

Latitude 1H22 Results

19 August 2022

Important notice and disclaimers



Important notice and disclaimer

The following important notice and disclaimer applies to this presentation (“**Presentation**”) and you are therefore advised to read this carefully before reading or making any other use of this Presentation or any information contained in this Presentation.

This Presentation has been prepared by Latitude Group Holdings Limited (“**LFS**”). The distribution of this Presentation in jurisdictions outside Australia may be restricted by law and you should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Summary information

This Presentation contains summary information about the current activities of LFS and its subsidiaries as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete. This Presentation should be read in conjunction with LFS’s other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (“**ASX**”), which are available at www.asx.com.au. No member of LFS gives any warranties in relation to the statements and information in this Presentation.

Financial information

The financial information in this Presentation is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required by the Australian Accounting Standards (“**AAS**”) and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. You should consider the basis of preparation and assumptions underlying the financial information contained in this Presentation.

All dollar values are in Australian dollars (“**A\$**” or “**\$**”). A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation. ‘HoH’ refers to the half-on-half movement which is sequential, whereas ‘YoY’ refers to the year-on-year movement which is the prior corresponding period.

Past performance

Past performance and historical information in this Presentation is given for illustrative purposes only and should not be relied upon (and is not) an indication of future performance including future share price information.

Forward looking statements

This Presentation contains certain “forward-looking statements”. The words “forecast”, “estimate”, “likely”, “anticipate”, “believe”, “expect”, “project”, “opinion”, “predict”, “outlook”, “guidance”, “intend”, “should”, “could”, “may”, “target”, “plan”, “project”, “consider”, “foresee”, “aim”, “will”, “seek” and other similar expressions are intended to identify forward-looking statements.

Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks, uncertainties, assumptions, contingencies and other factors, many of which are beyond the control of LFS and its related bodies corporate and affiliates and each of their respective directors, securityholders, officers, employees, partners, agents, advisers and management.

Investors are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic.

Nothing in this Presentation is a promise or representation as to the future. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may vary materially from those expressed or implied in those statements and any projections and assumptions on which these statements are based. These statements may assume the success of LFS’s business strategies and the integration of Symple following completion of the Acquisition, the success of which may not be realised within the period for which the forward-looking statements may have been prepared, or at all.

No guarantee, representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns, statements or tax treatment in relation to future matters contained in this Presentation. The forward-looking statements are based only on information available to LFS as at the date of this Presentation. Except as required by applicable laws or regulations, none of LFS, its representatives or advisers undertake any obligation to provide any additional or updated information or revise the forward-looking statements or other statements in this Presentation, whether as a result of a change in expectations or assumptions, new information, future events, results or circumstances.

Important notice and disclaimers (cont'd)



Information and liability

To the maximum extent permitted by law, LFS and its respective affiliates and related bodies corporate and each of their respective directors, officers, partners, employees, agents and advisers (together, the “Beneficiaries”) exclude and expressly disclaim:

- all duty and liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) for any expenses, losses, damage or costs (whether foreseeable or not) incurred by you as a result of the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise;
- any obligations or undertaking to release any updates or revisions to the information in this Presentation to reflect any change in expectations or assumptions; and
- all liabilities in respect of, and make no representation or warranty, express or implied, as to the fairness, currency, accuracy, reliability or completeness of information in this Presentation or any constituent or associated presentation, information or material, or the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns (or any event or results expressed or implied in any forward looking statement) contained in, implied by, the information in this Presentation or any part of it, or that this Presentation contains all material information about LFS or which a prospective investor or purchaser may require in evaluating a possible investment in LFS or acquisition of securities in LFS.

Not an offer, advice or recommendation

This Presentation is for information purposes only and should not be read or understood as an offer, invitation, solicitation, inducement or recommendation to subscribe, buy or sell LFS shares or any other financial products in any jurisdiction.

Nothing contained in this Presentation constitutes financial product, investment, legal, tax or other advice or any recommendation. It does not take into account the investment objectives, financial situation or needs of any particular investor. Before making an investment decision, prospective investors should consider the appropriateness of the information in this Presentation having regard to their own investment objectives, financial situation and needs and with their own professional advice.

Each recipient of this Presentation should make its own enquiries and investigations regarding all information included in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of LFS and the values and the impact that different future outcomes may have on LFS.

Market and industry data and other information

Certain market and industry data and other information used in this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither LFS nor its representatives or its advisers have independently verified, or can assure investors as to the accuracy of, any market or industry data or other information provided by third parties or industry or general publications.

Photographs and diagrams used in this Presentation that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Presentation or its contents or that the assets shown in them are owned by LFS. Diagrams used in this Presentation are illustrative only and may not be drawn to scale.

General

In this Presentation references to ‘LFS’, ‘we’, ‘us’ and ‘our’ are to Latitude Group Holdings Limited and (where applicable) its controlled subsidiaries.

Statements made in this Presentation are made only as at the date of this Presentation. The information in this Presentation remains subject to change without notice. LFS may in its absolute discretion, but without being under any obligation to do so, update or supplement this Presentation. Any further information will be provided subject to the terms and conditions contained in this Important Notice and Disclaimer.

ersonal use only



Ahmed Fahour
Managing Director & CEO



ersonal use only



Who we are



Leading consumer finance & personal lending business



2.82 million customer accounts*



Retail & Online Distribution Platform



Leading AU & NZ Consumer Finance Business



A\$6.3b total gross receivables*



Focused Digital Product Offering



ACC founded



Range of acquisitions by GE



Latitude is acquired from GE



Separation from GE as a standalone business



Establishment of funding structure



Launch of Latitude brand



Acquisition of Genoapay and launch of LatitudePay



Latitude Strategy 2.0



IPO



Acquisitions of Symple & OctiFi



International expansion

1925

1995 - 2002

2015

Pre acquisition from GE

2019

Private consortium ownership KKR VÄRDE Deutsche Bank SHINSEI BANK

2021

2022

ASX listed company

OUR MISSION

Enhance financial access and inclusion as a responsible partner in money

OUR AMBITION

Grow our value and global addressable market, transform our organisation's capability to adapt and earn admiration from stakeholders with renown for our innovative support of financial inclusion, diversity and the environment

OUR STRATEGY

Lead in sales finance, lead in personal lending, expand in Asia, transform operations, fortress balance sheet, enhance customer-led culture

OUR VALUES

Act Right, Show Care, Be Curious

Our Senior Leaders



Ahmed Fahour
Managing Director and CEO



Paul Varro
CFO & EGM, Finance & Risk



Andrew Walduck
EGM Group COO



Bob Belan
EGM Money



David Gelbak
EGM Pay & Instalments



Eva Zileli
Group Treasurer



Bec Supierz
GM, People



Mark Brudenell
Chief Risk Officer

ersonal use only

Our Strategic Priorities



Lead in Pay / Instalments

- Deliver next gen instore apply experience (*QR code at scale*) to offset experience headwinds and drive pull through
- Deliver graduation at scale via always-on data driven program
- Commercialise new verticals via deploying right instalment product offering and merchant experience

Lead in Money

- Broaden TAM with new features (*variable rate*), capabilities (*redraw*) and enhanced fulfillment (*time to cash*)
- Optimise graduation and funding
- Explore consolidation & other partnerships

Divest Insurance

- Announced (*8-August-22*)

Expand in Asia

- Launched in Singapore and Malaysia around key partners
- Identify priority markets within Asia (*beyond SE Asia*) for growth at scale
- Deploy merchant strategy to drive higher pull-through and conversion via value added differentiators (*eg: upgrade programs*)

Transform operations

- Digitally transform & consolidate
- Transition legacy technology to cloud based platforms
- Optimise credit & fraud loss rates using progressive technology

Enhance customer led culture

- Shift to portfolio operating model
- Recruitment and development to fill leadership and capability gaps
- Be flexible in where & how people work

Sustain balance sheet & risk strength

- Continued funding & risk management discipline & innovation
- Strong & resilient balance sheet structure supporting growth
- Effective management of market risk exposures

Enhance stakeholder reputation

- Demonstrate our responsible approach
- Enhance our programs to support financial access, inclusion and diversity
- Launch lending offers to support energy transition (*eg: loans for electric cars, solar etc.*)

Our Strengths



History

Profitable heritage business with 100-yrs of pedigree in consumer finance

Talent

Significant depth & breadth of expertise & experience across the enterprise

Credit & Risk Competence

Through the cycle credit track record. Prudent risk mgmt. process underpinned by risk based pricing

Merchant Partnership Relationship / Capability

Longstanding deep relationships with merchant partners including Harvey Norman, JB Hi-Fi, The Good Guys, Apple and Samsung

Funding

7+ yrs in global debt markets offering scarce ABS. Diverse sources (50+), programmatic, at size with excess capacity

Product Features

Range of instalment & lending products providing payment options for consumers & partners

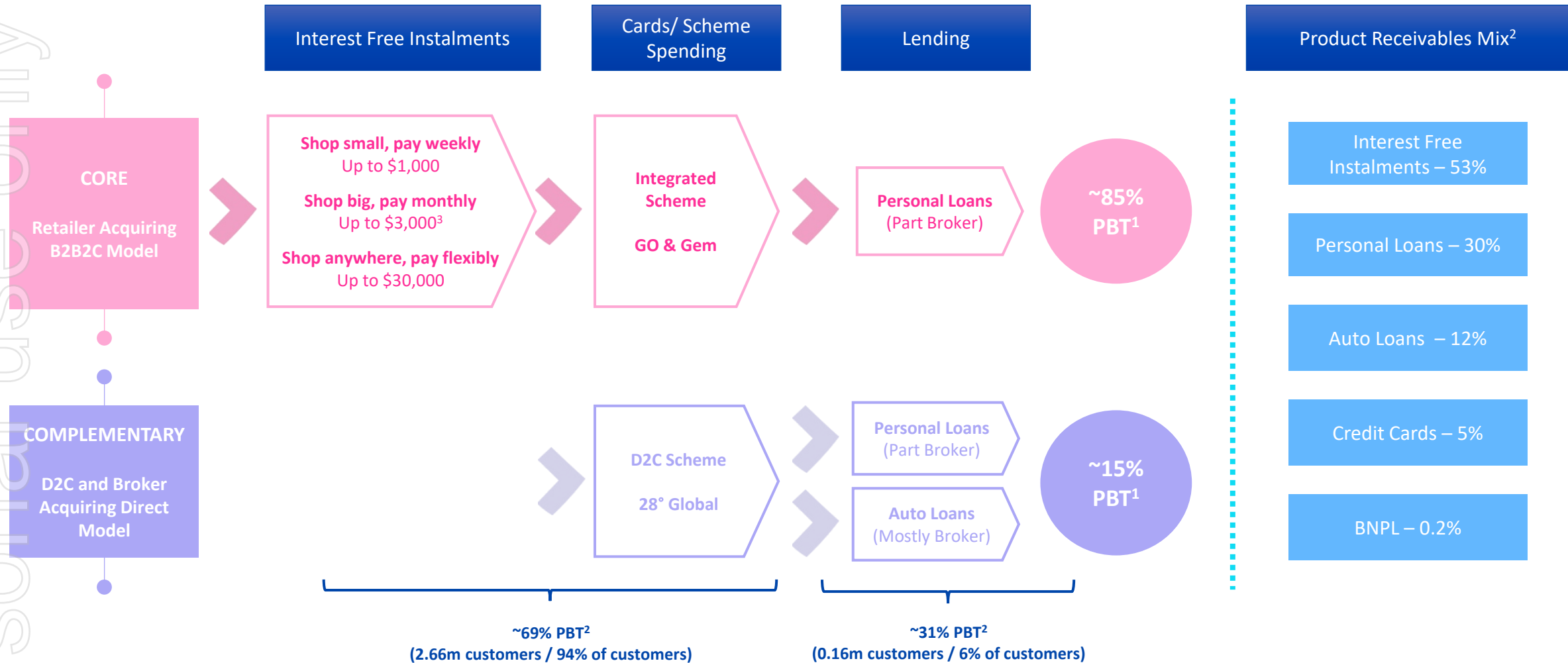
Customer Experience

Constantly developing & enhancing the customer & partner digital experience

Graduation

B2B2C business model is a competitive advantage providing well established graduation

