

NATIONAL

AFG CALLS ON GOVERNMENT TO BOOST CONSUMER CONFIDENCE AFTER ANOTHER FLAT MONTH: APRIL FIGURES

4 May 2011

AFG, Australia's largest mortgage broker, has called on the Government to address weak consumer confidence, after figures for April showed mortgage sales fell by nearly 10% compared to April 2010. AFG processed \$2.1 billion in mortgages in April 2011 compared to \$2.3 billion in April last year and \$2.8 billion in April 2009.

Month on month figures showed an even larger fall of 15.6% - but this drop in volume also reflects the impact of the extended Easter and Anzac public holidays. On a volume per business day basis, April was somewhat higher (\$117 million) than March (\$111 million), but both these figures are well below those recorded in previous years.

Mark Hewitt, General Manager of Sales and Operations says: 'Falling property prices, rising interest rates, the increasing cost of living and the fear of a carbon tax and other levies are a toxic combination to consumer confidence. As people start to see their net worth eroding because of falling home and investment property values, they become even less likely to spend. The Government needs to address this problem in its forthcoming budget, and provide a circuit breaker to restore confidence among consumers that the underlying fundamentals of our economy are still strong.'

New South Wales was the most popular with First Home Buyers, who comprised 17.3% of all mortgages processed in the state - well above the national average of 13.9%. It was also second highest in popularity with property investors who accounted for 37.5% of all new mortgages processed - the most popular investment market being Victoria, where 38.4% of mortgages were processed for investors.

Fixed rate home loans remained steady, comprising 6.4% of the product mix, reflecting consumer caution at locking in rates over the long term.

Refinancing figures were also unchanged, accounting for 36.7% of all new home loans processed in April.

Figures for each state are available at: www.afgonline.com.au:Corporate - News.

ENDS

CONTACT DETAILS:

Mark Hewitt, General Manager Sales & Operations

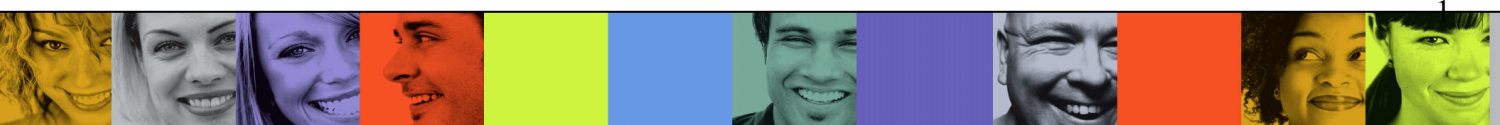
Tel: 08 9420 7888

Australian Finance Group Ltd

David Michie:

Mob: 0411 453 404

Mosaic Reputation Management



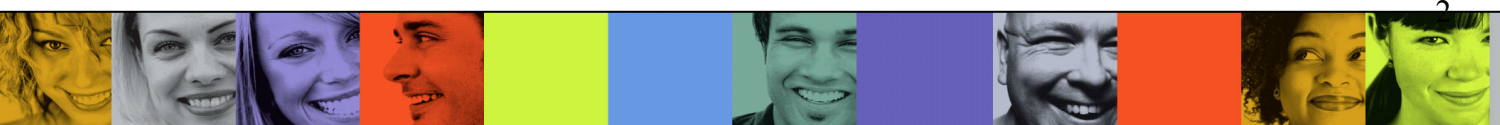
AFG - First with the Figures

AFG MORTGAGES SOLD
TABLE 1: ALL AUSTRALIA

MONTH	TOTAL NUMBER	TOTAL AMOUNT	AVERAGE SIZE	PROPERTY INVESTORS	FIRST TIME BUYERS	% REFINANCE
Mar 10	7,376	\$2,760 m	\$374k	35.1%	10.4%	37.1%
Apr 10	6,150	\$2,329 m	\$378k	36.9%	10.2%	36.6%
May 10	6,624	\$2,561 m	\$386k	36.7%	9.9%	38.0%
June 10	6,159	\$2,323 m	\$377k	35.4%	9.5%	39.0%
July 10	5,698	\$2,111 m	\$370k	33.6%	11.1%	39.4%
Aug 10	6,269	\$2,343 m	\$373k	34.3%	11.7%	38.3%
Sep 10	6,157	\$2,335 m	\$379k	34.5%	12.6%	36.8%
Oct 10	5,891	\$2,234 m	\$380k	35.4%	11.8%	37.8%
Nov 10	6,619	\$2,511 m	\$379k	35.1%	12.2%	38.5%
Dec 10	5,472	\$2,076 m	\$379k	35.5%	11.4%	41.5%
Jan 11	3,583	\$1,310 m	\$365k	34.7%	14.1%	36.1%
Feb 11	5,365	\$2,053 m	\$382k	33.9%	14.6%	37.0%
Mar 11	6,436	\$2,513 m	\$390k	34.7%	13.9%	36.9%
Apr 11	5,489	\$2,119 m	\$386k	34.9%	13.9%	36.7%

AVERAGE MORTGAGE SIZE IN DOLLARS
TABLE 2: STATE BY STATE

MONTH	AUSTRALIA	NSW	QLD	SA	VIC	WA	NT
2010 02	361,589	420,554	339,467	303,404	323,317	390,842	360,457
2010 03	374,297	455,955	345,800	288,115	334,014	397,473	357,295
2010 04	378,814	432,435	348,285	304,489	355,865	412,126	346,745
2010 05	386,632	452,240	368,809	303,342	349,963	411,972	369,483
2010 06	377,233	455,649	346,234	303,212	353,886	386,513	337,167
2010 07	370,505	428,943	335,850	288,165	356,642	393,134	358,630
2010 08	373,750	433,378	341,353	305,536	360,431	391,397	332,643
2010 09	379,374	454,325	318,556	300,754	354,673	398,064	318,556
2010 10	380,027	442,743	354,651	315,306	359,271	393,479	307,661
2010 11	379,385	434,898	354,220	305,978	359,343	395,325	338,145
2010 12	379,444	432,540	344,485	324,070	370,978	396,047	339,641
2011 01	365,799	416,527	319,554	301,933	349,155	397,102	329,902
2011 02	382,725	451,630	354,012	321,672	346,465	394,922	360,971
2011 03	390,479	467,034	357,177	309,931	360,051	396,572	376,348
2011 04	386,218	453,492	357,453	315,692	363,724	404,714	326,205



