

Homebuyers on the lookout for savings as financial year wraps up

Australian Finance Group (ASX: AFG) has today released its Mortgage Index for the final quarter of financial year 2016. AFG's overall loan volume grew by 7% for the full financial year driven by varying results around the country.

AFG General Manager Sales and Operations Mark Hewitt said the result was as forecast by AFG when they released their prospectus last year. "The results today are reflective of how we saw the market tracking.

"The traditional powerhouse states of Victoria and NSW led the way, up 16.6 % and 12.2% respectively. South Australia was up 12.2% for the financial year and Queensland recorded a lift of 4.2% on the previous financial year. On the flipside a drop of 13.4% in WA was not unexpected as the state comes to terms with life post-mining boom.

"Pleasingly the non-majors have lifted to 29.1% of the market," said Mr Hewitt, with AFG's own white label AFG Home Loans products finishing the year strongly to generate a market share of 7.2% for the final quarter.

"The numbers are strong despite a turbulent run in to the end of the financial year and the longest election campaign in memory finally coming to a close," said Mr Hewitt. "Talk of negative gearing changes and changes to investment lending has seen many homebuyers sit on their hands.

When looking at the reasons for home loans being taken out, it would appear many Australians are choosing to shop around for a sharper rate to upgrade the family home.

"Those looking to refinance increased from 37% of AFG's loans processed for the financial year to 38%. This result is reflective of the high level of competition amongst lenders in this low interest rate environment." said Mr Hewitt.

"With interest rates at record lows, Australians are quite rightly checking in with their mortgage broker to ensure they are not paying too much for their home loan. The number of people choosing to stay in their homes and upgrade rather than move is also at historical highs, closing out the financial year at 33% of borrowers.

"It would also appear that many Australian home buyers are opting for the safety of knowing what their repayment will be for a set period with the number of people choosing to fix their rates increasing substantially during the year," he said.

Fixed rate loans as a percentage of overall volume have increased from 14.5% at the start of the financial year to close at 18.7% by the end of the financial year. After peaking at 20% in April and May, the RBA's decision to drop the cash rate in May saw many homebuyers pull back from fixed rate products as the financial year drew to a close.

"As these figures show, Australian home buyers are aware that rates are as low as they have ever been. If you have a home loan, it would be very wise to get in touch with a mortgage broker to ensure you are maximizing your opportunity to save," concluded Mr Hewitt.

ENDS

CONTACT DETAILS

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

Mob 0414 801 251 | Tel (08) 9420 7888
Mob 0402 781 367

TABLE 1 - ALL AUSTRALIA

AFG MORTGAGES LODGED

Fiscal Year	Fiscal Quarter	Lodge #	Lodge Vol	Avg Loan	Inv %	First Home Buyers %	Refinance %	Upgrader %
2013	1	21,572	\$8,416,077,858	\$390,139	36%	15%	34%	28%
2013	2	21,409	\$8,487,498,305	\$396,445	36%	12%	34%	31%
2013	3	21,210	\$8,322,602,170	\$392,390	36%	12%	33%	31%
2013	4	24,446	\$9,799,859,819	\$400,878	37%	11%	33%	30%
2014	1	25,819	\$10,541,544,826	\$408,286	38%	10%	31%	32%
2014	2	25,896	\$10,983,112,497	\$424,124	39%	9%	32%	31%
2014	3	24,232	\$10,302,203,052	\$425,149	39%	9%	32%	31%
2014	4	26,968	\$11,551,987,335	\$428,359	39%	9%	34%	30%
2015	1	28,134	\$12,204,387,149	\$433,795	39%	8%	34%	31%
2015	2	28,664	\$12,890,812,074	\$449,721	39%	7%	36%	30%
2015	3	27,497	\$12,267,644,774	\$446,145	40%	8%	35%	30%
2015	4	31,232	\$14,356,048,989	\$459,658	40%	8%	37%	28%
2016	1	29,922	\$14,075,761,152	\$470,415	33%	9%	36%	34%
2016	2	28,868	\$13,716,758,435	\$475,154	31%	7%	38%	35%
2016	3	27,296	\$12,906,892,805	\$472,849	33%	8%	38%	34%
2016	4	30,473	\$14,566,314,234	\$478,007	34%	7%	38%	33%

