LATITUDE GROUP HOLDINGS LIMITED

ABN 83 604 747 391

Management Discussion & Analysis
for the half year ended 30 June 2025

22 August 2025

Table of Contents

Date of this Management Discussion & Analysis

This Management Discussion & Analysis (MD&A) has been prepared for the half year ended 30 June 2025 and is current as at 22 August 2025.

Notice to readers

The purpose of this MD&A is to provide information supplementary to Latitude Group Holdings Limited Interim Financial Report (*the Financial Report*) for the half year ended 30 June 2025, including further detail in relation to key elements of Latitude Group Holdings Limited's financial performance and financial position. The MD&A also outlines the funding and capital profile of the Group. This report should be read in conjunction with Appendix 4D.

References to the first half (*1H*) are to the six months ended 30 June of the respective year.

References to the second half (*2H*) are to the six months ended 31 December of the respective year.

References to the full year (FY) are to the twelve months ended 31 December of the respective year.

'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.

All amounts disclosed in the tables are presented in Australian dollars ('A$' or '$') and, unless otherwise noted, are rounded to the nearest A$0.1 million. Calculations within tables, percentage movements and movements with the commentary have been calculated from underlying source information and hence may not reconcile with rounded calculations.

Section A | Results

Section A | Results

01 | Summary of Group Performance

Cash NPAT[(1)] from continuing operations was $46.2m up 20% HoH, up 69% YoY.

On a continuing operations basis, 1H25 statutory profit after tax was $39.7m. Including discontinued operations, a statutory profit after tax attributable to owners of Latitude Group Holdings Limited (LFS) was $39.2m.

1H25 saw continuing momentum across key performance metrics, including receivables up 9% YoY driven by total volume up 12% YoY, and interest bearing receivables up 11% YoY. Considered pricing actions together with decreasing funding yields has driven the expansion of the operating income margin. Delinquencies continue to trend upward but remain within historical ranges, following the post-Covid lows, as rising cost of living pressures weigh on some households.

Given the underlying performance noted above, an unfranked 1H25 Final dividend of 4.00 cps was declared in August 2025.

Table 1: Summary profit & loss statement

($m)	30-Jun-25 1H25	31-Dec-24 2H24	30-Jun-24 1H24	Change % HoH	Change % YoY
Interest income	588.4	566.0	508.5	*4%*	*16%*
Interest expense	(192.3)	(198.2)	(187.8)	*3%*	*(2%)*
Net interest income	**396.1**	**367.7**	**320.8**	***8%***	***23%***
Other income	11.6	19.7	21.0	*(41%)*	*(45%)*
Total operating income	**407.7**	**387.4**	**341.8**	***5%***	***19%***
Net charge offs	(130.1)	(104.0)	(110.0)	*(25%)*	*(18%)*
Risk adjusted income	**277.6**	**283.4**	**231.8**	***(2%)***	***20%***
Cash operating expenses	(184.1)	(194.8)	(165.2)	*5%*	*(11%)*
Cash PBT	**93.5**	**88.6**	**66.6**	***6%***	***40%***
Movement in provisions	(12.1)	(13.4)	(8.4)	*10%*	*(44%)*
Depreciation & amortisation (*ex leases*)	(17.7)	(19.3)	(18.7)	*8%*	*5%*
Profit before tax & notable items	**63.7**	**55.9**	**39.5**	***14%***	***61%***
Income tax expense	(17.5)	(17.4)	(12.1)	*(1%)*	*(45%)*
Cash NPAT from continuing operations	**46.2**	**38.5**	**27.4**	***20%***	***69%***
Notable items after tax					
Amortisation of acquisition intangibles and legacy transaction costs	(0.0)	(11.3)	(14.2)	*n.m.*	*n.m.*
Other notable items	(6.5)	(5.6)	(4.2)	*(16%)*	*(55%)*
Total Notable items after tax	(6.5)	(16.9)	(18.4)	*(62%)*	*(65%)*
Statutory profit after tax (continuing ops)	39.7	21.6	9.0	*84%*	*341%*
Profit/(loss) from discontinued operations	(0.5)	(2.0)	(7.0)	*75%*	*93%*
Statutory profit after tax	**39.2**	**19.6**	**2.0**	***100%***	***Large***
Profit/(loss) is attributable to:					
Owners of Latitude Group Holdings Limited	39.2	19.6	2.0	*100%*	Large
Non-controlling interest	0.0	0.0	0.0	*n.m.*	*n.m.*
Statutory profit after tax	**39.2**	**19.6**	**2.0**	***100%***	***Large***

(1) Cash NPAT is a non-IFRS metrics used for management reporting as LFS believes it reflects what it considers to be the underlying performance of the business. Further information on Cash NPAT is included in Section B.

(2) Comparative results have been restated to reflect the reclassification of bank interest income from Other income to Net interest income. Refer to Section B.5 for details.

The financial information, where relevant and useful, is separated into LFS's two key 'continuing' business units across Australia and New Zealand. These "twin engines" work together to serve our customers and generate valuable opportunities to extend the customer life cycle with LFS:

- **Pay Division:** Comprising of credit cards that allow customers to make everyday purchases and access interest free payment plans to finance goods and services from Latitude's retail partners.
- **Money Division:** Providing unsecured and secured lending products to customers who are seeking personal loans and motor loans.

The financial results of discontinued operations are excluded from the individual account lines of LFS and are instead reported as a single net profit/(loss) after tax line. Discontinued operations relates to the closure of the Asia operations (ceased operating in 2024).

Section A | Results

Profit growth delivered in 1H25 on the back of continued higher volumes, receivables and margins

1H25 Group performance summary:

- **Total Volume up 12% YoY, down (4%) HoH**. 1H25 saw the continuation of volume momentum seen in prior periods. Money Division new origination was up 8% YoY and up 5% HoH, while Pay Division total purchase volume was up 13% YoY and down 6% HoH due to seasonality.
- **Receivables up 9% YoY, up 3% HoH** to $7.0 billion, the highest level in five years due to sustained volume growth
- **Operating income margin 12.02%, up 109bps YoY, up 28 HoH** as a result of targeted pricing initiatives and lower funding costs (driven by lower cash rates and tighter spreads) driving increase in net interest margin to 11.68% (up 142bps YoY and up 54bps HoH). Other income yields down 26bps HoH and 33bps YoY.
- **Net charge offs 3.83% (*NCO*) up 31bps YoY, up 68 HoH**. The increase in net charge offs in 1H25 reflects the continuing upward trend in delinquency rates following the post-Covid lows, as rising cost of living pressures weigh on some households. Rates still remain within expected and long term historical ranges.
- **Cash operating expenses down 5% HoH, up 3% YoY (ex 1H24 one-off benefits).** Expenses remained a focus, reflected in a ~700bps improvement (ex 1H24 one-off benefit) in cash cost-to-income ratio to 45.2%, enabling incremental investments in technology, marketing and innovation to meet the evolving needs of our customers and partners.
- **Balance sheet metrics** Provision coverage increased to 4.35% (up 6bps HoH), 90 days past due stood at 1.61% (seasonally up 26bps HoH) and the tangible equity ratio (TER) at 7.0% is at the top of our 6–7% target range.

