



4/100 Havelock Street  
West Perth WA 6005

PO Box 710  
West Perth WA 6872

28 February 2025

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

Dear Sir/Madam

## AUSTRALIAN FINANCE GROUP LTD ANNOUNCES 1H FY25 RESULTS

Please refer to the following information in relation to Australian Finance Group Ltd's (ASX: AFG) half year results for the six months ended 31 December 2024.

- Part 1: Appendix 4D and half year 2025 financial report.
- Part 2: Appendix 3A.1: notification of dividend.
- Part 3: 1H FY25 results market release.
- Part 4: 1H FY25 results investor presentation.

David Bailey, Chief Executive Officer and Luca Pietropiccolo, Chief Financial Officer, will give a presentation to analysts and investors via a conference call at 11:00am (AEDT) today.

To participate in the call, please pre-register using the following link:

<https://s1.c-conf.com/diamondpass/10044806-m1ztgx.html>

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

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**AFG**

# Half-Year Report

**& APPENDIX 4D**

For the half-year ended  
31 December 2024

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**Go far.  
Go together.**

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This half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by Australian Finance Group Ltd during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

# Appendix 4D

## Australian Finance Group Ltd

Half-year report for the 6 months ended 31 December 2024

In millions of AUD	31 December 2024 \$'m	31 December 2023 \$'m	Increase / (Decrease) \$'m	% change
Revenue from ordinary activities	625.6	562.4	63.2	11.2%
Profit from ordinary activities after tax attributable to members	15.3	14.4	0.9	6.3%
NPATA from continuing operations <sup>1</sup>	16.5	15.6	0.9	5.8%
Underlying NPATA from continuing operations <sup>2</sup>	16.9	17.9	(1.0)	(5.6%)
Net tangible asset backing per ordinary security (cents)	(391.9)	(393.1)	1.2	(0.3%)
Net tangible asset backing per ordinary security including trail book contract asset (cents) <sup>3</sup>	38.2	36.8	1.4	3.8%

<sup>1</sup> NPATA is derived as net profit after tax and before amortisation of acquired intangibles. See reconciliation in Non-IFRS information section within the Directors' Report for further information.

<sup>2</sup> Underlying NPATA from continuing operations is derived as net profit after tax and amortisation of acquired intangibles before changes in the carrying value of trailing commissions contract asset and payables and deferred tax adjustments due to a change in the tax treatment of the put/call option revaluation.

<sup>3</sup> Net tangible assets excludes the trail book asset (contract asset) and right of use asset but includes the associated trail commission payable. However, given the significant value of the trail book and its interrelationship with the trail book liability, net tangible assets including the trail book asset has also been calculated and disclosed for both the current period and the prior period.

Dividends	Amount per security	Franked Amount per security
Interim dividend	3.8 cents	100%
Previous corresponding period interim dividend	4.0 cents	100%
Record date for determining entitlements to the interim dividend	7 March 2025	
Date the interim dividend is payable	9 April 2025	

## Details of changes in controlled entities

During the half-year ended 31 December 2024, the following entity was incorporated:

Company name	Date of incorporation	Percentage ownership
AFG Broker Investments Pty Ltd	2 December 2024	100%

## Details of associates and jointly controlled entities

Name	31 December 2024 Percentage ownership	30 June 2024 Percentage ownership
Thinktank Group Pty Ltd	31.97	31.99
MAB Broker Services Pty Ltd	48.05	48.05
Lifespan Pty Ltd	30.00	–
Empower Wealth Mortgage Advisory Pty Ltd	20.00	–

## Supplementary information

Reporting period is the half-year ended 31 December 2024 with the previous corresponding period to 31 December 2023.

For additional Appendix 4D disclosures, refer to the accompanying Interim Financial Report (which includes the Directors' report) for the half-year ended 31 December 2024 and ASX release.

This Appendix 4D should be read in conjunction with Australian Finance Group Ltd's Annual Report for the year ended 30 June 2024.

