Cyber theft compromising data Cyber incident that disrupts business operations	<ul style="list-style-type: none"> • Board level oversight through Audit Committee and Risk and Compliance Committee • Enterprise Risk function led by Chief Risk Officer • Dedicated Cyber and Data Governance Steering Committee that meets monthly • Third party obligations for privacy and security where available, including a Third Party Supplier Review process • Privacy and Responsible Use of Technology Policies • Notifiable Data Breach Procedure • Dedicated Cyber Security team • 24x7 security monitoring with extended detection and response capability • Implementation of Least Privilege principles and user access management practices • Internal and external audits in the form of technical security assessment • Proactive cybersecurity testing including annual penetration testing and vulnerability analysis • Simulation exercises that replicate scenarios to evaluate and enhance incident response capabilities, resilience and decision-making under pressure • Regular cyber education, training and phishing tests for employees and contractors • Escalation process for employees to report suspicious activities, incidents and vulnerabilities • Multifactor Authentication for employees and brokers • AFG Broker Cyber Hub and dedicated broker training via webinars on cyber security issues
Technology 	G, S	Failure of technology and system downtime	<ul style="list-style-type: none"> • Board level oversight through Board Risk and Compliance Committee • Continued investment in delivering robust technology systems • Disaster recovery and business continuity plans • Constant monitoring of health of systems, supported by regular testing

ESG topic	ESG risk type	Associated risk/ consequence	Mitigating/managing actions
<p>Human capital/ employee wellbeing, diverse and inclusive workplace</p>   	S	<p>Failure to attract and retain quality employees</p> <p>Poor support for employee health, wellbeing and safety</p>	<p>Attraction, retention and engagement:</p> <ul style="list-style-type: none"> • Code of Conduct promoting company values • Remuneration practices and people and culture initiatives overseen by Board and Management • Competitive remuneration and full suite of employee benefits • Regular review to ensure equal remuneration (for same job) by gender • Policies and program including Flexible Working, Working from Home, Work Health and Safety, Education Assistance and Family and Domestic Violence support • Staff engagement pulse to monitor satisfaction, employee Net Promoter Score (eNPS), wellbeing and Diversity, Equity and Inclusion (DEI) • DEI, Workplace Discrimination, Harassment and Bullying Policies • Combined employee and management committee focused on DEI • Targets for gender diversity at Board and management level • Program of employee events to help drive DEI <p>Wellbeing:</p> <ul style="list-style-type: none"> • Surveys and initiatives to promote employee well-being • Mental Health, Family and Domestic Violence and Workplace Discrimination, Harassment and Bullying Policies • Mental health first aid officers in each state • Employee Assistance Program available to all employees and their families, and available to brokers • Work Health and Safety policy, manual and targets in place

Social

Our people

At AFG, our people are the cornerstone of our success and the driving force behind our purpose-led strategy. Our purpose, to create a fairer financial future, is brought to life by the dedication, expertise, and passion of our 318 employees.

Our core values—Integrity, Accountability, Customer Centric, and Team Player (**iact**) — are the cornerstone of everything we do. These values guide our actions and decisions, ensuring we remain true to our purpose and deliver exceptional service to broker partners and customers.

The AFG Code of Conduct supports us in upholding these values. Employees are required to be familiar with the Code and adhere to its guidelines, reinforced through annual refresher training on this and other relevant policies.

Highly engaged

Our highly motivated and engaged workforce is evidenced by an average employee engagement score of 74% and a positive eNPS of 15 during FY25. With a focus throughout the year on the role of our leaders, we've been pleased to see our "relationship with manager" score increase to 83%.

AFG last year moved from an annual employee engagement survey to conducting bi-monthly employee engagement pulse surveys, which provide the company with real time invaluable insights into our team's experiences and perspectives of working at AFG, highlighting our strengths and identifying opportunities for improvement. The pulse tool also allows our employees to call out and recognise each other for living our values.

Diversity, Equity and Inclusion (DEI)

AFG is committed to fostering a safe, inclusive and rewarding workplace for all employees regardless of identity, gender, age, race, ethnicity, religion, background or physical ability.

Our DEI committee each year assists the Board in setting measurable objectives for achieving and improving our diversity at all levels.

During FY25, we refreshed select objectives and established new, quantifiable targets to enhance accountability (see table on page 19).

Included in these objectives, AFG has committed to working towards a 40:40:20 (male:female:flexible) gender ratio across AFG's Board of Directors by 2030. This is aligned to the 40:40 Vision, which aims to achieve gender balance (40:40:20) in executive leadership teams of ASX300 companies by 2030.

The DEI committee is a key driver of initiatives to celebrate diversity in our workplace. DEI celebrations or acknowledgements throughout the year included Wear it Purple Day, International Women's Day, Pride Month and Diwali.

Further initiatives in place to support DEI include the establishment of a designated prayer room in our head office, awareness campaigns during Ramadan, and the operation of a Flexible Working Policy to ensure employees with family and caring responsibilities also have access to opportunities within the organisation.

Our DEI efforts are recognised through the results of our employee pulse surveys, where a positive result of 77% was achieved for Diversity, Equity, Inclusion and Belonging (**DEIB**). Overall, there was a generally positive perception across DEIB themes among our staff, with most survey responses either favourable or strongly favourable.

INTEGRITY

**We do
what's right.**

ACCOUNTABILITY

**We follow
through.**

CUSTOMER CENTRIC

**We walk in
their shoes.**

TEAM PLAYER

**Together we
make a difference.**

At a more detailed level, 90% of employees surveyed believe AFG shows that diversity is important through concrete actions and 92% of employees surveyed believe they can bring their authentic self to work.

“Belonging” consistently showed strong positive sentiment, with many responses indicating employees feel accepted. This suggests a healthy team culture and strong interpersonal connections.

	DEI objective	Result/Status
1	Achieve a minimum of 45% women in management positions (including Key Management Personnel (KMP), Senior Managers and Other Managers) by 2026 with increased year-on-year representation.	Achieved but subsequently fallen. Although the 45% level was reached during the year, some changes late in the period caused the proportion of women to decline to 42% of our managers as at 30 June. We continue to work toward our goal.
2	Maintain an overall diversity score of 75% of our employee DEIB pulse survey (aggregated score of staff's perception of Diversity, Equity, Inclusion and Belonging in the workplace).	Achieved. Our DEIB pulse survey has achieved a 77% score.
3	Champion under-represented groups (e.g. older employees, people who identify as having disability or neurodiverse, LGBTQIA+) as measured by initiatives undertaken and our inclusion survey.	Achieved. This is evidenced by strong favourability in areas such as valuing diverse viewpoints (92%), fostering an inclusive organisational culture (85%), and empowering managers to create inclusive environments (83%).
4	Continue training and awareness programs to ensure employees maintain and uphold AFG's acceptable and expected behaviours and diversity and inclusion values in the workplace.	Achieved. The DEI Committee, alongside our Human Resources team, continue to deliver a range of programs and initiatives to meet this objective.
5	Work towards a 40:40:20 (male:female:flexible) gender ratio across AFG's Board of Directors by 2030, aligned to the 40:40 Vision, an investor-led initiative which aims to achieve gender balance (40:40:20) in executive leadership teams of ASX300 companies by 2030.	Not yet achieved. Our current female representation of AFG's Board of Directors is 33%.

Position	Total	No of women	% of Women
Board	6	2	33
Senior Executives	13	4	31
People Leaders	66	28	42
Total workforce including Directors	318	158	50

Senior Executive is defined as Key Management Personnel, Head of Businesses and other Executives/General Managers in our business. People Leader numbers do not include Senior Executives. To provide an accurate reflection of the proportion of women across the whole organisation, the Company has excluded contractors and included part-time employees in the percentages above, which shows the proportion of women in the AFG Group at 30 June 2025.

1 Headcount as at 30 June 2025.

Health and wellbeing

The health and safety of AFG's workers is underpinned by AFG's Workplace, Health and Safety (**WHS**), and Mental Health and Wellbeing policies.

WHS remains a standing item across our Board Risk and Compliance, and Remuneration and Nomination committees, with updates scheduled for each major review cycle. From an ongoing management perspective, WHS matters are addressed and maintained through:

- Regular executive meetings where WHS is a dedicated agenda item
- Participation in site visits to assess environmental and operational risks
- Endorsement and review of WHS policies and controls, with risks reviewed on a quarterly basis
- Organisation-wide WHS induction and annual refresher training.

Under our Mental Health and Wellbeing Policy AFG offers an Employee Assistance Program for our employees and their families, providing free, short-term, confidential counselling. AFG also makes this program available to brokers in the AFG network.

In addition, some of our staff are trained as Mental Health First Aid officers and are based within each state office. An annual awareness campaign around RUOK? Day highlights the availability of mental health support at AFG.

AFG is also committed to supporting physical health by offering free flu vaccinations, and ensuring fresh fruit is readily available in the office.

Keeping informed

Good communication and interaction are paramount to our collaborative culture. AFG holds regular strategy updates to ensure all employees understand the business direction and their role in contributing to its success.

In addition, fortnightly 'All Hands' meetings, hosted by the CEO or Executives, keep our employees informed about the latest business developments.

Recognition

We celebrate outstanding contributions through monthly and annual "Values Champion" awards, with nominations for the monthly award put forward by peers.

Social functions and team-based volunteering opportunities have included tree planting days, assisting at a Perth crisis centre kitchen, and fundraising social events, fostering camaraderie while supporting our community.

Training and development

AFG believes in the power of continuous learning and professional growth, and we are committed to empowering our people, whether working full time or part time, to grow and thrive.

Each year we complete development and talent planning, proactively identifying high performers with exceptional potential and structuring bespoke learning pathways accordingly.

Our Education Assistance Policy is designed to support employees who wish to pursue approved courses that align with both AFG's objectives and the individual's career aspirations. By offering reimbursement for approved courses and textbooks, our employees can enhance their skills and knowledge, fostering a culture of ongoing development and excellence.

Career and personal skills-based training is offered in addition to mandatory annual training in areas including, but not limited to, AFG's Code of Conduct, compliance, cyber resilience, modern slavery, privacy, and anti-bribery and corruption.

Privacy and Security

Privacy

AFG is committed to safeguarding our customers' sensitive information. The AFG Privacy Policy embeds all principles contained in the Privacy Act (Cth) 1988, where these apply to our practices.

Ensuring we remain fully compliant in all our activities remains a priority for AFG. We are cognisant that the legislative reforms passed during FY25 may be a precursor for further privacy law changes, and we will continue to proactively commit our business to compliance in this evolving area.



Thank you so much for the funds that enabled me to purchase a new laptop. It has greatly helped me with my education and enabled me to complete my school assignments at home. It has also helped me in my journey to becoming more independent.

Chantel

*Recipient of AFG Independence Fund grant
Thyne House Foyer – Launceston, TAS*

Security

AFG remains vigilant against ever evolving cyber threats and invests in the ongoing protection of our systems and the refinement of our processes. Measures to help safeguard our customers' information – including from cyber criminals – form a core component of our Digital Strategy. We regularly review our processes and cyber resilience controls that include threat mitigation strategies – as outlined by the Australian Cyber Security Centre and Australian Signals Directorate.

Mandatory cyber education and training is undertaken by employees and contractors during onboarding and on a regular basis via our phishing resilience platform.

AFG leverages Multifactor Authentication (MFA) for employees/contractors and brokers who access AFG's systems and have defined an industry aligned cyber security framework.

We are committed to maintaining cyber resilience in line with industry recognised guidance and offer substantial training and awareness resources through dedicated learning systems for our broker network.

Community

Partnering for change: AFG and the Foyer Foundation

The growing crisis of homelessness is an issue close to AFG's heart. Last year over 280,000 clients were assisted by specialist homelessness agencies, with more than 40% under the age of 25.

That's why AFG is proud to mark its fifth-year as a Principal Partner of the Foyer Foundation, representing a total commitment of \$900,000 over the term. The Foyer Foundation is a national, for-purpose organisation that unlocks thriving futures for young people aged 16-24 who are experiencing or at risk of homelessness.

At the heart of the Foyer Foundation's mission is growing the reach and impact of Youth Foyers – a safe and stable home where young people can live for up to two years. Youth Foyers offer far more than a roof over their residents' heads, they also provide wraparound education and employment support, and 1:1 life skills and personal coaching.

After two years of living in a Youth Foyer, over 80% of residents exit into safe and stable housing and four in five are in education and/or employment, with increased confidence and skills needed to live as independent, productive adults. As a powerful example, in late 2024, two Foyer Oxford residents in WA achieved home ownership, a testament to the stability and support provided during their time at the Foyer.

Currently, there are 16 accredited Youth Foyers across Australia, offering support to over 600 young people. The Foyer Foundation has a bold vision to expand this to 50 Accredited Youth Foyers by 2030, supporting around 2,000 young people each year. AFG shares and supports this vision.

As part of its partnership, AFG and the Foyer Foundation established the AFG Independence Fund, which provides one-off grants of up to \$1,000 to Foyer residents. These grants help young people purchase essential items that support their education, employment, wellbeing, or transition to independent living – such as tools, laptops, driving lessons, work clothing, and furniture.

By the end of 2025, more than 450 residents would have benefited from these grants, helping them take meaningful steps toward independence.

In addition to its direct financial commitment, AFG's fundraising efforts, including a charity tennis day in Sydney, have attracted generous donations from AFG brokers – further amplifying the reach and impact of the AFG Independence Fund.



Numero

AFG proudly sponsors the Primary Interschool Numero® Challenge, a maths competition that has been running across West Australian primary schools since 1998. The partnership began 19 years ago, with AFG committed to supporting strong numeracy skills among children by sponsoring cash prizes and funding promotional merchandise.





AFG staff member and brokers preparing breakfast at Tranby Engagement Hub, May 2025

Volunteering

AFG also supports the community through employee volunteering. Over the past year, AFG has held a tree planting day at Galup (formerly known as Lake Monger) in Perth, and on several occasions sent teams to prepare, cook and serve lunch at the Tranby Engagement Hub, a crisis centre in the City of Perth.

These volunteering events support our commitment to environmental sustainability and to providing an essential service for individuals experiencing homelessness.

The tree planting day at Galup involved working with Town of Cambridge to plant almost 800 native seedlings along the banks of the lake. The AFG efforts were part of a bigger initiative by the Town aimed at restoring natural ecosystems, improving habitat for local wildlife including the endangered Carnaby's black cockatoo, and enhancing the area's canopy cover.

At Tranby Engagement Hub, run by Uniting WA, our teams were responsible for preparing, cooking and serving meals for up to 300 people a day using the service. The Hub supports people in crisis or sleeping rough in or around the City of Perth, providing food, showers and one-to-one support services. On each volunteering occasion, AFG makes a financial contribution which Uniting WA uses toward food costs.

Through these initiatives, our company demonstrates its commitment to corporate social responsibility and the well-being of our community. We are proud of our employees' dedication and the positive impact they are having through these initiatives.

Our industry

More than three quarters (77%) of residential mortgages are sourced through a broker, according to recent data from the Mortgage and Finance Association of Australia (MFAA).

This data underscores the vital role mortgage brokers play in maintaining a competitive mortgage market. By providing consumers with access to a wide range of choices brokers help their clients secure the right product for their circumstances and the competition they help drive keeps interest rates lower for all borrowers. Brokers are also required to meet a legislated Best Interests Duty (**BID**) ensuring the client is protected. By providing industry-leading support for brokers AFG fulfills its purpose of creating a fairer financial future.

AFG now supports more than 4,200 brokers. Our brokers share AFG's commitment to acting in the best interests of their customers by embracing the AFG Broker Code of Practice. In turn, AFG works diligently to support brokers in meeting their compliance obligations — helping safeguard their business practices and reputations.

As part of our commitment to sustainability AFG continues to promote, via a dedicated webpage, those lenders offering green finance products or other sustainable initiatives. At our events, AFG actively promotes the use of sustainable merchandise by lenders.



**Every broker interaction
is a chance to build
trust and deliver better
outcomes for customers.**

Them

Head of Sales and Distribution

Advocacy

AFG supports and actively advocates for all brokers. Our Chair Greg Medcraft and Chief Executive David Bailey, liaise regularly with government, the industry and regulators on issues affecting the broader mortgage broking industry.

AFG's Head of Compliance Shirley Elliot has been re-elected as president of MFAA's National Compliance and Regulatory Forum for the third year, her role being to partner with the MFAA and its members in keeping the industry proactive in its response to regulatory change. This ensures brokers can continue to protect their businesses and provide good consumer outcomes.

Mark Hewitt, AFG's General Manager of Industry and Partnership Development, has served on the MFAA Board of Directors since 2022. With over 40 years of experience in financial services, his deep understanding of the industry helps ensure that the MFAA continues to support its members effectively.

AFG Women on the Move

AFG's commitment to our brokers goes beyond business. It also extends to promoting gender equality, ensuring well-being and providing support for their own community initiatives.

Female brokers are supported when entering mortgage broking or advancing their careers in mortgage broking through our *AFG Women on the Move Program*. In an industry traditionally dominated by men, this program is designed to attract and retain female brokers by offering a community of support within a safe and progressive environment. It focuses on building supportive relationships and developing both business and personal skills.

Wellbeing

To support our brokers' wellbeing the AFG *Employee Assistance Program* is offered to our broker network. This program provides essential short-term mental health support, ensuring our brokers have access to the resources they need to thrive both personally and professionally.

Recognition

Our annual broker awards – which highlight outstanding achievements of brokers and groups within the AFG network – also include a special category for brokers who have made a significant impact by running programs to support their communities.

Recognising the philanthropic spirit of many brokers, AFG has established a dedicated mechanism enabling them to make donations to the Foyer Foundation Independence Fund, building on our overall support for this important initiative.

Environment

Our climate footprint

AFG has measured and reported on its carbon emissions and some of those in its value chain, on a voluntary basis since FY21, using the services of an independent consultant.

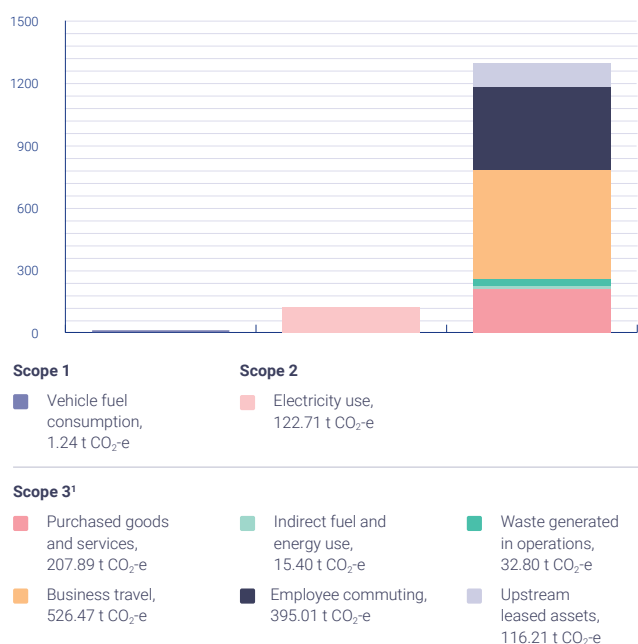
In compiling this measurement, AFG's scope and organisational boundary were determined in accordance with the GHG Protocol Standard (World Business Council for Sustainable Development, World Resources Institute, 2004). This boundary follows the operational control model and includes aspects of AFG's supply chain that our organisation can influence. AFG is still refining its data capture process, resulting in not all emissions being included in the measurement. Emissions from the AFG Group have been included and reported where activity data was available and provided to the independent consultant.

Scope 3 emissions not measured include capital goods, upstream freight, downstream freight, processing of sold products, use of sold products, end-of-life treatment of sold products, downstream leased assets, some purchased goods and services and investments.

The lending portfolio of AFG Securities is also not measured.

Our FY25 measurement revealed AFG produced 1,417.73 tonnes of carbon dioxide equivalent (**t CO₂-e**) between 1 July 2024 and 30 June 2025. This marks an increase from 1,265.37t CO₂-e in FY24.

Summary of AFG's emissions by scope



Emissions summary FY25

GHG emissions scope	Emissions (t CO ₂ -e)	Percentage
Scope 1	1.24	<0.1
Scope 2	122.71	8.7
Scope 3 ¹	1,293.78	91.3
Total	1,417.73	100

¹ Refer to exclusions referenced above.

As with previous years, our main GHG emitting activities were associated with business related travel and employee commuting.

Smaller office

AFG is reducing the size of its head office in Perth, transitioning from a 2,019m² space in West Perth to a 1,080m² office at Dynons Plaza, 905 Hay Street in the Perth CBD.

The move, scheduled for October 2025, is a direct outcome of our hybrid work policy, which has reduced the need for a larger physical footprint.

This relocation aims to reduce costs, optimise operational efficiency, and foster a more collaborative and agile work environment.

The smaller office footprint also aligns with our sustainability goals, helping to reduce energy consumption and environmental impact.

In refitting this office for our purpose, AFG was mindful of its impact on the climate, opting for LED lighting, while desk monitors carry an Eight-Star Energy Efficiency Certification.

The relocation itself will be carried out with an eco-conscious approach, focusing on waste minimisation through the reuse and recycling of materials, and the donation of surplus electronics, furniture, and equipment.

Offsetting travel emissions

AFG strives to minimise travel whenever possible. However, as a national organisation some flights and accommodations are unavoidable, leading to greenhouse gas emissions.

For the third consecutive year, we've proactively addressed these emissions by voluntarily purchasing carbon offsets through Greenfleet Australia, a not-for-profit environmental organisation.

In FY25, AFG purchased offsets to cover 530t CO₂-e of emissions from business travel. Greenfleet will use these funds to plant legally protected native forests across Australia and New Zealand. These biodiverse forests absorb carbon, improve soil and water quality and restore habitats for native wildlife.

Since launching our voluntary offset program in FY23, AFG has offset a total of 1,408t CO₂-e of emissions through Greenfleet.

Greenfleet's projects are verified using the Full Carbon Accounting Model, developed by CSIRO and approved by the Australian Government. Their carbon estate is also audited annually by a government-accredited auditor and independently reviewed.

AFG Securities Plant-a-Tree

Since July 2022, AFG has partnered with not-for-profit Carbon Positive Australia to plant one tree for every loan settled by our lending arm, AFG Securities.