Table 2: Key performance indicators

($m)	30-Jun-25 1H25	31-Dec-24 2H24	30-Jun-24 1H24	HoH Change %/bps	YoY Change %/bps
Volume	4,247	4,418	3,805	*(4%)*	*12%*
Gross loan receivables	6,962	6,748	6,378	*3%*	*9%*
AGR	6,842	6,565	6,287	*4%*	*9%*
Interest bearing receivables	5,247	5,042	4,724	*4%*	*11%*
Active accounts (ex BNPL) '000s	1,440	1,533	1,392	*(6%)*	*3%*
Total operating income	407.7	387.4	341.8	*5%*	*19%*
Risk adjusted income (*RAI*)	277.6	283.4	231.8	*(2%)*	*20%*
Cash PBT	93.5	88.6	66.6	*6%*	*40%*
Cash NPAT	**46.2**	**38.5**	**27.4**	***20%***	***69%***
Interest income yield	**17.34%**	**17.15%**	**16.27%**	***19***	***107***
Interest expense/ AGR	(5.67%)	(6.01%)	(6.01%)	*34*	*34*
Net interest margin	11.68%	11.14%	10.26%	*54*	*142*
Operating income margin	12.02%	11.74%	10.93%	*28*	*109*
Net charge offs / AGR	**(3.83%)**	**(3.15%)**	**(3.52%)**	***(68)***	***(31)***
RAI yield	**8.18%**	**8.59%**	**7.41%**	***(41)***	***77***
30 days past due	4.19%	3.82%	3.74%	*(37)*	*(45)*
90 days past due	1.61%	1.35%	1.15%	*(26)*	*(46)*
Coverage	4.35%	4.29%	4.23%	*(6)*	*(12)*
Cost/ income – Cash[1]	45.2%	50.3%	52.1%	*511*	*697*
Cost/ income – Total[1]	49.5%	55.3%	57.6%	*577*	*808*
Spot FTE	743	742	757	*0%*	*(2%)*
Effective tax rate	27.5%	31.2%	30.5%	*371*	*303*
RoAGR	**1.4%**	**1.2%**	**0.9%**	***20***	***48***
RoE	7.7%	6.2%	4.5%	*148*	*317*
RoTE	20.3%	17.2%	13.1%	*319*	*722*
TER	**7.0%**	**7.1%**	**7.2%**	***(15)***	***(24)***
DPS cents	4.00	3.00	0.00	*33%*	*n.m.*
Payout ratio	90%	81%	0%	*13%*	*n.m.*
EPS cents (*cash*)	4.44	3.70	2.63	*19%*	*69%*
EPS cents (*cash diluted*)	**3.95**	**3.29**	**2.34**	***21%***	***74%***

(1) 1H24 Cash Opex and Cash CTI shown on a normalised basis, adjusted to remove $13m one-off benefit in employee expense due to lower discretionary incentives

Section A | Results

02 | Volume, Receivables & Net Interest Income

Volumes increased 12% YoY delivering 3% HoH increase in receivables to a five year high of $7.0 billion. Strategic margin management initiatives delivered 148bps NIM expansion YoY.

1H25 Volume of $4,247m is up 12% YoY, largely driven by the new David Jones card and continued momentum experienced in prior year (down 4% HoH due to seasonality of retail spend in Pay Division).

Pay A&NZ Division volumes of $3,464m for 1H25 were up 13% YoY. Sales Finance A&NZ volume was up 6% YoY to $2,022m from increasing everyday card spend, with the increase of both the number of accounts spending and the average spend per account more than offsetting a slight reduction in interest free purchases. Card purchase volume across our combined Credit Cards and White Label portfolios increased by 23% YoY to $1,441m driven by the acquisition of the David Jones portfolio in July 2024 and the relaunch of Low Rate MasterCard. This offset a decline in 28D Global Platinum MasterCard volumes impacted by changing customer behaviour following the 2H24 value proposition refresh.

Money A&NZ Division delivered new origination volume of $783m in 1H25, up 5% HoH and 8% YoY. This marks a record high for the Money business in Latitude's history, underpinned by strong growth in our Personal Loan products in both Australia and New Zealand – key areas of focus. The performance is driven by growth in both Broker and Direct channels through a range of initiatives including pricing optimisation, increased marketing investment and focused actions to increase conversion in the customer application journey. Meanwhile, Auto Loans new origination volume was relatively stable YoY at $160m, while being written at improved margins.

Repayment rate was consistent with prior year (up 14bps YoY) and down 337bps due to seasonality as 2H tends to carry a higher repayment rate.

Table 3: Volume & repayments

($m)	30-Jun-25 1H25	31-Dec-24 2H24	30-Jun-24 1H24	HoH Change %/bps	YoY Change %/bps
Volume					
Pay	**3,464**	**3,671**	**3,077**	***(6%)***	***13%***
- Australia	2,899	3,085	2,529	*(6%)*	*15%*
- New Zealand	565	586	548	*(4%)*	*3%*
Money	**783**	**747**	**728**	***5%***	***8%***
- Australia	640	610	615	*5%*	*4%*
- New Zealand	143	137	113	*5%*	*27%*
Group	**4,247**	**4,418**	**3,805**	***(4%)***	***12%***
Repayment rate (ex credit cards & BNPL)	96%	99%	96%	*(337)*	*14*

Section A | Results

Group receivables reached a five year high of $7.0 billion, which is up 9% YoY and 3% HoH.

Pay Division receivables up 7% YoY and up 1% HoH through a combination of volume growth in the Sales Finance A&NZ portfolio as well as the acquisition of the David Jones portfolio in July 2024, which migrated ~$168m of additional Gross Loan Receivables. Receivables excluding the David Jones portfolio increased by 2% YoY driven by an increase in the average balance per active account.

Money Division receivables up 12% YoY and up 6% HoH to $3,202m, reaching a new high watermark. Personal Loans Australia was the key driver of this performance with receivables up 13% YoY and 7% HoH to $1,901m driven by record new origination volume which continues to be written at improved margins. Auto Loan receivables up 3% YoY to $740m and in line HoH. Personal Loans New Zealand receivables up 18% YoY and 10% HoH to $561m driven by very strong new origination volume.