Our B2B2C business model

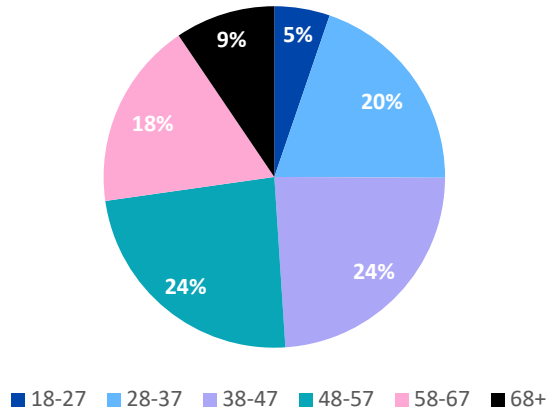


Internal Latitude company information.
 (1) FY21 profit before tax
 (2) Proportion of group gross loan receivables as at 30 June 2022
 (3) Up to \$10,000 for new growth segments

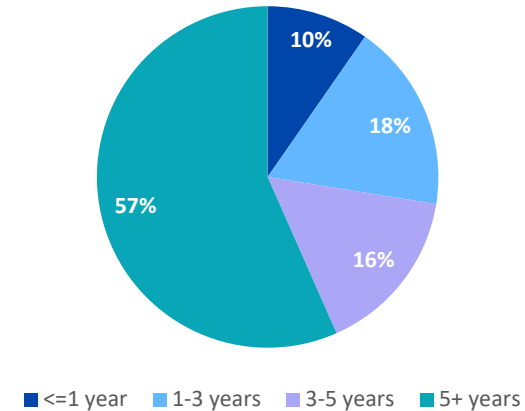
Our Customers



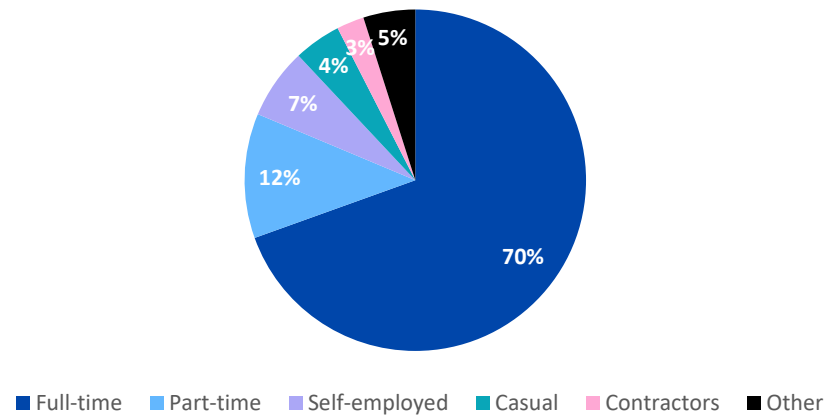
Diverse range of customers across generations¹



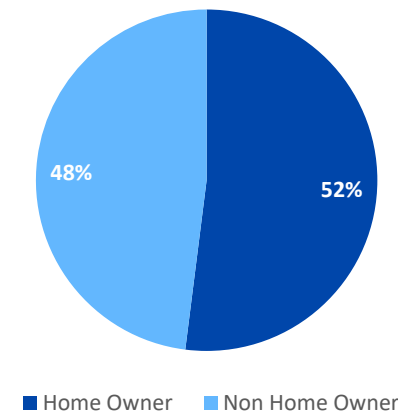
57% of customer relationships are 5+ years¹



82% of customers are full-time and part-time employees²



52% of customers are homeowners³



Personal use only



1H22 Result Highlights



1H22 Highlights



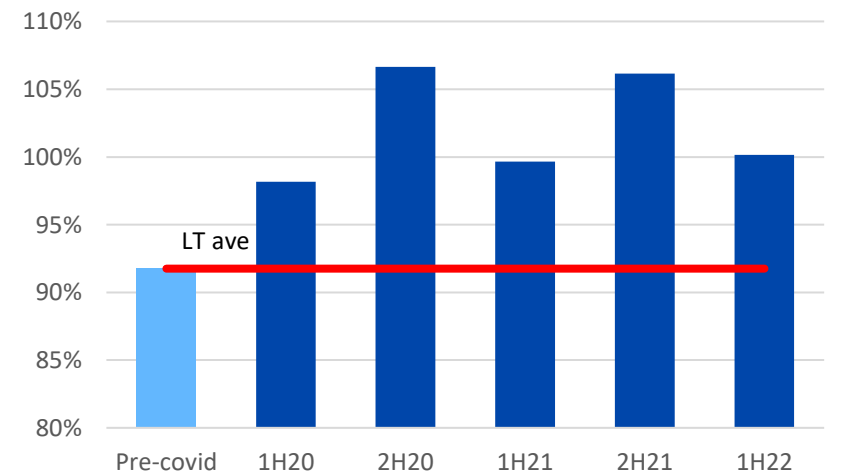
Strengths:

- ✓ **\$93m cash NPAT¹ with dividend maintained at 7.85c 100% franked**
- ✓ **Organic focus with strong competitive / customer positioning**
 - Volume of \$3.7bn
- ✓ **Bulwark balance sheet to navigate economic uncertainty**
 - **Surplus TER 9.2%** (vs. 6-7% target range)
 - **Prudent provisioning:** 1.6x NCO (vs. 1.3x pre-covid)
 - **Conservative funding:** \$2bn headroom/ 12-months capacity (2 refi's executed at a tighter spread in the half)
 - **Strong net cash position**
 - **High margin** with re-pricing room (11.3%) & cost discipline
- ✓ **Symple transformation of the PL / auto platform on track**
 - Australian PL volume up 16% HoH, up 30% YoY
- ✓ **Travel & credit card scheme starting to grow again**
 - 28° Global volume up 23% HoH, up 29% YoY to \$779m
- ✓ **Demonstrated M&A discipline & patience**
 - Positioned for opportunities that may emerge
 - Capital optimised with divestment of insurance

Challenges:

- ❖ **Elevated repayment rates driving flat receivables**
- ❖ **Underlying growth in Pay remains subdued with excess consumer savings**
- ❖ **Steep yield curve means funding costs rise before asset yields**

Repayment rate (ex credit cards)



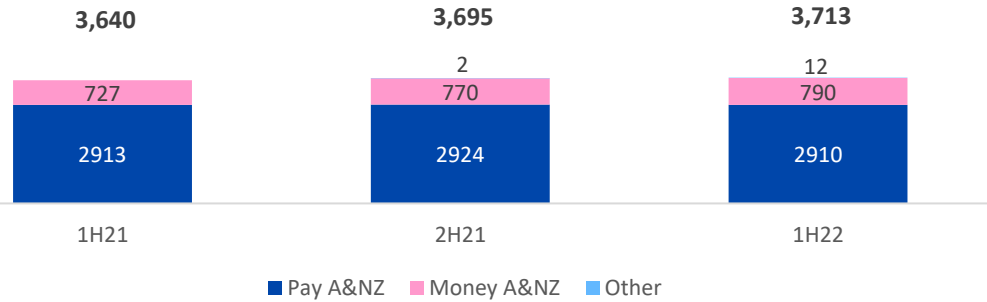
Refer appendix slide 35

Strong volume maintained with continued cost discipline & risk management



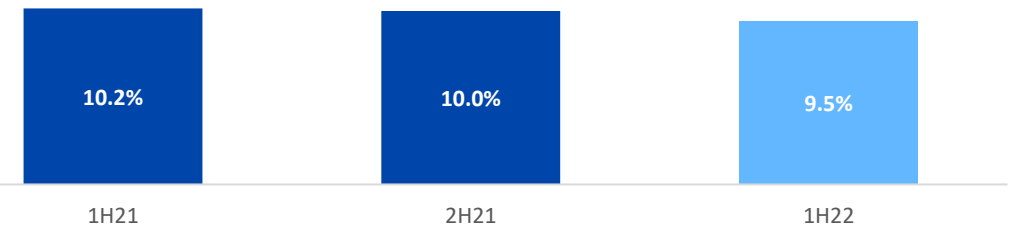
~\$3.7bn of volume

Volume (\$m)

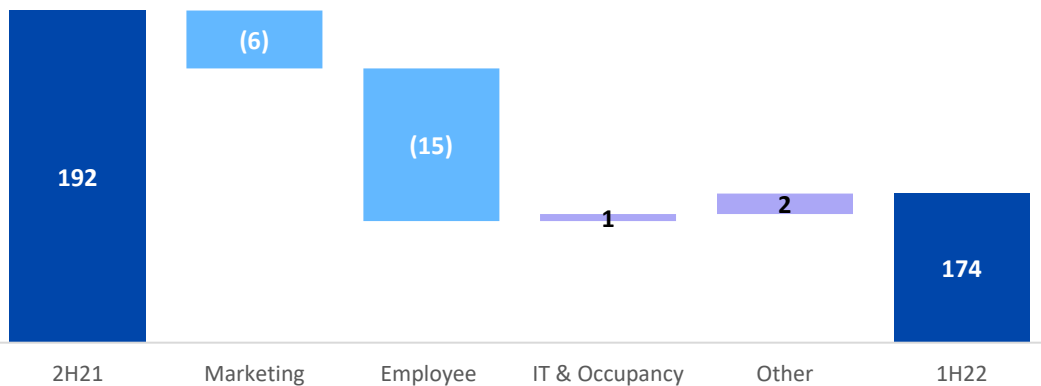


RAI down 56bps HoH due to higher funding. Product repricing underway

RAI/AGR (%)

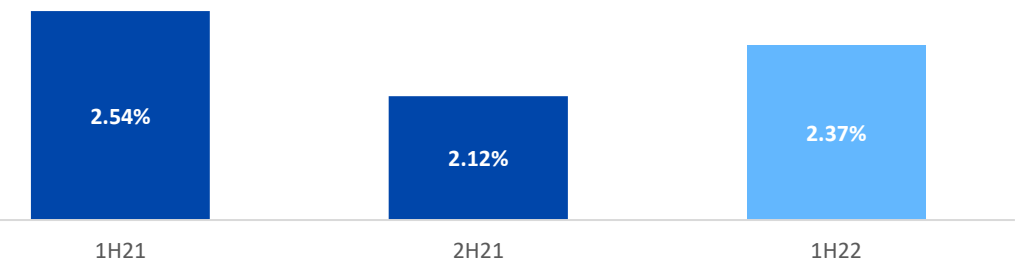


Cash expenses down 9% HoH



Net charge offs down 17bps YoY

NCO/AGR (%)