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## Financial highlights

- 1H25 revenue \$626 million, up 11% on the prior corresponding period, 1H24
- NPAT \$15.3 million, up 6% on 1H24
- AFG Securities loan book reaches a record \$5.1 billion, up 23% on December 2023
- Two equity investments in broking groups completed in 1H25
- Combined recent strategic investments expected to contribute additional EBITDA of up to \$7 million p.a.
- Fully franked interim dividend of 3.8 cents per share
- Well capitalised balance sheet with \$185 million in investments and liquid assets

AFG Chief Executive Officer David Bailey outlined the results on a call today. "In our 30 years as a leader in the finance industry the integral service AFG and its extensive network of 4,100 brokers provide to Australia's growing finance markets has never been stronger," he said. "We continue to drive a competitive lending market, while the industry continues its trajectory as the clear channel of choice for customers and lenders."

"Excellent lodgement and settlement activity has been achieved in both our Distribution and Manufacturing segments and the AFG Securities book has jumped to \$5.1 billion," he said. This higher loan book balance, combined with an improving NIM, returned Manufacturing earnings to growth mode."

Mr Bailey emphasised that the past six months had strengthened the company's growth platform, with favourable market conditions, an expanding distribution network, enhanced technology, and a larger loan book boosting confidence in future earnings. The first half also marks a continued focus on strategic capital investments which will further broaden AFG's earnings base.

"In an expanding market with brokers the dominant channel for delivery of customers to lenders, the AFG Board of Directors see opportunities to deploy capital to grow shareholder returns," he said. "Therefore, they have determined to pay a fully franked interim dividend of 3.8 cents per share, representing a 60 per cent dividend payout ratio."

## Distribution highlights

- Record number of brokers - over 4,100 across the country
- Record residential settlements of \$31.8b, up 13% on 1H24
- Record Distribution gross profit of \$56.5m, up 5% on 1H24
- Record subscription income of \$10.1m, up 12% on 1H24
- Record asset finance settlements of \$1.8b, up 12% on 1H24

AFG's powerful distribution network, with stable earnings enabling capital-light growth provides a platform for further positive expansion in the coming years. "The half has seen 8% growth in Distribution earnings, with an outstanding return on equity of 39%," said Mr Bailey. "Broker market share in Australia is delivering competition and choice to consumers and is currently sitting at nearly 75%. With the banks' continued outsourcing of customer acquisition and retention to the more efficient broker channel, we expect that number to continue to grow," said Mr Bailey.

"Our major technology investments have been delivered, driving efficiencies for our brokers and resulting in high Net Promoter Scores (NPS) for new features. Uptake is strongly ahead of our original expectations."

## Manufacturing highlights

- Record AFG Securities loan book size of \$5.1 billion, up 23% on 1H24
- Record AFG Securities settlements, up 147% on 1H24
- NIM expanding to 114bps in December

AFG Securities' loan book grew to a record \$5.1 billion in the half. "Signs towards the end of the 2024 financial year indicated more favourable lending conditions were returning, and we have built from there," he said. "We are delighted with the growth driven by our lending products, which have truly resonated with both our brokers and their customers."

As the lending cycle turns towards interest rate reductions we consider conditions for non-major lenders, including AFG Securities, will continue to improve. "Our NIM is showing positive trends, with our loan book now at a record level."

"In a further sign of an improved funding environment our recent non-conforming Residential Mortgage-Backed Securities transaction, AFG 2025-1NC, due to settle in early March 2025, has revealed cost of funds trending down. Strong support from new and returning local and international investors enabled the issue to be upsized from \$500 million to \$700 million to further fuel the growth in this part of our business," he said. The quality of the AFG Securities book remains industry leading.

Thinktank, of which AFG is a 32% shareholder, experienced loan book growth of 10% to \$6.4 billion. Thinktank's earnings contribution was however lower at \$0.4m, down 73% on 1H24, as a lower NIM affected trading results. "We expect Thinktank will also benefit from changes in the cash rate cycle," he said.

## Outlook

"The last six months have solidified our platform for growth," said Mr Bailey. "Looking ahead, favourable market conditions, an expanding distribution footprint, enhanced technology offerings and increased loan book size instil confidence in AFG's upward earnings trajectory."