Table 4: Receivables

($m)	30-Jun-25 1H25	31-Dec-24 2H24	30-Jun-24 1H24	Change % HoH	Change % YoY
Receivables					
Pay	**3,760**	**3,726**	**3,506**	***1%***	***7%***
- Australia	2,946	2,908	2,690	*1%*	*10%*
- New Zealand	814	818	816	*(1%)*	*(0%)*
Money	**3,202**	**3,022**	**2,871**	***6%***	***12%***
- Australia	2,641	2,513	2,395	*5%*	*10%*
- New Zealand	561	509	477	*10%*	*18%*
Group gross receivables	**6,962**	**6,748**	**6,378**	***3%***	***9%***
Loss provisions	(303)	(289)	(270)	*(5%)*	*(12%)*
Unearned income	(47)	(56)	(53)	*16%*	*10%*
Net receivables from Cont Ops	**6,612**	**6,402**	**6,055**	***3%***	***9%***
Net receivables from Dis Ops	0	0	4	*(95%)*	*(100%)*
Net receivables	**6,612**	**6,402**	**6,059**	***3%***	***9%***

Section A | Results

In 1H25, strategic margin initiatives and lower funding costs continued to drive margin expansion. Net interest income rose by 23% or $75m YoY and 8% or $28m HoH, supported by net interest margin (NIM) yield expansion and receivables growth, partially offset by changes in product mix and fewer days in the period.

Targeted pricing strategies implemented since 2023 contributed to a 107bps YoY increase in interest income yield, reaching 17.34%. In parallel, interest expense/AGR improved by 34bps YoY to 5.67%, reflecting lower benchmark interest rates (despite being partially offset by higher swap and warehouse advance rates) and improved funding spreads driven by new term funding initiatives and warehouse refinancing. During the half, the RBA reduced the cash rate by 50bps to 3.85%, marking the beginning of Australia's easing cycle, while the RBNZ lowered its rate by a further 100bps to 3.25%, continuing New Zealand's monetary easing trajectory.

Table 5: Net interest income/ margin & RAI yield

($m)	30-Jun-25 1H25	31-Dec-24 2H24	30-Jun-24 1H24	HoH Change %/bps	YoY Change %/bps
Interest income	588.4	565.9	508.5	*4%*	*16%*
Interest expense	(192.3)	(198.2)	(187.8)	*3%*	*(2%)*
Net interest income	**396.1**	**367.7**	**320.8**	***8%***	***23%***
Other income	11.6	19.7	21.0	*(41%)*	*(45%)*
Net charge offs	(130.1)	(104.0)	(110.0)	*(25%)*	*(18%)*
Risk adjusted income	**277.6**	**283.4**	**231.8**	***(2%)***	***20%***
Interest income yield	17.34%	17.15%	16.27%	*19*	*107*
Interest expense cost	(6.14%)	(6.52%)	(6.54%)	*38*	*40*
Net interest spread	11.21%	10.63%	9.73%	*58*	*148*
Benefit of equity	0.47%	0.51%	0.53%	*(4)*	*(6)*
Net interest margin	**11.68%**	**11.14%**	**10.26%**	*54*	*142*
Other income	0.34%	0.60%	0.67%	*(26)*	*(33)*
Operating income margin	**12.02%**	**11.74%**	**10.93%**	**28**	**109**
Net charge offs / AGR	(3.83%)	(3.15%)	(3.52%)	*(68)*	*(31)*
RAI yield	**8.18%**	**8.59%**	**7.41%**	***(41)***	***77***

Table 6: Average balance sheet

($m)	Half year 30-Jun-25 1H25			Half year 31-Dec-24 2H24			Half year 30-Jun-24 1H24		
	Ave bal.	Interest	Rate	Ave bal.	Interest	Rate	Ave bal.	Interest	Rate
Receivables (AGR)	**6,842**	**588**	**17.3%**	**6,565**	**566**	**17.1%**	**6,287**	**509**	**16.3%**
- Pay	3,730	333	18.0%	3,614	329	18.1%	3,501	299	17.2%
- Money	3,112	255	16.5%	2,951	236	15.9%	2,785	209	15.1%
Average assets	**7,908**			**7,651**			**7,383**		
- Securitisation	6,287	189	6.1%	5,982	193	6.4%	5,697	182	6.4%
- Corporate Debt[1]	35	2	10.5%	64	3	9.9%	77	4	10.7%
- Other		2	n.m		2	n.m		2	n.m
Total ave interest bearing	6,322	192	6.1%	6,046	198	6.5%	5,775	188	6.5%
Average liabilities	**6,687**			**6,425**			**6,151**		
NII/ spread		396	11.2%		368	10.6%		321	9.7%
Net interest margin		396	**11.7%**		368	**11.1%**		321	**10.3%**
Average equity	**1,221**			**1,227**			**1,232**		

(1) Corporate debt average balance excludes undrawn balances on the facility. Corporate debt interest costs includes facility fee.

Section A | Results

03 | Other Operating Income

Other income impacted by introduction of loyalty programs on 28 Degrees and David Jones credit cards and FX movements

Interchange fees and other operating fees down (27%) HoH and (30%) YoY as a result of increased loyalty costs associated with the launch of the new David Jones credit card in 2H24 and the launch of new 28 Degrees Global Platinum MasterCard value configuration. The YoY increase in loyalty costs is partially offset by growth in customer fees income following the considered pricing actions made in prior year.

Other income down HoH and YoY due to movements in FX Forwards and Interest Rate Swaps.

Table 7: Other income

($m)	30-Jun-25 1H25	31-Dec-24 2H24	30-Jun-24 1H24	Change % HoH	Change % YoY
Interchange and operating fees	12.7	17.4	18.2	*(27%)*	*(30%)*
Other Income	(1.1)	2.3	2.8	*(148%)*	*(139%)*
Total other income	**11.6**	**19.7**	**21.0**	***(41%)***	***(45%)***

Section A | Results

04 | Net Charge Offs, Provisions & Asset quality

Delinquencies continue to trend upward but remain within historical ranges, following the post-Covid lows, as rising cost of living pressures weigh on some households.

Net charge offs increased to $130.1m for 1H25 (up 25% HoH and up 18% YoY). This growth is partially driven by continuing cost of living pressures following the COVID-19 period. This has led to upward pressure on delinquencies although still within anticipated levels.

From a yield perspective, the net charge off rate of 3.83% is up 68bps HoH due to higher seasonal charge offs in 1H and up 31bps YoY.

Group coverage rate rose to 4.35% in 1H25, up 6bps HoH aligning with the increase in delinquency rates.

Receivables at 90+ days past due increased 26bps HoH and 46bps YoY to 1.61%. YoY increase due to the June 2024 harmonisation of charge off methodologies between Pay and Money, which increased the Money charge off point from 120 to 180 days past due. This change resulted in an overall increase of ~44bps YoY to the Group 90+ days past due given balances are now held on book for a longer period. Once normalising for this, 90+ days past due is broadly stable YoY.

Hardship inventory increased by 46bps HoH and 56bps YoY to 3.27%. The increased rate of hardship is partly attributable to the cumulative cost of living pressures felt by a small cohort of consumers over the past few years.