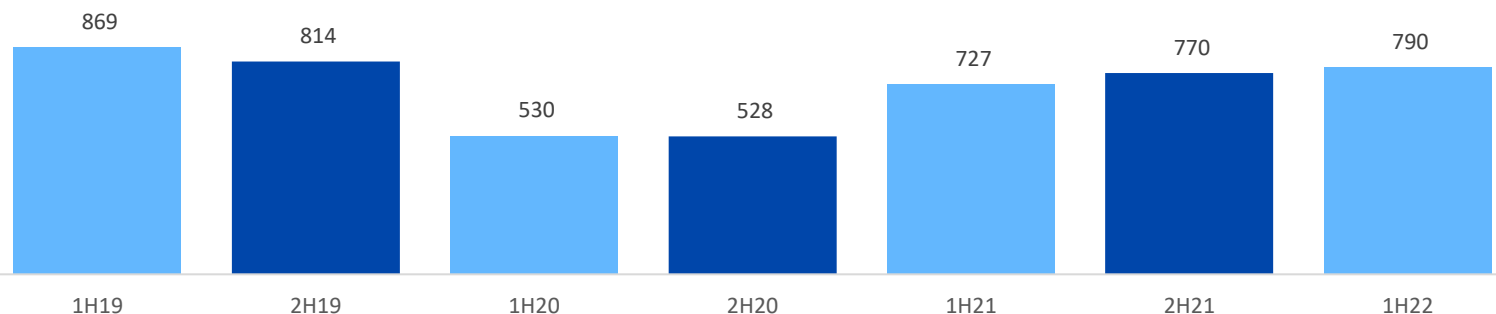


Money & Pay volume growth



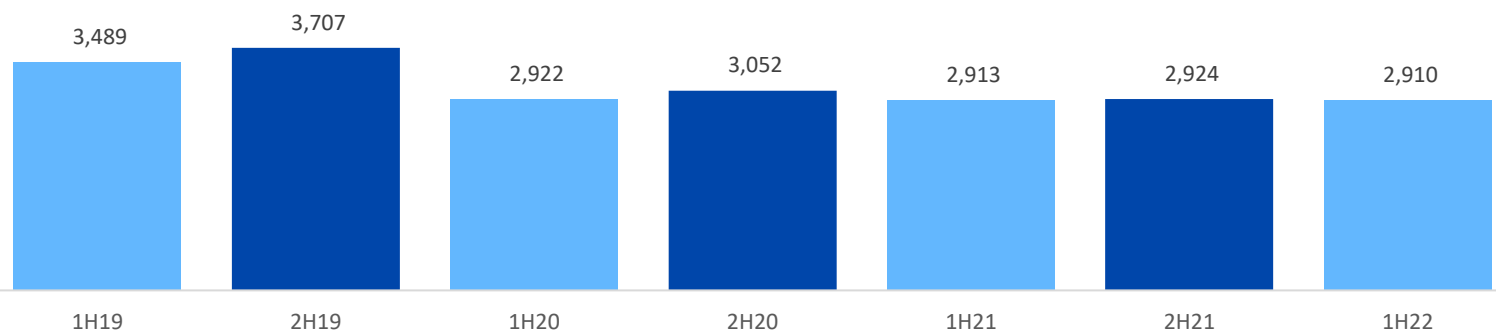
Money volume driven by strong AU personal loans up 16% HoH, 30% YoY

Volume (\$m)



Pay volume remains stable with macro-economic factors driving consumer preference for debit

Volume (\$m)



Money volume drivers:

- Money volume up 3% HoH, up 9% YoY
- AU Money receivables up 3% HoH, up 9% YoY
- Auto pricing criteria managed for risk adjusted returns

Pay volume drivers:

- Low interest rates, excess liquidity and in-store sales remain below pre-covid levels
- 28° Global up 23% HoH, up 29% YoY

Symple transformation on track



NEED TO KNOW

- Core capabilities for the new Latitude Money Platform (AU) have been delivered over a 10-month period since acquisition of Symple.
- The Symple platform has been further enhanced with **new capabilities required for scale & business optimisation**. Including: Salesforce Marketing Cloud, Vonage integrated cloud telephony, and digitisation of the broker onboarding process.
- Delivery is now focused on the **NZ** platform build, integrating with the **enterprise collections** platform, and **back-book customer migration**.
- Launch of **ongoing enhancements** remains a key business focus (*continuous delivery model*).

COMPLETED

Loans Application Portal enhanced & rebranded	Marketing Cloud integration & launch
Australian Personal Loans front book migration (all channels)	Telesales Enablement integrated cloud platform
Broker Portal enhanced & rebranded	Group Cyber Security security event monitoring
Broker Accreditation digital onboarding process	Data & Analytics Latitude data architecture integration
Broker Relationship Management new salesforce platform	Securitisation onboarding to ABS suite
Latitude Integrations interfaces to key group systems	Credit Reporting comprehensive credit reporting (CCR) uplift
Back-office Operations enhanced digital workflow	

IN PROGRESS

(To be completed by 2Q23)

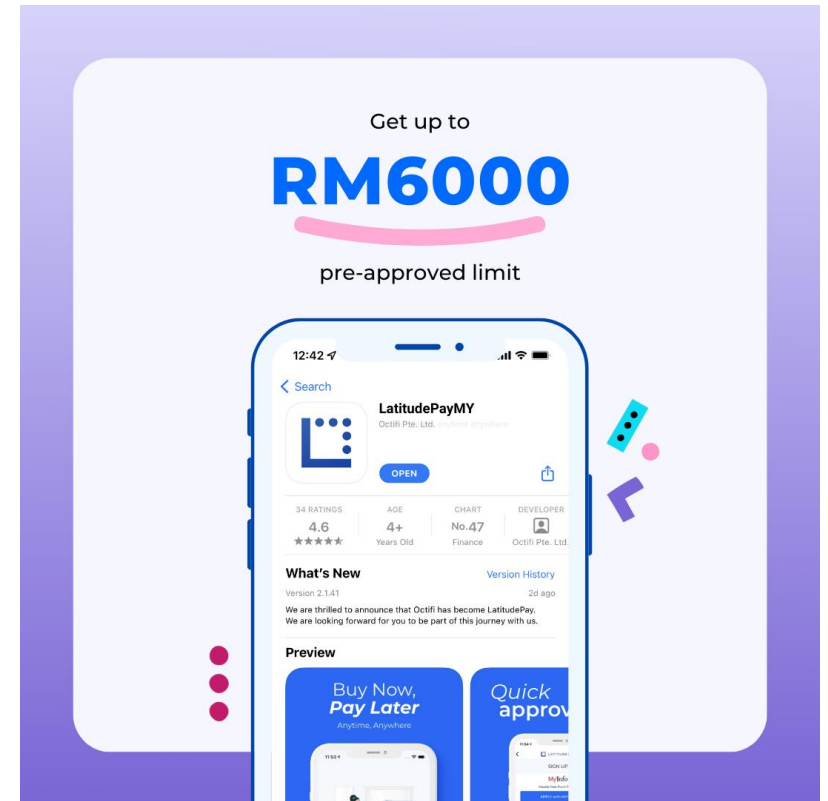
New Zealand Platform Q2 Cloud Lending Build
Enterprise Collections Power Curve Collections (PCC) integration
Auto Loans Product Build/Integration for Broker
Platform Optimisation Q2 platform business optimisation
Australia Back-Book back book customer migration
New Zealand Back-Book back book customer migration
Legacy IT Decommissioning ICBS & Genesis decommissioning

International



International update:

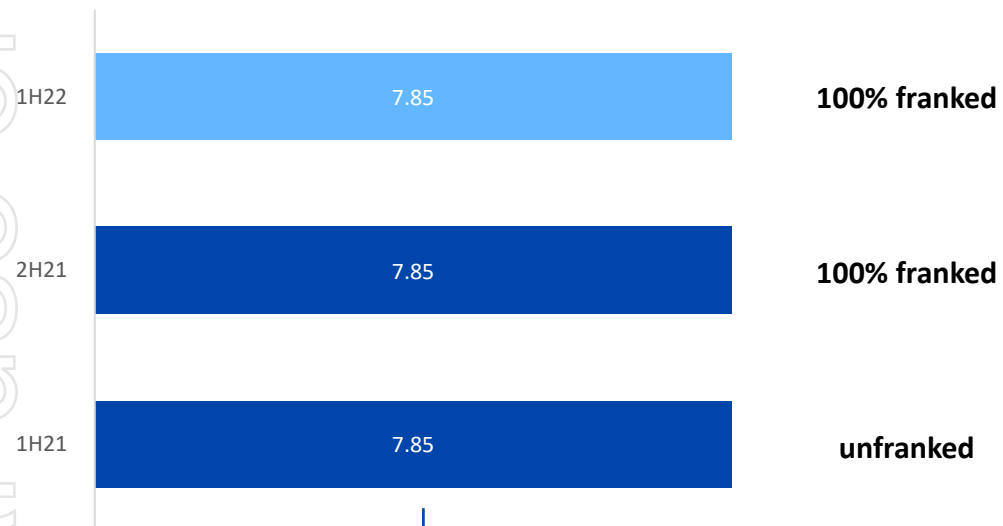
- Now live in both Singapore (Nov 21) and Malaysia (June 22)
- 30,000 customers
- ~465 merchants signed up including Harvey Norman, Gain City, Osim, Ogawa, Jai Yoga, Switch, M1 and iStudio
- Our deep partnership with Harvey Norman is a key platform for growth: E-commerce in Singapore (13) and Malaysia (4; +17 to come)
- Two significant partners in contract phase representing ~200 stores combined
- On track to launch big-ticket instalments in 3Q22



Consistent Dividends



DPS (cents)



↓
**10.1% 1H22
dividend yield¹**



Dividend information:

- Ex dividend date: 23/09/2022
- Record date: 26/09/2022
- Dividend payment date: 26/10/2022

Dividend reinvestment plan (DRP) to be offered with the 1H22 dividend

Drivers of Growth to Ambition





ersonal use only



Latitude
present



Economy
normalises



Synergies and
growth from
Symple
acquisition



Digitisation



International
expansion



Partnerships

Inorganic / portfolio opportunities

Latitude
tomorrow





Forward outlook:

- Latitude is positioned for growth with high quality customers and impeccable receivables as the end of major government stimulus packages reduces excess cash in the system
- Recent growth is at good margins. However, Latitude was an early mover on significant repricing actions which slowed volume growth. NZ was also impacted by regulatory changes (CCCFA) which are starting to normalise
- Latitude is ready and primed with the appetite, the products, the distribution and the capital to grow rapidly and capitalise on changing conditions

ersonal use only



Paul Varro
Chief Financial Officer



1H22 Financial Update



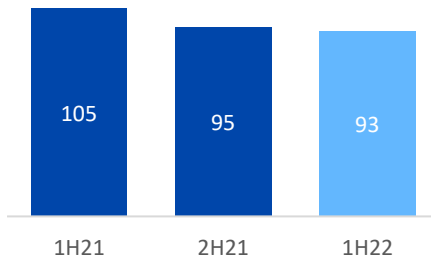
Solid Cash NPAT ¹

Strong credit losses & opex discipline

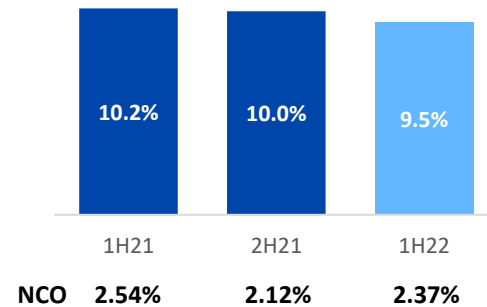
Strong Balance sheet & stable returns

Consistent DPS & EPS

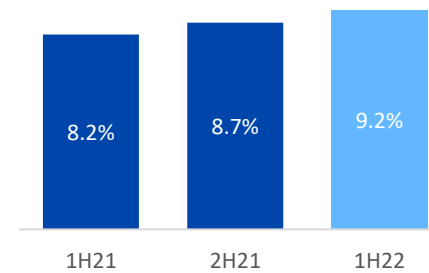
Cash NPAT (\$m)



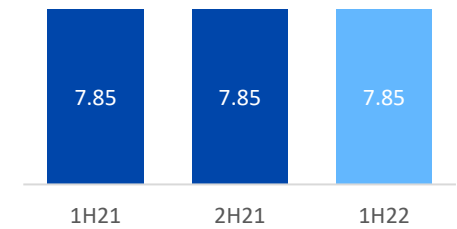
RAI/AGR ² (%)



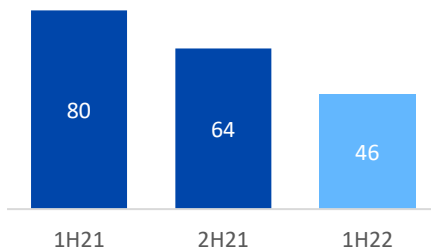
TER (%)



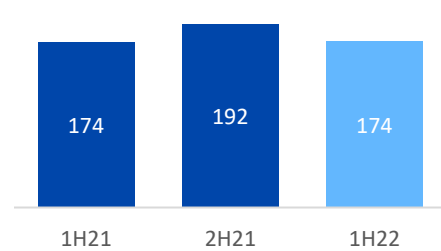
Cash DPS (cents)



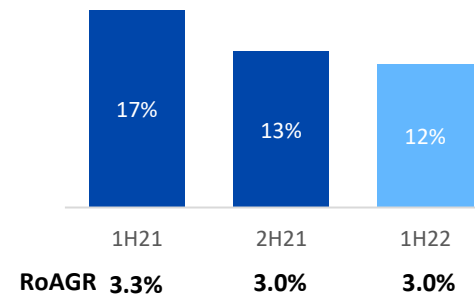
Statutory NPAT (\$m)



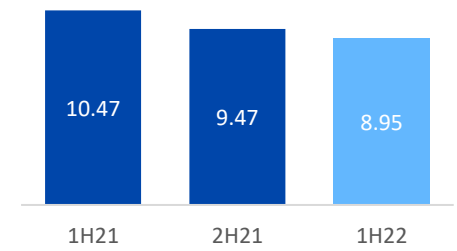
Cash Opex (\$m)



ROE (%)



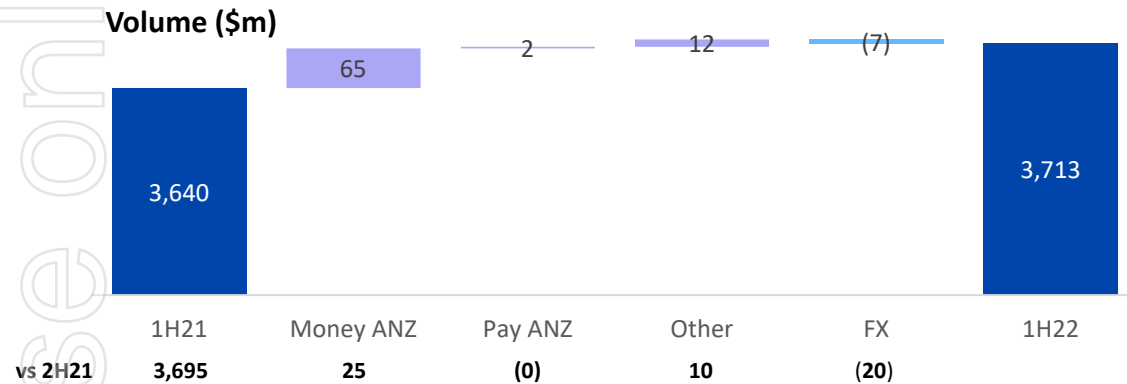
Cash EPS (cents)



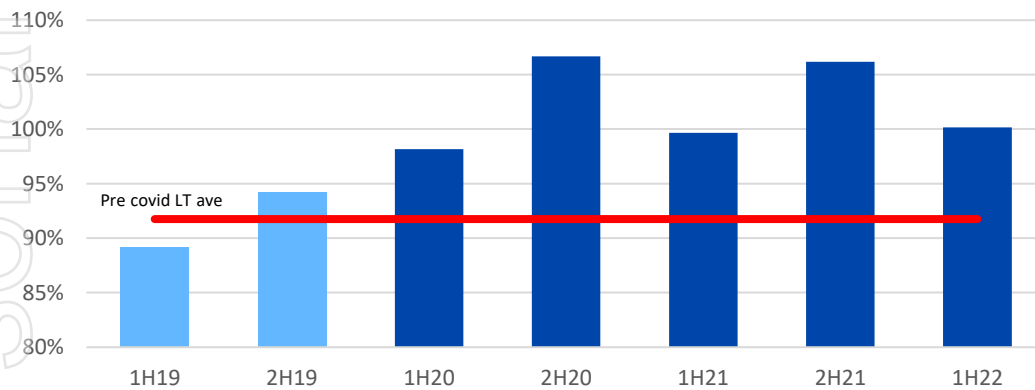
Volume up 2% offset by elevated repayments driving lower receivables



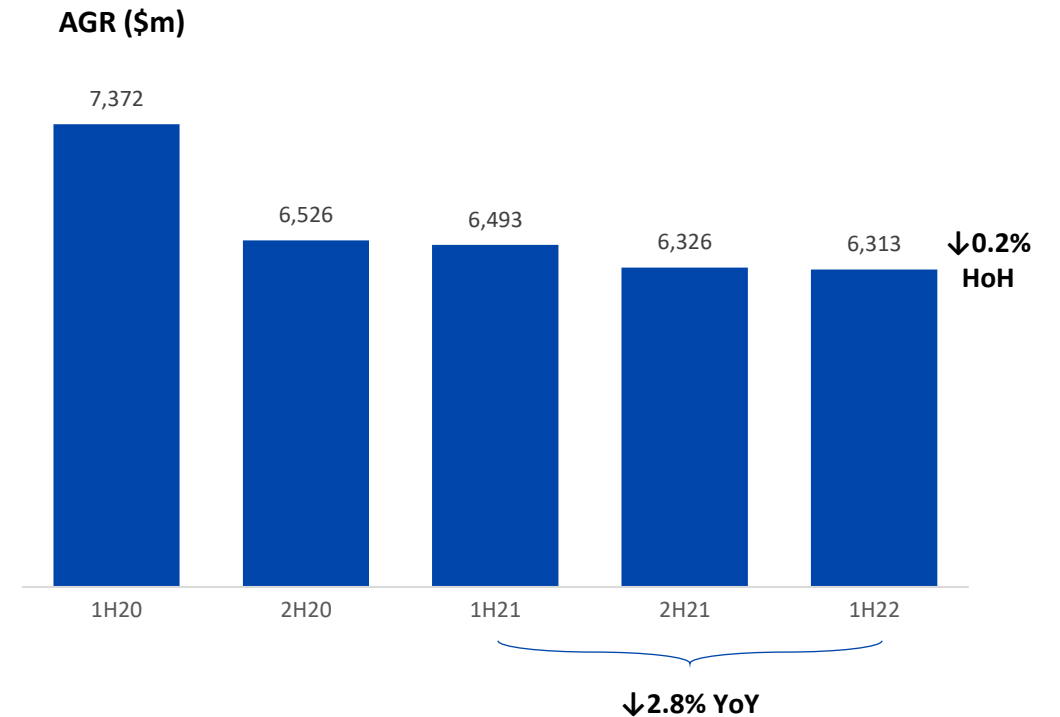
2% volume growth led by Money A&NZ



Repayment rate¹ remains consistently elevated



Moderate volumes & elevated repayments have impacted receivables growth

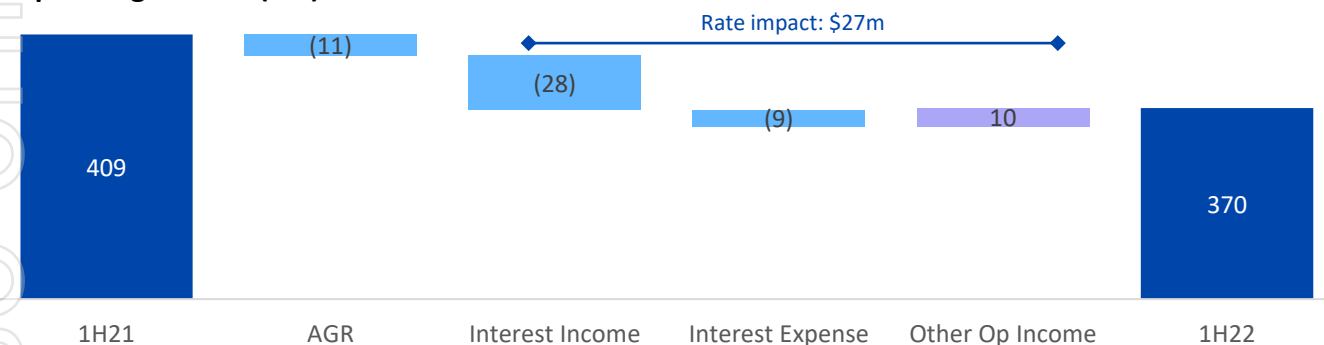


Increased funding costs and residual pricing driving margin compression. Product repricing underway