"AFG's strong balance sheet and cash generating assets combined with our capital allocation strategy positions us well as we head into the second half," he said. "Major technology projects have been rolled out and our Broker Investments program is successfully underway, with further opportunities in the pipeline. Our commitment to delivering value to our shareholders through consistent execution of our strategy and capitalising on market opportunities remains on track. We look forward to continuing this positive momentum," he concluded.

# Directors' Report

The Directors present their report for the consolidated Australian Finance Group Ltd comprising of the Company (**AFG or the Company**) and its subsidiaries (**the Group**) and the Group's interest in associates and jointly controlled entities for the half-year ended 31 December 2024.

## Principal activities

The principal activities of the Group during the half-year ended 31 December 2024 continued to be:

- Mortgage aggregation 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**) programme and white label arrangements.

## Corporate Governance Statement

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

## Review of operations

The operations, financial position, business strategies and prospects for future financial years of the Group are detailed in the operating and financial review included on pages 5 and 6.

## Non-IFRS financial information

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

Name	31 December 2024	31 December 2023
<b>NPAT attributable to equity holders of the Company</b>	<b>15.3</b>	<b>14.4</b>
Amortisation of acquired intangible assets	1.2	1.2
<b>NPATA</b>	<b>16.5</b>	<b>15.6</b>
Change in the carrying value of trailing commissions contract asset and payables	0.7	1.4
Deferred tax adjustment on put/call revaluation	–	0.9
Net change in fair value of put/call liability of Fintelligence	(0.3)	–
<b>Underlying NPATA</b>	<b>16.9</b>	<b>17.9</b>

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The carrying value of our residential, commercial and AFG Home Loans (AFGHL) white label trail books are influenced amongst other things by the runoff and discount rates that are applied to these valuations. The assessment of the trail loan book requires the use of assumptions which are determined by management, using a variety of inputs including external actuarial analysis of historical information, by reference to market observable inputs. Excluding the non-cash entries to recognise the change in the net present value of the future trailing commission receivable and payable and the net change in the fair value of the put/call liability for Fintelligence and the deferred tax adjustment on put/call revaluation.

## Dividend

A final dividend of 4.0 cents per share fully franked in respect of the year ended 30 June 2024 was announced on 29 August 2024 and paid to shareholders on 11 October 2024. Interim dividend for the six months ended 31 December 2024 information presented.

	Amount per security	Franked Amount per security
Interim dividend	3.8 cents	100%
Previous corresponding period interim dividend	4.0 cents	100%
Record date for determining entitlements to the interim dividend	7 March 2025	
Date the interim dividend is payable	9 April 2025	

## Likely developments and expected results

As an aggregator for over 4,100 brokers, the Group, through its market-leading broker technology platform, connects lenders to borrowers. Serving as an essential component of Australia's financial system, with AFG brokers originating approximately 1 in 10 residential mortgages in the country. In addition to providing aggregation services, the Group leverages its comprehensive understanding of borrower requirements to lend directly, functioning as a non-bank lender via its broker network. The Group is poised to achieve growth through its three strategic pillars:

- Expanding our broker network
- Providing market-leading technology to our brokers
- Increasing margins through optimised distribution.

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 27 February 2025, the Directors recommended the payment of a dividend of 3.8 cents per fully paid ordinary share, fully franked based on tax paid at 30%. The dividend has a record date of 7 March 2025 and a payment date of 9 April 2025. The aggregate amount of the proposed dividend expected to be paid out of retained earnings at 31 December 2024 is \$10.3m. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 31 December 2024.

On 19 February 2025 AFG's wholly owned subsidiary AFG Securities Pty Ltd has priced a \$700 million Residential Mortgage-Backed Securities (RMBS) issue, AFG 2025-1NC.

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.

## Rounding

The financial report and the Directors' report have been rounded to the nearest hundred thousand unless specifically stated to be otherwise, in accordance with the Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' reports) Instrument 2016/191.

Comparative information presents reclassified comparative information where required for consistency with the current year's presentation.

## Auditor's independence declaration

A copy of the auditor's independence declaration is required under section 307C of the Corporations Act 2001 is set out on page 24. The auditor's independence declaration forms part of the Directors' report.