Table 8: Net charge offs & provisions

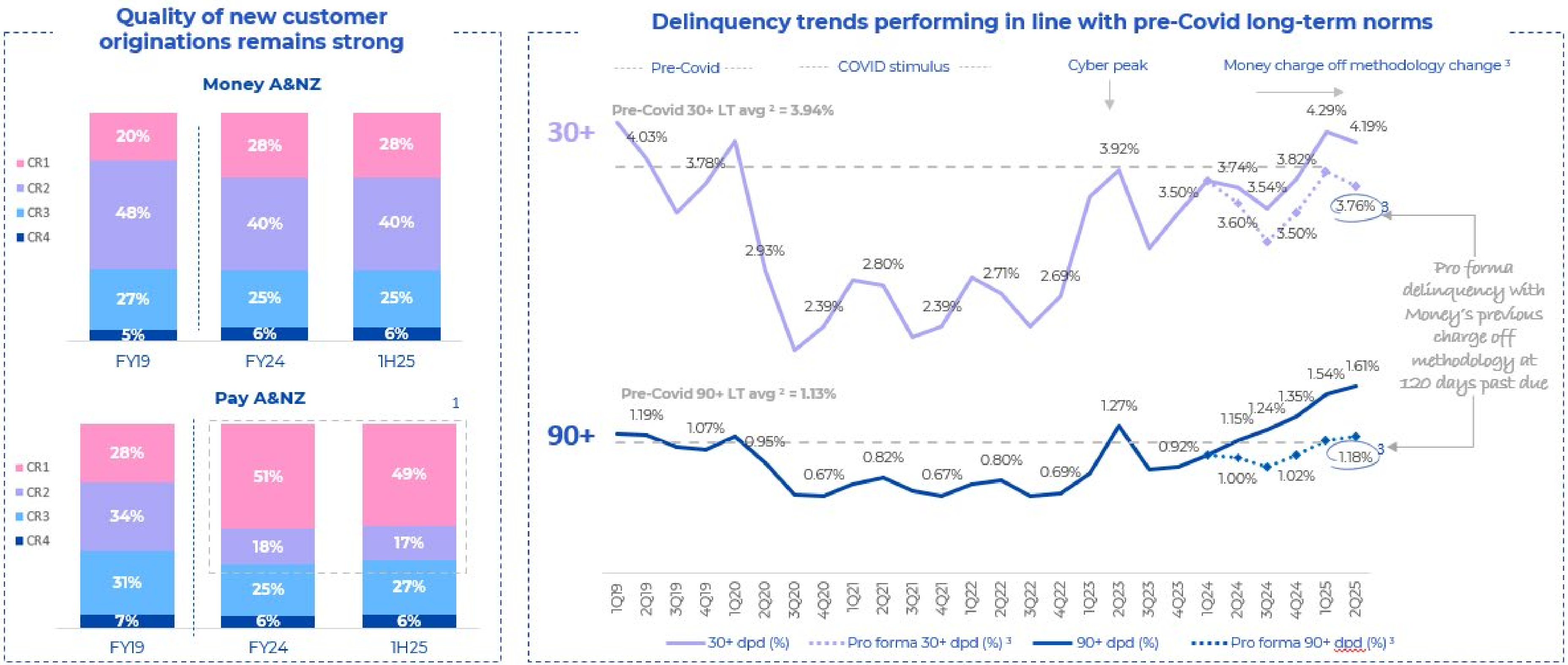
($m)	30-Jun-25 1H25	31-Dec-24 2H24	30-Jun-24 1H24	HoH Change %/bps	YoY Change %/bps
Net charge offs					
Prior period net charge offs	(104.0)	(110.0)	(109.6)	*5%*	*5%*
Impact of change in AGR	(4.4)	(4.9)	(2.5)	*10%*	*(76%)*
Impact of change in NCO rate	(21.7)	10.9	2.1	*299%*	*1,133%*
Total NCOs	**(130.1)**	**(104.0)**	**(110.0)**	***(25%)***	***(18%)***
NCOs/ AGR	**(3.83%)**	**(3.15%)**	**(3.52%)**	***(68)***	***(31)***
Provision movement					
Impact of change in receivables	(9.2)	(15.7)	(6.1)	*41%*	*(51%)*
Impact of change in coverage	(4.3)	(4.0)	(1.5)	*(8%)*	*(187%)*
Other[1]		6.7			
Provision expense movement	**(13.5)**	**(12.9)**	**(7.6)**	***(5%)***	***(78%)***
FX impact	1.4	(0.4)	(0.8)	*450%*	*275%*
Loan impairment expense	**(142.2)**	**(117.3)**	**(118.4)**	***(21%)***	***(20%)***
Group coverage	**4.35%**	**4.29%**	**4.23%**	***6***	***12***
90+ days past due					
Group	**1.61%**	**1.35%**	**1.15%**	***26***	***46***
Pay	**1.58%**	**1.37%**	**1.35%**	***21***	***23***
- Australia	1.70%	1.43%	1.41%	*27*	*29*
- New Zealand	1.17%	1.16%	1.13%	*1*	*4*
Money	**1.65%**	**1.33%**	**0.91%**	***32***	***74***
- Australia	1.54%	1.22%	0.83%	*32*	*71*
- New Zealand	2.15%	1.87%	1.28%	*28*	*87*
Hardship Inventory					
Group	**3.27%**	**2.81%**	**2.71%**	***46***	***56***
Pay	2.65%	2.37%	2.44%	*28*	*21*
Money	3.98%	3.35%	3.03%	*63*	*95*

(1) Other provision movement on 2H24 relates to the opening balance provision associated with the transfer of David Jones back-book receivables of $168m in July 2024

Section A | Results

Delinquency and losses performing in line with historical norms

Chart 1: Credit quality remains strong



[1] Uplift in CR grades due to recalibration of score cut offs to align with target probability of default (PD) in mid FY23 and optimisation of credit model strategy

[2] Pre-Covid LT avg is from FY17 to FY19.

[3] Impact to DPD % of 43bps on 30+ and 44bps on 90+ as a result of Money Charge off methodology change from 120 to 180 days

Section A | Results

05 | Operating Expenses, Notable Items & Discontinued Operations

Continued expense discipline reflected in a ~700bps YoY improvement in cash cost to income enabling strategic investments in technology, marketing and innovation

In 1H25 Cash operating expenses decreased $11m/5% HoH and increased $19m/11% YoY. Excluding a one-off benefit in 1H24 (due to lower discretionary incentives), the normalised YoY increase was $6.0m/3%, reflecting a 697bps improvement YoY in cash cost to income ratio

Employee expense in 1H25 increased $5m/8% HoH due to wage inflation and operating growth. YoY unfavourable movement $15m/30% is due to the 1H24 benefiting from the $13m one-off benefit from lower incentive payments for 2023. Excluding the $13m one-off benefit in 1H24, 1H25 Employee expense is up 3% YoY, broadly in line with inflation.

Marketing expenses in 1H25 decreased 10% HoH and increased 8% YoY. HoH reduction is due to higher spend in 2H24 to support volume growth momentum across the golden quarter. YoY increase driven by higher acquisition spend to build volume and receivables, as part of the execution of Latitude's "Path to Full Potential" strategy.

Information technology spend decreased 3% HoH and increased 7% YoY. HoH movement is largely due to phasing of investment spend. YoY increase is largely due to greater investment initiatives.