Over the past three years this initiative has funded the planting of more than 7,000 trees, primarily on degraded lands in Western Australia and New South Wales.

This revegetation effort creates vital corridors for native wildlife and supports the restoration of biodiversity and ecosystems.

AFG Green Team

Our employee-led Green Team takes a grass roots approach to championing initiatives to support the environment. Established in 2022, this team of passionate individuals has successfully implemented a comprehensive recycling program, facilitated the donation of second hand electronic items to good causes, organised our annual tree planting event, and embedded sustainability into staff activities.

The Green Team is also responsible for the Containers4Change fund raising initiative at head office. Since implementation in 2023, this effort has saved more than 20,000 cans from landfill and raised over \$2,000 for the Kaarakin Black Cockatoo Conservation Centre in Western Australia.

Climate risk

Climate risk – with a particular focus on the lending portfolio through AFG Securities – is integrated into AFG's risk management framework, which aims to identify, assess, manage, and monitor internal and external risk sources.

Such risk is within the scope of Management Risk and Compliance Committee meetings and at Board Risk and Compliance Committee meetings. Climate risks are included in the Company's annual Risk Appetite Statement, which is approved by the Board.

In terms of the AFG Securities lending portfolio, climate scenario risk modelling is utilised at loan origination to help AFG make informed lending assessments, and during the life of the loan, to help ensure the borrower has adequate insurance coverage in place.

Under this system, at origination, each property, based upon its postcode, is assessed for climate risk, using actual weather events and the ability of regions to recover from events. This is dynamically updated as new events unfold and overlaid with three Representative Concentration Pathway (RCP) scenarios (RCP2.6, RCP4.5 and RCP8.5) to provide forecasts of the current portfolio into 2030 and 2050.

Analysis is also performed on the short-term impact of building insurance premiums, replicating that produced by the Actuaries Institute of Australia. Output modelling is then fed into AFG's loan origination system to identify at-risk applications where stated building insurance may be less than is required for that property given climate risks.

This aims to deliver information which is used to raise awareness with prospective and existing borrowers about rising premiums and to honour AFG's obligations under the Responsible Lending provisions of the National Consumer Credit Protection Act 2009 (Cth).



**We support brokers who
put their customers first
because that's where
great finance begins.**

Michael
General Manager – Fintelligence

Directors' Report

The Directors present their report together with the financial report on the consolidated entity consisting of Australian Finance Group Ltd (AFG or the **Company**), and its controlled entities (**the Group**), for the financial year ended 30 June 2025 and the auditor's report thereon.

The Directors and Company Secretary of the Company at any time during or since the end of the financial year are:

Greg Medcraft

(Independent Non-Executive Chair)

Mr Medcraft was appointed as Director of AFG in September 2021, the Deputy Chair in July 2022, and was appointed to the role of Chair of the Board on 1 April 2023. For FY25, Mr Medcraft was also the Chair of the Risk and Compliance Committee and a member of the Remuneration and Nomination Committee and a member of the Audit Committee.

The first part of Mr Medcraft's career was spent with accounting firm KPMG before spending 26 years with Société Générale in Australia, Asia, Europe and the Americas, and then as CEO of the industry group, the Australian Securitisation Forum. At Société Générale, Mr Medcraft initially worked on corporate finance, then capital markets, structured finance, project finance and funds management before becoming Deputy Global Head of Financial Engineering, and then Managing Director and Global Head of Securitisation. When based in New York, Mr Medcraft co-founded the industry group, the American Securitization Forum, and was Chairman for a number of years. From 2009, Mr Medcraft served as Commissioner for 2 years and then 7 years as Chairman of Australian Securities and Investments Commission, the corporate and market regulator. In 2017, Mr Medcraft moved to Paris as Director of the OECD's Directorate of Financial and Enterprise Affairs. Mr Medcraft also serves as a Director of Thinktank Group Pty Ltd, the Digital Finance Co-operative Research Centre, and is Chair of the Advisory Board of London based industry group Global Digital Finance Ltd. He is a Senior Board Advisor to Washington based Infraclear Inc, and Chair of AEMO Services Limited.

Mr Medcraft holds a Bachelor of Commerce from the University of Melbourne and Doctorate (honoris causa) of Business from RMIT University.

Brett McKeon

(Non-Executive Director)

Mr McKeon is a founding Director of AFG and the Group's former Managing Director. Mr McKeon has worked for more than 38 years in the financial services industry.

He has considerable management, capital raising, public company and sales experience and is an experienced Director in both the public and private arenas. In addition to his role as Non-Executive Director of AFG, Mr McKeon is the Chair of Greenlane Group Pty Ltd, a privately-owned company specialising in debt and equity funding solutions for property developers, property development, mortgage fund investments and other opportunities for sophisticated and wholesale investors.

Malcolm Watkins

(Non-Executive Director)

Mr Watkins is a founding Director of AFG and for FY25, was a member of the Technology and Data Committee. For 30 years he oversaw the delivery of AFG's industry leading technology platform and tools that enable sustained growth and has led the development and evolution of marketing initiatives to enable ongoing profitability for the Group and its network of brokers.

Mr Watkins plays a pivotal role in extracting tangible returns on the Group's investments to further expand market share, profitability, and brand awareness. He served for five years on the board of one such investment, leading commercial lender Thinktank Group Pty Ltd, overseeing a period of rapid expansion by the company, and significant investment in infrastructure and its people.

Mr Watkins is a former board member of the industry's peak national body representing the sector, the MFAA.

Craig Carter

(Independent Non-Executive Director)

Mr Carter was appointed to the AFG Board in 2015 and for FY25 was the Chair of the Audit Committee, a member of the Risk and Compliance Committee, and a member of the Remuneration and Nomination Committee.

Mr Carter's career spanned 35 years in stockbroking and investment banking specialising in corporate advice and equity capital markets. He has managed his own corporate finance and broking business and then spent 15 years at Macquarie Group. Mr Carter now actively manages his own business interests. Mr Carter is a well-known active professional with unique experience across a diverse range of investment and business activities. Mr Carter is also on Bank of America's Australian Advisory Board.

Jane Muirsmith

(Independent Non-Executive Director)

Ms Muirsmith was appointed to the AFG Board in March 2016 and for FY25 was Chair of the Technology and Data Committee, a member of the Risk and Compliance Committee and a member of Remuneration and Nomination Committee.

Ms Muirsmith is an accomplished digital and marketing strategist, having held several executive positions in Sydney, Melbourne, Singapore, and New York. Ms Muirsmith is Managing Director of Lenox Hill, a digital strategy and advisory firm and is a Non-Executive Director of Cedar Woods Properties Ltd (ASX:CWP), the Kids Research Institute of Australia and Water Corporation. She is a Graduate of the Australian Institute of Company Directors, a Fellow of Chartered Accountants Australia and New Zealand, a member of the Ambassadorial Council UWA Business School and an independent board member of the Canberra Institute of Technology – Cloud Campus Program.

Annette King

(Independent Non-Executive Director)

Ms King was appointed to the AFG Board in February 2022 and for FY25 was the Chair of the Remuneration and Nomination Committee, a member of the Audit Committee, a member of the Risk and Compliance Committee and a member of the Technology and Data Committee. Ms King is an experienced company Director, former CEO and actuary, with over 30 years' experience in financial services across Asia-Pacific. Prior to becoming a Non-Executive Director, Ms King had a successful track record as a CEO, CFO and CMO of significant financial institutions, as well as being a founder/entrepreneur.

Ms King's experience includes working with large multi-national companies (Swiss Re, AXA, Manulife, Mercer, MLC Super) and fintech companies (FNZ, Galileo Platforms). Her focus is on business growth through differentiated client experience, organizational culture, and innovation via digital and technology enablement.

Ms King serves on the boards of HCF, TAL, and U Ethical Investors and is a member of the Public Policy Committee of the Actuaries Institute of Australia. She was previously President and Chair of the Actuaries Institute and President of the Life Insurance Association of Singapore. Ms King is a Fellow of the Australian Institute of Company Directors, has a Bachelor of Economics from Macquarie University, is a Fellow of the Actuaries Institute of Australia and a member of Chief Executive Women.

Michelle Palethorpe

(Company Secretary)

Ms Palethorpe joined AFG in 2018 as General Counsel and was appointed to the additional position of Company Secretary in June 2023. Ms Palethorpe holds a Bachelor of Laws degree and a Bachelor of Business Administration (Economics and Finance) degree and has over 25 years of legal experience as in-house counsel and in top tier law firms in Australia and in the UK. Ms Palethorpe is responsible for managing AFG's secretariat, governance and ASX requirements in addition to the legal functions of the Company.

Interests in the shares and rights of the Company

As at 30 June 2025, the interests of the Directors in the shares of the Company were:

Director	Number of ordinary shares
Brett McKeon	16,332,632
Malcolm Watkins	16,139,718
Craig Carter	1,400,000
Jane Muirsmith	126,819
Greg Medcraft	110,000
Annette King	100,000

As at 30 June 2025, the Directors did not hold any rights over ordinary shares.

Changes in state of affairs

Other than matters dealt with in this report there were no significant changes in the state of affairs of the Group during the financial year.

Dividends

Total dividends paid during the financial year ended 30 June 2025 were \$21.2m (2024: \$22.0m), which included:

- A final fully franked ordinary dividend of \$10.9m (4.0 cents per fully paid share) was declared out of profits of the Company for the financial year ended 30 June 2024 and paid on 11 October 2024.
- An interim fully franked ordinary dividend of \$10.3m (3.8 cents per fully paid share) was declared out of profits of the Company for 2025 and paid on 9 April 2025.

A final fully franked ordinary dividend of \$14.3m (5.3 cents per fully paid share) has been declared out of profits of the Company for the financial year ended 30 June 2025 and is to be paid on 8 October 2025.

Principal activities

The Group's principal activities in the course of the financial year continued to be:

- Mortgage origination of home loans, consumer asset finance and commercial loans; and
- Distribution of own branded home loan products, funded through its established residential mortgage-backed securities (RMBS) program and white label arrangements.

Corporate Governance Statement

The Company's Corporate Governance Statement can be found at <https://investors.afgonline.com.au/investor/?page=corporate-governance>

Review of operations

FY25 was a strong year for AFG, marked by record achievements across the business and robust earnings growth.

The strength of the diversified business model was evident, underpinning the FY25 result and providing a solid foundation for future growth. It was a year of records, most notably: broker numbers (4,200), residential lodgements (\$101bn), residential settlements (\$63bn), and AFG Securities book size (\$5.5bn).

Statutory NPAT increased to \$35 million, up 21% on the prior year, while Underlying NPATA¹ rose to \$40.8 million, a 13% uplift. Underlying return on equity was 19%.

Both Distribution and Manufacturing segments delivered significant earnings growth — up 10% and 52% respectively — driven by the successful execution of our strategy, continued broker network expansion, and resilient market conditions.

AFG's cash flow and balance sheet remains a strength. Net cash flows from operating activities were \$35.9m, delivering a 90% cash realisation ratio. At balance date the Group had, \$63.7 million in unrestricted cash, with \$182.4 million in liquid assets and high-performing investments.

The **Distribution** segment delivered earnings before interest, tax and depreciation and amortisation (**EBITDA**) of \$68m, and an outstanding underlying return on equity of 39%. Technology upgrades were well received by brokers, with high NPS and adoption rates of the new BrokerEngine Plus product, boosting broker efficiency. AFG's broker services offering continued to drive operational efficiency and regulatory compliance for its brokers, and broker subscription income lifted 13% or \$2.4m.

The Broker Investments program completed two investments totaling \$6 million, with a strong pipeline supporting long-term value creation. A third investment was completed on 1 July 2025.

The **Manufacturing** segment, delivered EBITDA of \$16.0m, and a underlying return on equity of 15%. The growth in EBITDA was underpinned by \$10m in additional net interest income, the result of record settlements and book size, as well as NIM expansion which followed better funding outcomes and a lower cash rate. The book growth led to a higher expected credit loss provision (\$0.5m). There were no loan losses in the year, reflecting the quality of AFG's credit processes and loan book. The segment also benefited from a \$0.5m (24%) increase in earnings from its investment in Thinktank.

In **Central Services**, EBITDA decreased to a loss of \$28m after adjusting for one-off non-recurring items and depreciation and amortisation. The increase in costs were primarily associated with investments in income generating roles, such as the Broker Investments Team, as well as adding capability in technology, CPI wage growth and higher incentives paid to the team on the back of a strong year.

Group underlying cost to income reduced to 59%, after adjusting for one off non-recurring items and depreciation and amortisation. Group operating costs decreased by 10% compared to the first half of FY25 as the business worked hard to contain costs and deliver efficiency initiatives.

¹ Underlying NPATA is non-IFRS financial information.

Likely developments and expected results

The Group will continue to provide choice and lead the market by building on the strengths of its traditional wholesale mortgage broking business. Continued investment in the Group's significant distribution network will afford access to other areas of the finance market.

Further information about likely developments in the operations and the expected results of those operations in future financial years have not been included in this report because disclosure of the information would, in the opinion of the Directors, be likely to result in unreasonable prejudice to the Group.

Environmental regulation

The Group is not subject to any significant environmental regulation under a law of the Commonwealth or of a State or Territory in respect of its activities.

Subsequent events

On 26 August 2025, the Directors recommended the payment of a dividend of 5.3 cents per fully paid ordinary share, fully franked based on tax paid at 30%. The dividend has a record date of 9th September 2025 and a payment date of 8th October 2025. The aggregate amount of the proposed dividend expected to be paid out of retained earnings at 30 June 2025 is \$14.3m. The financial effect of this dividend has not been brought to account in the Financial Statements for the year ended 30 June 2025.

On 1 July 2025, the Group acquired a 28% non-controlling stake in mortgage broker Loan Path Finance Pty Ltd (**LPF**) as part of its Broker Investments program. LPF remains independently managed and has joined AFG's aggregation network. This non-adjusting event does not affect the Financial Statements for the year ended 30 June 2025, but is disclosed due to its strategic significance.

There has not been any matter or circumstance, other than that referred to in the Financial Statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Share options and performance rights

There were no options issued or exercised during the financial year (2024: nil).

The Remuneration Report sets out details of the performance rights issued and vested during the financial year.

Directors' and officers' indemnity and insurance

During the financial year the Group paid a premium in respect of a contract insuring the Directors of the Group (as named above) against a liability incurred as a Director to the extent permitted by the Corporations Act 2001 (Cth). The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young Australia during or since the financial year.

Directors' meetings

The number of Directors' meetings (excluding circulating resolutions) held during the year and each Director's attendance at those meetings is set out in the table below.

The Directors met as a Board 7 times during the year, (6 main meetings and 1 special meeting). Special meetings are convened at a time to enable the maximum number of Directors to attend and are generally held to consider specific items that cannot be held over to the next scheduled main meeting. Apologies were received from Directors in all instances where they were unable to attend a meeting.

Directors' Board Meetings	Meetings Held	Meetings Attended
Brett McKeon	6	6
Malcolm Watkins	6	6
Craig Carter	6	6
Jane Muirsmith	6	6
Greg Medcraft	6	6
Annette King	6	6

One special meeting was held during FY25 which all Directors other than Brett McKeon attended.

Committee membership

During FY25 the Board operated an Audit Committee, Remuneration and Nomination Committee, a Risk and Compliance Committee and a Technology and Data Committee.

Members acting on the Committees of the Board during the year were:

Audit	Remuneration and Nomination	Risk and Compliance	Technology and Data
Craig Carter ^(C)	Annette King ^(C)	Greg Medcraft ^(C)	Jane Muirsmith ^(C)
Greg Medcraft	Jane Muirsmith	Jane Muirsmith	Annette King
Annette King	Greg Medcraft	Craig Carter	Malcolm Watkins
	Craig Carter	Annette King	

Note: (C) designates the Chair of the Committee



Partnering with brokers is how we drive industry progress. Together we lift standards, service and results.

Mark Hewitt

General Manager Industry and Partnerships

The following table sets out the number of meetings of the Committees of the Board and the number of meetings attended by each Director who was a member of that Committee during FY25. All Directors may attend Board Committee meetings even if they are not a member of the relevant Committee. The table below excludes the attendance of those Directors who attended meetings of Board Committees of which they are not a member.

Attendance at Committee Meetings								
Directors	Audit Committee		Remuneration and Nomination Committee		Risk and Compliance Committee		Technology and Data Committee	
	Maximum Possible Meetings	Attended	Maximum Possible Meetings	Attended	Maximum Possible Meetings	Attended	Maximum Possible Meetings	Attended
Craig Carter	4	4 ^(C)	7	7	4	3	Not applicable	Not applicable
Jane Muirsmith	Not applicable	Not applicable	7	7	4	4	6	6 ^(C)
Greg Medcraft	4	3	7	7	4	4 ^(C)	Not applicable	Not applicable
Annette King	4	4	7	7 ^(C)	4	4	6	6
Malcolm Watkins	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	6	6
Brett McKeon	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

Note: (C) designates the Chair of the Committee

At the end of FY25, the Board considered that the role of the Technology and Data Committee had been completed and this committee was closed.

Rounding

The amounts in this report and the Financial Report have been rounded to the nearest million with one decimal place (where applicable) under the option available to the Company under *ASIC Corporations Instrument 2016/191*, unless indicated otherwise.

Non-audit services

Non-audit services were provided by the entity's auditor, Ernst & Young as disclosed in Note 32 to the Financial Statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 (Cth).

The Directors are of the opinion that the services as disclosed in Note 32 to the Financial Statements do not compromise the external auditor's independence, based on advice received from the Audit Committee, for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 'Code of Ethics for Professional Accountants' issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. Amounts paid or payable by the Company for audit and non-audit services are disclosed in Note 32 to the Financial Statements.

Auditor's independence declaration

The auditor's independence declaration is included on page 33 of this financial report for the year ended 30 June 2025. This report is made in accordance with a resolution of the Directors.



Ernst & Young
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Auditor's independence declaration to the directors of Australian Finance Group Limited

As lead auditor for the audit of the financial report of Australian Finance Group Limited for the financial year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Australian Finance Group Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

A handwritten signature in black ink, appearing to read 'Timothy Dachs', followed by a period.

Timothy Dachs
Partner
26 August 2025

Remuneration Report

Dear Shareholder,

On behalf of the Board of Australian Finance Group Ltd (**AFG** or the **Company**), I am pleased to present our FY25 Remuneration Report for the financial year ended 30 June 2025.

In our 31st year, AFG has delivered a strong performance, building on robust foundations and bringing our strategy to life across all three of our key pillars: 1) Grow our broker network; 2) Deliver higher margin through our distribution network; 3) Provide market leading technology.

FY25 was a year of records. We now deliver our market leading aggregation proposition to over 4,200 brokers, who settled more than \$77 billion in loans for their customers, a testament to the strength of our market leading aggregation proposition, the resilience of the mortgage market and continued product diversification.

Our own lending business also hit new highs, with a significant increase in settlements, and our loan book growing by 23% (\$1.2bn) to \$5.5bn, all while incurring no loan losses, accessing new funding markets and improving margins.

We made significant progress in other strategic priorities too. Our technology enhancements boosted broker productivity and engagement. The launch of our Broker Investments program marked an exciting evolution of our broker partnership model, broadening our earnings base and reinforcing our commitment to mutual growth.

These achievements translated into strong financial outcomes:

- Net profit after tax and before amortisation (**NPATA**) increasing 19% to \$37.4m
- The Distribution and Manufacturing segments delivered double-digit earnings growth, of 10% and 52%, respectively
- Underlying return on equity was strong at 19%
- A 9.1cps fully franked total interim and final dividend has been declared for FY25, contributing to a 73% total shareholder return over the past 3 years.

- In addition, AFG's employee engagement remains strong at 74%, with a positive employee Net Promoter Score (**eNPS**) of 15. AFG also continues to create a diverse and inclusive environment where employees feel they belong and are respected and valued, with a combined Diversity, Equity, Inclusion, and Belonging (**DEIB**) score of 77% based on our bi-monthly DEIB survey pulse.

FY25 Performance and Executive Remuneration Framework

The AFG Board's approach continues to ensure that Executive remuneration aligns performance, including execution of the business strategy, with the interests of our shareholders, in both the short and the longer term, as well as attracting, retaining and motivating key talent.

In FY24, a review of AFG's Executive remuneration framework was conducted, with a focus on remuneration principles, pay-mix and incentives. In developing our remuneration framework, structures and target-setting, we considered best practice, and engaged with and incorporated feedback from our shareholders, stakeholders and proxy advisors.

In relation to Executive remuneration, we retained the remuneration framework that was implemented in FY23 which aligns with shareholder expectations and the employment market, adopting further principles in relation to pay-mix. This framework combines competitive, market-driven, fixed annual remuneration, with variable rewards including a blend of short and long-term incentives. The variable (or at risk) remuneration of Executives is linked to the AFG Group performance through outcomes-based measures linked to the absolute and relative performance of the business, with the emphasis on long-term versus short-term incentives.

As a result of this review, some minor changes were made to remuneration and the Short-Term Incentive (**STI**) in FY25.

In relation to incentives, we made some changes in FY25 to the STI to ensure the AFG Group has a fit for purpose, enduring remuneration framework. As a result, and to remain competitive, the maximum target for the STI was extended to include a further stretch target, moving the maximum STI from 120% of target to 150% of target.

The NPATA gate that must be met for the STI to be awarded, was also modified to allow the target to be adjusted, at target setting time, for items beyond management's immediate control, such as NPATA from certain associate companies that AFG does not control. Once the gate has opened, Management's STI award, however, is still calculated on the full, non-adjusted NPATA.

The Board retains discretion at all times on incentive payments.

FY25 Performance and Executive Remuneration Outcomes Summary

AFG's FY25 business performance results and the commensurate Executive remuneration reflects a stronger year as outlined above, with continued progress made in executing against our strategy and strong financial performance.

FY25 NPATA¹ increased from last year by 19% to \$37.4m. This result saw the FY25 STI gate opening at 118% of target.

A standout contributor was the growth of the AFG Securities book, which increased by \$1.2bn, a result of 203% of target giving rise to an achievement of 150% (capped) of this important component of the STI. As a consequence of these achievements together with other individual KPI achievements, the CEO and Executive Key Management Personnel (**KMP**) reporting to the CEO were eligible for a STI payment based on performance against targets, resulting in a STI outcome of 128% for the CEO and CFO, and 134% of target for the COO.