## Directors

The names of the Directors of the Company at any time during or since the end of the half-year are set out below. Directors were in office for the entire period, unless otherwise stated:

Name	Title
<b>Mr Greg Medcraft</b>	Chair and Independent Non-Executive Director
<b>Mr Brett McKeon</b>	Non-Executive Director
<b>Mr Malcolm Watkins</b>	Non-Executive Director
<b>Mr Craig Carter</b>	Independent Non-Executive Director
<b>Ms Jane Muirsmith</b>	Independent Non-Executive Director
<b>Ms Annette King</b>	Independent Non-Executive Director

This report is signed in accordance with a resolution of the Directors.

On behalf of the Directors



**Greg Medcraft**  
Chair

Perth, Western Australia  
27 February 2025

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended

In millions of AUD	Note	31 December 2024	31 December 2023
Commission and other income	4	467.4	423.2
Securitisation interest income		158.2	139.2
<b>Operating income</b>		<b>625.6</b>	<b>562.4</b>
Commission and other cost of sales		(428.8)	(385.4)
Securitisation interest expense		(139.6)	(122.8)
<b>Gross profit</b>		<b>57.2</b>	<b>54.2</b>
Other income		11.0	10.1
Administration expenses		(4.5)	(4.6)
Impairment expense on loans and advances		(0.2)	-
Other expenses	4	(43.9)	(40.6)
<b>Results from operating activities</b>		<b>19.6</b>	<b>19.1</b>
Finance income		3.9	4.1
Finance expense		(2.0)	(1.9)
Net change in fair value of financial liabilities at fair value through profit or loss	11	0.3	-
Share of profit of an associate		0.5	1.3
<b>Profit before tax</b>		<b>22.3</b>	<b>22.6</b>
Income tax expense		(6.6)	(7.3)
<b>Profit for the period</b>		<b>15.7</b>	<b>15.3</b>
<b>Profit attributable to:</b>			
Equity holders of the Company		15.3	14.4
Non-controlling interests		0.4	0.9
		<b>15.7</b>	<b>15.3</b>
<b>Total comprehensive income for the period attributable to:</b>			
Equity holders of the Company		15.3	14.4
Non controlling interests		0.4	0.9
		<b>15.7</b>	<b>15.3</b>
<b>Earnings per share</b>			
Basic earnings per share (cents per share)		5.65	5.34
Diluted earnings per share (cents per share)		5.60	5.26

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

In millions of AUD	Note	31 December 2024	30 June 2024
<b>Assets</b>			
Cash unrestricted	5	54.8	67.4
Cash restricted	5	115.7	154.2
Trade and other receivables		13.8	13.0
Current tax receivable		–	0.1
Contract assets		1,170.9	1,137.3
Loans and advances		5,071.9	4,452.4
Investment in associates	8	46.2	39.7
Property, plant and equipment		0.8	0.6
Right of use assets		4.7	4.7
Intangible assets	9	47.0	46.8
Goodwill	10	61.1	61.1
<b>Total assets</b>		<b>6,586.9</b>	<b>5,977.3</b>
<b>Liabilities</b>			
Trade and other payables		1,181.2	1,148.7
Interest-bearing liabilities		5,147.6	4,565.3
Non interest-bearing liabilities	11	–	11.8
Employee benefits		5.8	6.8
Current tax payable		2.6	–
Provisions		1.4	1.6
Contract liabilities		4.9	6.5
Lease liabilities		5.3	5.1
Deferred tax liability		25.5	24.4
<b>Total liabilities</b>		<b>6,374.3</b>	<b>5,770.2</b>
<b>Net assets</b>		<b>212.6</b>	<b>207.1</b>
<b>Equity</b>			
Share capital		102.1	102.1
Share-based payment reserve		8.7	7.8
Retained earnings		101.8	96.9
Other reserves		–	(12.4)
<b>Total equity attributable to equity holders of the Company</b>		<b>212.6</b>	<b>194.4</b>
Non-controlling interest		–	12.7
<b>Equity</b>		<b>212.6</b>	<b>207.1</b>