TABLE 2 - BY BUYER TYPE

MAJOR VS NON MAJOR LENDER MARKET SHARE

Fiscal Year	Fiscal Quarter	Total		Investment		First Home Buyers		Refinance		Upgrader	
		Major	Non-Major	Major	Non-Major	Major	Non-Major	Major	Non-Major	Major	Non-Major
2013	1	77.1%	22.9%	79.4%	20.6%	74.5%	25.5%	72.9%	27.1%	79.5%	20.5%
2013	2	77.6%	22.4%	80.8%	19.2%	74.2%	25.8%	73.6%	26.4%	79.3%	20.7%
2013	3	78.2%	21.8%	80.0%	20.0%	77.1%	22.9%	73.4%	26.6%	80.4%	19.6%
2013	4	77.0%	23.0%	79.3%	20.7%	74.5%	25.5%	72.6%	27.4%	79.3%	20.7%
2014	1	74.1%	25.9%	76.5%	23.5%	72.8%	27.2%	67.3%	32.7%	76.9%	23.1%
2014	2	73.6%	26.4%	75.4%	24.6%	72.2%	27.8%	67.5%	32.5%	76.1%	23.9%
2014	3	74.3%	25.7%	77.1%	22.9%	71.1%	28.9%	68.3%	31.7%	76.7%	23.3%
2014	4	74.8%	25.2%	77.3%	22.7%	71.6%	28.4%	69.3%	30.7%	77.9%	22.1%
2015	1	73.7%	26.3%	76.8%	23.2%	69.7%	30.3%	66.5%	33.5%	77.3%	22.7%
2015	2	69.8%	30.2%	74.2%	25.8%	67.0%	33.0%	62.5%	37.5%	72.6%	27.4%
2015	3	73.4%	26.6%	76.5%	23.5%	72.3%	27.7%	67.1%	32.9%	75.5%	24.5%
2015	4	71.7%	28.3%	74.8%	25.2%	70.7%	29.3%	64.8%	35.2%	75.5%	24.5%
2016	1	73.7%	26.3%	72.7%	27.3%	73.9%	26.1%	68.9%	31.1%	78.1%	21.9%
2016	2	69.9%	30.1%	71.1%	28.9%	70.4%	29.6%	61.2%	38.8%	75.4%	24.6%
2016	3	70.6%	29.4%	72.0%	28.0%	70.0%	30.0%	64.8%	35.2%	74.5%	25.5%
2016	4	70.9%	29.1%	73.9%	26.1%	72.3%	27.7%	66.2%	33.8%	73.4%	26.6%

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Mob 0414 801 251 | Tel (08) 9420 7888
Mob 0402 781 367