In relation to longer-term performance, the closing share price on 30 June 2025 was \$2.29, with a full year total dividend of 9.1cps. The Long-Term Incentive (**LTI**) performance is based on Total Shareholder Return (**TSR**) and Earnings Per Share (**EPS**). The vesting outcomes were:

- TSR was strong, at the 67th and 81st percentile of Diversified Financials and Small Industrials Indexes, respectively. This resulted in TSR targets being met with vesting of 83.2% and 115.0% respectively for the FY23 grant vesting.
- EPS CAGR was -3% when compared to that achieved in FY23, and did not meet the vesting targets.
- As a result, 50% of the LTI grant vested overall. This translated to LTI outcomes of 66% to the CEO and COO and 60% to the CFO given he joined AFG part-way through the grant year.

These outcomes reflect strong alignment between Executive reward and performance and the importance of growth in shareholder value.

FY26 and Beyond

The Remuneration and Nomination Committee has continued to review the remuneration strategy, pay mix and incentive plans, with a focus on the LTI for FY26. Specifically, AFG has decided to move from a fair to face value methodology for issuing TSR rights, consistent with market practice and expectations given face value provides more transparency for shareholders and investors. In making this transition, and consistent with AFG's remuneration principles, CEO and KMP will receive additional rights to ensure they receive at least the same number of rights that they would have received had the methodology not been changed. In addition, as a result of the review, the positive TSR gateway will be removed and a single comparator group of the S&P/ASX Small Ordinaries Index will be adopted for relative TSR from FY26 onwards for both simplicity, and also to reflect the companies our investors would also consider. More details will be provided next year in the 2026 Annual Report.

Finally, Non-Executive Director remuneration was also reviewed, resulting in the introduction of a Committee Chair fee of \$25,000 per annum in FY26 with no change to base Non-Executive Director fees. The Chair Director fee will be increased by \$30,000 to \$230,000 per annum in FY26, resulting in a total increase to Director fee pool of \$105,000 per annum (based on 3 board committees) which remains within the total shareholder approved Non-Executive Director remuneration cap of \$1,250,000.

Reviewing and evolving our remuneration framework takes time and investment from our Board and Management and I am grateful to my fellow members on the Remuneration and Nomination Committee for their ongoing commitment, persistence and support across FY25 in order to set us up for a successful and exciting years ahead.

I look forward to continuing to work with the Board and Management to build on this year's momentum in FY26. We invite our shareholders to read the Remuneration Report and look forward to hearing your feedback.



Annette King
Chair, Remuneration and
Nomination Committee

¹ NPATA is derived as net profit after tax and before amortisation of acquired intangibles. It is a non-IFRS measure.

1 Introduction

The Remuneration Report outlines AFG's remuneration philosophy, framework and outcomes for all Non-Executive Directors (**NED**) and other KMP. The report is written in accordance with the requirements of the Corporations Act 2001 (Cth) (**the Corporations Act**) and its regulations. This information has been audited as required by section 308(3C) of the Corporations Act.

2 Key Management Personnel

KMP are those persons who have specific responsibility for planning, directing, and controlling material activities of the AFG Group. In this report, "Executives" refers to the KMP excluding the NED.

The current KMP's of the AFG Group for the entire financial year unless otherwise stated are as follow:

Non-Executive Directors	Role	Date Appointed	Tenure
Brett McKeon ¹	Non-Executive Director	19 June 1996	29 years
Malcolm Watkins ²	Non-Executive Director	9 December 1997	28 years
Craig Carter ³	Non-Executive Director	25 March 2015	10 years
Jane Muirsmith ⁴	Non-Executive Director	31 March 2016	9 years
Greg Medcraft ⁵	Non-Executive Chair	15 September 2021	4 years
Annette King ⁶	Non-Executive Director	1 February 2022	3 years
Executives			
David Bailey ⁷	Chief Executive Officer	16 June 2017	21 years
Lisa Bevan ⁸	Chief Operating Officer	22 June 2023	27 years
Luca Pietropiccolo	Chief Financial Officer	31 October 2022	3 years

1 Brett McKeon was appointed to the Board 19 June 1996 and transitioned to Non-Executive Director effective 1 July 2019.

2 Malcolm Watkins was appointed to the Board 8 December 1997 and transitioned to Non-Executive Director effective 1 July 2022.

3 Craig Carter is Chair of the Audit Committee.

4 Jane Muirsmith was Chair of the Technology and Data Committee, which was discontinued at the end of FY25. For FY26, she will become the Chair of the Risk and Compliance Committee.

5 Greg Medcraft is Chair of the Board and Chair of the Risk and Compliance Committee. From FY26 onwards he will step down as Chair of the Risk and Compliance Committee.

6 Annette King is Chair of the Remuneration and Nomination Committee.

7 David Bailey started with AFG on 8 March 2004 and transitioned to Chief Executive Officer on 16 June 2017.

8 Lisa Bevan started with AFG as Company Secretary on 9 March 1998 and transitioned to Chief Operating Officer on 22 June 2023.

Other than Brett McKeon and Malcolm Watkins, all Non-Executive Directors listed above are Independent Directors. The average tenure for the AFG Board as at 30 June 2025 is 13.8 years. Excluding the founding Directors, the average tenure for the AFG Board as at 30 June 2025 is 6.5 years.

3 Executive remuneration structures

AFG aims to reward Executives with a level of remuneration commensurate with their responsibilities and position within AFG and their ability to influence shareholder value creation within the context of appropriate conduct.

The remuneration framework links rewards with the strategic goals and performance of the Group and provides a robust, market-competitive mix of both fixed and variable rewards including a blend of short and long-term incentives. The variable (or at risk) remuneration of Executives is linked to the AFG Group performance through outcomes-based measures linked to the absolute and relative performance of the business. A conduct and behaviours modifier can reduce STI awards by up to 20% if an individual is not embodying the Company's values.

Executive remuneration structure

	Total annual remuneration <i>Base salary, superannuation contributions and other benefits</i>	Short-term Incentive <i>Paid in cash</i>	Long-term Incentive <i>Awards are made in the form of performance rights</i>
Strategic objective	To provide competitive fixed remuneration with reference to role, market and experience, in order to attract, retain and motivate key talent	Rewards Executives for their contribution to achievement of AFG Group outcomes and the strategically relevant KPI targets in the given financial year	Ensures Executive remuneration is clearly tied to the long-term creation of shareholder value
Performance measure	Key roles and responsibilities as set out in the individual's employment contract and position description	<p>AFG Group Financial Measures FY25:</p> <p>CEO:</p> <p>50% allocation to NPATA</p> <p>30% to AFGS loan book growth</p> <p>20% to KPI linked to strategic priorities</p> <p>KMP:</p> <p>50% allocation to NPATA</p> <p>20% to AFGS loan book growth</p> <p>30% to KPI linked to strategic priorities</p> <p>STI Gate opener is achievement of 80% NPATA* target or greater</p> <p>*excludes associate company NPATA where AFG does not have management control</p>	<p>FY25 grant:</p> <p>50% of an Executive's entitlement allocated to a 3-year compound annual growth rate (CAGR) EPS target</p> <p>50% of an Executive's entitlement allocated to relative TSR targets, 50% measure against the ASX Diversified Financials Index and 50% against the ASX Small Industrials Index</p> <p>EPS gateway is a minimum of 5.0% and target of 7.5%</p> <p>Both TSR targets include a gateway requirement for absolute TSR to be positive, and for TSR to be above 50th percentile of comparative group</p>

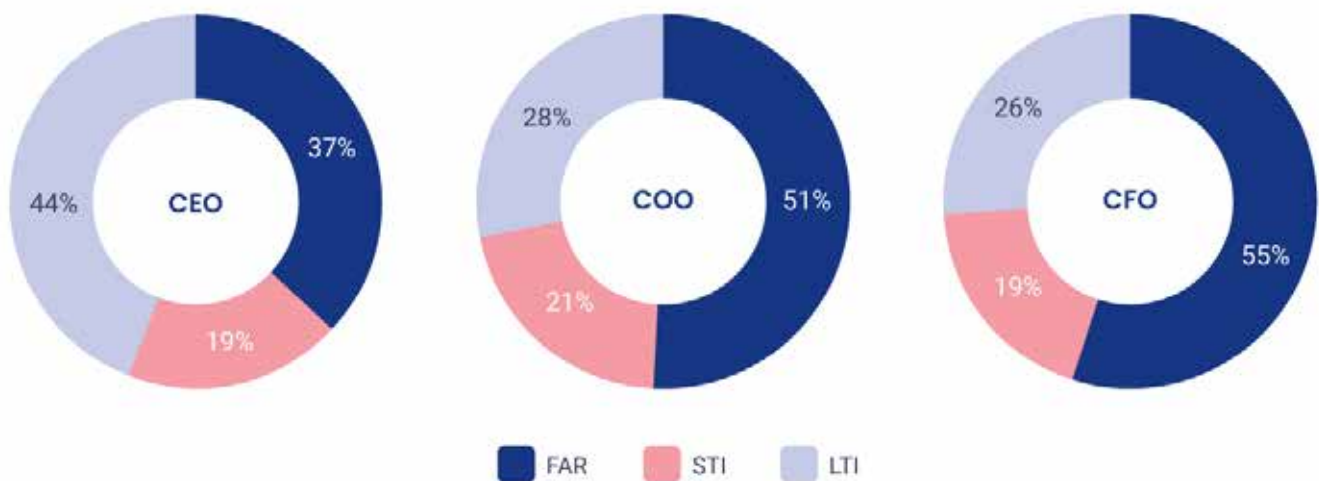
Remuneration components for the CEO and Executive

The CEO and Executive remuneration is weighted to ensure a substantial proportion of target total remuneration is at risk and aligned to shareholder value creation:

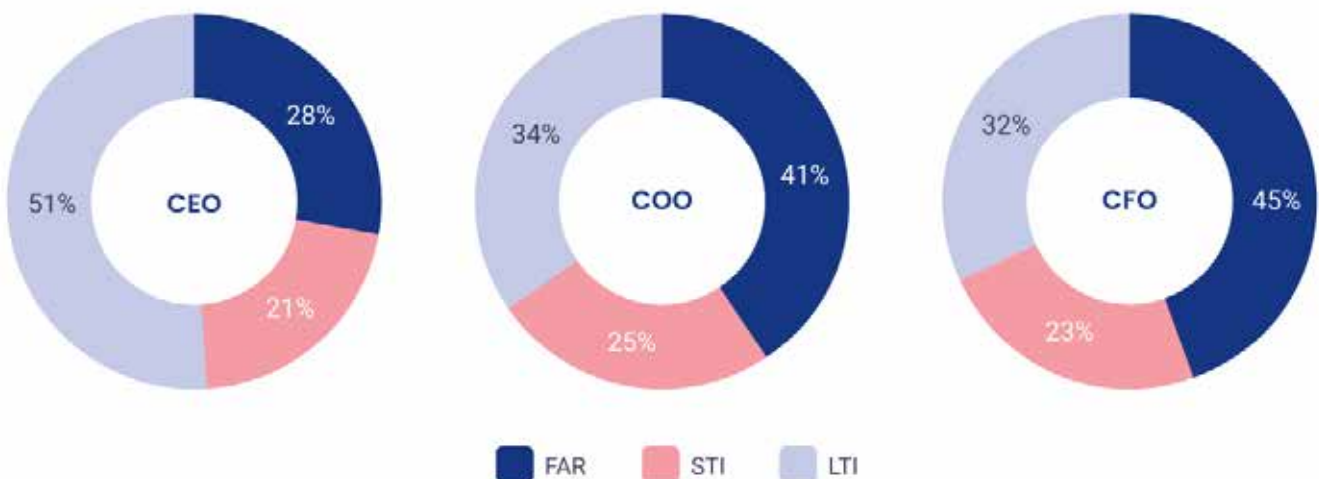
- The CEO is 37% fixed and 63% variable at target (at risk); and
- Executives are in the range of 51% to 55% fixed and 45% to 49% variable at target (at risk).

The CEO and Executive have a stretch, maximum target for over-performance of 150% for both the STI and LTI components of their package. This increases the variable proportion of their maximum package as outlined in the Maximum Remuneration charts below.

Target Remuneration



Maximum Remuneration



3.1 Executive remuneration outcomes

A 5-year history of AFG's financial performance, as it relates to executive remuneration outcomes, is provided below:

	FY25	FY24	FY23	FY22	FY21
NPATA (millions of AUD)	37.4	31.3	39.7	40.0	51.3
Dividends (cents per share)	9.1	8.0	16.2	14.4	10.6
Closing share price at 30 June (AUD)	2.29	1.38	1.79	1.48	2.67
AFGS loan book (closing) (millions of AUD)	5,480	4,442	4,474	4,785	3,403

STI award outcomes FY25

The combined cash bonus pool available to be paid to the Executives for on target performance in FY25 was \$652,000 maximum stretch was \$977,000 and the minimum was nil. For FY25, the NPATA gate opening (80%) was met, resulting in Executive receiving a STI payment. The payment amounts based on performance against STI measures are outlined below:

STI measures

Target	Proportion of STI	FY25 millions	Target achieved (%)	Payment (%)
NPATA	50%	\$37.4	118%	118%
AFGS loan book growth	CEO 30% Exec 20%	\$1,164 ¹	203%	150%
Strategic priorities (Aligned to strategic KPIs)	CEO 20% Exec 30%	Non-monetary	119% 129-150%	119% 129-150%

¹ Based on 13-month growth target

STI outcomes

	Target STI opportunity	Maximum STI opportunity	As a % of fixed remuneration	STI outcome	Target achieved (%) ¹	Payment (%)
D. Bailey (CEO)	\$325,556	\$488,334	50%	\$416,102	128%	128%
L. Bevan (COO)	\$171,700	\$257,550	40%	\$230,078	134%	134%
L. Pietropiccolo (CFO)	\$154,313	\$231,470	35%	\$197,057	128%	128%
Total	\$651,569	\$977,354		\$843,237		

¹ Maximum is 150%

In FY24, the annual report highlighted that 50% of Executive's potential IT & data transformation related STI component of the Executive's STI was deferred due to changes in project timelines. Subsequent to the end of the FY24, the board determined that the outcome for this component of the FY24 STI was 37.5%. This resulted in additional STI reward payments being made of between \$11,000 and \$23,000 to the Executive. These payments occurred during the FY25 and are in addition to the STI payments disclosed for the Executive in the FY25.

LTI award outcomes FY25

For FY25 the gateway for EPS was not met however the TSR gate and TSR target threshold of 50th percentile versus comparative group were met resulting in a partial vesting of LTI rights (granted in FY23).

Measure	Gate ¹	Target	Achieved	% Achieved
CAGR EPS	5%	7.5%	0%	Nil
TSR Small Industrials	50th Percentile	75th Percentile	81st Percentile	115.0%
TSR Diversified Industrials	50th Percentile	75th Percentile	67th Percentile	83.2%

¹ For the TSR, there is a further gateway requiring TSR to be positive

Performance Rights	Target LTI opportunity (FY23 Grant)	LTI outcome	% Achieved	% Forfeited ¹
D. Bailey	700,102	462,227	66%	34%
L. Bevan ²	193,132	127,511	66%	34%
L. Pietropiccolo ³	95,090	56,754	60%	40%
Total	988,324	646,492	65%	35%

¹ Forfeiture due to EPS (cumulative expense was reversed in the Profit and Loss Statement as at 30 June 2025) and TSR (fully expensed as at 30 June 2025)

² L. Bevan's LTI opportunity was pro-rated due to her working at 0.8FTE when the FY23 LTI award was granted

³ L. Pietropiccolo joined part way through the FY23 financial year so the rights' value and therefore the achievement percentage of his grant is different to the CEO and COO

3.2 Fixed annual remuneration

No significant changes to the remuneration structure were required during the financial year, with annual remuneration increases made based on benchmarking to market.

3.3 STI plan

Executives are entitled to participate in AFG's STI plan. The amount of the STI award each participant may become entitled to (if any) will be determined by the Remuneration and Nomination Committee based on AFG's Remuneration framework and approved by the Board based on achievement against set performance targets.

STI plan	
Objective	The AFG STI plan rewards Executives for the achievement of objectives directly linked to AFG's business strategy that is focused on earnings diversification and providing choice and competition to consumers.
Participation	Executive.
STI opportunity	The STI available to each Executive is set at a level based on role, responsibilities and market data for the achievement of stretch targets against specific KPIs. The target STI opportunity for each Executive in FY25 is listed in section 3.1 as an absolute dollar amount and as a percentage of the Executive's fixed base.
Performance period	The performance period is the relevant financial year. KPIs and weightings are set and reviewed each year to ensure that the STI targets remain relevant for the current environment and Executives remain focused on clear goals for the period.

STI plan	
Link between performance and reward	<p>The KPI targets are selected based on what needs to be achieved over each financial performance period in order to deliver the business strategy over the long term. The STI target was allocated to 70-80% financial objectives (50% NPATA and 30% loan book growth for the CEO, 50% NPATA and 20% book growth for Executive KMP), and the remaining 20-30% to strategic objectives (based on strategic KPIs). The maximum is 150% of target.</p> <p>The weightings for each KPI is set for each performance period based on the specific business targets set by the Board. A minimum threshold hurdle is set for each KPI included in the scorecard before any payment is made in respect of that KPI measure. A conduct and behaviours modifier, which can reduce STI awards by up to 20% if culture or conduct which is contrary to the Company's values is evident is also applied to the STI award. The Board retains all discretion on STI awards.</p>
Payment method	STI payments are delivered as cash.
Clawback and preventing inappropriate benefits	<p>The STI Plan rules provide the Board with broad 'clawback' powers if, amongst other things, the participant has acted fraudulently or dishonestly, engaged in gross misconduct or has acted in a manner that has brought AFG or its related bodies corporate into disrepute. This would include circumstances where there is a material financial misstatement, or AFG is required or entitled under law or Company policy to reclaim remuneration from the participant, or the participant's entitlements vest as a result of the fraud, dishonesty or breach of obligations of any other person and the Board is of the opinion that the incentives would not have otherwise vested.</p>

FY26 STI opportunity

Offers to participate in STI awards for FY25 were made under the STI plan on the terms set out above.

The amount of the STI award each participant may become entitled to (if any) will be determined by the Remuneration and Nomination Committee and approved by the Board based on achievement against the targeted NPAT (50%), AFGS Loan Book Growth (25%) and gross profit per broker (25%), with a multiplier for strategic KPIs. All Executives have a substantial portion of their STI linked to financial targets.

3.4 The LTI plan

AFG has established the LTI plan to assist in the longer-term motivation, retention and reward of KMP and certain senior employees. The LTI plan is designed to align the interests of Executives and senior management with the interests of shareholders by providing an opportunity for the participants to receive an equity interest in AFG and to ensure a focus on long term sustainable growth. Details of the LTI grants are provided below.

LTI plan	
Objective	The LTI plan is designed to align the interests of Executives and Shareholders over the longer-term, assisting with motivation and retention of key talent.
Participation	Executive.
Instrument	Performance rights to acquire ordinary AFG shares.
Quantum	<p>50% of an Executive's annual LTI entitlement weighted to an EPS target.</p> <p>50% of an Executive's annual LTI entitlement weighted to relative TSR targets.</p>

LTI plan

Link between
performance and reward

TSR

TSR encapsulates performance across the underlying key performance measures throughout the business aimed at achieving targeted business outcomes that will result in increased shareholder wealth through share price growth and dividends. TSR is measured against the ASX Diversified Financials Index (50%) and against the ASX Small Industries Index (50%). Both TSR targets include a gateway requirement for absolute TSR to be positive.

In FY26, a single comparator group for TSR will be used and the positive gateway removed.

Stretch targets are available giving Executives the opportunity to increase the number of performance rights to 150% of target for exceptional performance

EPS

Long term EPS accretion targets are set at levels that are challenging yet achievable in a sustainable manner. EPS directly links creation of shareholder wealth to the delivery of the businesses strategy over a long term period.

Stretch targets are available giving Executives the opportunity to increase the number of performance rights to 150% of target for exceptional performance.

The Board has a broad discretion to apply qualitative factors such as risk (including non-financial risk), reputation, conduct, leadership skills and values to the assessment of performance achievements for an Executive.