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 half-year ended

In millions of AUD	Share capital	Share-based payment reserve	Other reserves	Retained earnings	Total equity	Non-controlling interest	Total equity
Balance at 1 July 2024	102.1	7.8	(12.4)	96.9	194.4	12.7	207.1
<b>Total comprehensive income for the period</b>							
Profit	–	–	–	15.3	15.3	0.4	15.7
Total comprehensive income for the period	–	–	–	15.3	15.3	0.4	15.7
<b>Transactions with owners, recorded directly in equity</b>							
Dividends to equity holders	–	–	–	(10.8)	(10.8)	(0.3)	(11.1)
Share-based payment transactions	–	0.9	–	–	0.9	–	0.9
Acquisition of non-controlling interest	–	–	12.4	0.4	12.8	(12.8)	–
Total transactions with owners	–	0.9	12.4	(10.4)	2.9	(13.1)	(10.2)
<b>Balance at 31 December 2024</b>	<b>102.1</b>	<b>8.7</b>	<b>–</b>	<b>101.8</b>	<b>212.6</b>	<b>–</b>	<b>212.6</b>

In millions of AUD	Share capital	Share-based payment reserve	Other reserves	Retained earnings	Total equity	Non-controlling interest	Total equity
Balance at 1 July 2023	102.1	7.3	(20.2)	89.9	179.1	20.7	199.8
<b>Total comprehensive income for the period</b>							
Profit	–	–	–	14.4	14.4	0.9	15.3
Total comprehensive income for the period	–	–	–	14.4	14.4	0.9	15.3
<b>Transactions with owners, recorded directly in equity</b>							
Dividends to equity holders	–	–	–	(11.1)	(11.1)	(1.3)	(12.4)
Share-based payment transactions	–	0.3	–	–	0.3	–	0.3
Acquisition of non-controlling interest	–	–	2.0	–	2.0	(2.0)	–
Total transactions with owners	–	0.3	2.0	(11.1)	(8.8)	(3.3)	(12.1)
<b>Balance at 31 December 2023</b>	<b>102.1</b>	<b>7.6</b>	<b>(18.2)</b>	<b>93.2</b>	<b>184.7</b>	<b>18.3</b>	<b>203.0</b>

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 half-year ended

In millions of AUD	Note	31 December 2024	31 December 2023
<b>Cash flows from operating activities</b>			
Cash receipts from customers		436.8	412.0
Cash paid to suppliers and employees		(445.6)	(401.2)
Interest received		166.5	139.3
Interest paid		(141.4)	(124.6)
Income taxes paid		(2.8)	(11.2)
<b>Net cash generated by operating activities</b>		<b>13.5</b>	<b>14.3</b>
<b>Cash flows from investing activities</b>			
Net interest received		3.9	4.1
Acquisition of property, plant and equipment		(0.1)	(0.3)
Purchase of intangible assets		(3.4)	(10.3)
Purchase of interest in subsidiaries and associates		(17.2)	(10.2)
Broker loans and advances		0.1	1.0
Net loans and advances from/(to) borrowers		(617.3)	365.5
<b>Net cash (used in)/from investing activities</b>		<b>(634.0)</b>	<b>349.8</b>
<b>Cash flows from financing activities</b>			
Repayments of warehouse facility		(60.0)	(3,416.4)
Proceeds from warehouse facility		1,115.2	3,131.8
Repayments to securitised funding facilities		(480.6)	(782.0)
Proceeds from securitised funding facilities		-	699.7
Repayments of debt facility		(2.6)	(2.6)
Proceeds from debt facility		10.0	7.5
Payment of principal proportion of lease liability		(1.5)	(1.3)
Dividends paid to equity holders of the parent		(10.8)	(11.1)
Dividends paid to non-controlling interests		(0.3)	(1.3)
<b>Net cash from/(used in) financing activities</b>		<b>569.4</b>	<b>(375.7)</b>
Net decrease in cash and cash equivalents		(51.1)	(11.6)
Cash and cash equivalents at the beginning of the period		221.6	222.2
<b>Cash and cash equivalents at the end of the period</b>	5	<b>170.5</b>	<b>210.6</b>

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

# Notes to the Financial Statements

## 1. Reporting entity

Australian Finance Group Ltd (**the Company**) is a for-profit company domiciled in Australia. The general purpose condensed consolidated half-year financial report of the Company for the six months ended 31 December 2024 (half-year financial report) comprises the Company and its subsidiaries (the Group) and the Group's interest in associates and jointly controlled entities. The Group's principal activities in the course of the reporting period were mortgage aggregation and lending. The Company's principal place of business is 100 Havelock Street, West Perth, Western Australia.