Other expenses in line with 1H24. HoH other expenses reduced 18% following additional strategic investment in 2H24 including optimization of marketing and revenue strategies, which supported our 1H25 financials.

Depreciation and amortisation decreased 8% HoH and 5% YoY due to run-off of existing assets and no Capex spend in 1H25.

Table 9: Operating expenses

($m)	30-Jun-25 1H25	31-Dec-24 2H24	30-Jun-24 1H24	HoH Change %/bps	YoY Change %/bps
Employee	65.4	60.5	50.4	*8%*	*30%*
Marketing	19.5	21.6	18.1	*(10%)*	*8%*
Occupancy	2.0	2.0	2.2	*0%*	*(9%)*
Information technology	40.9	42.1	38.4	*(3%)*	*7%*
Other	56.3	68.6	56.1	*(18%)*	*0%*
Cash operating expenses	**184.1**	**194.8**	**165.2**	***(5%)***	***11%***
Depreciation & amortisation (ex leases)	17.7	19.3	18.7	*(8%)*	*(5%)*
Total Opex	**201.9**	**214.2**	**183.9**	***(6%)***	***10%***
Cost to income ratio – Cash[1]	45.2%	50.3%	52.1%	*511*	*697*
Cost to income ratio - Total[1]	49.5%	55.3%	57.6%	*577*	*808*
Cash opex/ AGR	(5.4%)	(5.9%)	(5.3%)	*47*	*(15)*
Spot FTE	743	742	757	*0%*	*(2%)*
Capex	0.0	0.5	2.5	*n.m*	*n.m*

(1) 1H24 Cash Opex and Cash CTI shown on a normalised basis, adjusted to remove $13m one-off benefit in employee expense due to lower discretionary incentives

Section A | Results

Amortisation of acquisition intangibles ended in November 2024, while legacy transaction costs ended in FY23.

Corporate development costs in prior period are related to a $6.7m incentive rebate for the David Jones back book migration in 2H24 with the migration expenditure incurred in FY23/1H24.

Restructuring costs in 1H25 largely relates to redundancy costs for operating model changes.

Remediations of $4.4m in 1H25 includes net provision for regulatory costs. Provisions are adjusted based on relevant information and data.

Asset/Work in Progress Impairments are for small asset write-offs.

Table 10: Amortisation & notable items

($m)	30-Jun-25 1H25	31-Dec-24 2H24	30-Jun-24 1H24	Change % HoH	Change % YoY
Amortisation of acquisition intangibles and legacy transaction costs	0.0	16.2	20.3	*n.m*	*n.m*
Corporate development	0.0	(6.5)	7.4	*n.m*	*n.m*
Restructuring Costs	2.5	0.6	2.9	*317%*	*(14%)*
Remediations	4.4	5.4	(6.6)	*(19%)*	*(167%)*
Asset/ Work in Progress Impairment	2.0	1.5	0.9	*33%*	*122%*
Decommissioned facilities	0.5	1.4	1.4	*(64%)*	*(64%)*
Notable items pre-tax	**9.4**	**18.6**	**26.3**	***(49%)***	***(64%)***

Discontinued Operations

The Group continues to present the Asia operations as discontinued operations in accordance with the applicable accounting standards.

Table 11: Profit/ (Loss) after tax from discontinued operations

($m)	30-Jun-25 1H25	31-Dec-24 2H24	30-Jun-24 1H24	Change % HoH	Change % YoY
Net profit/(loss) after tax	(0.5)	(2.0)	(7.0)	*77%*	*94%*
Goodwill write-off (insurance)	0.0	0.0	0.0	*n.m.*	*n.m.*
Total	(0.5)	(2.0)	(7.0)	*77%*	*94%*

Section A | Results

06 | Balance Sheet & Shareholder Returns

Growing business momentum and a strong balance sheet, has enabled the Board to declare a dividend of 4.00 cents per share, unfranked

The TER% (Tangible equity / net receivables) at 7.0% remains strong and at the top of the 6–7% target range enabled the Latitude's Board to declare an unfranked dividend of 4.00 cents per share. The dividend is supported by the improved fundamentals of the business including continued earnings momentum, strong cash position and a TER at the top end of our 6-7% range.

Table 12: Balance sheet

($m)	30-Jun-25 1H25	31-Dec-24 2H24	30-Jun-24 1H24	HoH Change %/bps	YoY Change %/bps
Total assets	7,933	7,883	7,421	*1%*	*7%*
Net receivables	6,612	6,402	6,059	*3%*	*9%*
Intangible assets	757	769	793	*(2%)*	*(5%)*
Total liabilities	6,716	6,658	6,192	*1%*	*8%*
Total equity	1,218	1,224	1,229	*(1%)*	*(1%)*
Tangible equity	460	455	436	*1%*	*5%*
Tangible equity/ net receivables (*TER*)	7.0%	7.1%	7.2%	*(15)*	*(24)*
RoAGR	1.4%	1.2%	0.9%	*20*	*48*
RoE	7.7%	6.2%	4.5%	*148*	*317*
RoTE	20.3%	17.2%	13.1%	*319*	*722*
Net tangible assets per share (*$ps*)	0.44	0.44	0.42	*0%*	*5%*
Book value per share (*$ps*)	1.17	1.18	1.18	*(1%)*	*(1%)*
Dividend cents	**4.00**	**3.00**	**0.00**	***33%***	***n.m***
Franking	0.0%	0.0%	n/a	*n.m*	*n.m*
Payout ratio	90%	81%	0%	*890*	*n.m*
Ex-dividend date	19/09/2025	21/03/2025	n/a		
Record date	22/09/2025	24/03/2025	n/a		
Dividend payment date	23/10/2025	23/04/2025	n/a		

LFS will continue to target a full year payout ratio of 60–70% of cash NPAT over the medium term. The Board determines the dividend per share based on net profit after tax (*cash*) per share, having regard to a range of factors including:

- Current and expected rates of business growth and the mix of business;
- Long term average loss rates;
- Capital needs to support economic, regulatory and funding requirements;
- Investments and/or divestments to support business development;
- Competitors comparison and market expectations; and
- Expected earnings per share growth.

Section A | Results

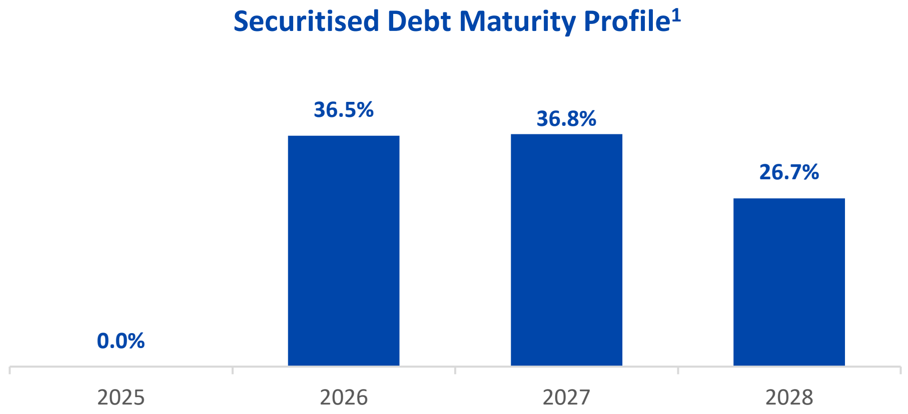
07 | Funding & Liquidity

Further strengthened and optimised our balance sheet, raising $1.0 billion of new term funding across two public transactions and refinancing a private warehouse facility worth $0.5 billion, with $1.25 billion of headroom to accommodate further receivables growth.