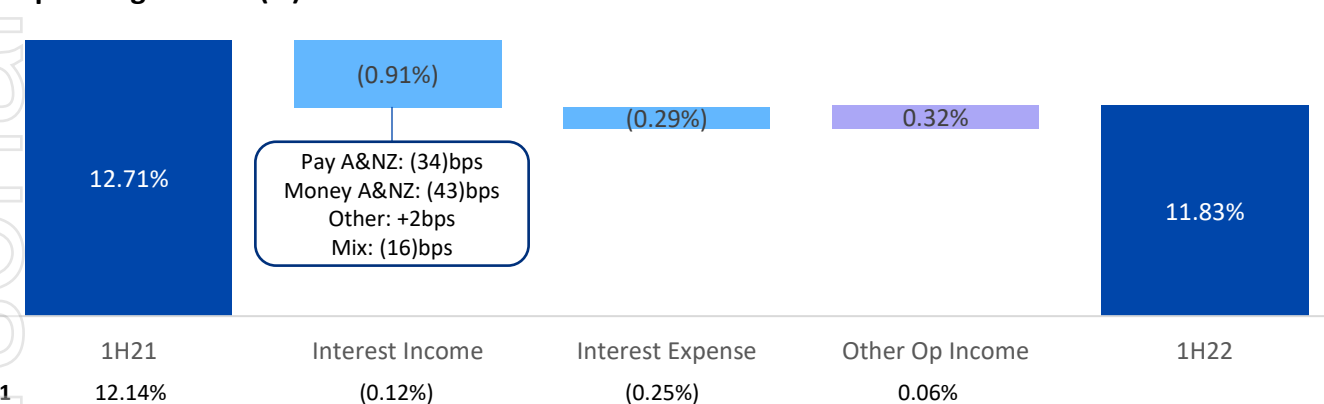
Operating Income down \$39m YoY, down \$17m HoH

Operating Income (\$m)



Operating Income yield down 87bps YoY, down 31bps HoH

Operating Income (%)



Key drivers:

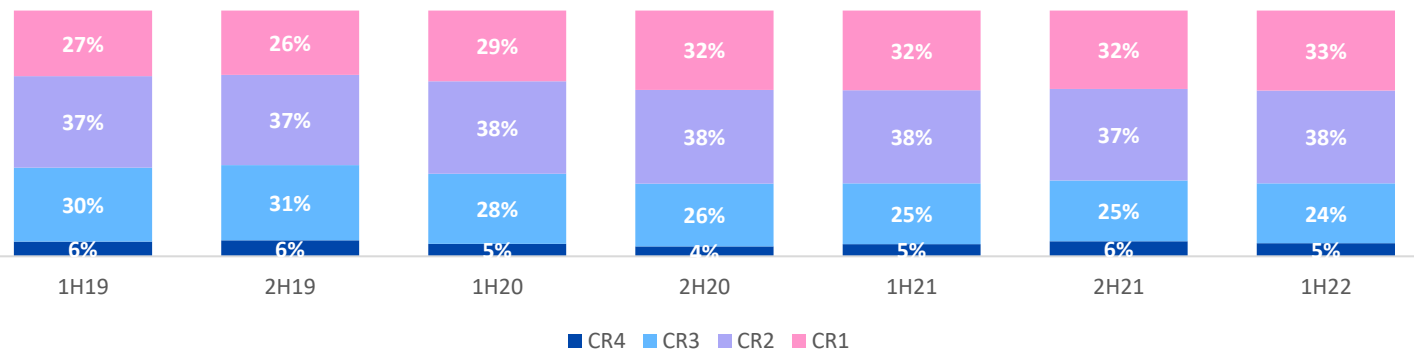
- AGR ↓ 2.8% driving \$11m Op income reduction
- Rate: (87)bps of operating income compression:
 - (91)bps interest income risk mix & 1H21 re-pricing strategies
 - higher funding (29)bps ahead of pricing actions
 - offset by 32bps loyalty & interchange
- Pricing actions taken during the half with capacity for further increases to match yield curves
- vs. 2H21, 3 fewer days translates to \$6m less in income in the half

vs 2H21

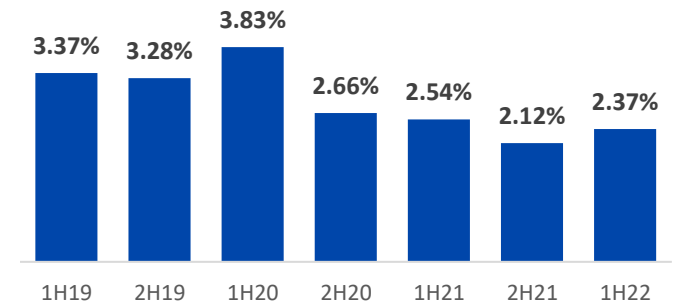
Credit Quality continues to improve



Quality of new customer originations improved vs 2019
(CR1/2 from 64% to 71%)

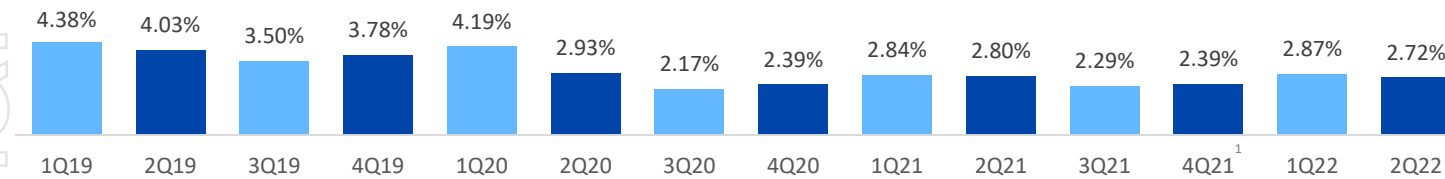


Net charge off rates remain historically low...

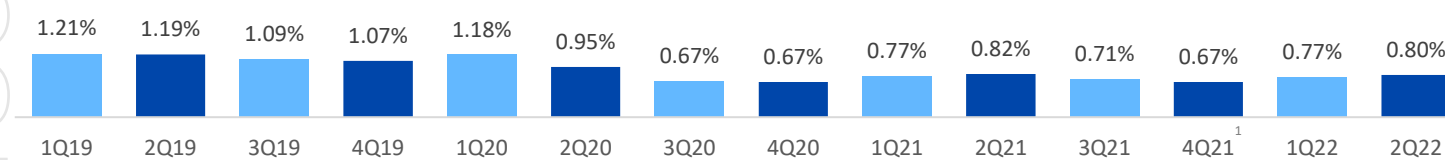


Delinquency rates better than 1H21

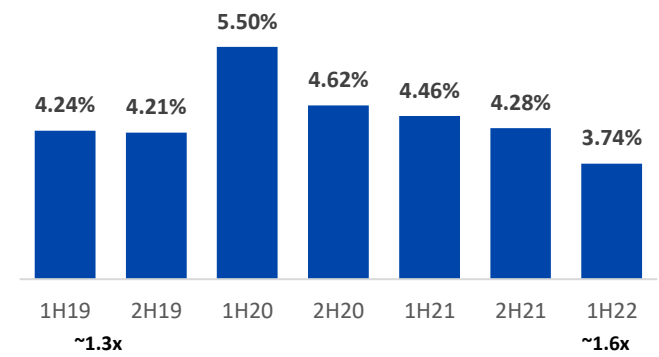
30+ DPD (%)



90+ DPD (%)



...with appropriate provisioning levels

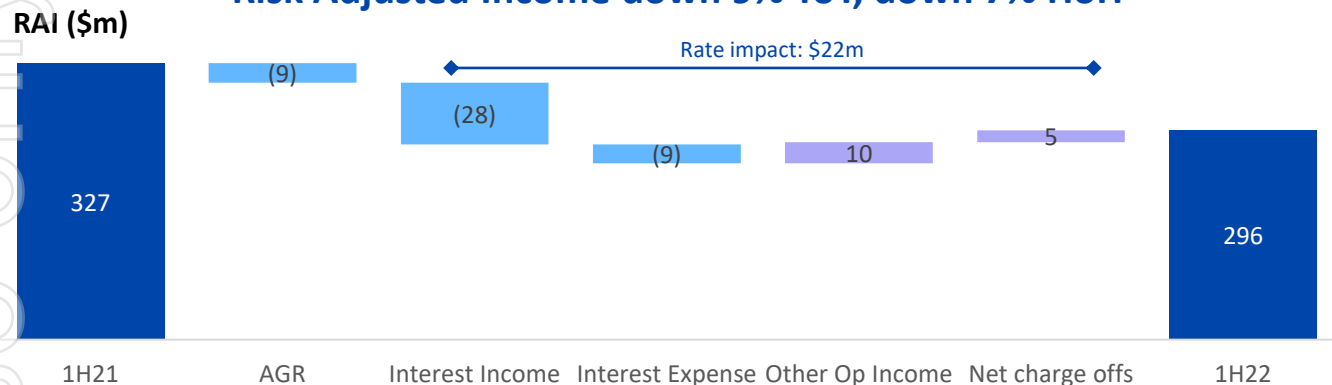


Coverage ratio to net charge offs remains adequate (1.6x vs 1.3x pre-covid)

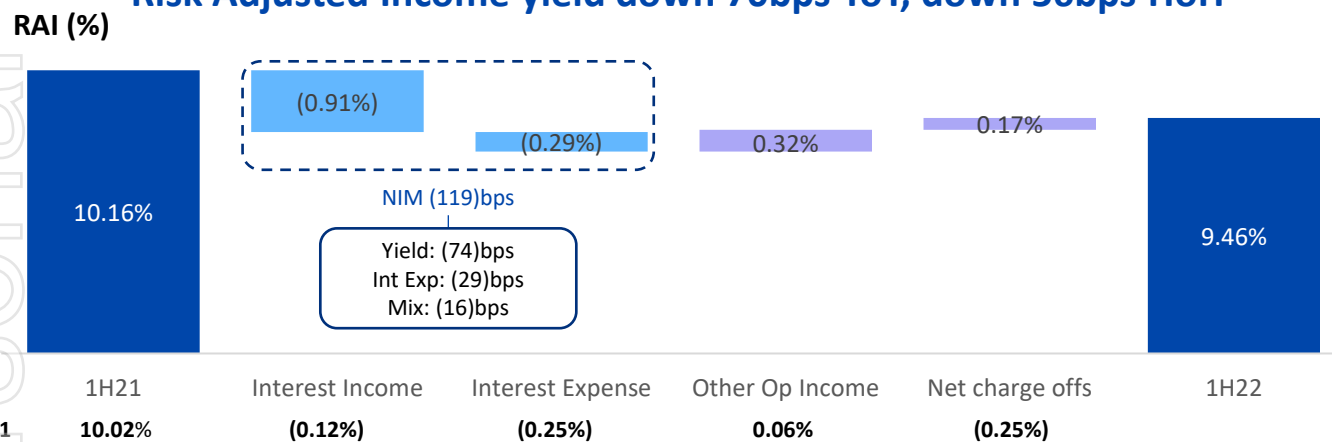
Strong asset quality supporting Risk Adjusted Income