Key performance
measure

TSR

Relative Total Shareholder Return (pro-rata vesting between hurdles)

50% measured against the Diversified Financials Index, 50% against Small Industrials

50th Percentile – 50% vesting

75th Percentile – 100% vesting

85th Percentile – 125% vesting (stretch target)

90th Percentile – 150% vesting (stretch target)

EPS accretion (FY24 and FY25)

5.0% CAGR – 50% vesting

7.5% CAGR – 100% vesting

10.0% CAGR – 150% vesting (stretch target)

EPS accretion (FY26)

15.0% CAGR - 50% vesting

20.0% CAGR - 100% vesting

25.0% CAGR - 150% vesting (stretch target)

Grant date

July

Grant date fair value

TSR Small Industrials Index;

2024 Grant: \$1.148

2025 Grant: \$0.882

TSR Diversified Financials Index;

2024 Grant: \$1.118

2025 Grant: \$0.835

TSR Small Ordinaries Index;

2026 Grant: \$1.59*

*FY26 rights will be issued based on a Face Value Methodology of \$2.21

LTI plan	
Grant date face value	<p>EPS \$2.200 (being the 20-day Volume Weighted Average Price leading up to 30 June 2025)</p> <p>EPS \$1.397 (being the 20-day Volume Weighted Average Price leading up to 30 June 2024)</p> <p>EPS \$1.713 (being the 20-day Volume Weighted Average Price leading up to 30 June 2023)</p>
Gateway performance measure	<p>TSR – Absolute TSR must be positive (this will be removed in FY26)</p> <p>EPS – 5.0% CAGR EPS (this will be 15% CAGR EPS in FY26)</p>
Performance & service period	1 July to 30 June for each financial year
Performance assessment	30 th June
Cessation of employment	<p>If the participant ceases employment for cause or resigns, unless the Board determines otherwise, any unvested performance rights will automatically lapse.</p> <p>Generally, if the participant ceases employment for any other reason, all of their unvested performance rights will remain on foot and subject to the original performance conditions. However, the Board retains discretion to determine that some of their rights (up to a pro-rata portion based on how much of the Performance Period remains) will lapse.</p>
Dividends & voting	The performance rights do not carry dividends or voting rights prior to vesting.
Clawback and preventing inappropriate benefits	The plan rules provide the Board with broad ‘clawback’ powers if, amongst other things, the participant has acted fraudulently or dishonestly, engaged in gross misconduct or has acted in a manner that has brought AFG or its related bodies corporate into disrepute. This would include circumstances where there is a material financial misstatement, or AFG is required or entitled under law or Company policy to reclaim remuneration from the participant, or the participant’s entitlements vest as a result of the fraud, dishonesty or breach of obligations of any other person and the Board is of the opinion that the incentives would not have otherwise vested.
Change of control	<p>In a situation where there is likely to be a change of control, the Board has the discretion to accelerate vesting of some or all of the performance rights. Where only some of the performance rights have vested on a change of control, the remainder of the performance rights will immediately lapse. If the change of control occurs before the Board exercises its discretion:</p> <ul style="list-style-type: none"> • a pro-rata portion of the performance rights equal to the portion of the relevant performance period that has elapsed up to the expected or actual (as appropriate) date of the change of control will immediately vest; and • the Board may, in its absolute discretion, decide whether the balance should vest or lapse.
Restrictions on dealing	<p>The participant must not sell, transfer, encumber, hedge or otherwise deal with performance rights.</p> <p>Unless the Board determines otherwise, the participant will be free to deal with the shares allocated on vesting of the performance rights, subject to the requirements of AFG’s Policy for dealing in securities.</p>
Reconstructions, corporate actions, rights issues, bonus issues, etc	The rules of the LTI plan include specific provisions dealing with rights issues, bonus issues, and corporate actions and other capital reconstructions. These provisions are intended to ensure that there is no material advantage or disadvantage to the participant in respect of their performance rights as a result of such corporate actions.
Deferred exercise of vested performance rights	<p>For the FY24 LTI offer onwards, the LTI offer allows for deferred exercise of vested performance rights at the conclusion of the 3 year performance period. Participants can provide an exercise notice at any time after the performance period ends and performance rights vest, up until the date that is 15 years after the grant of the performance rights.</p> <p>Shares issued on vested but unexercised performance rights will be held in the AFG Employee Share Trust until the participant provides an exercise notice. Dividends will accrue on those shares held in the AFG Employee Share Trust.</p>

5 Non-Executive Director remuneration

5.1 Remuneration policy

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders and in line with the market. The amount of aggregate remuneration sought to be approved by shareholders and the fee structure is reviewed annually against fees paid to NEDs of comparable companies. The Board may consider advice from external consultants when undertaking the annual review process as appropriate.

The Company's constitution and the ASX listing rules specify that the NED fee pool shall be determined from time to time by a general meeting. The current NED fee pool is \$1.25m per annum (set in 2021).

5.2 Structure

The remuneration of NEDs consists of Directors' fees, which is inclusive of statutory superannuation and Committee fees (if any). The below summarises the FY25 NED fees:

- Chair: \$200,000 inclusive of superannuation
- Non-Executive Directors: \$120,000 inclusive of superannuation

NEDs do not receive retirement benefits, other than statutory superannuation contributions, nor do they participate in any incentive programs.

Directors may also be reimbursed for travel and other expenses incurred in attending to the Company's affairs. The table below outlines the NED remuneration for the years ended 30 June 2025 and 30 June 2024. No non-monetary short-term benefits were paid during current or prior year.

	Year	Board and Committee Fees \$	Superannuation \$	Total \$
B. McKeon	2025	107,623	12,377	120,000
	2024	108,108	11,892	120,000
C. Carter	2025	107,623	12,377	120,000
	2024	108,108	11,892	120,000
J. Muirsmith	2025	107,623	12,377	120,000
	2024	108,108	11,892	120,000
G. Medcraft	2025	179,372	20,628	200,000
	2024	180,180	19,820	200,000
A. King	2025	107,623	12,377	120,000
	2024	108,108	11,892	120,000
M. Watkins	2025	107,623	12,377	120,000
	2024	108,108	11,892	120,000
Total	2025	717,487	82,513	800,000
Total	2024	720,720	79,280	800,000

Additional disclosures relating to rights and shares

5.3 Rights awarded, vested and lapsed during the year

The table below discloses the number of rights granted to Executives as remuneration during FY23, FY24 and FY25 as well as the number of rights that vested, lapsed or forfeited during the year. Rights do not carry any voting or dividend rights and shares can be allocated once the vesting conditions have been met until their expiry date.

	Year / Tranches (T)	No. of rights awarded during the year	Grant date	Fair value per rights at award date \$	Vesting date	Exercise price	Expiry date	No. forfeited	No. vested
L. Bevan	2025 / T1	85,183	1-Jul-24	\$1.56	30-Jun-27	-	30-Jun-27	-	-
	2025/ T2	71,257	1-Jul-24	\$0.84	30-Jun-27	-	30-Jun-27	-	-
	2025 / T3	67,460	1-Jul-24	\$0.88	30-Jun-27	-	30-Jun-27	-	-
	2024 / T1	69,469	1-Jul-23	\$1.71	30-Jun-26	-	30-Jun-26	-	-
	2024 / T2	53,220	1-Jul-23	\$1.12	30-Jun-26	-	30-Jun-26	-	-
	2024 / T3	51,829	1-Jul-23	\$1.15	30-Jun-26	-	30-Jun-26	-	-
	2023 / T1	64,717	1-Jul-22	\$1.61	30-Jun-25	-	30-Jun-25	64,717	-
	2023 / T2	63,415	1-Jul-22	\$0.82	30-Jun-25	-	30-Jun-25	10,654	52,761
	2023 / T3	65,000	1-Jul-22	\$0.80	30-Jun-25	-	30-Jun-25	-	74,750
D. Bailey	2025 / T1	279,647	1-Jul-24	\$1.56	30-Jun-27	-	30-Jun-27	-	-
	2025/ T2	233,933	1-Jul-24	\$0.84	30-Jun-27	-	30-Jun-27	-	-
	2025 / T3	221,467	1-Jul-24	\$0.88	30-Jun-27	-	30-Jun-27	-	-
	2024 / T1	220,082	1-Jul-23	\$1.71	30-Jun-26	-	30-Jun-26	-	-
	2024 / T2	168,605	1-Jul-23	\$1.12	30-Jun-26	-	30-Jun-26	-	-
	2024 / T3	164,199	1-Jul-23	\$1.15	30-Jun-26	-	30-Jun-26	-	-
	2023 / T1	234,599	1-Jul-22	\$1.61	30-Jun-25	-	30-Jun-25	234,599	-
	2023 / T2	229,878	1-Jul-22	\$0.82	30-Jun-25	-	30-Jun-25	38,620	191,258
	2023 / T3	235,625	1-Jul-22	\$0.80	30-Jun-25	-	30-Jun-25	-	270,969
L. Pietropiccolo	2025 / T1	74,433	1-Jul-24	\$1.56	30-Jun-27	-	30-Jun-27	-	-
	2025/ T2	62,265	1-Jul-24	\$0.84	30-Jun-27	-	30-Jun-27	-	-
	2025 / T3	58,948	1-Jul-24	\$0.88	30-Jun-27	-	30-Jun-27	-	-
	2024 / T1	36,486	1-Jul-23	\$1.71	30-Jun-26	-	30-Jun-26	-	-
	2024 / T2	27,952	1-Jul-23	\$1.12	30-Jun-26	-	30-Jun-26	-	-
	2024 / T3	27,221	1-Jul-23	\$1.15	30-Jun-26	-	30-Jun-26	-	-
	2023 / T1	37,493	1-Jul-22	\$1.67	30-Jun-25	-	30-Jun-25	37,493	-
	2023 / T2	29,819	1-Jul-22	\$1.05	30-Jun-25	-	30-Jun-25	5,010	24,809
	2023 / T3	27,778	1-Jul-22	\$1.13	30-Jun-25	-	30-Jun-25	-	31,945

T1 – EPS allocation T2 – TSR (Diversified Financials) allocation T3 – TSR (Small Industrials) allocation

5.4 Shareholdings of KMP

Ordinary shares held in Australian Finance Group Ltd (ASX:AFG)

30 June 2025	Balance 1 July 2024	Shares issued on vesting of rights	Sold during the period	Net change other	Balance 30 June 2025 ¹	Held nominally ²
Directors						
B. McKeon	16,332,632	-	-	-	16,332,632	16,332,632
M. Watkins	16,139,718	-	-	-	16,139,718	16,014,195
C. Carter	1,400,000	-	-	-	1,400,000	1,400,000
J. Muirsmith	126,819	-	-	-	126,819	126,819
A. King	100,000	-	-	-	100,000	100,000
G. Medcraft	110,000	-	-	-	110,000	110,000
Executives						
D. Bailey	2,038,922	-	-	-	2,038,922	-
L. Bevan	1,418,333	-	(98,485)	-	1,319,848	-
L. Pietropiccolo	-	-	-	-	-	-

1 Includes shares held directly, indirectly and beneficially by the KMP.

2 Relates to shares held within a superannuation fund, trust or externally managed.

All Directors are required to hold a minimum shareholding in alignment with the Company's policy. All Directors meet that requirement.

6 Executive service agreements

Remuneration and other terms of employment for Executives are formalised in employment agreements. Each of these employment agreements provides for the payment of fixed and performance-based remuneration and employer superannuation contributions. The following outlines the details of these agreements:

Name	Agreement expires	Notice of termination by Company	Employee notice
D. Bailey	No expiry, continuous agreement	12 months (or payment in lieu of notice)	12 weeks
L. Bevan	No expiry, continuous agreement	12 months (or payment in lieu of notice)	12 weeks
L. Pietropiccolo	No expiry, continuous agreement	6 months (or payment in lieu of notice)	6 months

7 Remuneration governance

7.1 Remuneration and Nomination Committee

The Remuneration and Nomination Committee is responsible for ensuring AFG has remuneration strategies and a framework that fairly and responsibly rewards Executives and Non-Executive Directors with regard to performance, the law and corporate governance. The Committee ensures that AFG remuneration policies are directly aligned to business strategy, financial performance and support increased shareholder wealth over the long term.

As at 30 June 2025, the Remuneration and Nomination Committee comprised independent Non-Executive Director Annette King (Chair), and independent Non-Executive Directors Craig Carter, Jane Muirsmith and Greg Medcraft.

Further information on the role of the Remuneration and Nomination Committee is set out in the Committee's Charter available at <https://investors.afgonline.com.au/investor/?page=corporate-governance> and in the Corporate Governance Statement also available on the Company's website.

7.2 Remuneration philosophy

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

The Board embodies the following principles in its remuneration framework:

- Remuneration levels for KMP are set to attract and retain appropriately qualified and experienced Directors and Executives;
- Alignment of Executive reward with shareholder interest and strategy; and
- The relationship between performance, conduct and remuneration of Executives is clear and transparent.

7.3 Use of independent consultants

In performing its role, the Remuneration and Nomination Committee can directly commission and receive information and advice from independent external advisors. The Committee has protocols in place to ensure that any advice and recommendations are provided in an appropriate manner and free from undue influence of management.

No remuneration recommendations (as defined in the Corporations Act) from remuneration consultants were received during the financial period ended 30 June 2025. AFG engaged external consultants during FY25 to provide guidance on AFG's remuneration framework in relation to market data on salary benchmarking, LTI structure and relevant pay practices.

7.4 Policy for dealing in securities

AFG has a policy for dealing in securities to establish best practice procedures that protect AFG, Directors and employees against the misuse of unpublished information that could materially affect the value of AFG securities. Directors, Executives and their connected persons are restricted by trading windows (other than in limited exceptional circumstances).

7.5 Director minimum shareholding policy

AFG has adopted a formal director minimum shareholding policy. All Non-Executive Directors must establish and maintain a minimum level of ownership in AFG shares equal to the base annual Non-Executive Director fees (including superannuation) within the later of 3 years of appointment and the date of adoption of the policy.

All Non-Executive Directors currently meet the minimum shareholding requirements under the policy.

7.6 Remuneration Report approval at 2024 AGM

The 30 June 2024 Remuneration Report was presented to shareholders and was approved at the 2024 Annual General Meeting.

8 Other Transactions and Balances with KMP and their Related Parties

Greenlane Group Pty Ltd (formerly Establish Property Group Ltd) (**Greenlane**) was created as part of the demerger of AFG's property business prior to listing on the ASX on 22 April 2015. Directors of Greenlane include B. McKeon, D. Bailey and L. Bevan.

AFG's head office was located at 100 Havelock Street West Perth during FY25. AFG leases these premises at commercial arm's length rates from an investee of Greenlane, Qube Havelock Street Development Pty Ltd (**Qube**). AFG paid rent of \$1,312k to Qube (2024: \$1,218k) for the head office lease. These payments are not considered to be material to the financial results of the Group and therefore did not impact on Mr B. McKeon's duties as a Director of AFG. On completion of the current lease in early FY26, AFG will be moving head office into the Perth CBD.

End of Audited Remuneration Report

9 Independent Audit of Remuneration Report

The Remuneration Report has been audited by Ernst & Young. Please see page 105 of this Annual Report for Ernst & Young's report on the Remuneration Report.

This Directors' Report, including the Remuneration Report, is signed in accordance with a Resolution of Directors of AFG.



Greg Medcraft
Chair

Perth, Western Australia
26 August 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June

In millions of AUD	Note	2025	2024
Commission revenue and other income	3	911.3	799.2
Securitisation interest income		324.2	278.6
Operating income		1,235.5	1,077.8
Commission and other cost of sales		(832.6)	(726.5)
Securitisation interest expense		(282.9)	(246.6)
Gross profit		120.0	104.7
Other income	4	19.2	17.3
Employee benefits	5	(56.0)	(48.8)
Administration expenses		(6.8)	(7.4)
Depreciation and amortisation		(10.5)	(7.4)
Impairment loss on loans and advances		(0.5)	-
Other expenses	5	(22.8)	(20.5)
Results from operating activities		42.6	37.9
Finance income	6	7.0	7.6
Finance expense	6	(4.1)	(3.7)
Net change in fair value of financial liabilities through profit or loss	20	0.3	-
Share of profit of associates	12	2.9	2.2
Profit before tax		48.7	44.0
Income tax expense	7	(13.3)	(13.5)
Profit for the period		35.4	30.5
Profit attributable to:			
Equity holders of the Company		35.0	29.0
Non-controlling interests		0.4	1.5
		35.4	30.5
Total comprehensive income for the period attributable to:			
Equity holders of the Company		35.0	29.0
Non controlling interests		0.4	1.5
		35.4	30.5
Earnings per share			
Basic earnings per share (cents per share)	22	12.93	10.72
Diluted earnings per share (cents per share)	22	12.69	10.57

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

Consolidated Statement of Financial Position

As at 30 June

In millions of AUD	Note	2025	2024
Assets			
Cash unrestricted	8	63.7	67.4
Cash restricted	8	160.1	154.2
Trade and other receivables	9	15.2	13.0
Current tax receivable	7	-	0.1
Contract assets	10	1,176.2	1,137.3
Loans and advances	11	5,493.7	4,452.4
Investment in associates	12	48.6	39.7
Property, plant and equipment		0.8	0.6
Right-of-use assets	13	3.7	4.7
Intangible assets	14	44.4	46.8
Goodwill	14	61.1	61.1
Total assets		7,067.5	5,977.3
Liabilities			
Trade and other payables	15	1,186.3	1,148.7
Current tax payable	7	2.4	-
Employee benefits	16	7.5	6.8
Provisions	17	2.3	1.6
Contract liabilities	18	6.6	6.5
Lease liabilities	13	4.2	5.1
Interest-bearing liabilities	19	5,612.9	4,565.3
Non-interest-bearing liabilities	20	-	11.8
Deferred tax liability	7	23.2	24.4
Total liabilities		6,845.4	5,770.2
Net assets		222.1	207.1
Equity			
Share capital	21	102.1	102.1
Share-based payment reserve		8.9	7.8
Retained earnings		111.1	96.9
Other reserves		-	(12.4)
Total equity attributable to equity holders of the Company		222.1	194.4
Non-controlling interest		-	12.7
Equity		222.1	207.1

The Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June

In millions of AUD	Share capital	Share-based payment reserve	Other reserves	Retained earnings	Equity attributable to owners of the Company	Non-controlling interest	Total equity
Balance at 1 July 2024	102.1	7.8	(12.4)	96.9	194.4	12.7	207.1
Total comprehensive income for the period							
Profit	-	-	-	35.0	35.0	0.4	35.4
Total comprehensive income for the period	-	-	-	35.0	35.0	0.4	35.4
Transactions with owners, recorded directly in equity							-
Dividends to equity holders	-	-	-	(21.2)	(21.2)	(0.3)	(21.5)
Share-based payment transactions	-	1.1	-	-	1.1	-	1.1
Acquisition of non-controlling interest	-	-	12.4	0.4	12.8	(12.8)	-
Total transactions with owners	-	1.1	12.4	(20.8)	(7.3)	(13.1)	(20.4)
Balance at 30 June 2025	102.1	8.9	-	111.1	222.1	-	222.1
Balance at 1 July 2023	102.1	7.3	(20.2)	89.9	179.1	20.7	199.8
Total comprehensive income for the period							
Profit	-	-	-	29.0	29.0	1.5	30.5
Total comprehensive income for the period	-	-	-	29.0	29.0	1.5	30.5
Transactions with owners, recorded directly in equity							
Dividends to equity holders	-	-	-	(22.0)	(22.0)	(1.7)	(23.7)
Share-based payment transactions	-	0.5	-	-	0.5	-	0.5
Acquisition of non-controlling interest	-	-	7.8	-	7.8	(7.8)	-
Total transactions with owners	-	0.5	7.8	(22.0)	(13.7)	(9.5)	(23.2)
Balance at 30 June 2024	102.1	7.8	(12.4)	96.9	194.4	12.7	207.1

The Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

Consolidated Statement of Cash Flows

For the year ended 30 June

In millions of AUD	Note	2025	2024
Cash flows from operating activities			
Cash receipts from customers		881.8	820.7
Cash paid to suppliers and employees		(871.6)	(794.6)
Interest received		324.3	278.5
Interest paid		(286.6)	(250.2)
Income taxes paid		(12.0)	(15.6)
Net cash generated by operating activities	8	35.9	38.8
Cash flows from investing activities			
Net interest received		7.0	7.6
Acquisition of property, plant and equipment		(1.1)	(0.4)
Purchase of intangible assets		(4.7)	(17.4)
Purchase of interest in subsidiaries and associates	12	(17.6)	(10.2)
Dividends received from associates and joint ventures		0.2	-
Broker loans and advances		0.3	1.3
Net loans and advances (to)/from borrowers		(1,037.8)	32.3
Net cash (used in)/from investing activities		(1,053.7)	13.2
Cash flows from financing activities			
Proceeds from warehouse facility		1,586.7	1,476.1
Repayments of warehouse facility		(1,056.8)	(1,746.0)
Proceeds from securitised funding facilities		1,200.0	1,514.0
Repayments to securitised funding facilities		(690.3)	(1,272.6)
Proceeds from debt facility		10.0	7.5
Repayments of debt facility		(5.3)	(5.3)
Payment of principal proportion of lease liability		(2.8)	(2.6)
Dividends paid to equity holders of the parent	21	(21.2)	(22.0)
Dividends paid to non-controlling interests		(0.3)	(1.7)
Net cash from/(used in) financing activities		1,020.0	(52.6)
Net increase/(decrease) in cash and cash equivalents		2.2	(0.6)
Cash and cash equivalents at the beginning of the period		221.6	222.2
Cash and cash equivalents at the end of the period	8	223.8	221.6

The Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements.

Notes to the Financial Statements

I About this report

The Consolidated Financial Statements for the financial year ended 30 June 2025 comprise Australian Finance Group Ltd (**AFG** or the **Company**), which is a for-profit entity and a Company domiciled in Australia and its subsidiaries (together referred to as **the Group**) and the Group's interest in associates and jointly controlled entities.

The Group's principal activities in the course of the financial year were mortgage origination and lending. The Company's principal place of business is 100 Havelock Street, West Perth, Western Australia.

a. Basis of preparation

The Financial Report was authorised for issue by the Board of Directors on 26 August 2025. The Directors have the power to amend and reissue the Financial Report.

The Financial Report is a general purpose financial report which:

- has been prepared in accordance with the Corporations Act 2001 (Cth), Australian Accounting Standards (**AAS**) as issued by the Australian Accounting Standards Board (**AASB**) and other mandatory financial reporting requirements in Australia;
- complies with International Financial Reporting Standards (**IFRS**) as issued by the IASB;
- is presented in Australian dollars with dollar amounts rounded to the nearest million with one decimal place unless specifically stated to be otherwise, in accordance with ASIC Corporations (rounding in Financial/Directors' Reports) Instrument 2016/191; and
- is prepared on the historical cost basis, except for the following material items:
 - Payables relating to trailing commission are initially measured at fair value and subsequently at amortised cost;
 - Contract assets relating to trailing commission are measured using expected value method; and
 - Financial instruments at fair value through profit or loss are measured at fair value.

The accounting policies have been applied consistently throughout the Group for the purposes of this Financial Report.

b. Summary of material accounting policy information

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of these assets and liabilities recognised in the Financial Statements are described in the following notes:

Notes	Underlying estimates and assumptions	
3	Revenue	Revenue recognition
7	Taxation	Calculation of provision for income tax and recognition of the deferred tax asset
10	Contract assets	Expected value of trail commission income
14	Intangibles	Impairment of non-financial assets
15	Trail commissions payable	Expected value of trail commission expense

c. Changes in accounting policies and disclosures

A number of new and amended accounting standards became mandatorily applicable for the Group for the first time in the current financial year. The adoption of these new and amended standards had no significant impact on the financial position or performance of the Group, or the disclosures included in this Financial Statements.