Latitude systematically manages its maturity profile within its target range of no more than 50% of funding maturities in any given year and no more than 40% of funding maturities within the next 12 months. The following graph sets out Latitude's debt maturity profile as at 30 June 2025, with no secured debt due in 2H25.

Summary of Securitisation Funding Facilities

Chart 2: Latitude securitised debt maturity profile as at 30 June 2025



[1] Amortising ABS term deals included at their 10% call option date. Profile includes effects of AUCC MT Series 2025-1 ABS issuance settled on 3 July 2025.

Summary of Warehouse Funding Facilities

Significant changes in Warehouse funding in 1H25 included:

- **May**: The New Zealand Personal Loans Trust was refinanced on 19 May 2025, with a scheduled amortisation date of 17 February 2028 and an increased limit from NZ$518.3m to NZ$593.3m.

The following table sets out the position of each of Latitude's warehouses as at 30 June 2025.

Table 13: Warehouse facilities as at 30 June 2025

($m)	Australia Sales Finance and Credit Cards Trust	Australia Sales Finance and Credit Cards Trust No. 3	Australia Personal Loans Trust	Australia Personal Loans Trust No. 2	Australia Auto Loans Trust	New Zealand Sales Finance and Credit Cards Trust	New Zealand Personal Loans Trust
Limit[2]	A$807.5	A$1055.6	A$1118.4	A$337.5	A$712.5	NZ$813.9	NZ$593.3
Drawn	A$667.5	A$627.9	A$842.5	A$309.2	A$693.8	NZ$581.8	NZ$540.8
Headroom	A$140	A$427.7	A$275.9	A$28.3	A$18.7	NZ$232.1	NZ$52.5
Revolving period end date	22-Oct-27	22-Nov-26	17-Dec-27	17-Aug-26	21-Dec-26	22-Sep-26	17-Feb-28

[2] Limit excludes the seller note (i.e., the equity position contributed by Latitude).

Section A | Results

Summary of ABS Funding

$1.0 billion of new term funding in the public Asset Based Securities (ABS) market was raised in 2025 with best-in-class pricing and advance rates, while expanding LFS debt investor base and the overall maturity profile of the programme. Significant transactions in ABS funding in 1H25 included:

- **February:** Australia Personal Loans Series 2021-1 was redeemed on its expected call option date. All noteholders outstanding amounts were repaid in full, with the remaining balance of loans sold to the Australian Personal Loans Trusts.
- **March:** Issue of A$500m Australian Personal Loan Series 2025-1 Trust closed in March, with a final maturity in September 2033 and an expected call option date in July 2028.
- **June:** Issue of A$500m Series 2025-1 credit card ABS under the Australian Credit Card Master Trust, priced on June 27 and settled on July 3, with an expected redemption date in November 2028.

Table 14: ABS issuance as at 30 June 2025

($m)	Latitude Australia Credit Card Loan Note Trust – Series 2023-1	Latitude Australia Credit Card Loan Note Trust – Series 2024-1	Latitude Australia Credit Card Loan Note Trust – Series 2024-2	Latitude Australia Credit Card Loan Note Trust – Series 2025-1	Latitude Australia Personal Loan Series 2024-1 Trust	Latitude Australia Personal Loan Series 2025-1 Trust	Latitude New Zealand Credit Card Loan Note Trust – Series 2024-1
Underlying segment receivables	Sales finance & credit card receivables	Sales finance & credit card receivables	Sales finance & credit card receivables	Sales finance & credit card receivables	Personal loans	Personal loans	Sales finance & credit card receivables
Notes issued	A$400.0	A$400.0	A$500.0	A$500.0	A$500.0	A$500.0	NZ$250.0
Issue date	8-Mar-23	26-Mar-24	30-Sep-24	3-Jul-25	30-Apr-24	27-Mar-25	26-Jun-24
Revolving period end date	23-Mar-26	22-Mar-27	22-Mar-28	22-Nov-28	n.a.	n.a.	22-Jun-27
Outstanding Notes at 30 June 2025	A$400.0	A$400.0	A$500.0	n.a.	A$217.1	A$411.9	NZ$250.0
Outstanding Variable Funding Note at 30 June 2025	.... A$6.3				n.a.	n.a.	NZ$0.6
Expected call date[3]	23-Mar-26	22-Mar-27	22-Mar-28	22-Nov-28	17-Jun-27	17-Jul-28	22-Jun-27
Outstanding Notes at 31 December 2024	A$400.0	A$400.0	A$500.0	n.a.	A$304.8	n.a.	NZ$250.0
Outstanding Variable Funding Note at 31 December 2024	.... A$74.9				n.a.	n.a.	NZ$13.7

[3] Series issued by Latitude Australia Credit Card Loan Note Trust are expected to be called at the issue amount; the Latitude Australia Personal Loans Series 2024-1 and Series 2025-1 Trusts are expected to be called at their 10% clean-up call option date.

Section A | Results

Summary of Corporate Debt Facilities

LFS continued to reduce the overall amount of corporate debt outstanding in 1H25 repaying part of the outstanding debt facilities. LFS maintains access to undrawn commitments of $76.7m via the Syndicated Facility Agreement.

Significant changes in corporate debt facilities in 1H25 included:

- **January**: Latitude repaid remaining US$10m stub of the US$30m single draw bullet facility #2 with SBI Shinsei Bank, maturing 6 January 2025.
- **March**: US$20m single draw bullet facility #1 with SBI Shinsei Bank was refinanced, maturing 28 March 2026.

Utilisation of the Syndicated Facility Agreement with maturity date of 05 April 2027:

- Facility A & C: A$77.5m multicurrency bullet revolving credit facility;

  As at 30 June 2025, A$2.5m of the Facility A was utilised to support bank guarantees and letters of credit. A$75m of Facility A & C remained undrawn.

- Facility B: US$41m bullet revolving credit facility.

  As at 30 June 2025, US$39.9m of the Facility B was utilised to support letters of credit provided as collateral for access to Schemes. US$1.1m of Facility B remained undrawn.

Section B | Supplementary Information

Section B | Supplementary Information

This section includes supplemental information that Latitude believes is useful for investors and users of this financial information.