Risk Adjusted Income down 9% YoY, down 7% HoH



Risk Adjusted Income yield down 70bps YoY, down 56bps HoH



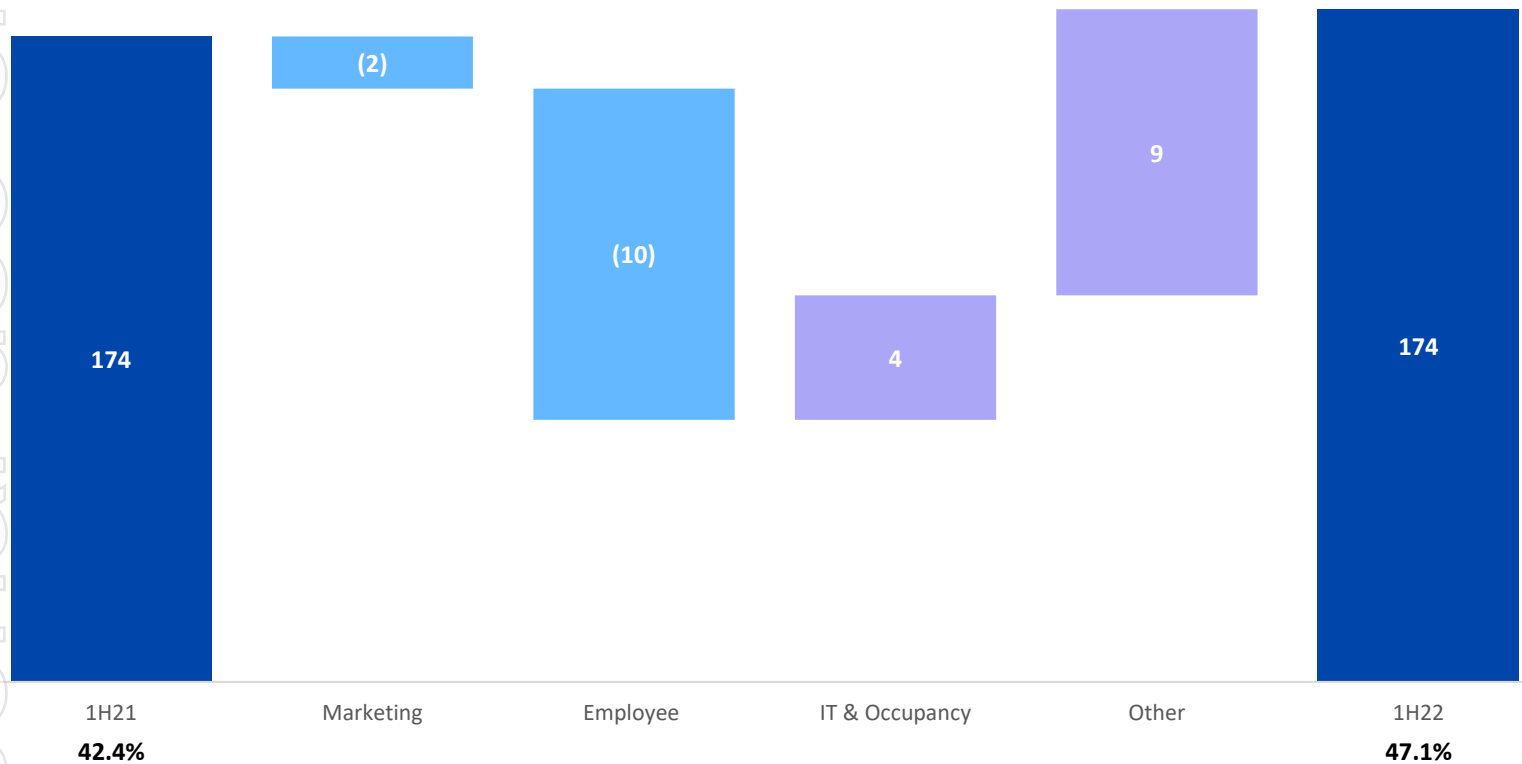
Key drivers:

- Risk based pricing delivering a higher quality book and lower net charge offs
- High quality portfolio providing a solid foundation for future returns
- Strong credit quality driving 17bps improvement in NCO yield
- RAI impacted by Op income:
 - Better risk mix & strategic pricing
 - Lower receivables
 - Higher funding costs

Disciplined cost control... flat YoY



Cash opex flat YoY, down 9% HoH



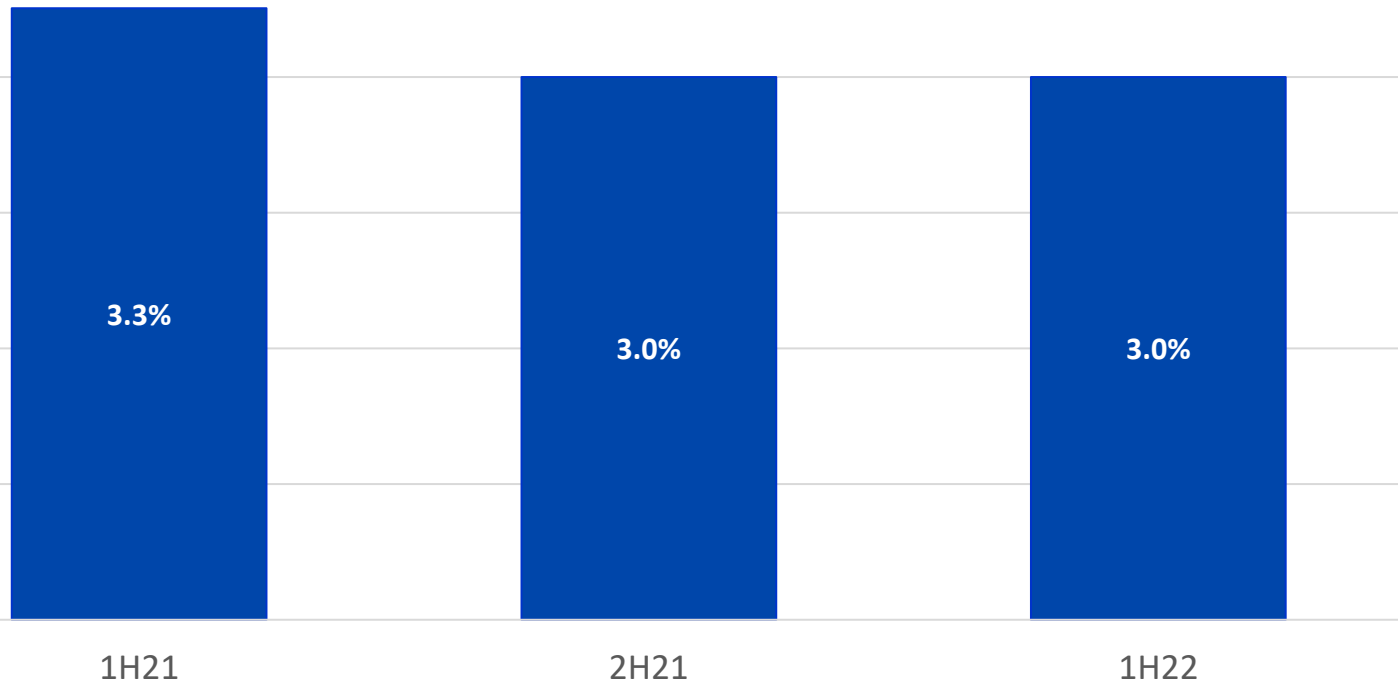
Key drivers:

- Disciplined cost control absorbing listed company costs, acquisitions and international
- Employee costs down 17% HoH with a simplified operating structure and continued investment in IT & automation
- Marketing was calibrated to the environment
- Other cost increases include listing costs, international & ↑ investments (SaaS)

RoAGR... excess spread



Stable Return on AGR at 3.0%



Key drivers:

Return on AGR (*RoAGR*) remains stable at ~3.0% due to focus on:

- Risk based pricing & prudent funding
- Cost discipline

Creating a sizable buffer for any credit cycle

Diverse, resilient & cost-effective funding, underpinned by prudent capital management



Diverse Funding Platform

Cost Effective

50+ Investors

48% Investors Offshore to A&NZ

- Programmatic issuance and diverse investor base
- 1H22 – 4 transactions completed delivering flexibility and certainty to the funding programme
- ~\$2bn of warehouse headroom
- Active IRRM with 38% of receivables hedged
- Balanced maturity profile, no requirement to access funding for 12 months



Warehouse Financing

A\$5.3bn
Total Limits

7 Active
Facilities

Australia and New Zealand, 30 June 2022



ABS Issuance

A\$4.8bn
Total Issued

6 Active
Issuances

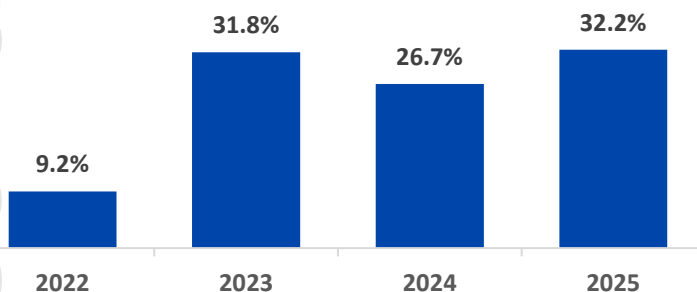
Australia and New Zealand, 30 June 2022

Prudent capital management approach

- Capital strength provides a buffer and an ability to act opportunistically
- 9.2% TER at 30 June 2022

A\$ million	30 June 2022
Total equity	1,540
Intangible assets	994
TE	546
Net Receivables ¹	5,939
TER	9.2%

Securitised Debt Maturity Profile



Appendix



Results summary



	1H22	2H21	1H21	HoH	YoY
Volume (\$m)	3,713	3,695	3,640	0%	2%
AGR (\$m)	6,313	6,326	6,493	(0%)	(3%)
Gross receivables (\$m)	6,257	6,349	6,474	(1%)	(3%)
Statutory NPAT (\$m)	31	71	89	(57%)	(66%)
Cash NPAT (\$m)	93	95	105	(2%)	(11%)
Cash EPS (cents)	8.95	9.47	10.47	(5%)	(15%)
Dividend per share (cents)	7.85	7.85	7.85	0%	0%
RAI (%)	9.5	10.0	10.2	(0.6)	(0.7)
RoAGR (%)	3.0	3.0	3.3	(0.0)	(0.3)
RoE (%)	12.1	13.1	16.6	(1.0)	(4.5)
Tangible Equity Ratio (%)	9.2	8.7	8.2	0.5	1.0

Cash NPAT to Statutory NPAT (continuing operations)...



Jun-22 (\$m)	Cash NPAT	Amortisation of acquisition intangibles	Amortisation of legacy transaction costs	Symple Integration	Restructuring Costs & International Investment	Acquisition Related Expenditure	Fixed Assets Impairment	Discontinued Facilities	Stat NPAT
Net interest income	352.7		(2.4)					(0.2)	350.2
Other income	17.7							0.6	18.3
Total operating income	370.4	-	(2.4)	-	-	-	-	0.4	368.5
Net charge offs	(74.2)								(74.2)
Risk adjusted income	296.2	-	(2.4)	-	-	-	-	0.4	294.3
Cash Opex	(174.3)			(8.9)	(7.2)	(6.9)	(15.3)	(1.5)	(214.2)
Cash PBT	121.9	-	(2.4)	(8.9)	(7.2)	(6.9)	(15.3)	(1.2)	80.1
Movement in provision	35.3								35.3
D&A (<i>excluding leases</i>)	(22.1)	(24.1)						(0.5)	(46.8)
Profit before tax and notable items	135.1	(24.1)	(2.4)	(8.9)	(7.2)	(6.9)	(15.3)	(1.6)	68.6
Income tax expense	(42.1)	7.1	0.7	2.6	2.0	2.0	4.5	0.5	(22.7)
NPAT (<i>continuing operations</i>)	93.0	(17.0)	(1.7)	(6.3)	(5.2)	(4.9)	(10.8)	(1.2)	45.9

Well established stress testing programme...