TABLE 3 - BY STATE/TERRITORY

TOTAL LODGEMENT VOLUME

Fiscal Year	Fiscal Quarter	National	NSW	NT	QLD	SA	VIC	WA
2013	1	\$8,416,077,858	\$2,316,697,446	\$112,863,129	\$1,700,649,487	\$539,250,818	\$1,863,981,141	\$1,882,635,836
2013	2	\$8,487,498,305	\$2,398,852,212	\$110,388,955	\$1,624,079,026	\$538,593,521	\$1,900,825,059	\$1,914,759,532
2013	3	\$8,322,602,170	\$2,280,623,559	\$101,610,181	\$1,596,742,132	\$557,028,090	\$1,773,185,026	\$2,013,413,182
2013	4	\$9,799,859,819	\$2,888,883,235	\$122,968,345	\$1,721,114,525	\$548,935,991	\$2,182,800,665	\$2,335,157,058
2014	1	\$10,541,544,826	\$3,363,320,441	\$139,190,621	\$1,839,152,242	\$585,449,797	\$2,298,574,557	\$2,315,857,169
2014	2	\$10,983,112,497	\$3,471,438,991	\$147,198,387	\$1,928,914,555	\$590,007,574	\$2,476,370,779	\$2,369,182,211
2014	3	\$10,302,203,052	\$3,187,327,100	\$131,039,892	\$1,768,288,730	\$546,204,335	\$2,423,864,521	\$2,245,478,475
2014	4	\$11,551,987,335	\$3,628,786,262	\$149,390,595	\$1,967,140,688	\$619,877,859	\$2,703,854,185	\$2,482,937,746
2015	1	\$12,204,387,149	\$3,981,965,392	\$152,960,284	\$2,060,222,740	\$607,398,884	\$2,915,059,284	\$2,486,780,565
2015	2	\$12,890,812,074	\$4,471,824,945	\$149,649,155	\$2,160,047,540	\$688,001,636	\$3,061,337,599	\$2,359,951,199
2015	3	\$12,267,644,774	\$4,278,299,632	\$147,843,919	\$1,994,130,543	\$644,335,811	\$2,931,871,054	\$2,271,163,815
2015	4	\$14,356,048,989	\$5,331,669,068	\$116,485,391	\$2,266,686,500	\$771,601,096	\$3,390,231,607	\$2,479,375,327
2016	1	\$14,075,761,152	\$5,270,194,992	\$113,864,980	\$2,139,859,624	\$760,286,366	\$3,516,256,105	\$2,275,299,084
2016	2	\$13,716,758,435	\$4,989,177,252	\$116,645,325	\$2,132,431,205	\$772,368,586	\$3,578,055,429	\$2,128,080,638
2016	3	\$12,906,892,805	\$4,697,253,117	\$104,964,788	\$2,139,027,397	\$713,542,617	\$3,366,735,414	\$1,885,369,472
2016	4	\$14,566,314,234	\$5,314,894,320	\$118,378,958	\$2,432,590,738	\$797,153,185	\$3,884,784,430	\$2,018,512,603

TABLE 4 - BY STATE/TERRITORY

AVERAGE MORTGAGE SIZE IN DOLLARS

Fiscal Year	Fiscal Quarter	National	NSW	NT	QLD	SA	VIC	WA
2013	1	\$390,139	\$454,076	\$393,251	\$344,540	\$315,721	\$382,905	\$403,048
2013	2	\$396,445	\$471,380	\$379,343	\$343,648	\$314,049	\$385,016	\$411,688
2013	3	\$392,390	\$459,433	\$376,334	\$346,140	\$331,960	\$378,078	\$403,086
2013	4	\$400,878	\$482,929	\$401,857	\$341,559	\$314,037	\$384,431	\$410,180
2014	1	\$408,286	\$496,798	\$397,687	\$347,995	\$318,525	\$389,259	\$408,368
2014	2	\$424,124	\$515,816	\$384,330	\$356,020	\$332,961	\$413,280	\$422,993
2014	3	\$425,149	\$513,092	\$378,728	\$358,607	\$333,255	\$415,829	\$425,683
2014	4	\$428,359	\$522,654	\$410,414	\$364,826	\$330,073	\$412,047	\$425,963
2015	1	\$433,795	\$523,667	\$388,224	\$362,779	\$332,639	\$423,577	\$432,559
2015	2	\$449,721	\$560,941	\$399,064	\$368,420	\$350,485	\$434,540	\$433,337
2015	3	\$446,145	\$550,476	\$392,159	\$370,518	\$338,412	\$429,830	\$433,346
2015	4	\$459,658	\$558,173	\$422,049	\$380,061	\$352,490	\$440,061	\$446,976
2016	1	\$470,415	\$582,278	\$399,526	\$386,326	\$361,869	\$455,356	\$435,547
2016	2	\$475,154	\$581,693	\$422,628	\$393,365	\$371,688	\$463,959	\$442,981
2016	3	\$472,849	\$588,554	\$383,083	\$394,145	\$372,607	\$446,457	\$453,432
2016	4	\$478,007	\$591,925	\$411,038	\$399,375	\$379,236	\$455,747	\$449,658

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Mark Hewitt, AFG General Manager Sales and Operations
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Mob 0414 801 251 | Tel (08) 9420 7888
Mob 0402 781 367

TABLE 5 - BY STATE/TERRITORY

LOAN VALUE RATIOS (LOAN STATED AS % OF PROPERTY VALUE)