B.1 Information about Cash NPAT and other Non-IFRS Metrics

Cash PBT and Cash NPAT

Cash PBT is calculated by deducting cash operating expenses from risk adjusted income (*RAI – see definition below*). It excludes non-cash items such as movement in IFRS 9 impairment provisions, depreciation of capitalised software and depreciation of property, plant & equipment. It also excludes notable items and is a pre-tax measure. Latitude uses Cash PBT for internal management reporting as it believes it reflects the best reflects underlying risk adjusted performance.

Some of the limitations of Cash PBT include that this measure does not reflect:

- The movements in IFRS 9 provisions for future losses on Latitude's receivables;
- The approach of other companies in Latitude's industry which may calculate this measure differently from Latitude, thus limiting its usefulness as a comparative measure; and
- The notable items, amortisation of acquisition intangibles & amortisation of legacy transaction costs or tax expense.

Cash NPAT is calculated by adding back the after-tax impact of notable items (including amortisation of acquisition intangibles and amortisation of legacy transaction costs) to NPAT.

Cash NPAT is measured by Latitude to evaluate the operating performance of the business without the impact of the non-cash expenses associated with amortisation of acquisition intangibles, amortisation of legacy transaction costs and other notable items.

Some of the limitations of Cash NPAT include:

- It excludes amortisation of acquisition intangibles, amortisation of legacy transaction costs and notable items which by their nature create a different profile to statutory profit;
- It is not representative of the free cash flow of Latitude's business (*refer to Consolidated Statement of Cash Flows for this information*); and
- Other companies in Latitude's industry may calculate this measure differently from Latitude (*including using a different definition of notable items, amortisation of acquisition intangibles and amortisation of legacy transaction costs*), thus limiting its usefulness as a comparative measure.

Risk Adjusted Income (RAI)

RAI is calculated as total operating income less net charge offs and is measured by Latitude to evaluate the risk adjusted margin on receivables after funding costs and net charge offs before the movement in provisions for losses and operating expenses.

RAI is considered useful by Latitude as it measures the risk adjusted contribution from each product.

It allows Latitude to have a consistent measure of risk adjusted performance and yields across its various segments and portfolios. RAI should not be considered as an alternative to Profit/(loss) before income tax and NPAT in considering the overall net profit of Latitude.

Some of the limitations of RAI include that this measure does not reflect:

- The loan impairment expense associated with the movement in provisions for future losses due to growth in Latitude's receivables or changes in the coverage ratio;
- The direct operating expenses incurred by Latitude in generating RAI;
- The indirect costs associated with Latitude's business;
- The approach of other companies in Latitude's industry which may calculate this measure differently from Latitude, thus limiting its usefulness as a comparative measure; and
- Moreover, current net charge offs may not be reflective of future long run net charge offs and will be influenced by the current macro-economic environment as well as historical portfolio credit quality characteristics that may change over time.

Section B | Supplementary Information

B.2 Additional information on seasonality

Seasonality

Latitude experiences a seasonal effect in its financial performance between 1H and 2H of each financial year.

For example, demand for Latitude's Pay Division products is typically higher during the 2H period in comparison to the 1H period as a result of increased consumer spending across the Black Friday/ Cyber Monday sales events, in addition to the lead up to the Christmas holiday period and the post-Christmas sales period. This causes an increase in volumes and receivables at the end of the 2H period. An increase in income from the higher 2H receivables balance is typically observed in 1H in the next Financial Year. Conversely the Latitude portfolio exhibits a seasonal impact with delinquencies rising in 1H with higher indebtedness following the December holiday periods as well as higher Net charge offs in 1H, followed by increased repayment rates and improving delinquencies and charge offs in 2H as borrowers typically reduce indebtedness following the end of tax year for Australia in June upon the receipt of tax refunds.

B.3 Additional amortisation of intangibles metrics including associated commentary

Table B.1: Amortisation of acquisition intangibles & legacy transaction costs pre-tax

($m)	30-Jun-25 1H25	31-Dec-24 2H24	30-Jun-24 1H24	Change % HoH	Change % YoY
Amortisation of acquisition intangibles	(0.0)	(16.2)	(20.3)	*n.m.*	*n.m.*
Total	**(0.0)**	**(16.2)**	**(20.3)**	*n.m.*	*n.m.*

Note – Amortisation of Legacy Transaction costs is included in Interest Expense for Statutory reporting purposes.

Amortisation of acquisition intangibles amortised in line with the straight-line amortisation schedule. Acquisition intangibles recognised as part of a business combination in 2015 fully amortised by November 2024, while New Zealand was fully amortised by December 2022.

B.4 Reconciliation from Cash NPAT to Stat NPAT for continuing operations

Table B.2: Cash NPAT to Stat NPAT 1H25

1H25 ($m)	Cash NPAT	Restructuring costs	Remediation costs	Asset impairment	Decommissioned facilities	Stat NPAT
Net interest income	396.1	-	-	-	-	396.1
Other income	11.6	-	-	-	-	11.6
Total operating Income	**407.7**	**-**	**-**	**-**	**-**	**407.7**
Net charge offs	(130.1)	-	-	-	-	(130.1)
Risk adjusted income	**277.6**	**-**	**-**	**-**	**-**	**277.6**
Cash operating expenses	(184.1)	(2.5)	(4.4)	(2.0)	(0.2)	(193.2)
Cash PBT	**93.5**	**(2.5)**	**(4.4)**	**(2.0)**	**(0.2)**	**84.4**
Movement in provision for impairment	(12.1)	-	-	-	-	(12.1)
Depreciation & Amortisation (excluding leases)	(17.7)	-	-	-	(0.2)	(17.9)
Profit before tax	**63.7**	**(2.5)**	**(4.4)**	**(2.0)**	**(0.4)**	**54.4**
Income tax (expense)/benefit	(17.5)	0.8	1.3	0.6	0.1	(14.7)
Profit after tax from continuing operations	**46.2**	**(1.7)**	**(3.1)**	**(1.4)**	**(0.3)**	**39.7**

B.5 Reconciliation of reclassification of Bank Interest Income from Other Income to Net Interest Income

Table B.3: Bank Interest Reclass 2H24

2H24 ($m)	Previous	Reclassification	Current
Interest income	559.7	6.2	565.9
Interest expense	(198.2)		(198.2)
Net interest income	361.5	6.2	367.7
Other income	26.0	(6.2)	19.7
Total operating Income	**387.4**	-	**387.4**

Table B.4: Bank Interest Reclass 1H24

1H24 ($m)	Previous	Reclassification	Current
Interest income	503.8	4.8	508.6
Interest expense	(187.8)		(187.8)
Net interest income	316.0	4.8	320.8
Other income	25.8	(4.8)	21.0
Total operating Income	**341.8**	-	**341.8**