- Several scenarios run as part of a well established annual scenario (*formerly Fed requirement*)
- Severe scenario using unemployment at 10/10/8pc over 3 yrs
- Under stress scenarios:
 - No breaches of rapid amortisation triggers
 - No breach of debt covenants for the corporate facility
 - RoAGR remains positive and close to break even at peak stress
- Assumes management action is undertaken to preserve capital (*manage growth/ modify dividend payout*), tighten underwriting standards and exercise cost discipline (*marketing, projects, resources*)
- Unemployment outlook remains strong

	Base	Severe downside		
	0	1	2	3
GDP growth %	3.4%	(11.0%)	(2.0%)	7.5%
Unemployment %	3.5%	10.0%	10.0%	8.0%
Real cash interest rate %	(3.4%)	(0.2%)	(0.4%)	(1.0%)
House price change YoY %	24%	(6.5%)	(9.0%)	(1.0%)
Rapid amortisation trigger breaches (securitisation trusts):				
- net yield		No	No	No
- net charge offs		No	No	No
Debt covenant breaches (lease & scheme guarantees):				
- net leverage ratio		No	No	No
- interest coverage ratio		No	No	No

Source: Company modelling, ABS, RBA

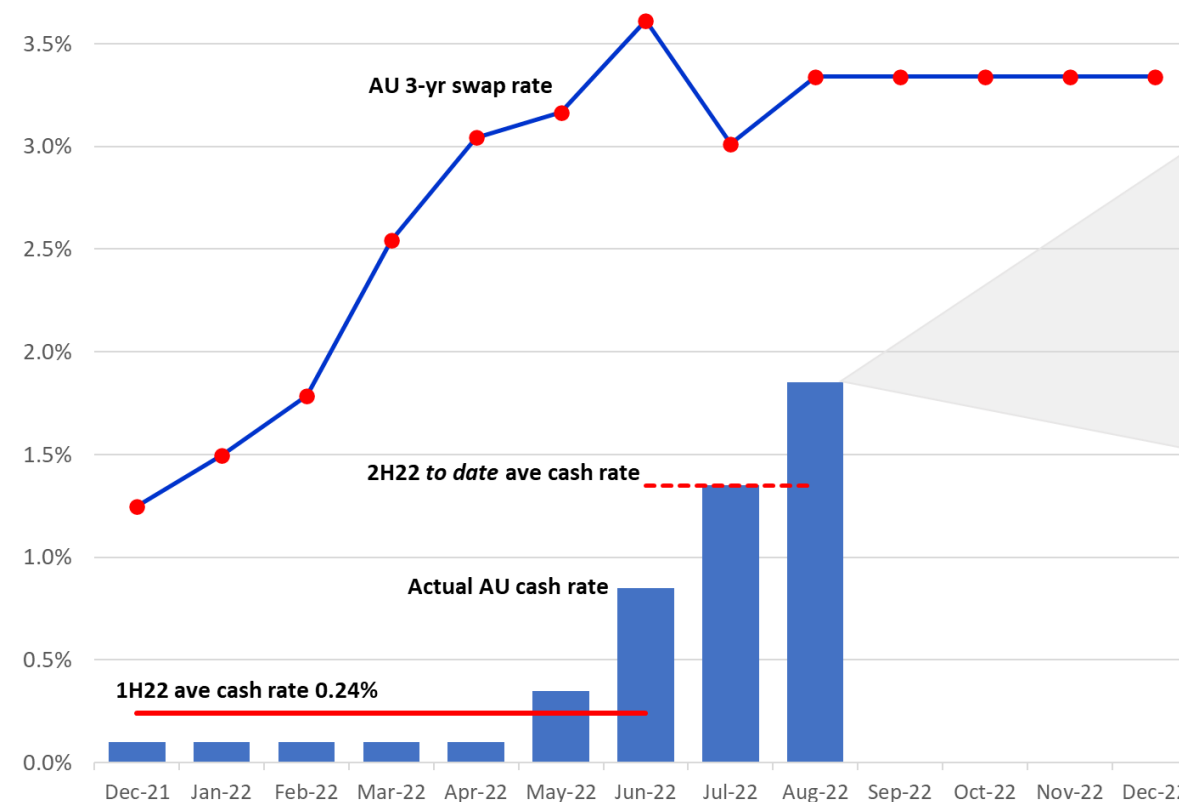
Personal use only

Funding: higher cash rate scenario sensitivity



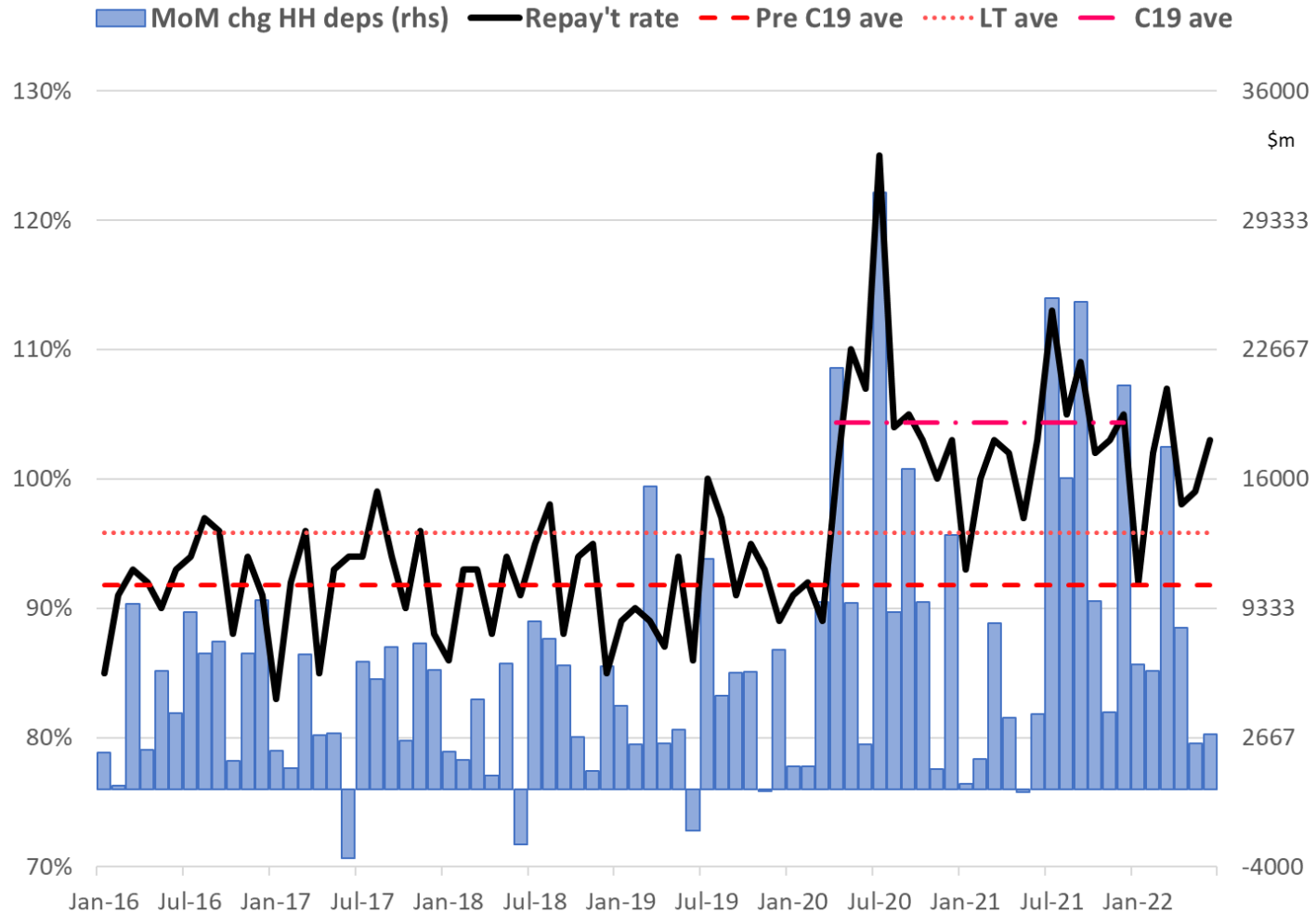
Group cash rate sensitivity analysis

- +100bps rates = -ve \$40m interest expense (*pre-tax, annualised*)
- 1H22 ave cash rate = 24bps/ 2H22 to date ave = 135bps
- Ave HoH rate delta is already 111bps (*cash*)/ 76bps (*3-yr swap*)
- This analysis shows the impact of shifts in interest rates on the Group's profit over a year assuming all other things remain equal at the end of the reporting period
- The above impacts excludes any management action



Source: Company data, RBA

Repayment rate and excess household liquidity...