Fiscal Year	Fiscal Quarter	LVR						
		National	NSW	NT	QLD	SA	VIC	WA
2013	1	69.6%	69.8%	68.3%	70.1%	69.0%	70.4%	70.1%
2013	2	70.2%	70.5%	67.1%	70.5%	70.3%	71.1%	72.0%
2013	3	70.3%	70.0%	68.0%	70.2%	70.4%	71.8%	71.2%
2013	4	70.0%	69.7%	68.0%	69.8%	70.3%	72.0%	70.3%
2014	1	69.9%	69.6%	66.3%	70.4%	69.3%	71.9%	71.6%
2014	2	70.4%	69.3%	67.2%	71.3%	71.3%	71.9%	71.6%
2014	3	69.9%	69.0%	66.2%	70.0%	70.8%	72.7%	70.6%
2014	4	69.5%	68.6%	65.1%	69.4%	71.3%	72.8%	70.1%
2015	1	70.1%	68.7%	68.3%	69.0%	70.9%	72.5%	71.2%
2015	2	70.5%	68.8%	69.1%	69.8%	71.7%	73.1%	70.5%
2015	3	69.8%	68.4%	65.9%	69.9%	70.8%	72.9%	70.7%
2015	4	69.7%	66.9%	66.4%	69.6%	71.8%	72.6%	71.0%
2016	1	69.8%	67.4%	68.0%	69.2%	69.6%	73.0%	71.5%
2016	2	69.7%	66.0%	67.6%	70.3%	71.3%	71.7%	71.3%
2016	3	69.3%	66.1%	64.6%	70.0%	70.9%	72.7%	71.2%
2016	4	69.0%	65.7%	66.3%	69.5%	70.2%	72.0%	70.4%

TABLE 6 - ALL AUSTRALIA

LOAN TYPE

Fiscal Year	Fiscal Quarter	Loan Type				
		Basic Variable	Equity	Fixed	Intro	Standard Variable
2013	1	7.6%	6.9%	14.6%	2.5%	68.5%
2013	2	7.6%	6.0%	15.5%	1.9%	68.9%
2013	3	6.6%	5.2%	18.2%	3.1%	66.8%
2013	4	6.1%	5.7%	21.7%	3.8%	62.7%
2014	1	6.5%	5.4%	20.3%	4.6%	63.2%
2014	2	5.4%	5.1%	20.1%	4.4%	65.0%
2014	3	5.6%	5.0%	17.7%	5.8%	65.9%
2014	4	6.0%	5.3%	17.4%	5.2%	66.2%
2015	1	6.4%	4.6%	17.5%	5.6%	65.9%
2015	2	5.8%	4.7%	16.7%	4.5%	68.3%
2015	3	6.3%	4.0%	14.3%	7.0%	68.4%
2015	4	5.8%	3.6%	14.5%	6.3%	69.9%
2016	1	8.5%	3.3%	11.3%	5.4%	71.5%
2016	2	8.3%	3.5%	14.2%	4.0%	69.9%
2016	3	8.5%	2.6%	17.8%	3.0%	68.2%
2016	4	7.2%	2.3%	18.7%	3.7%	68.0%