Accounting standards and interpretations issued but not yet effective

At the date of authorisation of the Financial Statements, the standards and interpretations that were issued but not yet effective, (which have not been early adopted) are listed below. The Group is currently assessing the impact:

Affected standards and interpretations	Application Date	Application date for Group
AASB 2024-2 Amendments to AASs – Classification and Measurement of Financial Instruments	1 January 2026	1 July 2026
AASB 2024-3 Amendments to AASs – Annual Improvements Volume II- Amendments to AASB 7	1 January 2026	1 July 2026
AASB 2024-3 Amendments to AASs – Annual Improvements Volume II- Amendments to AASB 9	1 January 2026	1 July 2026
AASB 2022-9 Amendments to AAS – Insurance Contracts in the Public Sector	1 July 2026	1 July 2026
AASB 18 Presentation and Disclosure in Financial Statements	1 January 2027	1 July 2027
AASB 2014-10 Amendments to AAS – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2028	1 July 2028

2 Segment information

AASB 8 Operating Segments (**AASB 8**) requires operating segments to be identified on the basis of internal reports about business activities in which the Group is engaged and that are regularly received by the chief operating decision maker, the Board of Directors, in order to allocate resources to the segment and to assess its performance.

The Group has three segments: Distribution, Manufacturing and Central.

Distribution

The Distribution segment refers to the aggregation services through AFG and Fintelligence in which these entities act as an aggregator that provides its contracted brokers with administrative and infrastructure support as well as access to a panel of lenders. The Group receives fees and various commissions. The primary two types of commission payments on loans originated through its network, as described below:

- Upfront commission or one-off commissions on settled loans – upfront commissions are received from lenders as a percentage of the total amount borrowed. Once a loan settles, the Group receives a one-off payment linked to the total amount borrowed as an upfront commission, a large portion of which is then paid to the originating broker.
- Trail commissions on the loan book – trail commissions are received from the lenders over the life of the loan (if it is in good order and not in default), as a percentage of the particular loan's outstanding balance. The trail book represents the aggregate of the mortgages outstanding that have been originated by AFG brokers and are generating trail income.

This segment also includes white label AFG Home Loans commissions and earnings from its investments in broking group.

Manufacturing

The Manufacturing segment refers to AFG Securities mortgages (securitised loans issued by AFG Securities Pty Ltd) that are distributed through the Group's broker network. The segment earns fees for services and net interest margin on its securitisation program. The Manufacturing segment also includes AFG's 31.97% investment in Thinktank (Commercial and Residential).

Central

Central includes the cost of various centralised functions which provide services to both the Distribution and Manufacturing segments, including, but not limited to, Information Technology, Finance and Human Resources. Central also includes intercompany transactions between Distribution and Manufacturing segments and predominantly relate to the elimination of broker fees and commissions paid from the Manufacturing business to the Distribution business.

Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Board of Directors.

Year ended 30 June 2025 In millions of AUD	Distribution	Manufacturing	Central	Total
Commission revenue and other income	934.5	6.1	(29.3)	911.3
Securitisation interest income	-	324.2	-	324.2
Operating income	934.5	330.3	(29.3)	1,235.5
Commission and other cost of sales	(844.0)	(17.9)	29.3	(832.6)
Securitisation interest expense	-	(282.9)	-	(282.9)
Gross profit	90.5	29.5	-	120.0
EBITDA	67.9	16.1	(27.8)	56.2
Profit before tax	56.8	20.7	(28.8)	48.7
Income tax expense				(13.3)
Profit after income tax				35.4
Assets and liabilities				
Total segment assets	1,376.3	5,684.6	6.6	7,067.5
Total segment liabilities	1,254.5	5,581.7	9.2	6,845.4
Net assets	121.8	102.9	(2.6)	222.1

Year ended 30 June 2024 In millions of AUD	Distribution	Manufacturing	Central	Total
Commission revenue and other income	814.3	5.3	(20.4)	799.2
Securitisation interest income	-	278.6	-	278.6
Operating income	814.3	283.9	(20.4)	1,077.8
Commission and other cost of sales	(732.7)	(14.9)	21.1	(726.5)
Securitisation interest expense	-	(246.6)	-	(246.6)
Gross profit	81.6	22.4	0.7	104.7
EBITDA	61.6	10.5	(24.7)	47.4
Profit before tax	54.1	15.5	(25.6)	44.0
Income tax expense				(13.5)
Profit after income tax				30.5
Assets and liabilities				
Total segment assets	1,335.6	4,634.2	7.5	5,977.3
Total segment liabilities	1,224.2	4,540.0	6.0	5,770.2
Net assets	111.4	94.2	1.5	207.1

3 Commissions and other income

In millions of AUD	2025	2024
Timing of revenue recognition		
<i>At a point in time</i>		
Commission income	815.0	704.1
Securitisation transaction fees	4.2	3.7
<i>Over time</i>		
Interest on commission income receivable	81.1	80.8
Mortgage management services	0.3	0.3
Securitisation transaction fees	1.6	1.4
Subscription income	8.6	7.2
Other income	0.5	1.7
Total commissions and other income	911.3	799.2

Revenue from contracts with customers

The Group recognises commission and other income as revenue from contracts with customers in accordance with AASB 15 Revenue from Contracts with Customers. The standard has introduced a single principle based five-step recognition measurement model for revenue recognition:

- Identifying the contract with a customer
- Identifying the separate performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations Recognising revenue when or as performance obligations are satisfied.

Income is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers. The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the Consolidated Statement of Financial Position. Similarly, if the Group performs a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its Consolidated Statement of Financial Position, depending on whether something other than the passage of time is required before the consideration is due. In relation to the Group the contract asset is recognised to account for the revenue in relation to the satisfaction of a performance obligation.

The Group's significant income streams under AASB 15 include:

- Commissions – origination and trail commissions and associated interest income to account for the time value of money
- Other income – sponsorship income and fees for services

The Group often enters into transactions that will give rise to different streams of income. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Commissions – origination and trail commissions

The Group provides loan origination services and receives origination commission on the settlement of loans. Additionally, the lender normally pays a trailing commission over the life of the loan.

Commission income is recognised as follows:

- Origination commissions: origination commissions on loans other than those originated by the Group are recognised upon the loans being settled and receipt of commission net of clawbacks. Commissions may be clawed back by lenders in accordance with individual contracts. These potential clawbacks are estimated and recognised at the same time as origination commission and included in origination commission revenue.
- Trailing commissions: the Group receives trail commissions from lenders on settled loans over the life of the loan based on the loan balance outstanding. The Group also makes trail commission payments to brokers when trail commission is received from lenders. The future trail commission receivable is recognised upfront as a contract asset. Trailing commissions include revenue on Residential, Commercial and AFG Home Loans (AFGHL) white label trail books.
- Interest income: this is the financing component of the trail commission contract asset which brings into consideration the time value of money.

Payment for upfront commissions and fees for services are all typically due within 30 days of satisfying performance obligations.

Under AASB 15, income is recognised when the Group satisfies performance obligations by transferring the promised services to its customers. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

The table illustrates a summary of the impact of AASB 15 on the Group's significant income from contracts with customers.

"Point in time" or "Over time"	Types of Service	Nature and timing of satisfaction of performance obligations	Revenue recognition policy under AASB 15
Point in time	Commissions – origination commissions	At the point in time when the loan is settled with the lender.	The Group recognises income at the point in time when the loan is settled with the lender. The transaction price is adjusted for any expected clawbacks.
Point in time	Commissions – trail commissions	At the point in time when the loan is settled with the lender	The Group recognises this income at the point in time, when the loan is settled with the lender. On Initial recognition a contract asset is recognised, representing Managements' estimate of the variable consideration to be received. The Group uses the "expected value" method of estimating the variable consideration, which includes significant financing component, by recalculating the net present value (NPV) of the estimated future cash flows at the original effective interest rate.
Over time	Interest income – discount unwind on the NPV trail commission contract asset	Income arising from the discount rate applied to the trail commission contract asset.	Interest income from the unwinding of the discount rate on the trail commission contract asset is recognised over time.
Over time	Subscription income	The performance obligation is to provide access to the platform for which the subscription is purchased. The income is recognised evenly over the service period, being the subscription period.	Subscription income is recognised evenly over the service period, being the subscription period.

Securitisation interest income and expense

Interest income is the key component of this income stream and it is recognised using the effective interest method in accordance with AASB 9. The effective interest rate is equivalent to the rate that effectively discounts estimated future cash flows throughout the estimated life to the net carrying value of the loan. Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost.

For financial assets other than purchased or originated credit impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. For financial assets other than purchased or originated credit impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument. Where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

For purchased or originated credit impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition. If, in subsequent reporting periods, the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Acquisition costs relating to trail commission to brokers are spread across the estimated life of the loan using the effective interest method.

Significant judgements and estimates

Trail commissions

The Group applies the AASB 15 variable consideration guidance to the measurement of the contract asset. On initial recognition, the Group recognises a contract asset which represents Management's estimate of the variable consideration to be received from lenders on settled loans. The Group uses the 'expected value' method of estimating variable consideration which requires significant judgement, it is highly probable that there is no significant reversal.

A corresponding expense and payable is also recognised, initially measured at fair value being the net present value of expected future trailing commission payable to brokers and subsequently measured at amortised cost.

The value of trail commission receivable from lenders and the corresponding payable to brokers is determined by using a discounted cash flow valuation to determine the expected value. These calculations require the use of assumptions which are determined by management using a variety of inputs including external actuarial analysis of historical information. Key assumptions underlying the calculation include the average loan life, discount rate and the percentage paid to brokers. Refer to Note 24 for details on these key assumptions.

4 Other income

In millions of AUD	2025	2024
Timing of revenue recognition		
<i>At a point in time</i>		
Sponsorship and incentive income	6.8	5.4
Performance bonus income	0.4	0.3
<i>Over time</i>		
Professional indemnity insurance	2.0	1.6
Fees for services	8.6	8.0
Other	1.4	2.0
Total other income	19.2	17.3

Sponsorship income is the income received in advance from sponsorship payment arrangements with lenders. Funds are received in advance and initially recognised as contract liability. Revenue is recognised at a point in time when the sponsored event has occurred.

Professional indemnity insurance is the income generated from professional indemnity insurance cover. AFG purchases a third-party professional indemnity insurance policy for which it pays a premium and offers AFG's brokers the option to be included under AFG's policy cover. If this offer is taken up, brokers will be charged a fee. This revenue is recognised over time.

Fees for services relates to providing marketing, compliance and administration services to the brokers. This revenue is recognised with reference to the stage of completion for the contract of services.

5 Other expenses and employee costs

a. Employee benefits

In millions of AUD	2025	2024
Wages and salaries	42.0	38.3
Other associated personnel expenses	8.0	5.0
Share-based payment transactions	1.1	1.1
Superannuation	4.9	4.4
Total employee costs	56.0	48.8

b. Other expenses

In millions of AUD	2025	2024
Information technology	9.6	11.4
Advertising and promotion	5.8	4.7
Consultancy and professional fees	5.8	3.9
Occupancy costs	1.6	0.5
Total other expenses	22.8	20.5

6 Finance income and expenses

In millions of AUD	2025	2024
Interest income on broker loans and receivables	-	0.1
Interest income on cash and cash equivalents	7.0	7.5
Finance income	7.0	7.6
Interest expense on debt facility	(3.9)	(3.6)
Interest expense on lease liability	(0.2)	(0.1)
Finance expense	(4.1)	(3.7)

Finance income comprises interest income on funds invested and foreign currency gains. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest payable on borrowings.

7 Income tax

a. Current tax expense

In millions of AUD	2025	2024
Income tax recognised in profit or loss		
Current tax expense		
Current period	14.7	13.3
Adjustments in respect of current income tax of previous year	(0.2)	(0.8)
Deferred tax expense		
Origination and reversal of temporary differences	(1.4)	(0.6)
Adjustments for deferred tax of prior periods	0.2	1.6
Income tax expense reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	13.3	13.5

Numerical reconciliation between tax expense and pre-tax accounting profit

In millions of AUD	2025	2024
Profit before tax	48.7	44.0
Income tax using the Company's domestic tax rate of 30% (2024: 30%)	14.6	13.2
Share of results of associates and joint ventures	(0.9)	(0.7)
Share based payments	0.4	0.1
Adjustments in respect of previous years	-	0.8
Other non-assessable or non-deductible items	(0.8)	0.1
	13.3	13.5

b. Current tax assets and liabilities

The current tax payable for the Group of \$2.4m (2024: current tax receivable \$0.1m) represents the amount of income taxes receivable/payable in respect of current and prior financial years.

c. Deferred tax balances

Deferred tax assets and liabilities are attributable to the following:

In millions of AUD	2025	2024
Property, plant and equipment and intangibles	6.9	5.9
Commissions and other receivables	(1.1)	(1.1)
Contract asset	343.5	332.3
Employee benefits	(1.9)	(1.5)
Trade and other payables	(322.2)	(310.4)
Lease liability	(1.3)	(0.2)
Other items	(0.7)	(0.6)
Tax (assets)/liabilities	23.2	24.4
Set off of tax	-	-
Net deferred tax (assets)/liabilities	23.2	24.4

Income tax expense

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is generally provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised where Management consider that it is probable that future taxable profits will be available to utilise those temporary differences. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the profit or loss.

Tax consolidation

The Company and its wholly-owned Australian resident entities have formed a tax consolidated group with effect from 1 July 2004 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is the Company.

Current tax expenses, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate Financial Statements of the members of the tax-consolidated group using the 'group allocation' approach by reference to the carrying amounts of assets and liabilities in the separate Financial Statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries is assumed by the head entity in the tax-consolidated group and are recognised by the Company as amounts payable to/(receivable from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts. Any difference between these amounts is recognised by the Company as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised. Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

Nature of tax funding arrangements and tax sharing arrangements

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payable to/(receivable from) the head entity equal to the current tax liability/(asset) assumed by the head entity and any tax loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an intra-group receivable/(payable) equal in amount to the tax liability/(asset) assumed. The inter-entity receivables/(payables) are at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The head entity in conjunction with other members of the tax-consolidated group has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the Financial Statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

Significant judgements and estimates

The Group's accounting for taxation requires Management's judgement in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the Consolidated Statement of Financial Position. Deferred tax assets, including those arising from unutilised tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits depend on Management's estimates of future cash flows. These depend on estimates of future income, operating costs, capital expenditure, dividends and other capital management transactions. Judgements and assumptions are also required about the application of income tax legislation. These judgments and assumptions are subject to risk uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the Consolidated Statement of Financial Position and the amount of other tax losses and temporary differences not yet recognised.

In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

8 Notes to the cash flow statement

a. Cash and cash equivalents

In millions of AUD	2025	2024
Cash at bank	63.7	66.2
Short term deposits	-	1.2
Unrestricted cash	63.7	67.4
Cash collections accounts ¹	144.1	149.5
Restricted cash ²	16.0	4.7
Restricted cash	160.1	154.2
Cash and cash equivalents	223.8	221.6

1 Discloses amounts held in the special purpose securitised trusts on behalf of the warehouse funder and the bondholders.

2 Discloses cash collateralised standby letter of credit, liquidity reserve account and cash provided in trust by the warehouse providers to fund pending settlements.

The effective interest rate on short term deposits in 2025 was 4.93% (2024: 4.75%). The deposits had an average maturity of 71 days (2024: 73 days).

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 24.

Cash and short-term deposits

Cash and short-term deposits comprise of cash at bank, short term deposits with a maturity of three months or less from date of origination, as well as restricted cash such as proceeds and collections in the Special Purpose Entities (SPE) accounts which are not available to the shareholders.

b. Reconciliation of cash flows from operating activities

In millions of AUD	2025	2024
Cash flows from operating activities		
Profit for the period	35.4	30.5
<i>Adjustments to reconcile the profit to net cash flows:</i>		
Income tax expense	13.3	13.5
Depreciation and amortisation	10.5	7.4
Interest on leases	0.3	0.3
Term out cost amortisation	3.1	0.6
Net interest income from investing activities	(7.0)	(7.7)
Expense recognised in respect of equity-settled share-based payments	1.1	1.1
Share of profit in associates	(2.9)	(2.2)
Present value of future trail commission income	(38.9)	2.2
Present value of future trail commission expense	42.6	3.4
Provision for impairment loss on loans and advances	0.5	-
Change in fair value of non-interest-bearing liabilities	(0.3)	-
	57.7	49.1
In millions of AUD	2025	2024
<i>Changes in operating assets and liabilities:</i>		
(Increase)/decrease in receivables and prepayments	(5.3)	4.4
(Decrease)/increase in trade and other payables	(4.7)	-
Increase/(decrease) in contract liability	0.1	0.8
Increase/(decrease) in employee entitlements	0.6	0.5
(Decrease)/increase in provisions	(0.5)	(0.4)
Cash generated from operations	47.9	54.4
Income tax paid	(12.0)	(15.6)
Net cash generated by operating activities	35.9	38.8

9 Trade and other receivables

In millions of AUD	2025	2024
Trade and other receivables	2.2	3.6
Other receivables	2.5	1.2
Accrued income	5.3	1.4
<i>Total financial assets classified at amortised cost</i>	10.0	6.2
Prepayments	5.2	6.8
Trade and other receivables	15.2	13.0

Trade and other receivables from other customers are rare given the nature of the Group's business. The Group has assessed its history of losses as well as performing a forward-looking assessment, both of which have not resulted in any historical or expected material forward-looking losses.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments.

10 Contract assets

In millions of AUD	2025	2024
Current		
Net present value of future trail commissions contract asset	277.2	258.0
Non-current		
Net present value of future trail commissions contract asset	899.0	879.3
	1,176.2	1,137.3

The Group's contract assets, primarily comprising trail commissions receivable from high credit quality financial institutions within AFG's lender panel, are subject to commercial due diligence prior to panel admission. The Group assumes the risk of non-payment of future trail commissions in the event of a lender's insolvency. The Group is not obligated to disburse future trail commissions to brokers should a lender fail to meet its debtor obligations. Historically, no credit losses have been incurred, including during the global financial crisis, and the ECL remains immaterial based on forward-looking assessments.

The Group's exposure to credit risks and impairment losses related to contract assets are disclosed in Note 24.

11 Loans and advances

In millions of AUD	2025	2024
Current		
Securitised assets ¹	1,657.0	1,736.7
Other secured loans ²	0.1	0.2
	1,657.1	1,736.9
Non-current		
Securitised assets ¹	3,840.2	2,718.5
Other secured loans ²	0.1	0.3
Less: Provision for expected credit loss ³	(3.7)	(3.3)
	3,836.6	2,715.5
Total loans and advances	5,493.7	4,452.4

1 The originated mortgage loans and securitised assets are held as security for the various debt interests in the special purpose securitised trusts and series

2 Other secured loans include loans and advances to brokers secured over future trail commissions payable to the broker and in some cases personal guarantees. Interest is charged on average at 13.36% p.a. (2024: 13.54% p.a.)

3 Refer to Note 24 for a reconciliation of opening and closing expected credit losses on loans and advances including movements between credit risk stages

During the financial year, new loans issued in the Group's securitisation program were \$2,706.6m (2024: \$1,636.5m). The Group's exposure to credit, currency and interest rate risks related to loans and advances is disclosed in Note 24.

Initial recognition and measurement

The Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement of financial assets at amortised cost

A financial asset is measured at amortised cost if it meets the following conditions:

- The amount at which the financial asset is measured at initial recognition
- Less the principal repayments
- Plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount
- Add for any loss allowance.

Interest income, foreign exchange gains and losses, and impairment are recognised in profit and loss.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. When assessing whether or not to derecognise an asset, the entity considers whether there has been a change in counterparty and whether there has been a substantial modification to the terms of the arrangement. If the modification does not result in cashflows that are substantially different, the modification does not result in derecognition however, the modification will result in a gain/loss recognised in profit and loss.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss within impairment expense.

12 Investment in associates

In millions of AUD	2025	2024
Non-current		
Thinktank		
Balance at beginning of financial year ¹	36.4	34.3
Current year share of profit	2.6	2.1
Dividends received	-	-
	39.0	36.4
Other broker related investments		
Balance at beginning of financial year ¹	9.5	3.2
Current year share of profit	0.3	0.1
Dividends received	(0.2)	-
	9.6	3.3
Total investment in associates	48.6	39.7

¹ Includes transaction costs

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Investments in associates are accounted for using the equity method (equity accounted investments) and are initially recognised at cost. The cost of the investment includes transaction costs.

The Consolidated Financial Statements include the Group's share of the profit or loss and other comprehensive income of the investee, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

Thinktank Investment

AFG holds a 31.97% (30 June 2024: 31.99%) investment in Thinktank Group Pty Ltd (**Thinktank**). Principal place of business, Sydney, NSW, Australia. In connection with the investment, AFG distributes an AFGHL white label commercial property product through its network of brokers. The strategic investment in Thinktank represents an opportunity for AFG to diversify its earnings base. The ongoing success of AFGHL are important contributors to the future growth of AFG. The investment in Thinktank allows AFG to participate further in residential and commercial property lending - both directly through the white label opportunity and indirectly through AFG's shareholding to generate further earnings for AFG.

Other broker related investments

AFG holds a 48.05% investment in MAB Broker Services Pty Ltd (**MAB**).

During the year ended 30 June 2025, the Group acquired interests in two broker businesses within its network – Lifespan Pty Ltd (**Lifespan**) and Empower Wealth Mortgage Advisory Pty Ltd (**Empower**).

The Group's investment in associates ownership at balance date is as follows:

Name	Country of residence	Principal place of business	2025 Percentage ownership	2024
Thinktank Group Pty Ltd	Australia	Sydney, NSW	31.97	31.99
MAB Broker Services Pty Ltd	Australia	Sydney, NSW	48.05	48.05
Lifespan Pty Ltd	Australia	Perth, WA	30.00	-
Empower Wealth Mortgage Advisory Pty Ltd	Australia	Melbourne, VIC	20.00	-

In millions of AUD	2025	2024
Thinktank's summarised financial information		
Balance Sheet		
Current assets	449.5	351.0
Non-current assets	6,936.8	5,833.6
Total assets	7,386.3	6,184.6
Current liabilities	4,000.8	51.1
Non-current liabilities	3,295.5	6,051.6
Total liabilities	7,296.3	6,102.7
Net assets	90.0	81.9
Group's share in equity	28.7	26.1
Implied Goodwill	10.3	10.3
Total investment in associate	39.0	36.4
Income Statement		
Revenue	550.0	437.0
Profit after tax	8.2	6.7
Group's share of profit in Thinktank	2.6	2.1

13 Leases

The Group leases a number of office facilities under operating leases. The leases run for a period of up to 5 years, with an option to renew the lease after that date. Lease payments are generally increased every year to at least reflect Consumer Price Index movements, with regular adjustments to reflect market rentals.