LOAN VALUE RATIOS
(Loan stated as % of property value)
TABLE 3: STATE BY STATE

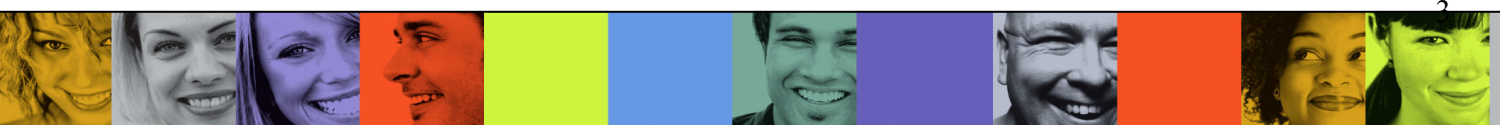
	AUSTRALIA	NSW	QLD	SA	VIC	WA	NT
2009 12	64.1%	67.0%	62.5%	63.7%	66.9%	62.8%	61.9%
2010 01	64.0%	65.6%	62.1%	63.2%	67.6%	61.4%	69.7%
2010 02	62.9%	66.7%	63.6%	64.7%	65.5%	60.3%	56.5%
2010 03	62.5%	65.9%	62.5%	63.5%	66.2%	58.7%	58.0%
2010 04	63.3%	66.1%	62.8%	62.7%	66.6%	60.1%	61.7%
2010 05	63.2%	66.4%	62.2%	62.2%	64.8%	60.4%	63.0%
2010 06	61.6%	65.5%	61.4%	60.3%	63.2%	59.3%	60.0%
2010 07	62.4%	64.9%	62.4%	63.6%	65.1%	62.2%	56.4%
2010 08	63.0%	67.0%	62.4%	62.3%	64.1%	61.4%	60.6%
2010 09	63.0%	64.9%	63.3%	63.5%	64.9%	61.6%	59.7%
2010 10	64.5%	67.5%	65.5%	64.9%	66.3%	63.7%	59.0%
2010 11	64.2%	65.1%	64.2%	62.1%	65.5%	64.1%	64.2%
2010 12	65.9%	66.2%	65.1%	65.5%	66.1%	63.6%	68.7%
2011 01	65.4%	66.5%	62.8%	62.2%	67.7%	66.8%	66.2%
2011 02	68.8%	69.2%	66.5%	66.5%	66.5%	65.9%	78.2%
2011 03	65.8%	66.8%	65.2%	67.2%	67.5%	65.0%	63.1%
2011 04	63.9%	65.4%	65.4%	65.9%	65.8%	65.1%	56.8%

LOAN TYPE
TABLE 4: ALL AUSTRALIA

MONTH	BASIC VARIABLE	EQUITY	FIXED	INTRO	STANDARD VARIABLE
Apr 10	19.5%	10.3%	3.2%	8.4%	58.6%
May 10	17.1%	11.7%	2.9%	8.7%	59.6%
June 10	17.5%	11.1%	3.9%	7.1%	60.4%
July 10	16.9%	10.6%	3.4%	7.5%	61.6%
Aug 10	16.8%	10.2%	3.9%	8.2%	60.8%
Sep 10	16.7%	9.0%	5.4%	7.5%	61.4%
Oct 10	16.2%	10.4%	6.3%	6.9%	60.0%
Nov 10	15.0%	9.5%	9.0%	7.4%	59.1%
Dec 10	13.7%	9.0%	12.6%	8.9%	55.7%
Jan 11	14.6%	7.7%	9.0%	11.9%	56.7%
Feb 11	14.2%	9.7%	6.6%	13.2%	56.2%
Mar 11	11.8%	9.3%	6.6%	15.6%	56.6%
Apr 11	10.6%	9.7%	6.4%	14.3%	58.9%

DEFINITIONS:

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



LENDER TYPE (SOURCE: ABS) TABLE 5: ALL AUSTRALIA

MONTH	BANK	NON BANK	TOTAL
2 nd quarter 2007	79.7%	20.3%	100%
3 rd quarter 2007	79.6%	20.4%	100%
4 th quarter 2007	85.4%	14.6%	100%
1 st quarter 2008	87.5%	12.5%	100%
2 nd quarter 2008	84.5%	15.5%	100%
3 rd quarter 2008	90.8%	9.2%	100%
4 th quarter 2008	91.8%	8.9%	100%
1 st quarter 2009	92.5%	7.5%	100%
2 nd quarter 2009	89.1%	10.8%	100%
3 rd quarter 2009	88.3%	11.7%	100%
4 th quarter 2009	88.1%	11.9%	100%
1 st quarter 2010	88.1%	11.9%	100%
2 nd quarter 2010	87.5%	12.5%	100%
3 rd quarter 2010	87.0%	13.0%	100%
4 th quarter 2010	84.6%	15.4%	100%

Note to Editors

AFG is Australia's largest mortgage broker. Established in 1994, the company now provides more than 20% of brokers nationwide with access to Australia's leading lending institutions, and has a mortgage book in excess of \$65 billion.