## 2. Basis of preparation and material accounting policy information

### (a) Statement of compliance

The half-year report is an interim financial report which has been prepared in accordance with AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual report and should be read in conjunction with the most recent annual report.

### (b) Basis of preparation

The consolidated financial statements have been prepared on a 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.

All amounts are presented in Australian dollars ("AUD"), unless otherwise noted.

The financial report and the Directors' report have been rounded to the nearest hundred thousand unless specifically stated to be otherwise, in accordance with the Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' reports) Instrument 2016/191.

Comparative information presents reclassified comparative information where required for consistency with the current year's presentation.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2024 annual report for the financial year ended 30 June 2024, except for the impact of the Standards and Interpretations described below.

### (c) New or Amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. Any new or amended accounting standards or interpretations that are not yet mandatory have not been early adopted.

## 3. 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 core aggregation services through AFG, which focuses on Residential mortgages, and Fintelligence, which focuses on asset finance, 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.

## 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 programme. The manufacturing segment also includes AFG's 31.97% investment in Thinktank (commercial and residential).

## Central

Central costs include 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.

Half-year ended 31 December 2024				
In millions of AUD	Distribution	Manufacturing	Central	Total
<b>Income</b>				
Operating Income	479.6	161.3	(15.3)	625.6
Other income	11.0	–	–	11.0
Finance income	1.2	2.7	–	3.9
Share of profit of an associate	0.1	0.4	–	0.5
<b>Total segment income</b>	<b>491.9</b>	<b>164.4</b>	<b>(15.3)</b>	<b>641.0</b>
<b>Results</b>				
Segment results	<b>28.9</b>	<b>8.4</b>	<b>(15.0)</b>	<b>22.3</b>
Income tax expense				(6.6)
<b>Net profit after tax</b>				<b>15.7</b>
<b>Other segment information</b>				
Depreciation and amortisation	(3.5)	–	(1.1)	(4.6)
<b>Assets and Liabilities</b>				
Total segment assets	<b>1,364.4</b>	<b>5,214.9</b>	<b>7.6</b>	<b>6,586.9</b>
Total segment liabilities	<b>1,253.1</b>	<b>5,112.4</b>	<b>8.8</b>	<b>6,374.3</b>



<b>Half-year ended 31 December 2023</b>				
<b>In millions of AUD</b>	<b>Distribution</b>	<b>Manufacturing</b>	<b>Central</b>	<b>Total</b>
<b>Income</b>				
Operating Income	429.5	141.6	(8.7)	562.4
Other income	10.0	0.1	–	10.1
Finance income	1.1	3.0	–	4.1
Share of profit of an associate	–	1.3	–	1.3
<b>Total segment income</b>	<b>440.6</b>	<b>146.0</b>	<b>(8.7)</b>	<b>577.9</b>
<b>Results</b>				
Segment results	<b>26.7</b>	<b>8.6</b>	<b>(12.7)</b>	<b>22.6</b>
Income tax expense				(7.3)
Net profit after tax				<b>15.3</b>
<b>Other segment information</b>				
Depreciation and amortisation	(2.5)	–	(1.1)	(3.6)
<b>As at 30 June 2024</b>				
<b>Assets and Liabilities</b>				
Total segment assets	<b>1,335.6</b>	<b>4,634.2</b>	<b>7.5</b>	<b>5,977.3</b>
Total segment liabilities	<b>1,224.5</b>	<b>4,536.9</b>	<b>8.8</b>	<b>5,770.2</b>