Right of use assets <i>In millions of AUD</i>	2025	2024
At 1 July	4.7	6.5
Additions	0.7	0.3
Depreciation	(1.7)	(2.1)
Carrying amount at 30 June	3.7	4.7

Lease liability <i>In millions of AUD</i>	2025	2024
At 1 July	5.1	7.0
Additions	1.3	0.3
Repayments	(2.5)	(2.5)
Accretion of interest	0.3	0.3
Carrying amount at 30 June	4.2	5.1

In millions of AUD	2025	2024
Current	1.3	2.0
Non-current	2.9	3.1
Carrying amount at 30 June	4.2	5.1

The table below presents the contractual discounted cash flows associated with the Group's lease liabilities, representing principal and interest.

Maturity profile of lease liabilities <i>In millions of AUD</i>	2025	2024
Due for payment in:		
1 year or less	1.3	2.0
1-2 years	1.0	1.0
2-3 years	0.9	0.8
3-4 years	0.9	0.7
4-5 years	0.1	0.6
More than 5 years	-	-
	4.2	5.1

Recognition and measurement

When a contract is entered into, the Group assesses whether the contract contains a lease. A lease arises when the Group has the right to direct the use of an identified asset which is not substitutable and to obtain substantially all economic benefits from the use of the asset throughout the period of use. The leases recognised by the Group relate to office spaces.

Right-of-use assets (ROU)

The Group recognises ROU assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. ROU assets are subject to impairment testing as part of the CGU when indicators of impairment are present.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

14 Intangible assets and goodwill

In millions of AUD	Customer related intangibles	Software – internally generated	Software – acquired	Other intangibles	Goodwill	Total
Balance at 1 July 2024	11.3	32.8	2.7	-	61.1	107.9
Additions	-	5.5	-	-	-	5.5
Amortisation	(2.2)	(4.8)	(0.9)	-	-	(7.9)
Balance at 30 June 2025	9.1	33.5	1.8	-	61.1	105.5
Balance at 1 July 2023	13.5	17.0	3.6	0.1	61.1	95.3
Additions	-	17.4	-	-	-	17.4
Amortisation	(2.2)	(1.6)	(0.9)	(0.1)	-	(4.8)
Balance at 30 June 2024	11.3	32.8	2.7	-	61.1	107.9
Amortisation policy – straight line over useful life (years)	8	2.5 - 8	3.8 - 8			

1 Additions refer to the software acquisitions classified as work in progress. At the end of the year, the total value of work in progress was \$1.6m (2024: \$25.9m).

Customer related intangibles

Customer relationship intangibles acquired as part of a business combination are recognised separately from goodwill. The customer relationships are carried at fair value at the date of acquisition less accumulated amortisation and impairment losses.

Software – internally generated

Software development costs are recognised as an expense when incurred, except to the extent that such costs, together with previous unamortised deferred costs in relation to that project, are expected to provide future economic benefits and to the extent that the Group has control over these assets.

Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are arrangements in which the Group does not currently control the underlying software used in the arrangement.

Where costs incurred to configure or customise SaaS arrangements result in the creation of a resource which is identifiable, and where the company has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible software asset and amortised over the useful life of the software on a straight-line basis. The amortisation is reviewed at least at the end of each reporting period and any changes are treated as changes in accounting estimates.

Where costs incurred to configure or customise do not result in the recognition of an intangible software asset, then those costs that provide the Group with a distinct service (in addition to the SaaS access) are recognised as expenses when the supplier provides the services. When such costs incurred do not provide a distinct service, the costs are recognised as expenses over the duration of the SaaS contract.

Goodwill

Goodwill arising in a business combination represents the excess of the consideration transferred over the fair value of the identifiable net assets acquired and liabilities assumed. All business combinations are accounted for by applying the acquisition method. Any contingent consideration is recognised at fair value at the acquisition date. Negative goodwill arising on an acquisition is recognised directly in the income statement. Goodwill is not amortised, and is stated at cost less any accumulated impairment losses. Any impairment losses recognised against goodwill cannot be reversed.

Goodwill relates to the acquisition of Fintelligence and BrokerEngine which occurred in the financial year ended 30 June 2022. Goodwill is calculated as the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed.

Impairment testing

In accordance with the Group's accounting policy, goodwill and indefinite life intangible assets are tested for impairment annually at 30 June each year, or whenever there is an indicator of impairment. At each financial position date, in addition to goodwill, all non-current assets are reviewed for impairment if events or changes in circumstances indicate they may be impaired. When an indicator of impairment exists, the Group makes an assessment of the recoverable amount. An impairment charge is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is determined for an individual asset, unless the asset's recoverable value cannot be estimated as it does not generate cash inflows that are largely independent of those from other assets or group of assets. In this case, the recoverable amount is determined for the Cash Generating Unit (CGU), being assets grouped at the lowest levels for which there are separately identifiable cash flows

Previously impaired assets (excluding goodwill) are reviewed for possible reversal of previous impairment at each reporting date. Impairment reversal cannot exceed the carrying amount that would have been determined (net of depreciation/amortisation) had no impairment charge been recognised for the asset or CGU. Such reversal is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. There were no reversals of impairment in the current or prior year.

The carrying amount has been assessed against the recoverable amount of the Distribution CGU. The acquisition of both Fintelligence and BrokerEngine are critical parts of the AFG Distribution proposition. This is the segment that these businesses align with from an operational point of view.

The recoverable amount has been determined based on a value in use calculation using 5-year financial forecasts. A post tax discount rate of 12.5% (2024: 12.8%) applied to cash flow projections and cash flows beyond the five-year period are extrapolated using a 2.0% growth rate (2024: 2.0%). It was concluded that the carrying value did not exceed the recoverable value and there is large headroom that exists and no reasonably possible change in key assumptions would lead to an impairment. As a result, there was no impairment charge for the year ended 30 June 2025 (2024: nil).

Key assumptions used in the value in use calculations and sensitivity to changes in assumptions.

- Risk-weighted pre-tax discount rate
- Forecast cash flows
- Long term growth rate

15 Trade and other payables

In millions of AUD	2025	2024
Current		
Present value of future trail commissions payable	255.9	236.5
Trade payables	75.8	90.3
Non-trade payables and accrued expenses	21.1	11.7
	352.8	338.5
Non-current		
Net present value of future trail commissions payable	833.5	810.2
	833.5	810.2
Total trade and other payables	1,186.3	1,148.7

Trade and other payables are non-interest-bearing and are normally settled on 60-day terms. The Group's exposure to liquidity risk related to trade and other payables is disclosed in Note 24.

Trail commissions payable

The Group pays trail commissions to brokers. This is initially measured at expected value being the net present value of expected future trailing commission payable to brokers.

The trail commissions payable to brokers is determined by using a discounted cash flow valuation. These calculations require the use of assumptions which are determined by management using a variety of inputs including external actuarial analysis of historical run-off information. Refer to Note 24 for details on the key assumptions.

Trade and other payables

All trade and other payables have a remaining life of less than one year and the notional amount is deemed to reflect the fair value.

16 Employee benefits

In millions of AUD	2025	2024
Current		
Salaries and wages	3.1	2.2
Liability for annual leave	2.0	2.3
Liability for long service leave	2.2	2.0
	7.3	6.5
Non-current		
Liability for long-service leave	0.2	0.3
	0.2	0.3
Total employee benefits	7.5	6.8

Long-term employee benefits

The Group's liability in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. Consideration is given to the expected future wage and salary levels, and periods of service. The discount rate is the yield at the reporting date on government and high-quality corporate bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency as the Group's functional currency.

Short-term benefits

A liability is recognised for employee benefits such as wages, salaries and annual leave if the Group has present obligations resulting from employees' services provided to reporting date. Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term and long-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

17 Provisions

In millions of AUD	2025	2024
Provision for clawbacks ¹	0.4	0.9
Provision for make good	1.9	0.7
	2.3	1.6

¹ Provision for clawbacks relates to commissions that may be clawed back by lenders in accordance with individual contracts. These potential clawbacks are estimates and a provision raised.

Initial recognition and measurement

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting expected future cash flows at a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Provision for clawbacks on settlements within the period are raised on both commission received and commission payable. Clawbacks will be remeasured each reporting period. Provision for clawbacks relates to commissions that may be clawed back by lenders in accordance with individual contracts. These potential clawbacks are estimated and a provision raised.

18 Contract liability

In millions of AUD	2025	2024
Sponsorship income	6.3	6.2
Unearned income	0.3	0.3
	6.6	6.5

19 Interest-bearing liabilities

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate risk, see Note 24.

In millions of AUD	2025	2024
Current		
Securitisation warehouse facilities	1,910.0	1,380.2
Securitised funding facilities ¹	799.2	975.9
Debt facility ²	15.5	5.1
	2,724.7	2,361.2
Non-current		
Securitisation warehouse facilities	984.0	632.4
Securitised funding facilities ¹	1,867.8	1,530.1
Debt facility ²	36.4	41.6
	2,888.2	2,204.1
Total interest-bearing liabilities	5,612.9	4,565.3

1 Securitised funding facilities include Residential Mortgage-Backed Securities (RMBS) and risk retention facilities.

2 Corporate debt facility used to fund the Fintelligence acquisition, and a working capital facility.

Initial recognition and measurement

Financial liabilities within the scope of AASB 9 are classified as financial liabilities at fair value through profit or loss, or loans and borrowings at amortised cost. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value, in the case of loans and borrowings at amortised cost, net of directly attributable transactions. The Group initially recognises financial liabilities on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group's non-derivative financial liabilities include interest-bearing liabilities and trade and other payables.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset and subsequently amortised over the life of that asset. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the profit or loss using the effective interest method.

Subsequent measurement

Subsequent to initial recognition, the interest-bearing loans and borrowings are measured at amortised cost using the effective interest rate method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in respect of the carrying amounts is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The Group considers a modification substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent.

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

In millions of AUD	2025				2024			
	Weighted Average Effective interest rate	Year of maturity	Face value	Carrying amount	Weighted Average Effective interest rate	Year of maturity	Face value	Carrying amount
Warehouse facilities	5.49%	2025-2027	2,893.7	2,894.0	5.99%	2024-2026	2,043.3	2,012.6
Securitised funding facilities	5.67%	2025-2028	2,671.0	2,667.0	5.63%	2024-2027	2,512.6	2,506.0
Debt facility	2.75% + BBSW	2025-2027	51.9	51.9	2.75% + BBSW	2024-2026	46.7	46.7
			5,616.6	5,612.9			4,602.6	4,565.3

a. Warehouse and Securitised funding facilities

i. Warehouse facilities

The warehouse facilities provide funding for the financing of loans and advances to customers within the SPE and its Series.

The security for advances under these facilities is a combination of fixed and floating charges over all assets of the SPE being loans and advances to customers. If the warehouse facility is not renewed or should there be a default by the trustee under the existing terms and conditions, the warehouse facility funder will not have a right of recourse against the remainder of the Group.

Customer loans and advances are secured against residential properties only. Up until 1 July 2014, all new loans settled irrespective of their loan to value ratio (**LVR**) were covered by a separate individual lenders mortgage insurance contract. Subsequent to this date, all new loans settled with an LVR of less than or equal to 80% were settled on the basis that no lenders mortgage insurance policy was required. When purchased, a lenders mortgage insurance contract covers 100% of the principal of the loan.

As at the reporting date the unutilised securitisation warehouse facility for all Series is \$658.4m (2024: \$433.8m).

The interest is recognised at an effective rate of 5.49% (2024: 5.99%). As at the reporting date we have four securitisation warehouse facilities, expiring on 10 October 2025, 12 November 2025, 13 April 2026 and 10 June 2026.

ii. Securitised funding facilities

Secured bond issues

SPE-RMBS were established to provide funding for loans and advances (securitised assets) originated by AFG Securities Pty Ltd. The bond issues have a legal final maturity of 31.5 years from issue, and a weighted average life of up to 5 years. The security for loans and advances is a combination of fixed and floating charges over all assets of the SPE-RMBS.

Under the current trust terms, a default by the borrowing customer will not result in the bondholders having a right of recourse against the Group (as Originator, Trust Manager or Servicer). The interest is recognised at a weighted effective rate of 5.67% (2024: 5.63%).

Liquidity facility

Various mechanisms have been put in place to support liquidity within the transaction to support timely payment of interest, including;

- principal draws (the ability to allocate principal collections to meet interest payments and trust expenses)
- redraw notes for redraws that cannot be covered by normal collections (available principal)
- a liquidity facility being 1% of the aggregated invested amount of all notes at that time
- \$150k reserve account which is an extraordinary expense ledger account
- available income

Additional credit support includes subordinated credit enhancement held by the Company of \$7.4m (2024: \$3.0m). During the financial year there were no breaches to the terms of the SPE-RMBS that gave right to the bondholders to demand payment of the outstanding value.

Other Securitised funding facilities

Securitised funding facilities are secured only on the assets of each of the individual securitisation trusts. As at the reporting date we have two other securitised funding facilities, provided for the purpose of funding the purchase of Notes in our RMBS issues to meet requirements under the Risk Retention rules (European Union, United Kingdom and Japanese Regulations). These facilities are also supported by a guarantee provided by AFG Securities Pty Ltd. Total funding provided in financial year ended 30 June 2025 was \$108.6m (2024: \$125.5m).

b. Debt facility

The Group entered into a debt facility agreement with National Australia Bank Ltd on 20 December 2021. The facility was used to fund the Fintelligence 70% acquisition and fund further acquisitions. The loan is for a period of 5 years. The interest rate on the loan is 2.75% + BBSW. A further \$10m working capital facility was utilised during the period.

c. Other finance facilities

In millions of AUD	2025	2024
Standby facility	0.3	0.3
Bank guarantee facility	0.4	0.5
Working capital facility	20.0	12.5
	20.7	13.3
Facilities utilised at reporting date		
Standby facility	0.1	0.1
Bank guarantee facility	0.4	0.5
Working capital facility (included in debt facility above)	10.0	-
	10.5	0.6
Facilities not utilised at reporting date		
Standby facility	0.2	0.2
Working capital facility	10.0	12.5
	10.2	12.7

The facilities are subject to annual review.

20 Non-interest bearing liabilities

In millions of AUD	2025	2024
Put/Call liability Fintelligence	-	11.8
	-	11.8

On 22 December 2021, the Group acquired a 75% stake in leading asset finance aggregator, National Finance Alliance Pty Ltd, trading as Fintelligence. AFG had an exclusive call option to acquire the remaining 25% interest in Fintelligence over the following two and a half years with value linked to Fintelligence achieving agreed milestones. The minority shareholders also had a similar put option to require AFG to purchase the remaining 25% interest in Fintelligence on the same terms as the call option.

The put and call option to acquire the remaining 25% of the business was exercisable evenly across FY23, FY24 and FY25 and was subject to a valuation matrix based on profitability and broker numbers. FY23 option was exercised during FY24 and the Group acquired an additional 8.33% holding in Fintelligence. FY24 and FY25 options were exercised in the first half of FY25, which resulted in the Group's interest in Fintelligence increasing to 100%, and the settlement of the put/call liability. As a result of the revaluation of the put/call liability, a gain of \$0.3 million was recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

21 Capital and reserves

a. Share capital

The Company	Share Capital (\$'m)		Number of Ordinary shares (m)	
	2025	2024	2025	2024
On issue at 1 July	102.1	102.1	270.8	270.3
Issued for cash	-	-	-	0.5
On issue at 30 June – fully paid	102.1	102.1	270.8	270.8

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity at the time of issuance, net of any related income tax benefit.

The Company does not have authorised capital or par value in respect of its issued shares. all issued shares are fully paid and rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Repurchase of share capital

When share capital recognised as equity is repurchased the amount of consideration paid, including directly attributable costs, is recognised as a reduction in equity.

b. Dividends

	Cents per share	Total amount (\$'m)	Franked	Date of payment
2025				
Final 2024 ordinary	4.0	10.9	100%	11/10/2024
1st interim 2025 ordinary	3.8	10.3	100%	09/04/2025
		21.2		
2024				
Final 2023 ordinary	4.1	11.1	100%	22/09/2023
1st interim 2024 ordinary	4.0	10.9	100%	25/03/2024
		22.0		

	Cents per share	Total amount (\$'m)	Franked	Date of payment
2025				
Final 2025 ordinary	5.3	14.3	100%	08/10/2025
		14.3		

Dividends declared or paid during the year or after 30 June 2025 were franked at the rate of 30%.

Dividends are recognised as a liability in the period in which they are declared.

The ability to utilise the franking credits is dependent upon the ability to declare dividends. In accordance with the tax consolidation legislation the Company as the head entity in the tax-consolidated group has also assumed the benefit of the franking credits.

22 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of Australian Finance Group Ltd by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to ordinary equity holders of Australian Finance Group Ltd by the weighted average number of ordinary shares during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects in the income and share data used in the basic and dilutive EPS computations:

	2025	2024
Profit attributable to ordinary equity holders of the Company (\$m)	35.0	29.0
	Millions	Millions
Weighted average number of ordinary shares for basic EPS	270.8	270.3
Effect of dilution: Performance rights	5.0	3.8
Weighted average number of ordinary shares adjusted for the effect of dilution	275.8	274.1

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these Financial Statements.

23 Share based payments

Executive Rights Plan (Long-Term Incentive Plan)

The Group has in place an Executive Long-Term Incentive Plan (**LTIP**) which grants rights, settled in equity, to certain Executives, subject to the achievement of performance and service requirements. Eligible Executives are granted rights to a value determined by the Board that is benchmarked against direct industry peers and other Australian listed companies of a similar size and complexity. Executives participating in the LTIP will not be required to make any payment for the acquisition of rights.

The LTIP operates in accordance with the terms of the Australian Finance Group Ltd Employee Share Trust Deed, under which the trustee may subscribe for, or acquire, deliver, allocate or hold, shares for the benefit of the participants. Participants will be able to access the relevant taxation concessions available under the Income Tax Assessment Act 1997 (ITAA 1997).

The rights lapse (are forfeited) if the performance and service criteria are not met. The rights are subject to TSR and EPS performance hurdles in addition to continuous service vesting conditions.

The Board has the full discretion to determine whether some or all of the rights vest or lapse or whether unvested rights remain subject to vesting conditions in the event of a change of control. Refer to section 3.5 of the Remuneration Report for further detail.

Fair value of equity instruments

Performance rights have been independently valued at the date of grant using Monte Carlo simulation methodologies. The weighted average fair value of rights granted during the year was \$1.13 (2024: \$1.36). The assumptions underlying the share rights valuations are:

Assumptions	2025	2024
Exercise price	nil	nil
Volatility factor	35%	36%
Risk-free rate	4.1%	4.0%
Dividend yield	6.7%	7.0%

Equity instruments

The following table outlines performance rights that are conditionally issued under the LTIP:

Offer Date	Vesting date	Balance at start of the year	Granted during the year	Vested during the year	Forfeited during the year	Balance at the end of the year
1/7/2022	30/6/2025	1,603,006	-	991,018	611,988	-
1/7/2023	30/6/2026	1,379,283	-	-	73,327	1,305,956
1/7/2024	30/6/2027	-	2,153,121	-	-	2,153,121
Total						3,459,077

The July 2022 (FY23) T2 and T3 performance hurdles were met and vested. T1 was forfeited during the year as the conditions were not met.

The grant date fair value of options and shares granted to employees is recognised as an employee expense, with a corresponding increase in equity over the period in which the employees become unconditionally entitled to the rights or shares. The amount recognised as an expense is adjusted to reflect the actual number of rights or shares that vested, except for those that fail to vest due to market conditions not being met.

24 Financial instruments

a. Financial risk management

Overview

The Group has exposure to credit, liquidity and market risks from the use of financial instruments. This note presents information about the Group's exposure to each of the below risks, the objectives, policies and processes for measuring and managing risk, and the management of capital.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

b. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

Overview

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk.

Excluding financial institutions on the lender panel, trade and other receivables from other customers are rare given the nature of the Group's business. The Group has assessed its history of losses as well as performing a forward-looking assessment, both of which have not resulted in any historical or expected material forward-looking losses. Group does not require collateral in respect of trade and other receivables. The carrying amount of the Group's financial assets represents the maximum credit exposure.

Contract assets

The Group's contract assets relate mainly to high credit quality financial institutions who are the members of the lender panel. New panel entrants are subject to commercial due diligence prior to joining the panel. The Group bears the risk of non-payment of future trail commissions by lenders (contract assets) should they not maintain solvency. However, should a lender not meet its obligations as a debtor then the Group is under no obligation to pay out any future trail commissions to brokers.

The majority of the Group's net present value of future trail commission receivables is from counterparties that are rated between AA- and A-. The following table provides information on the credit ratings at the reporting date according to the S&P's counterparty credit with AAA and BBB being respectively the highest and the lowest possible ratings. An impairment assessment using forward-looking assumptions has been undertaken.

In millions of AUD	Current	Non-current	Current	Non-current
Standard & Poor's Credit rating	2025	2025	2024	2024
AA-	186.2	603.8	170.7	581.8
A+	29.4	95.4	33.1	112.9
A-	19.1	62.0	18.2	62.0
BBB+	15.7	50.7	13.6	46.4
BBB	5.6	18.3	5.7	19.5
BBB-	-	-	-	-
Not rated	21.2	68.8	16.6	56.7
	277.2	899.0	257.9	879.3

Loans and advances

To mitigate exposure to credit risk on loans and advances, the Group has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate.

The Group's loans and advances relate mainly to loans advanced through its residential mortgage securitisation program. Credit risk management is linked to the origination conditions externally imposed on the Group by the warehouse facility provider including geographical limitations. As a consequence, the Group has no significant concentrations of credit risk. The Group has established a credit quality review process to provide early identification of possible changes in credit worthiness of counterparties by the use of internal analytics and external credit agencies, which assigns each counterparty a risk rating. Risk ratings are subject to regular review.