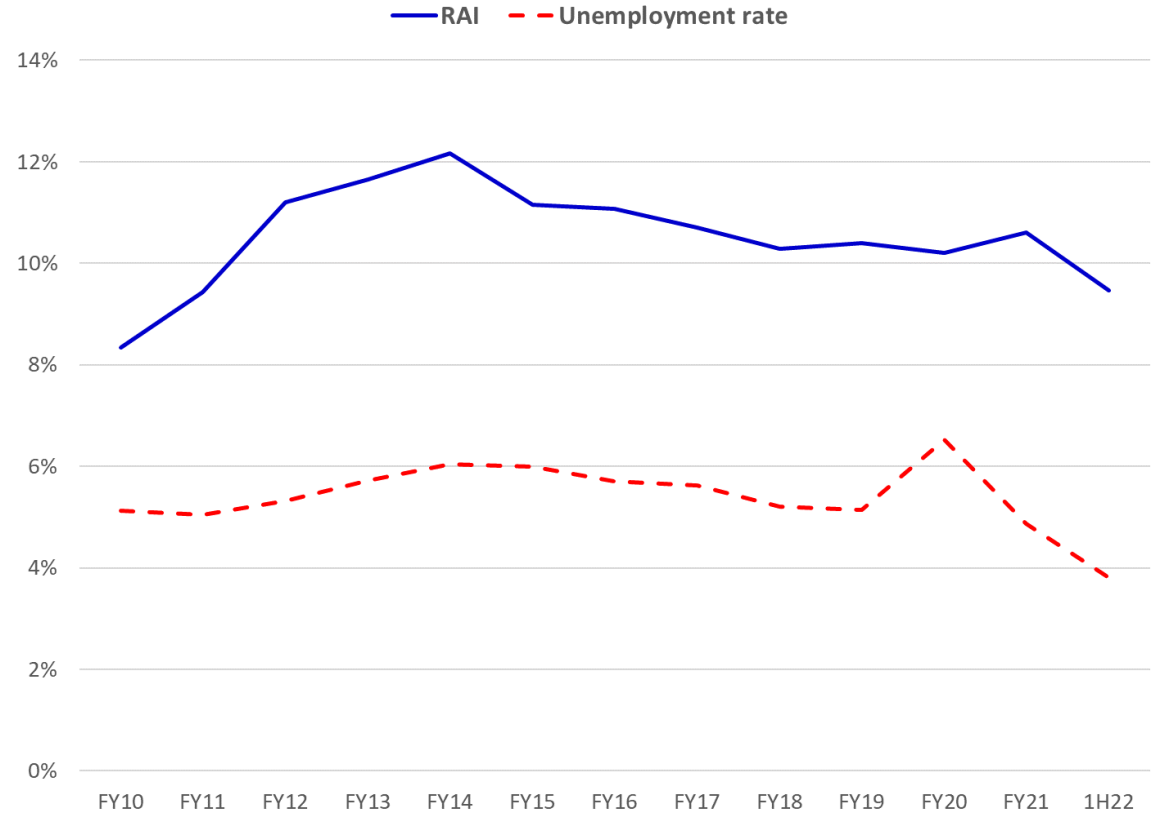
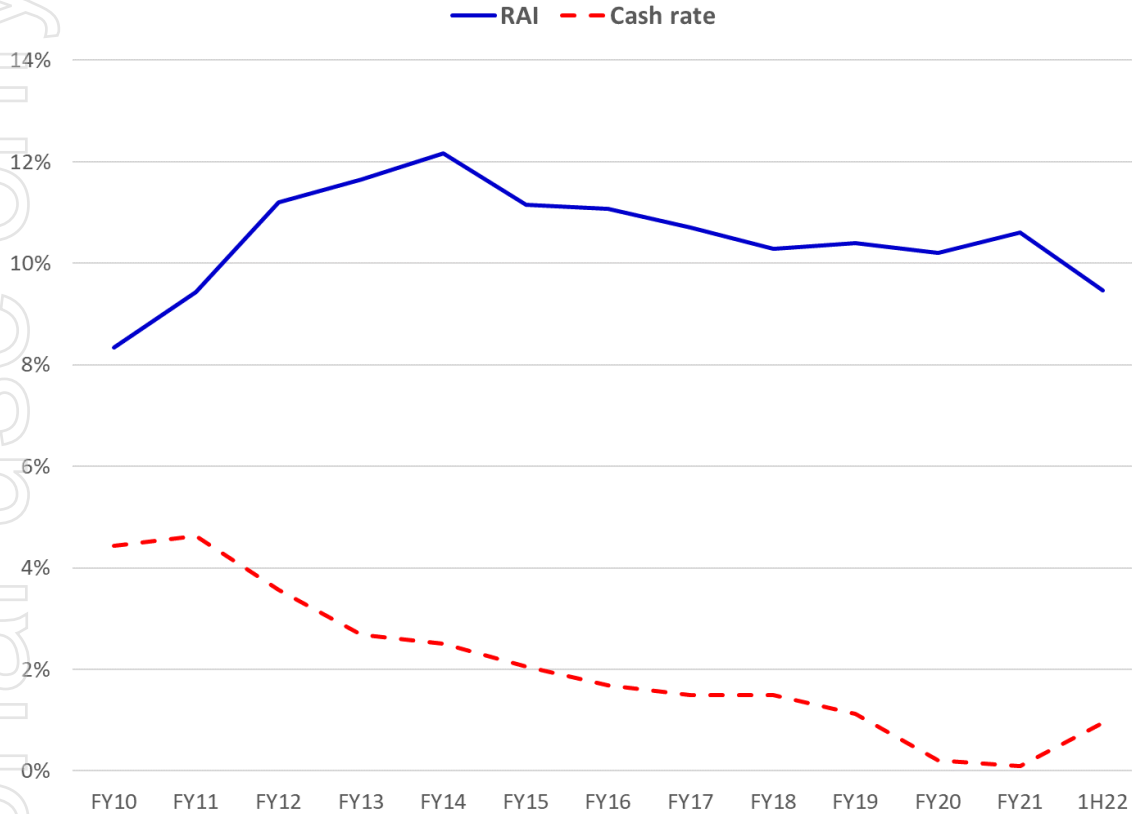
Source: Company data, APRA

ersonal use only

Longer term LFS experience: RAI range of 8-12%...



ersonal use only

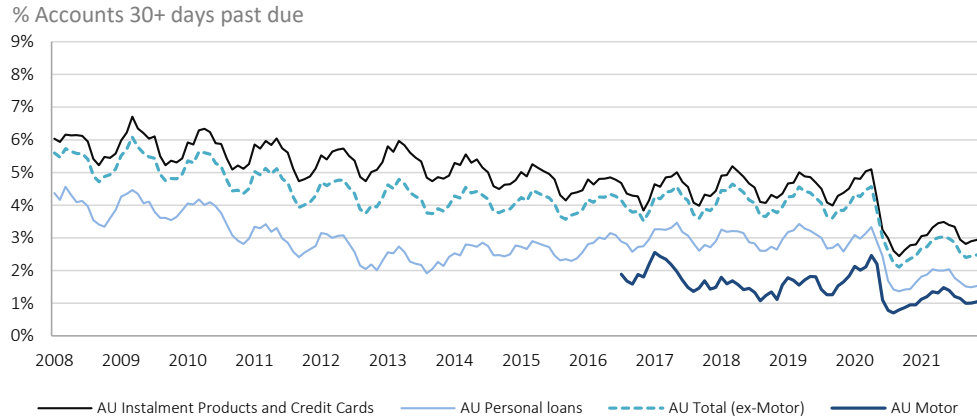


Source: Company data, RBA, ABS

Delinquency performance over time

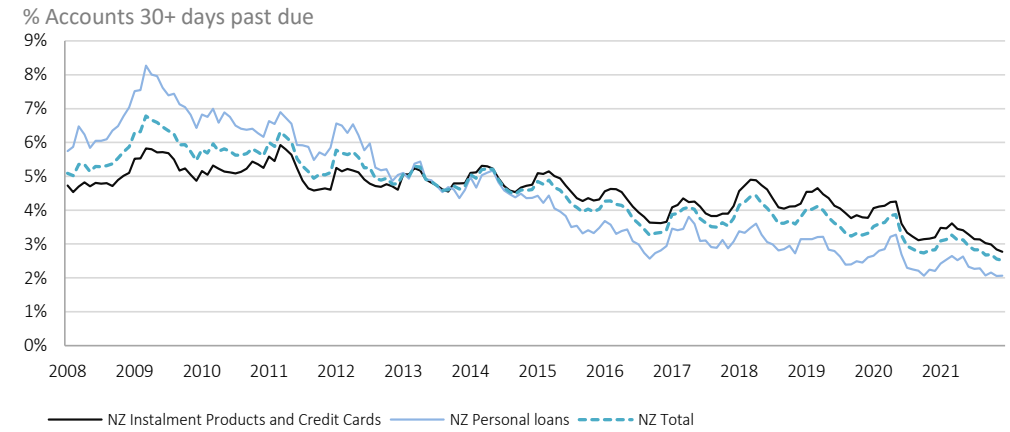


Delinquencies (30+ days past due) by product, Australia



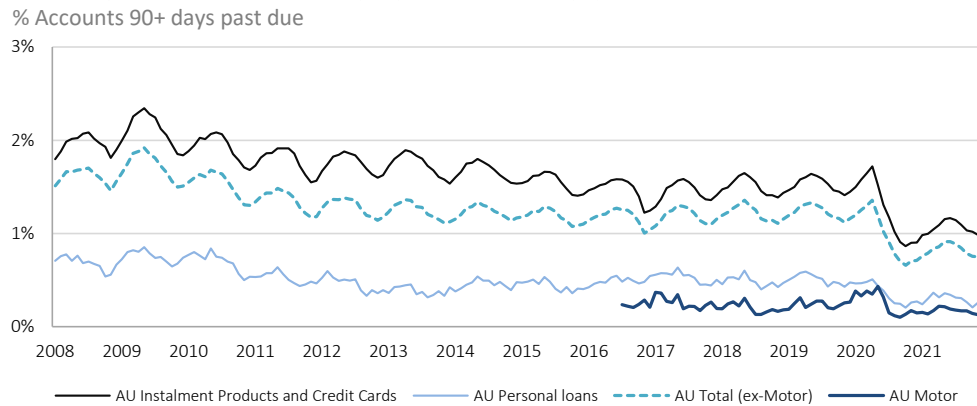
Notes: Time series data from January 2008 to 30 June 2022. Motor loans delinquency history captured from July 2016 which was when Latitude relaunched its motor loan product.

Delinquencies (30+ days past due) by product, New Zealand



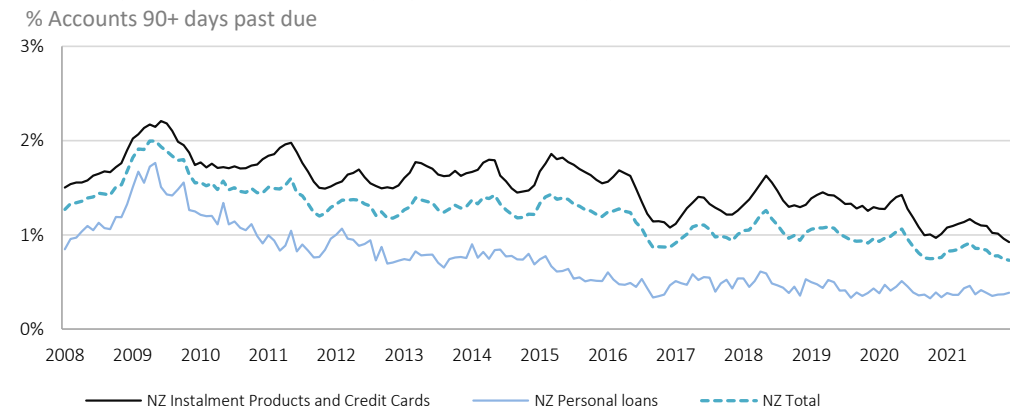
Notes: Time series data from January 2008 to 30 June 2022.

Delinquencies (90+ days past due) by product, Australia



Notes: Time series data from January 2008 to 30 June 2022. Motor loans delinquency history captured from July 2016 which was when Latitude relaunched its motor loan product.

Delinquencies (90+ days past due) by product, New Zealand



Notes: Time series data from January 2008 to 30 June 2022.

Personal use only

ESG 1H22 highlights



BETTER GIVING

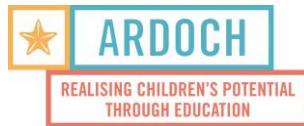
Since Aug 2017
we have collectively donated

\$865,099

to our nine charity
partners via
workplace
giving.



COMMUNITY PARTNERSHIPS



Ardoch (AU) **Duffy Books
in Home
(NZ)**

empowering our communities and
children through education

FINANCIAL CAPABILITY

Supporting employees
financial wellbeing
through **online courses**
and **tools**



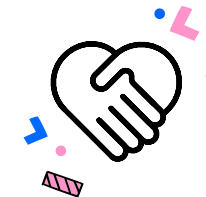
GOVERNANCE

- Diversity Objectives
- Modern Slavery Statement update
- Code of Conduct update



Supporting Vulnerable Customers

Our dedicated Hardship Care team is guided by the standards and principals set out in Latitude's Vulnerable Customer Policy



ENVIRONMENT

- Our Melbourne Head Office is certified 5.5 star NABERS energy rating
- Developing sustainability commitments
- Exploring measurable objectives to reduce environmental footprint



Thank you

Investor Relations

Matthew Wilson

+61 401 454 621

Media

Mark Gardy

+61 412 376 817