B.6 Glossary of key terms

Term	Definition
30+ days past due	Total amount of receivables 30+ days past due at period end divided by period end gross loan receivables
90+ days past due	Total amount of receivables 90+ days past due at period end divided by period end gross loan receivables
Active accounts	Defined as a customer who has a balance and/or transaction/fee on a product in the last month
Amortisation of acquisition intangibles	Reflects the amortisation of customer lists and distribution agreements recognised as part of the acquisition accounting. Intangible customer lists and distribution agreements are amortised on a straight-line basis over nine years in Australia and seven years in New Zealand (*ending in 2024 and 2022 respectively*)
Average gross receivables (*AGR*)	Average gross monthly receivables balance during the period (*e.g. calculated based on the 13 month average across the period for a financial year, 7 month average across the period for a half year*). AGR is a key driver of earnings for the business
Book value per share	Net assets divided by ordinary shares on issue at the end of the reporting period.
Card Purchase Volume	The total value of transactions processed through card payment networks, such as Visa or Mastercard, within a specific period. This metric encompasses all purchases made by customers using Latitude-issued credit cards that are part of the scheme card payment networks, but excludes interest free plans, Balance Transfers and Cash related volume.
Cash operating expenses	Represents the sum of Employee expense, Marketing expense, Occupancy expense, Information technology expense and Other operating expenses
Cash operating expenses/AGR	Cash operating expenses divided by AGR for the relevant period
Cash PBT	Refer Section B.1
Cash NPAT	Refer Section B.1
Cost to income ratio cash	Represents the ratio of cash operating expenses to operating income
Cost to income ratio total	Represents the ratio of total operating expenses to operating income
Coverage ratio	Represents the ratio of provisions for expected losses to gross loan receivables in accordance with IFRS 9
Depreciation & amortisation expense (*ex leases*)	Includes amortisation of capitalised software and depreciation of property, plant and equipment
DPS	Represents the cash dividend per share calculated as dividend for the period divided by the weighted average shares on issue for the period
EPS Cash - Basic	Represents the cash earnings per share calculated as Cash NPAT for the period divided by the weighted average shares on issue for the period

Term	Definition
EPS Cash - Diluted	Represents the cash earnings per share calculated as Cash NPAT for the period divided by the weighted average shares on issue for the period including the dilutive effect of the capital notes on issue
Employee expense	Relates to employee salary, incentives and related on-costs. Employee expenses exclude costs associated with corporate development, restructuring and remediations which have been presented separately in notable items
FTE	Includes a permanent or fixed term employee of Latitude.
Gross loan receivables	Represents the total outstanding receivables balance across all products at the end of the period excluding the net fair value unwind and discontinued operations
Hardship inventory	Represents total of end of period Hardship balances divided by Gross loan receivables
Information technology expense	Relates to the expenses associated with technology including platform costs, license fees and maintenance
Interest expense	Interest expense incurred by Latitude to finance Latitude's receivable assets inclusive of interest margin, base rate interest, commitment fees, guarantee fees, interest rate swap interest expense and amortisation expenses associated with capitalised costs incurred in the establishment of new trusts
Interest expense/AGR	Interest expense divided by AGR for the relevant period
Interest expense cost	Interest expense divided by average interest-bearing liabilities for the relevant period
Interest income	Interest income is based on an effective interest rate methodology and comprises interest charged on outstanding customer balances plus fees and charges that are considered an integral part of the loan, net of origination costs. Outstanding customer balances include revolving credit card balances (*including interest-bearing sales finance products*), personal loan products and auto loan products. Fees and charges include merchant service fees (*for sales finance*) which Latitude earns from retail partners for financing interest free sales, establishment fees, annual fees, account keeping fees, late fees and third-party commission expenses
Interest income yield	Interest income divided by AGR for the relevant period
Loan impairment expense	Represents losses from loan receivables charged off in the period and the movement in the provision for impairment losses (*estimated in accordance with IFRS 9, excluding movement in transaction fraud losses*), net of recoveries of amounts previously written off
Loan Origination Volume	Encompasses all new principal personal and auto loan receivables lent by the business, including secured and unsecured loans, in the relevant period (excludes refinanced balance on Personal Loans).
Marketing expense	Relates to marketing, advertising and sales promotion expenses
Net charge-offs (NCO)	Gross charge offs less any subsequent recoveries of charged off debt
Net charge offs/AGR	Net charge offs divided by AGR for the relevant period
n.m. or "Not Meaningful"	Refers to a variance that is not meaningful due to being immaterial or includes a denominator or numerator that is equal to Zero

Term	Definition
Net interest margin (NIM)	Interest income less interest expense divided by AGR for the relevant period
Net receivables	Represents Gross loan receivables less loan provisions for impairments, deferred income and customer acquisition costs
Net tangible assets per share	Net assets excluding intangible assets, non-controlling interests and other equity instruments divided by ordinary shares on issue at the end of the reporting period
Notable items	Latitude believes these items are outside the ordinary course of business and temporary in nature or relate to the costs associated with entering new segments and markets where the associated revenues or benefits from that uncapitalised investment will not evolve during the reporting period.
Occupancy expense	Relates to the expenses associated with facility occupancy
Operating Income	Operating Income is calculated as Net interest income plus Other operating income
Operating income margin	Operating Income divided by AGR for the relevant period
Other operating expenses	Primarily relates to outside services costs and other general operating costs. Expenses associated with Latitude's restructuring have been excluded and presented separately in notable items
Other operating income/Other income	Includes statement fees, interchange and other fees & charges. Other operating income is offset by direct costs including credit card Scheme and related fees, partner loyalty fees, customer loyalty fees. For certain fee categories where fees are a pass through of external costs due to customer channel selection, these costs are netted against the associated fees (*e.g. paper statement fees, payment handling fees*)
Payout ratio	Calculated as the ratio of cash earnings per share divided by cash dividend per share
Provision movement	Represents the movement in the provision for impairment losses (*estimated in accordance with IFRS 9, excluding movement in transaction fraud losses*)
Repayment Rate	Calculated as customer repayments in the period including principle, interest and fees, divided by opening receivables, expressed on an annualised basis.
Return on AGR (RoAGR)	RoAGR is calculated as Cash NPAT divided by the average gross receivables (*AGR's*) for the relevant period
Return on Equity (ROE)	ROE is calculated as Cash NPAT divided by the average Total Equity for the relevant period
Return on Tangible Equity (ROTE)	Calculated as Cash NPAT divided by the average Tangible Equity for the relevant period
Risk adjusted income (RAI)	Refer Section B.1
Risk adjusted income yield	Risk adjusted income divided by AGR for the relevant period
Tangible Equity (TE)	Total Equity less Intangible assets
Tangible Equity/Net Receivables (TER)	Calculated as Tangible Equity divided by Net receivables
Total Equity	Contributed equity plus Common control reserve plus other reserves plus Retained earnings

Term	Definition
Volume	Key lead indicator monitored by the business. It represents all new principal receivables lent by the business in the relevant period. The metric encompasses, new personal and auto loan originations (excluding refinanced balances on Personal Loans) and total purchase volumes (including card purchases, interest free plan purchases, balance transfers and cash advances). It shows customer spending habits, as well as overall performance of Latitude products, future income levels, effectiveness of top line initiatives implemented and Latitude’s lending appetite. This definition has been updated from prior periods to exclude refinanced balances on Personal Loans.