The Group's maximum exposure is the carrying amount of the loans, net of any impairment losses. All residential loans with a loan to value ratio of greater than 80% are subject to a lenders mortgage insurance contract.

The Group's maximum exposure to credit risk for loans and advances at the reporting date by customer type are summarised as follows:

In millions of AUD	Carrying amount	
	2025	2024
Customer type		
Residential mortgage borrowers	5,480.0	4,442.4
Mortgage brokers	0.2	0.5
Other	13.5	9.5
	5,493.7	4,452.4

Residential mortgage borrowers

The Group minimises credit risk by obtaining security over residential mortgage property for each loan. The estimated value of collateral held at balance date 30 June 2025 was \$10,249m (2024: \$8,410.7m). During the year ended 30 June 2025 the Group took possession of three residential securities, two of which were sold during the financial year. No shortfall was recorded on the sale, as sales proceeds exceeded the outstanding loan balance.

In monitoring the credit risk, mortgage securitisation customers are grouped according to their credit characteristics using credit risk classification systems. This includes the use of the Loan to value Ratio (**LVR**) to assess its exposure to credit risk from loans originated through the securitisation program.

The table below summarises the Group's exposure to residential mortgage borrowers by current LVR, with the valuation used determined as at the time of settlement of the individual loan. The ECL model considers the different risk profiles across the different loan portfolios. The assumptions applied are the same across the portfolios.

In millions of AUD	Carrying amount	
	2025	2024
Loan to value ratio		
Greater than 95%	-	0.2
Between 90%-95%	53.1	52.1
Between 80%-90%	677.5	617.0
80% or less	4,749.5	3,773.1
	5,480.1	4,442.4

Expected credit loss (ECL)

The ECL provision was \$3.7m for the year ended 30 June 2025 (2024: \$3.3m). The ECL model considers interest rates, property price performances and unemployment rates. Proactive management has resulted in arrears remaining low. The loan book is 100% variable interest rate, this allows for a quick response to changing market conditions and no exposure to the rate increase confronting customers as they reach the end of their fixed term loans. All loans originated above 80% LVR require individual lender's mortgage insurance (**LMI**) policies, with LMI underwritten on a per loan basis by the LMI insurer. This results in 100% of the balance being insured. There were no losses incurred in the reporting period.

Given market volatility, changes may arise to the estimates and outcomes that have been applied in the measurement of the Group assets and liabilities in the future.

A summary of the Group's ECL provision is as follows:

Year ended 30 June 2025					
In millions of AUD	ECL rate	Basis of recognition ECL Provision	Estimated gross carrying amount at default	Carrying amount (net of impairment provision)	Basis for calculation of interest revenue
Performing	0.05%	12 month expected losses	5,214.8	5,212.1	Gross carrying amount
Underperforming	0.11%	Lifetime expected losses	159.2	159.0	Gross carrying amount
Non-performing	0.84%	Lifetime expected losses	106.1	105.2	Amortised cost
Write-off	-	Asset is written-off	-	-	None
Total loans			5,480.1	5,476.3	

Year ended 30 June 2024					
In millions of AUD	ECL rate	Basis of recognition ECL Provision	Estimated gross carrying amount at default	Carrying amount (net of impairment provision)	Basis for calculation of interest revenue
Performing	0.06%	12 month expected losses	4,218.3	4,216.0	Gross carrying amount
Underperforming	0.13%	Lifetime expected losses	157.5	157.3	Gross carrying amount
Non-performing	0.97%	Lifetime expected losses	66.6	65.9	Amortised cost
Write off	-	Asset is written off	-	-	None
Total loans			4,442.4	4,439.2	

In millions of AUD	Performing	Under performing	Non-performing	Write-offs	Total
Opening loss allowance as at 1 July 2024	2.4	0.2	0.7	-	3.3
Individual financial assets transferred to under-performing (lifetime expected credit losses)	-	-	-	-	-
Individual financial assets transferred to non-performing (credit-impaired financial assets)	(0.2)	-	0.2	-	-
New financial assets originated or purchased, write-offs, recoveries and other changes	0.5	-	-	-	0.5
Closing loss allowance as at 30 June 2025	2.7	0.2	0.9	-	3.8

In millions of AUD	Performing	Under performing	Non-performing	Write-offs	Total
Opening loss allowance as at 1 July 2023	2.5	0.1	0.7	-	3.3
Individual financial assets transferred to under-performing (lifetime expected credit losses)	-	-	-	-	-
Individual financial assets transferred to non-performing (credit-impaired financial assets)	(0.1)	0.1	-	-	-
New financial assets originated or purchased, write-offs, recoveries and other changes				-	-
Closing loss allowance as at 30 June 2024	2.4	0.2	0.7	-	3.3

In millions of AUD	2025	2024
Performing	5,214.8	4,218.4
Underperforming	159.2	157.5
Non-performing	106.1	66.6
Loans written-off	-	-
Total gross loans and advances	5,480.1	4,442.5
Less loan loss allowance	(3.8)	(3.3)
Loans and advances net of ECL as at 30 June	5,476.3	4,439.2

In millions of AUD	2025	2024
Opening loss allowance as at 1 July	3.3	3.3
Stage 1 movement	0.3	(0.1)
Stage 2 movement	-	0.1
Stage 3 movement	0.2	-
Closing loss allowance as at 30 June	3.8	3.3

The Group applies the model under AASB 9 Financial Instruments. This applies to contract assets and financial assets measured at amortised cost.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). It consists of three components:

- Probability of default (**PD**): represents the possibility of a default over the next 12 months and remaining lifetime of the financial asset
- A loss given default (**LGD**): expected loss if a default occurs, taking into consideration the mitigating effect of collateral assets and time value of money
- Exposure at default (**EAD**): the expected loss when a default takes place.

The Group has applied the three-stage model based on the change in credit risk since initial recognition to determine the loss allowances of its loans and advances. The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since Initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. If the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Group measures the loss allowance for that financial instrument at an amount equal to a 12-month ECL.

The Group has assessed the loans and advances (securitised assets) and recognised the ECL for these assets.

Stage 1: 12-month ECL

At initial recognition, ECL is collectively assessed and measured by classes of financial assets with the same level of credit risk based on the PD within the next 12 months and LGDs with consideration to forward-looking economic indicators. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Stage 2: Lifetime ECL

When the Group determines that there has been a significant increase in credit risk since initial recognition but not considered to be credit impaired, the Group recognises a lifetime ECL calculated as a product of the PD for the remaining lifetime of the financial asset and LGD, with consideration to forward-looking economic indicators. Similar to Stage 1, loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Stage 3: Lifetime ECL - credit impaired

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. For financial assets that have been assessed as credit impaired, a lifetime ECL is recognised as a collective or specific provision, and interest revenue is calculated in subsequent reporting periods by applying the effective interest rate to the amortised cost instead of the carrying amount.

When determining whether the credit risk of a financial asset has increased significantly since Initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

As part of the forward-looking assessment, the Group has considered:

- Actual or expected adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations such as market interest rates, unemployment rates or property growth rates are incorporated in the model
- External (if available) credit ratings
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the quality of the underwriter
- Standard & Poor (**S&P**) assumptions such as first home buyer, occupancy, employment type, geographical concentration, principal and interest and interest only.

In addition to the above, the Group has considered the impact of interest rates, property price performances and unemployment rates in preparing the ECL.

As part of this assessment the Group has considered:

- Increased probability weightings for downside cases
- Staging for borrowers who have asked for a deferral of mortgage payments.

A summary of the assumptions underpinning the Group's ECL model is as follows:

Category	Definition of Category	Basis for
Performing	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12 month expected losses
Doubtful	Loans for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime expected losses
In default	Interest and/or principal repayments are 90 days past due	Lifetime expected losses
Write-off	Interest and/or principal repayments are past due and there is no reasonable expectation of recovery	Asset is written off

Changes to the estimates and outcomes that have been applied in the measurement of the Group assets and liabilities may arise in the future. Given economic uncertainty in the market and the flow on effect to unemployment rates, interest rates and property prices and therefore probability of default, the final probability of default was calculated as the maximum of:

- The probability of default calculated using S&P methodology
- The probability of default floor based on days past due
- The probability of default floor based on restructuring status, which takes into account any hardship arrangements.

The group assumes the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have a low credit risk at the reporting date. A financial instrument is determined to have a low credit risk if:

- The financial instrument has a low risk of default
- The debtor has a strong capacity to meet its contractual cash flow obligation in the near term
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Securitisation assets

Loans and advances of SPEs: the Group is required to provide the warehouse facility provider with a level of subordination or credit support. The Group's maximum exposure to credit risk on securitised loans at reporting date is the carrying amount of subordinated notes.

The SPE-RMBS loans and advances: under the current trust terms, a default by the customers will not result in the bond holders having a right of recourse against the Group (as Originator, Trust Manager or Servicer). Importantly, all residential mortgages under SPE-RMBS with an LVR exceeding 80% are insured by a lender's mortgage insurance contract which covers 100% of the principal. No impairment loss was recognised during 2025 relating to securitisation assets (2024: nil).

Other secured loans

The Group has minimal exposure to credit risk for other secured loans made during the year. No impairment loss was recognised during 2025 for other secured loans (2024: nil).

c. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. To limit this risk, the Group manages assets with liquidity in mind, and monitors future cash flows and liquidity on a regular basis. This incorporates an assessment of expected cash flows and the availability of high-grade collateral which could be used to secure additional funding if required. The liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Group.

Within the special purpose entities, the Group also maintains sufficient cash reserves to fund redraws and additional advances on existing loans.

The following are the contractual maturities of financial liabilities based on undiscounted payments, including estimated interest payments and excluding the impact of netting agreements for the Group:

Year ended 30 June 2025							
In millions of AUD	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Securitisation warehouse facilities	2,894.0	2,921.1	1,252.6	684.5	984	-	-
Secured funding facilities	2,667.0	2,579.6	388.0	388.1	542.7	830.0	430.8
Net present value of future trail commissions payable	1,089.4	1,228.6	163.2	145.4	240.3	427.4	252.3
Put/call liability	-	-	-	-	-	-	-
Debt facility	51.9	51.6	12.6	2.6	5.3	31.1	-
Trade and other payables	96.9	96.9	96.9	-	-	-	-
Lease liability	4.2	5.0	0.9	0.7	1.3	2.1	-
	6,803.4	6,882.8	1,914.2	1,221.3	1,773.6	1,290.6	683.1

Year ended 30 June 2024							
In millions of AUD	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Securitisation warehouse facilities	2,012.6	2,048.9	843.0	573.5	632.4	-	-
Secured funding facilities	2,506.0	2,513.2	489.0	489.2	597.5	937.5	-
Net present value of future trail commissions payable	1,046.7	1,143.4	152.8	136.3	227.2	407.2	219.9
Put/call liability	11.8	12.0	6.0	-	6.0	-	-
Debt facility	46.7	46.9	2.5	2.6	5.2	36.6	-
Trade and other payables	102.0	102.0	102.0	-	-	-	-
Lease liability	5.1	6.1	1.3	1.1	1.2	2.5	-
	5,730.9	5,872.5	1,596.6	1,202.7	1,469.5	1,383.8	219.9

The obligation in respect of the net present value of future trail commission only arises if and when the Group receives the corresponding trail commission revenue from the lenders. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Securitisation warehouse facilities

Secured bond issuances are based on expected cashflows rather than contractual cashflows as each must be repaid to secured bondholders on receipt of funds from underlying mortgage customers. The warehouse facilities are short term funding facilities that are generally renewable bi-annually or annually. If the warehouse facility is not renewed or should there be a default by the trustee under the existing terms and conditions, the warehouse facility funder will not have a right of recourse against the remainder of the Group. Should the warehouse facility not be renewed then the maximum exposure to the Group would be the loss of future income streams from the net interest margin, being the difference between the mortgage rate and the underlying cost of funds and inability to fund new loans.

The expiry dates of the Group's warehouse facilities are disclosed in Note 19.

Securitised funding facilities

The securities are issued by the SPE-RMBS with an expected weighted average life of 3 to 5 years. They are 'pass through' securities that may be repaid early (at the call date) by the issuer (the Group) in certain circumstances. The above maturity assumes that the securities will be paid at the securities call date.

d. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i. Interest rate risk

Interest rate risk is the risk to the Group's earnings and equity arising from movements in interest rates. Positions are monitored on an ongoing basis to ensure risk levels are maintained within established limits.

The Group's most significant exposure to interest rate risk is on the interest-bearing loans within the SPE which fund the residential mortgage securitisation program. To minimise its exposure to increases in cost of funding, the Group only lends monies on variable interest rate terms. Should there be changes in pricing the Group has the option to review its position and offset those costs by passing on interest rate changes to the end customer.

The table below summarises the profile of the Group's interest-bearing financial instruments and contract assets at reporting date.

In millions of AUD	Carrying amount	
	2025	2024
Fixed rate instruments¹		
Contract assets	1,176.2	1,137.3
Financial liabilities	(1,089.4)	(1,046.7)
	86.8	90.6
Variable rate instruments		
Cash and cash equivalents	223.8	221.6
Other secured loans	0.2	0.5
Securitised assets	5,493.5	4,451.9
Financial liabilities	(5,612.9)	(4,565.3)
	104.6	108.7

1 Discount rate for trail commission receivable and payable is fixed for the life of the loan

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2025 and 2024.

In millions of AUD	After tax profit/carrying amount change	
	100bp increase	100bp decrease
30 June 2025		
Variable rate financial assets	40.0	(40.0)
Variable rate financial liabilities	(39.3)	39.3
Net cash flow sensitivity	0.7	(0.7)
30 June 2024		
Variable rate financial assets	32.7	(32.7)
Variable rate financial liabilities	(32.0)	32.0
Net cash flow sensitivity	0.7	(0.7)

ii. Prepayment risk

Prepayment risk is the risk that the Group will incur a financial loss because its customers and counterparties repay or request repayment earlier than expected.

Net present value of contract assets and future trail commissions payable

The Group's key exposure relates to the net present value of contracts assets and future trail commissions payable. The Group uses regression models to project the impact of varying levels of prepayment on its net income. The model makes a distinction between the different reasons for repayment and takes into account the effect of any prepayment penalties. The model is back tested against actual outcomes.

For the loans and advances within the SPE and SPE-RMBS, the Group minimises the prepayment risk by passing back all principal repayments to the warehouse facility providers and bondholders.

Sensitivity analysis

Management have engaged the use of actuaries for the purposes of reviewing the run-off rate of the loans under management. Management does not expect the run-off rate to change in excess of 10% positive or 10% negative of the rates shown in the actuarial analysis performed on AFG's historical loan data. The change estimate is calculated based on historical movements of the prepayment rate.

The effect from changes in prepayment rates, with all other variables held constant, is as follows:

In millions of AUD	2025		2024	
	+10%	-10%	+10%	-10%
After tax profit	(6.1)	6.5	(6.2)	7.1

Securitised assets

The warehouse facilities and the securitised funding facilities funding the securitisation operations are 'pass through' funding facilities in nature. All principal amounts prepaid by residential mortgage borrowers are passed through to the warehouse facility provider or the bond holders as part of the monthly payment terms. Consequently, the Group has no material exposure to prepayment risk on its securitised assets.

iii. Other market risks

The Group is exposed to an increase in the level of credit support required within its securitisation program arising from changes in the credit rating of mortgage insurers used by the SPE, and the composition of the available collateral held. The Group regularly reviews and reports on the credit ratings of those insurers as well as the Company's maximum cash flow requirements should there be any adverse movement in those credit ratings.

iv. Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity and net debt and aims to maintain a capital structure that ensures the most appropriate cost of capital available to the Group. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The SPEs are subject to the external requirements imposed by the warehouse facility providers. The terms of the warehouse facilities provide a mechanism for managing the lending activities of the SPE and ensure that all outstanding principal and interest is paid at the end of each reporting period. Similarly, the SPE-RMBS are subject to external requirements imposed by the bondholders and the rating agencies.

The terms of the RMBS transactions provide a mechanism for ensuring that all outstanding principal and interest is paid at the end of each reporting period. There were no breaches of the covenants or funding terms imposed by the warehouse and RMBS transactions in the current period. AFG Securities Pty Ltd is subject to externally imposed minimum capital requirements by the ASIC in accordance with the conditions of their Australian financial Services Licence.

25 Fair value measurement

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and nonfinancial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. The different levels have been defined as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data.

Fair value of financial assets and liabilities that are not measured at fair value (but fair value disclosures are required)

The table below reflects the fair value of the trail commission payable, non-current loans and advances and non-current securitised funding facilities. The carrying amount of all the other financial assets and liabilities recognised in the Consolidated Statement of Financial Position approximate their fair value due to their short-term nature.

In millions of AUD	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Non-current loans and advances	3,836.6	3,441.2	2,715.5	2,420.7
Future trailing commission contract asset ¹	1,176.2	1,170.7	1,137.3	1,130.2
Financial liabilities				
Future trailing commission payable ¹	1,089.4	1,111.2	1,046.7	1,040.0
Non-current securitised funding facilities	2,831.9	2,539.3	2,162.5	1,927.0
Non-current debt facility	36.4	31.1	41.6	37.1

¹ 5% discount rate is applied to the fair value calculations. Run-off rate and pay out percentage remain consistent with the carrying value calculation assumptions.

Loans and advances

The fair values of loans and advances are estimated using a discounted cash flow analysis, based on current lending rates for similar types of lending arrangements ranging from 5.0% to 9.8% (30 June 2024: 5.5% to 10.3%).

For the purpose of fair value disclosure under AASB 13 Fair value Measurement (**AASB 13**), the loans and advances would be categorised as a level 3 asset where the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Future trailing commission

The trail commission assets and liabilities at 30 June 2025 relate to the Residential, Commercial and the AFGHL white label loan books.

Trailing commissions are received from lenders on settled loans over the life of the loan based on the loan book balance outstanding if the respective loans are in good order and not in default. The Group is entitled to the trailing commissions without having to perform further services. The Group also makes trailing commission payments to members when trailing commission is received from lenders. Trail commissions are actuarially assessed on future cashflow based on a number of assumptions including estimated loan life, discount rate, payout ratio and income rate. The valuation is classified as level 3 in the fair value measurement hierarchy.

The movement in the future trail commission balances for the period are mostly attributable to the growth of the respective trail books over the financial year as opposed to any significant changes in the assumptions applied.

The fair value of trailing commission contract asset from lenders and the corresponding payable to members is determined by using a discounted cash flow valuation. These calculations require the use of assumptions at the Initial recognition of the trail commission on new tranche, which are determined by management, reviewed by external actuaries, by reference to market observable inputs. The valuation is classified as level 3 in the fair value measurement hierarchy.

The key assumptions/inputs underlying the carrying value calculations of trailing commission receivable and the corresponding payable to members at the reporting date is summarised in the following table:

	2025	2024
Average loan life	Between 3.6 and 4.2 years	Between 3.5 and 4.3 years
Discount rate per annum	Between 4.0% and 13.5%	Between 4.0% and 13.5%
Percentage paid to brokers	Between 78.3% and 96.1%	Between 85.0% and 95.9%

Securitised funding facilities

The fair value of securitised funding facilities are estimated using discounted cash flow analysis, based on current borrowing rates for similar types of borrowing arrangements ranging from 5.3% to 6.8% (30 June 2024: 5.3% to 6.8%). For the purposes of fair value disclosure under AASB 13, the subordinated notes would be categorised as a level 3 liability where the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Significant Judgements and Estimates

Refer to Note 3 for the amortised cost and effective interest method.

Refer to Note 19 for the initial recognition, measurement and derecognition.

26 Group entities

The ultimate parent entity of the Group is Australian Finance Group Ltd. The Consolidated Financial Statements incorporate the assets, liabilities and results of the following controlled entities, that were held in both the current and prior period unless otherwise stated:

			Percentage Ownership	
	Entity type	Country of Incorporation/ Tax Residency	2025	2024
Parent entity				
Australian Finance Group Ltd	Company	Australia	100	100
Significant subsidiaries				
Australian Finance Group (Commercial) Pty Ltd	Company	Australia	100	100
Australian Finance Group Securities Pty Ltd	Company	Australia	100	100
AFG Securities Pty Ltd	Company	Australia	100	100
AFG Home Loans Pty Ltd	Company	Australia	100	100
AFG Broker Investments Pty Ltd ²	Company	Australia	100	
AFG 2010-1 Trust	Trust	Australia	100	100
AFG 2010-2 Pty Ltd	Company	Australia	100	100
AFG 2010-3 Pty Ltd	Company	Australia	100	100
AFG 2021-1 Trust ¹	Trust	Australia	-	100
AFG 2021-2 Trust	Trust	Australia	100	100
AFG 2022-1 NC Trust	Trust	Australia	100	100
AFG 2022-1 Trust	Trust	Australia	100	100
AFG 2022-2 Trust	Trust	Australia	100	100
AFG 2023-1 Trust	Trust	Australia	100	100
AFG 2024-1 Trust	Trust	Australia	100	100
AFG 2025-1 NC Trust ²	Trust	Australia	100	
AFG 2025-1P Trust ²	Trust	Australia	100	-
AFG 2010-4 Pty Ltd ²	Company	Australia	100	-
Australian Finance Group Ltd Employee Share Trust	Trust	Australia	100	100
Mortgage Brokers Software Pty Ltd	Company	Australia	100	100
Mortgage Processing Services Pty Ltd	Company	Australia	100	100
National Finance Alliance Pty Ltd ³	Company	Australia	100	83.33
Credit Concierge Pty Ltd ³	Company	Australia	100	83.33
Brolifinance Pty Ltd ³	Company	Australia	100	83.33
Fintelligence Pty Ltd ³	Company	Australia	100	83.33
Zebrafi Pty Ltd ³	Company	Australia	100	83.33

1 Trust deregistered during the year ended 30 June 2025.

2 Trust or company incorporated during the year ended 30 June 2025.

3 The Group acquired 100% of the Fintelligence entities during the year ended 30 June 2025.

Basis of consolidation

The Consolidated Financial Statements incorporate the Financial Statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee
- Is exposed, or has rights, to variable returns from its involvement with the investee
- Has the ability to use its power to affect its returns.