## 4. Revenue and expenses

### (i) Commission and other income

<b>In millions of AUD</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>At a point in time</b>		
Commissions	419.6	375.7
Securitisation transaction fees	2.1	1.6
<b>Over time</b>		
Interest on commission income receivable	40.2	40.6
Subscription income	4.1	3.6
Mortgage management services	0.2	0.1
Securitisation transaction fees	0.8	0.7
Other income	0.4	0.9
	<b>467.4</b>	<b>423.2</b>

## (ii) Other expenses

In millions of AUD	31 December 2024	31 December 2023
Advertising and promotion	(3.8)	(3.9)
Consultancy and professional fees	(2.7)	(3.5)
Information technology	(4.6)	(5.0)
Occupancy costs	(0.3)	(0.3)
Employee costs	(27.9)	(24.3)
Depreciation and amortisation	(4.6)	(3.6)
	<b>(43.9)</b>	<b>(40.6)</b>

## 5. Cash and cash equivalents

In millions of AUD	31 December 2024	30 June 2024
Cash at bank	54.6	66.2
Short term deposits	0.2	1.2
<b>Cash unrestricted</b>	<b>54.8</b>	<b>67.4</b>
Cash collections accounts <sup>1</sup>	106.3	149.5
Restricted cash <sup>2</sup>	9.4	4.7
<b>Cash restricted</b>	<b>115.7</b>	<b>154.2</b>
<b>Cash and cash equivalents</b>	<b>170.5</b>	<b>221.6</b>

<sup>1</sup> Discloses amounts held in the special purpose securitised trusts and series on behalf of the warehouse funder and the bondholders.

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

## 6. Dividends

	31 December 2024		31 December 2023	
	Cents per share	Total Amount (\$'m)	Cents per share	Total Amount (\$'m)
<b>Fully franked dividends declared and paid during the period</b>				
Prior year final dividend	4.0	10.8	4.1	11.1
<b>Fully franked dividends determined in respect of the period (declared but not recognised as a liability)</b>				
Interim dividend	3.8	10.3	4.0	10.8

## 7. Financial instruments

### Fair value hierarchy

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	31 December 2024		31 December 2023	
	Carrying Amount	Fair value	Carrying Amount	Fair value
<b>Financial assets</b>				
Non-current loans and advances	3,343.0	2,967.3	2,715.5	2,420.7
<b>Financial liabilities</b>				
Future trailing commission payable <sup>1</sup>	1,081.4	1,075.3	1,046.7	1,040.0
Non-current securitised funding facilities	2,081.0	1,998.8	2,162.5	1,927.0
Non-current debt facility	39.0	36.0	41.6	37.1

<sup>1</sup> Note a 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 5.3% to 6.3% (30 June 2024: 5.3% to 6.8%).

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 payable

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 trail commission assets and liabilities at 31 December 2024 relate to the Residential, Commercial and the AFGHL white label loan books.

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:

	31 December 2024	30 June 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 85% and 96.0%	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.

### Debt Facility

The fair values of the debt facility is estimated using quoted market prices or dealer quotes for similar instruments.

For the purposes of fair value disclosure under AASB 13, the NAB debt facility would be categorised as a level 2 liability. There is no impact of remeasurement on the profit or loss during the current period.

## 8. Investment in associates

In millions of AUD	31 December 2024	30 June 2024
<b>Non-current</b>		
<b>Thinktank</b>		
Cost of investment <sup>1</sup>	12.6	12.6
Share of post-acquisition profit	24.0	23.6
Dividends received	(0.5)	(0.5)
Purchase additional shares	0.7	0.7
	<b>36.8</b>	<b>36.4</b>
<b>Other broker related investments</b>		
Cost of investment <sup>1,2</sup>	9.8	3.7
Share of post-acquisition profit	(0.4)	(0.4)
	<b>9.4</b>	<b>3.3</b>
<b>Total investment in associates</b>	<b>46.2</b>	<b>39.7</b>

<sup>1</sup> Includes transaction costs

<sup>2</sup> Includes contingent final payment for the associates which may be payable in the future

This investment has been classified as an investment in associate measured using the equity method due to the Group's significant involvement in the financial and operating policy decisions including Board or advisory Board representation.