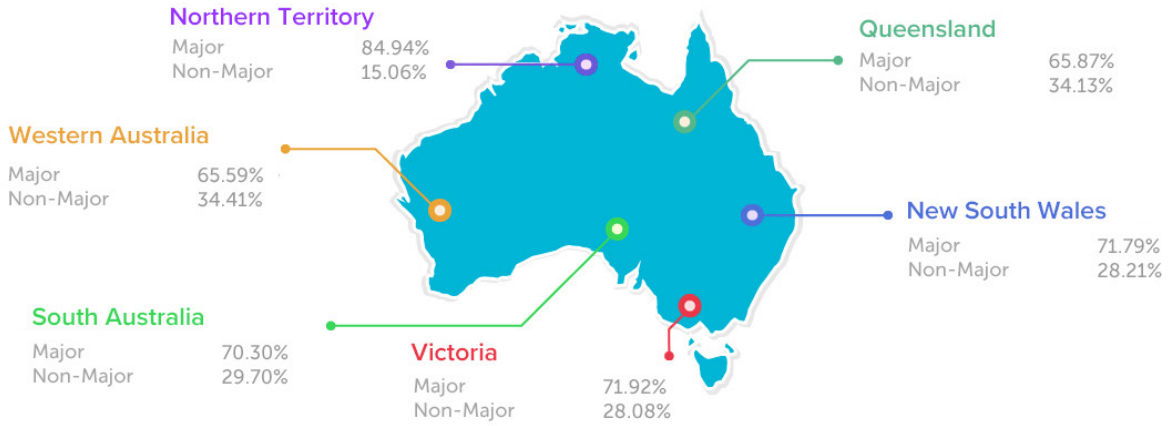
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Mark Hewitt, AFG General Manager Sales and Operations
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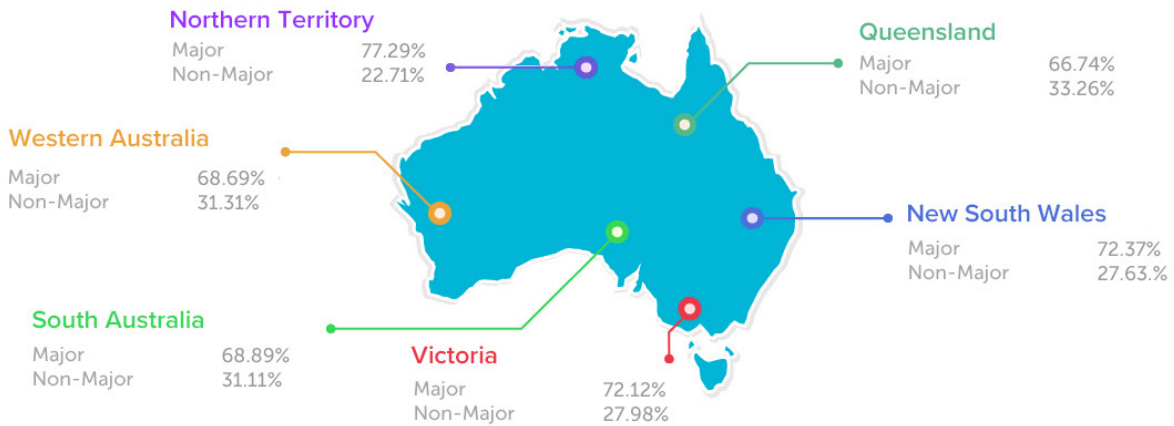
Mob 0414 801 251 | Tel (08) 9420 7888
Mob 0402 781 367

MAJOR VS NON-MAJOR BY STATE

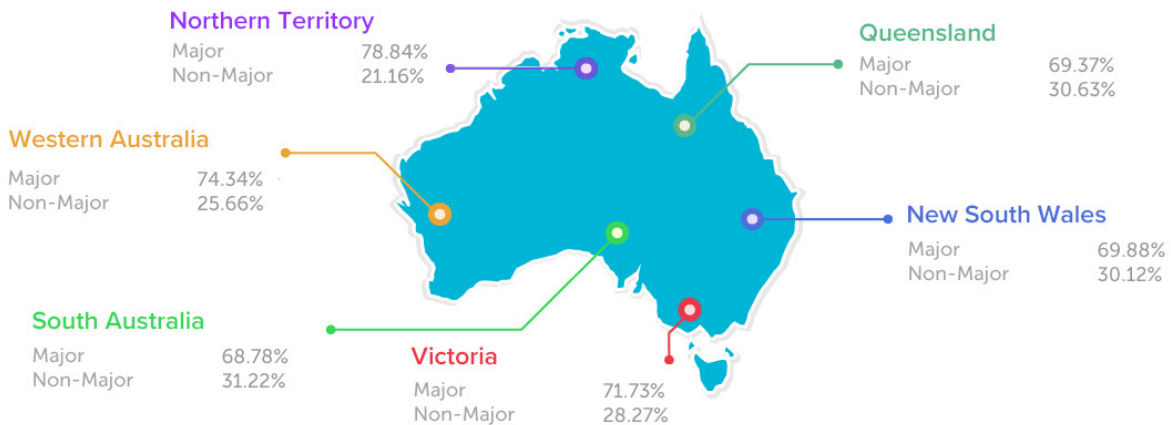
Financial Year: 2016 | Quarter 2



Financial Year: 2016 | Quarter 3



Financial Year: 2016 | Quarter 4



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Mob 0414 801 251 | Tel (08) 9420 7888
Mob 0402 781 367