When the Group has less than a majority of the voting rights or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Right arising from other contractual arrangements
- The Group's voting rights and potential voting rights.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income from the date the Company gains control until the date when the company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the Consolidated Financial Statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair values of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in the profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets, and liabilities of the subsidiary and any non-controlling interests. All the amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group has directly disposed of the related assets and liabilities of the subsidiary.

Special purpose entities

Special purpose entities (**SPE**) are those entities over which the group has no ownership interest but in effect the substance of the relationship is such that the Group controls the entity. The Group holds capital and residual units in these respective special purpose entities.

The Group has established the following special purpose entities to support the specific funding needs of the Group's securitisation program:

- AFG 2010-1 Trust and its Series to conduct securitisation activities funded by short term warehouse facilities provided by warehouse and related mezzanine facility providers.
- AFG 2021-2 Trust, AFG 2022-1NC Trust, AFG 2022-1 Trust, AFG 2022-2 Trust, AFG 2023-1 Trust, AFG 2024-1 Trust, AFG 2025-1NC Trust and AFG 2025-1P Trust to hold securitised assets and issue Residential Mortgage-Backed Securities (**RMBS**).
- AFG 2010-2 Pty Ltd, AFG 2010-3 Pty Ltd and AFG 2010-4 Pty Ltd to hold and fund investments in RMBS to meet risk retention requirements.
- The special purpose entities meet the criteria of being controlled entities under AASB 10 – Consolidated Financial Statements.

The elements indicating control include, but are not limited to, below:

- The Group has existing rights that gives it the ability to direct relevant activities that significantly affect the special purpose entities' returns
- The Group is exposed, and has rights, to variable returns from its involvement with the special purpose entities.
- The Group has all the residual interest in the special purpose entities
- Fees received by the Group from the special purpose entities vary on the performance, or non-performance, of the securitised assets
- The Group has the ability to direct decision making accompanied by the objective of obtaining benefits from the special purpose entities' activities.

As a result, the Company controls the SPE and on consolidation the underlying loans and notes issued are recognised as assets and liabilities. Interest on loans is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Additional disclosures with respect to Consolidated Structured Entities

Subscription of Subordinated Notes within the Trust Structures

As part of the funding arrangement for the Group's securitisation business the Company has subscribed for the subordinated note in each of the independent funding structures. These notes represent the first loss position for each of the securitisation vehicles. In the event that a loss is incurred in the relevant structure, then the balance of subordinated note is first applied against such losses. A loss would only be incurred within the respective Trust in the event that the sale of the underlying security was not sufficient to cover the loan balance, there was no mortgage insurance policy in existence and the loss could not be covered out of the excess spread generated by the respective Trust.

The weighted average loan to value ratio of all outstanding loans as at time of settlement was below 70% and as at year end, approximately 9% (2024: 11.5%) of the loans (in dollar value) have a lenders mortgage insurance policy which have been individually underwritten by a mortgage insurer. With respect to those loans which do not have mortgage insurance, the weighted average loan to value ratio for all of these loans is 65.3% (2024: 62.6%).

At no point since the inception of the securitisation business has the subordinated note been required to be accessed to cover any lending losses within the respective trusts.

In millions of AUD	2025	2024
Subordinated notes held in AFG 2010-1 Trust and Series ¹	27.5	36.3
Subordinated notes held in SPE-RMBS trusts following a term transaction:		
• AFG 2022-1 NC ²	0.7	0.6
• AFG 2024-1	2.4	2.4
• AFG 2025-1NC	2.8	-
• AFG 2025-1P	1.5	-

¹ The level of subordination subscribed by the company will increase or decrease over time depending upon a number of factors including the size of the warehouse or RMBS term structure as well as the ratings methodology used for these warehouse facilities.

² Trust deregistered during the year ended 30 June 2025.

Other

Holders of RMBS are limited in their recourse to the assets of the Securitisation Vehicle (subject to limited exceptions). AFG Group companies may however incur liabilities in connection with RMBS which are not subject to the limited recourse restrictions (for example where an AFG Group company acts as a trust manager or servicer of a Securitisation Vehicle).

27 Parent entity

In millions of AUD	2025	2024
Results of the parent entity		
Profit for the period	16.5	22.4
Total comprehensive income for the period	16.5	22.4
Financial position of parent entity at year end		
Current assets	139.9	128.9
Total assets	1,510.1	1,162.4
Current liabilities	191.0	164.4
Total liabilities	1,398.4	1,047.0
Total equity of the parent entity comprising of:		
Share capital	102.1	102.1
Reserves	8.2	(11.0)
Retained earnings	1.4	24.3
Total equity	111.7	115.4

Parent entity guarantees in respect of debts of its subsidiaries

Refer to Note 28 for the parent entity capital and other commitments.

Contingent liabilities

Refer to Note 29 for the contingencies information.

28 Capital and other commitments

At 30 June 2025 the consolidated entity had commitments of \$0.4m (2024:\$1.8m) for capital development.

29 Contingencies Third Party Guarantees

Bank guarantees have been issued by third party financial institutions on behalf of the Group and its subsidiaries for items in the normal course of business such as lease contracts. The amounts involved are not considered to be material to the Group.

Other than above, no material claims against these warranties have been received by the Group at the date of this report, and the Directors are of the opinion that no material loss will be incurred.

30 Related parties

a. Other related parties

A number of key management personnel held positions in other entities that result in them having control over the financial or operating policies of these entities.

The terms and conditions of the transactions with the other related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis. The aggregate amounts recognised during the year relating to other related parties were as follows:

Greenlane Group Pty Ltd (formerly Establish Property Group Ltd) (**Greenlane**) was created as part of the de-merger of AFG's property business prior to listing on the ASX on 22 April 2015. Directors of Greenlane include B. McKeon, D. Bailey and L. Bevan.

AFG's head office is located at 100 Havelock Street West Perth. AFG leases these premises at commercial arm's length rates from an investee of Greenlane, Qube Havelock Street Development Pty Ltd (**Qube**). AFG paid rent of \$1.3m to Qube (2024: \$1.3m) for the head office lease. These payments are not considered to be material to the financial results of the Group and therefore did not impact Mr B. McKeon's duties as a Director. The lease with Qube ends on 3 October 2025. The Perth office will be relocated to a new premises. There is no related party associated with this.

b. Compensation of key management personnel of the Group

In thousands of AUD	2025	2024
Short term employment benefits	3,105	2,435
Post-employment pension and medical benefits	98	82
Share based payment transactions	620	583
Other long-term benefits	31	20
Total compensation of key management personnel of the Group	3,854	3,120

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

c. Subsidiaries

Loans are made by the parent entity to wholly owned subsidiaries to fund working capital. Loans outstanding between the Company and its subsidiaries are unsecured, have no fixed date of repayment and are non-interest bearing. Interest-free loans made by the parent entity to all its subsidiaries are payable on demand.

Associates

In millions of AUD	2025		2024	
	Commissions from related parties	Commissions to related parties	Commissions from related parties	Commissions to related parties
Associate				
Thinktank	7.0	-	5.2	-
MAB	-	1.3	-	1.8

The amounts disclosed in the table are the amounts recognised as commission income and commission expense during the reporting period related to associates.

31 Subsequent events

On 26 August 2025, the Directors recommended the payment of a dividend of 5.3 cents per fully paid ordinary share, fully franked based on tax paid at 30%. The dividend has a record date of 9 September 2025 and a payment date of 8 October 2025. The aggregate amount of the proposed dividend expected to be paid out of retained earnings at 30 June 2025 is \$14.3m. The financial effect of this dividend has not been brought to account in the Financial Statements for the year ended 30 June 2025.

On 1 July 2025, the Group acquired a 28% non-controlling stake in mortgage broker Loan Path Finance Pty Ltd (**LPF**) as part of its Broker Investments program. LPF remains independently managed and has joined AFG's aggregation network. This non-adjusting event does not affect the Financial Statements for the year ended 30 June 2025, but is disclosed due to its strategic significance.

There has not been any matter or circumstance, other than that referred to in the Financial Statements or notes there to, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

32 Auditors' remuneration

In thousands of AUD	2025	2024
Fees to Ernst & Young (Australia)		
Fees for auditing the statutory financial report of the parent covering the Group and auditing the statutory financial reports of any controlled entities	547.6	577.3
Fees for assurance services that are required by legislation provided by the auditor	83.7	80.2
Fees for other services – agreed upon procedures	48.0	10.0
Total fees to Ernst & Young (Australia)	679.3	667.5
Fees to other overseas member firms of Ernst & Young (Australia)	-	-
Total fees to Ernst & Young	679.3	667.5

Consolidated Entity Disclosure Statement

The ultimate parent entity of the Group is Australian Finance Group Ltd. The Consolidated Financial Statements incorporate the assets, liabilities and results of the following controlled entities, that were held in both the current and prior period unless otherwise stated:

			Percentage Ownership	
	Entity type	Country of Incorporation/ Tax Residency	2025	2024
Parent entity				
Australian Finance Group Ltd	Company	Australia	100	100
Significant subsidiaries				
Australian Finance Group (Commercial) Pty Ltd	Company	Australia	100	100
Australian Finance Group Securities Pty Ltd	Company	Australia	100	100
AFG Securities Pty Ltd	Company	Australia	100	100
AFG Home Loans Pty Ltd	Company	Australia	100	100
AFG Broker Investments Pty Ltd ³	Company	Australia	100	-
AFG 2010-1 Trust	Trust	Australia	100	100
AFG 2010-2 Pty Ltd	Company	Australia	100	100
AFG 2010-3 Pty Ltd	Company	Australia	100	100
AFG 2010-4 Pty Ltd ²	Company	Australia	100	-
AFG 2021-1 Trust ¹	Trust	Australia	-	100
AFG 2021-2 Trust	Trust	Australia	100	100
AFG 2022-1 NC Trust	Trust	Australia	100	100
AFG 2022-1 Trust	Trust	Australia	100	100
AFG 2022-2 Trust	Trust	Australia	100	100
AFG 2023-1 Trust	Trust	Australia	100	100
AFG 2024-1 Trust	Trust	Australia	100	100
AFG 2025-1 NC Trust ²	Trust	Australia	100	-
AFG 2025-1P Trust ²	Trust	Australia	100	-
Australian Finance Group Ltd Employee Share Trust	Trust	Australia	100	100
Mortgage Brokers Software Pty Ltd	Company	Australia	100	100
Mortgage Processing Services Pty Ltd	Company	Australia	100	100
National Finance alliance Pty Ltd ³	Company	Australia	100	83.33
Credit Concierge Pty Ltd ³	Company	Australia	100	83.33
Broli Finance Pty Ltd ³	Company	Australia	100	83.33
Fintelligence Pty Ltd ³	Company	Australia	100	83.33
Zebrafi Pty Ltd ³	Company	Australia	100	83.33

¹ Trust deregistered during the year ended 30 June 2025.

² Trust or company incorporated during the year ended 30 June 2025.

³ The Group acquired 100% of the Fintelligence entities during the year ended 30 June 2025.

Director's Declaration

For the Year ended 30 June 2025

In accordance with a resolution of the Directors of Australian Finance Group Ltd, I state that:

In the opinion of the Directors:

- a. The Financial Statements and Notes to the Financial Statements of Australian Finance Group Ltd are in accordance with the Corporations Act 2001, including:
 - i. Giving a true and fair view of the consolidated entity's Financial Position as at 30 June 2025 and of its performance for the year ended on that date;
 - ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- b. The Financial Statements and Notes to the Financial Statements also comply with International Financial Reporting Standards.
- c. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- d. The consolidated entity disclosure statement required by section 295(3A) of the Corporations Act is true and correct.

The Directors have been given the declarations by the Chief Executive Officer required by Section 295A of the Corporations Act 2001.

On behalf of the Board



Greg Medcraft
Chair

Perth, Western Australia
26 August 2025



Ernst & Young
9 The Esplanade
Perth WA 6000 Australia
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Independent auditor's report to the members of Australian Finance Group Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Australian Finance Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2025 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Provision for expected credit loss

Why significant	How our audit addressed the key audit matter
<p>As disclosed in Note 24 <i>Financial instruments and Note 24 (b) Credit risk</i>, the provision for expected credit losses (ECL) is determined in accordance with Australian Accounting Standards - AASB 9 <i>Financial Instruments</i> (AASB 9).</p> <p>This was a key audit matter due to the value of the provision, and the degree of judgement and estimation uncertainty associated with the calculations.</p> <p>Key areas of judgement included:</p> <ul style="list-style-type: none"> ▪ The application of the impairment requirements within AASB 9, which is reflected in the Group's expected credit loss model; ▪ The identification of exposures with a significant deterioration in credit quality; ▪ Assumptions used in the expected credit loss model (for exposures assessed on an individual and collective basis) such as the financial condition of the counter party, expected future cashflows, and forward-looking macroeconomic factors (e.g. unemployment rates, interest rates, and property prices) as disclosed in Note 24 (b); ▪ The incorporation of forward-looking information to reflect current or future external factors, specifically judgements related to the actual or expected adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations as disclosed in Note 24 (b). 	<p>Our audit procedures included the following:</p> <p>We assessed:</p> <ul style="list-style-type: none"> ▪ The alignment of the Group's expected credit loss model and its underlying methodology with the requirements of AASB 9; ▪ The approach determined by the Group for the incorporation of forward-looking macroeconomic factors; ▪ The design effectiveness of relevant controls relating to the key assumptions and loan asset data utilised in the expected credit loss model. <p>On a sample of individual exposures, we assessed the reasonableness of provisions adopted.</p> <p>We assessed the significant modelling assumptions for exposures evaluated on a collective basis and overlays, with a focus on the:</p> <ul style="list-style-type: none"> ▪ Basis for and data used to determine management overlays; ▪ Sensitivity of the collective provisions to changes in modelling assumptions; and ▪ Reasonableness of macroeconomic scenarios at balance date. <p>We involved our Actuarial and IT specialists in the performance of these procedures where required.</p> <p>We assessed the adequacy and appropriateness of the disclosures related to the measurement of the expected credit loss provision in the financial statements.</p>



Trail commission

Why significant	How our audit addressed the key audit matter
<p>As disclosed in Note 25 <i>Fair value measurement</i> and Note 24 <i>Financial instruments</i>, the Group recognised a contract asset representing the expected value of future trailing commission receivable in accordance with AASB 15 <i>Revenue from Contracts with Customers</i> (AASB 15) and a corresponding trailing commission payable, recognised under AASB 9 <i>Financial Instruments</i> (AASB 9) representing the net present value of future trailing commissions payable by the Group.</p> <p>This is a key audit matter due to the size of the contract assets and trailing commission payable and the degree of judgment and estimation uncertainty associated with the calculations.</p> <p>Key areas of judgement included:</p> <ul style="list-style-type: none"> ▪ The estimation of the discount rate; ▪ The percentage of commissions paid to members; and ▪ Loan book run off rate assumptions. 	<p>Our audit procedures included the following:</p> <p>We assessed:</p> <ul style="list-style-type: none"> ▪ The alignment of the Group's trailing commission model and its underlying methodology with the requirements of AASB 15 for the contract asset and AASB 9 for the trailing commission payable; ▪ The effectiveness of relevant controls relating to the approval and determination of the net present value of the future trailing commission receivable and payable; ▪ The reasonableness of management's assumptions applied, including the discount rate and loan run-off rates; ▪ The historical accuracy of management's estimates by comparing the previously forecast trailing commission income and expense to the actual results. <p>We tested:</p> <ul style="list-style-type: none"> ▪ The capture of the data used in management's trail commission model for completeness; ▪ A sample of loans from the data used in the model to external supporting documents such as lender commission statements for accuracy; ▪ The mathematical accuracy of the models; and ▪ The expected percentage to be paid to members by recalculation based on the loan book data, and applicable remuneration structure. <p>We involved our Actuarial specialists in the performance of these procedures where required.</p> <p>We assessed the adequacy and appropriateness of the disclosures related to trailing commission in the financial statements.</p>



Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2025 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

For such internal control as the directors determine is necessary to enable the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion



We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 36 to 49 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Australian Finance Group Limited for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink, appearing to read 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Timothy Dachs'.

Timothy Dachs
Partner
Perth
26 August 2025

Shareholder Information

Additional information required by the Australian Securities Exchange Ltd (ASX) and not disclosed elsewhere in this report is set out below.

The information is current as at 1 August 2025 (unless another date is specified).

a. Number of holders of equity securities

Ordinary share capital

270,769,045 fully paid ordinary shares are held by 6,328 individual shareholders. All issued ordinary shares carry one vote per share.

b. Distribution of holders of equity securities

The number of shareholders by size of holding is set out below:

Range	Securities	%	No. of holders	%
100,001 and Over	221,424,553	81.78	92	1.45
10,001 to 100,000	35,881,975	13.25	1,354	21.40
5,001 to 10,000	7,040,259	2.60	916	14.48
1,001 to 5,000	5,438,389	2.01	2,019	31.91
1 to 1,000	983,869	0.36	1,947	30.77
Total	270,769,045	100.00	6,328	100.00
Unmarketable Parcels ¹	18,946	0.01	255	4.03

¹ An unmarketable parcel is considered to be a shareholding of 331 shares or less, being a value of \$500 or less in total, based on the Company's last sale price on the ASX at 1 August 2025 of \$2.21.

c. Substantial shareholders

The names and the number of shares held by substantial shareholders as at 31 July 2025 are set out below:

	# Shares	% of issued capital
Australian Ethical Investment	17,797,405	6.57%
MBM Investments Pty Ltd ATF The Brett McKeon Family Trust	16,332,632	6.03%
MSW Investments Pty Ltd ATF The Malcolm Stephen Watkins A/C	16,139,718	5.96%
Perpetual Limited	15,823,082	5.93%
Banyard Holdings Pty Ltd ATF The B&K McGougan Trust	14,788,765	5.46%
Eley Griffiths Group	14,636,351	5.26%

d. Twenty largest registered holders of quoted equity securities

The number of shareholders by size of holding is set out below:

Rank	Name	A/C designation	1 August 2025	% of issued capital
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED		74,973,639	27.69
2	CITICORP NOMINEES PTY LIMITED		31,085,504	11.48
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED		27,778,756	10.26
4	MBM INVESTMENTS PTY LTD	THE BRETT MCKEON FAMILY	16,332,632	6.03
5	BANYARD HOLDINGS PTY LTD	B & K MCGOUGAN	14,788,765	5.46
6	PERPETUAL CORPORATE TRUST LTD	<983L AC>	12,345,025	4.56
7	OCEANCITY INVESTMENTS PTY LTD	<MATTHEWS FAMILY A/C>	3,800,000	1.40
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	<NT-COMNWLTH SUPER CORP A/C>	3,125,392	1.15
9	UBS NOMINEES PTY LTD		2,758,928	1.02
10	BNP PARIBAS NOMS PTY LTD		2,614,703	0.97
11	INVIA CUSTODIAN PTY LIMITED	<THE B & K MCGOUGAN NO 2 A/C>	2,243,637	0.83
12	BNP PARIBAS NOMINEES PTY LTD	<HUB24 CUSTODIAL SERV LTD>	1,595,234	0.59
13	ASSURED FINANCIAL SERVICES PTY LTD		1,580,000	0.58
14	BNP PARIBAS NOMINEES PTY LTD	<AGENCY LENDING A/C>	1,430,765	0.53
15	EGMONT PTY LTD	<C CARTER SUPER FUND A/C>	1,400,000	0.52
16	ADRIEN MANN (SOUTH PACIFIC) PTY LTD		1,110,000	0.41
17	NEWECONOMY COM AU NOMINEES PTY LIMITED	<900 ACCOUNT>	1,098,412	0.41
18	EDI NOMINEES PTY LTD	<THE BUFFALO CREEK S/F A/C>	1,040,000	0.38
19	SHORTCLAN INVESTMENTS PTY LTD	<SHORT FAMILY SUPER FUND A/C>	1,032,100	0.38
20	ANGELA MIDDLETON		1,000,000	0.37
Total			203,133,492	75.02
Balance of register			67,635,553	24.98
Grand total			270,769,045	100.00

Company Secretary

Ms M. Palethorpe

Registered office

Level 4, 100 Havelock Street,
West Perth WA 6005*

* From 1 October 2025, AFG's
registered office will move to
Level 11, Dynons Plaza,
905 Hay Street, Perth WA 6000

Share registry

MUFG Corporate Markets
Liberty Place
Level 41, 161 Castlereagh Street,
Sydney, NSW 2000

Corporate Directory

Notice of AGM

The Annual General Meeting of Australian Finance Group Ltd will be held on **Friday, 17 October 2025 at 9.00am WST** as a hybrid meeting in person at **Level 16, 240 St Georges Terrace, Perth Western Australia 6000** and through an online platform that allows shareholders to view proceedings of the meeting, submit questions and vote.

Corporate office

Australian Finance Group Ltd
Level 4
100 Havelock Street
West Perth WA 6005*

* From 1 October 2025, AFG's registered office will move to Level 11, Dynons Plaza, 905 Hay Street, Perth WA 6000

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Website
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Share registry

MUFG Corporate Markets
Liberty Place
Level 41, 161 Castlereagh Street
Sydney NSW 2000

Postal address
Locked Bag A14
Sydney South NSW 1235

Phone
1300 554 474

Email
support@cm.mpms.mufg.com

Stock listing
Australian Finance Group Ltd's ordinary shares are listed on the Australian Securities Exchange (ASX code: AFG).

Directors

Greg Medcraft
(Non-Executive Chair)

Malcolm Watkins
(Non-Executive Director)

Brett McKeon
(Non-Executive Director)

Craig Carter
(Non-Executive Director)

Jane Muirsmith
(Non-Executive Director)

Annette King
(Non-Executive Director)

Company Secretary

Michelle Palethorpe
(General Counsel and Company Secretary)



 afgonline.com.au

 Level 4, 100 Havelock Street
West Perth WA 6005*

 08 9420 7888

* From 1 October 2025, AFG's
registered office will move to
Level 11, Dynons Plaza,
905 Hay Street, Perth WA 6000

A decorative graphic consisting of two thick, curved lines. One line is dark blue and the other is light pink, both curving upwards from the bottom left towards the right side of the page.

Australian Finance Group Ltd.
Australian Credit Licence: 389087
ABN: 11 066 385 822
ACN: 066 385 822