### 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 a 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 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 six months ended 31 December 2024, the Group acquired interest in two broker businesses within its network—Lifespan Pty Ltd Investment (**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	31 December 2024	30 June 2024
			Percentage ownership	
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	–

## 9. Intangibles

	\$'m
<b>Balance at 1 July 2024</b>	46.8
Additions	3.5
Amortisation	(3.3)
<b>Balance at 31 December 2024</b>	<b>47.0</b>
<b>Balance at 31 December 2023</b>	42.2
Additions	6.8
Amortisation	(2.2)
<b>Balance at 30 June 2024</b>	<b>46.8</b>

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## 10. Goodwill

	\$'m
<b>Balance at 1 July 2024</b>	61.1
Acquisitions	–
<b>Balance at 31 December 2024</b>	<b>61.1</b>
<b>Balance at 31 December 2023</b>	61.1
Acquisitions	–
<b>Balance at 30 June 2024</b>	<b>61.1</b>

The Group performs its annual impairment test in June and when circumstances indicate that the carrying value may be impaired. The Group's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculation using 5-year financial forecasts. The key assumptions used to determine the recoverable amount for the cash generating unit was disclosed in the annual consolidated financial statements for the year ended 30 June 2024.

As at 31 December 2024, no impairment indicators exist that require an assessment for impairment of the cash generating unit with goodwill.

## 11. Non-interest-bearing liabilities

In millions of AUD	31 December 2024	30 June 2024
Put/Call liability Fintelligence	–	11.8
	–	<b>11.8</b>

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 final acquisition payment, a gain of \$0.3 million was recognised in the consolidated statement of profit or loss and other comprehensive income.

## 12. 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:

	31 December 2024	31 December 2023
<b>Profit attributable to ordinary equity holders of the Company (\$m)</b>	<b>15.3</b>	<b>14.4</b>
Weighted average number of ordinary shares for basic EPS (millions)	270.8	270.8
Effect of dilution: Performance rights (millions)	2.5	4.1
Weighted average number of ordinary shares adjusted for the effect of dilution (millions)	<b>273.3</b>	<b>274.9</b>

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.

### 13. Key management personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report. During the half year there were no changes in the key management personnel remuneration structure.

### 14. Subsequent events

On 27 February 2025, the Directors recommended the payment of a dividend of 3.8 cents per fully paid ordinary share, fully franked based on tax paid at 30%. The dividend has a record date of 7 March 2025 and a payment date of 9 April 2025. The aggregate amount of the proposed dividend expected to be paid out of retained earnings at 31 December 2024 is \$10.3m. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 31 December 2024.

On 19 February 2025 AFG's wholly owned subsidiary AFG Securities Pty Ltd has priced a \$700 million Residential Mortgage-Backed Securities (RMBS) issue, AFG 2025-1NC.

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.

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# Directors' Declaration

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

- a. The interim financial statements and notes of the Company and its subsidiaries (collectively the Group) are in accordance with the Corporations Act 2001 , including:
  - (i) Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
  - (ii) Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 ; and
- b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



**Greg Medcraft**

Chair

Perth, Western Australia

27 February 2025

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Ernst & Young  
11 Mounts Bay Road  
Perth WA 6000 Australia  
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222  
Fax: +61 8 9429 2436  
ey.com/au

## Auditor's Independence Declaration to the Directors of Australian Finance Group Ltd

As lead auditor for the review of the half-year financial report of Australian Finance Group Ltd for the half-year ended 31 December 2024, 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 review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

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

Ernst & Young

Timothy Dachs  
Partner  
27 February 2025

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Ernst & Young  
11 Mounts Bay Road  
Perth WA 6000 Australia  
GPO Box M939 Perth WA 6843

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Fax: +61 8 9429 2436  
ey.com/au

## Independent auditor's review report to the members of Australian Finance Group Ltd

### Conclusion

We have reviewed the accompanying half-year financial report of Australian Finance Group Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2024, 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 half-year ended on that date, explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



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**Auditor's responsibilities for the review of the half-year financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Timothy Dachs  
Partner  
Perth  
27 February 2025

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