Liberty Financial Group FY25 Full Year Results

25 August 2025

Liberty

Acknowledgement of Country

Liberty acknowledges the traditional owners of country throughout Australia. We acknowledge their continuing connections to the lands, waters, cultures and communities. We pay our respect to Elders past and present. In doing so we also acknowledge that sovereignty has never been ceded by the traditional owners of this country.

Presenting today

James Boyle
Chief Executive Officer

Peter Riedel
Chief Financial Officer

Liberty

Agenda

01 Overview

Overview

- Delivered return to profit growth for FY25 and 2H25
- NIM expansion in 2H25 from positive funding markets
- Lower impairment expense as credit risk moderates
- Effective cost management with stable cost to income ratio
- Portfolio stability through disciplined execution
- Investment grade balance sheet with 12% cash ROE
- Strong broker and customer net promoter scores

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Financial Highlights FY25

Underlying NPATA
$145m ($132m)
+10%

Net revenue
$604m ($583m)
+4%

NIM
2.49% (2.51%)
(2bps)

BDD
19bps (25bps)
(6bps)

Cost to income
27.1% (28.0%)
(90bps)

Distribution & Dividend
52c (25c)
108%

*Balances represent: FY25 (FY24) change between the periods. Distribution & dividend includes second special dividend (15c) payable 15 September 2025

Operating Highlights FY25

Average financial assets
$14.7b ($14.1b)
+4%

New assets originated
$5.1b ($5.7b)
(10%)

Impaired loans
$341m ($309m)
+10%

Average FTE Staff
524 (548)
(4%)

Broker NPS
83 (82)
+1%

Customer NPS
58 (60)
(3%)

*Balances represent: FY25 (FY24) change between the periods; NPS=Net Promoter Score

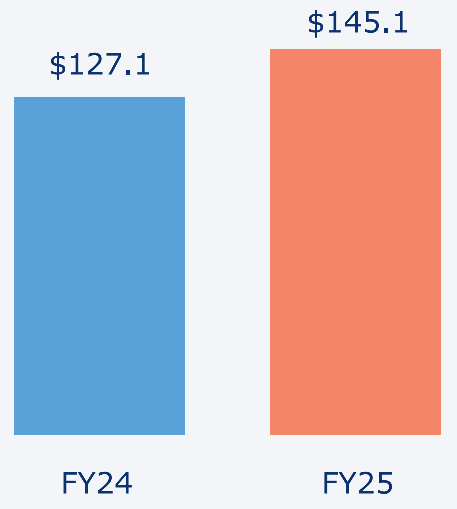
02 Results Analysis

Profit Performance Full Year

Underlying NPATA ($m)

- Increase in Underlying NPATA (FY25 v FY24) explained by
  - Higher net interest income driven by higher average portfolio ($12m)
  - Lower impairment expense as credit risk moderates ($8m), offset by
  - Higher commission expense in motor finance ($9m)

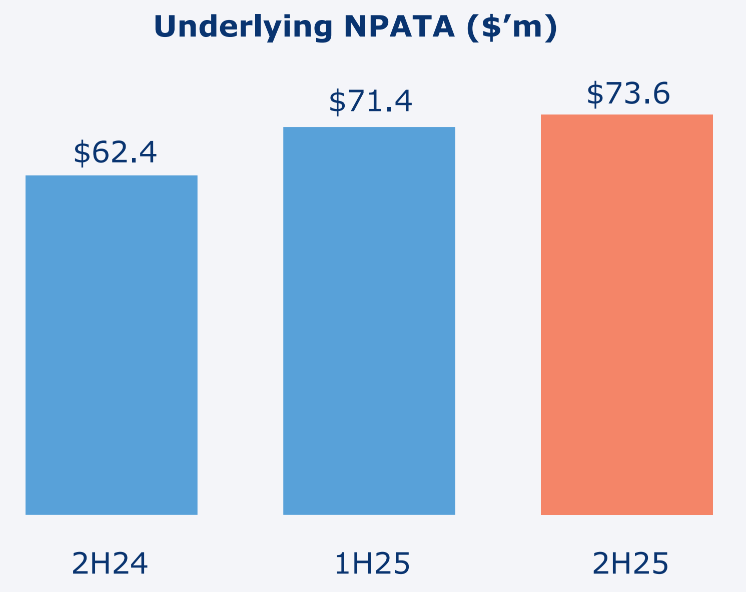
Statutory NPATA ($m)

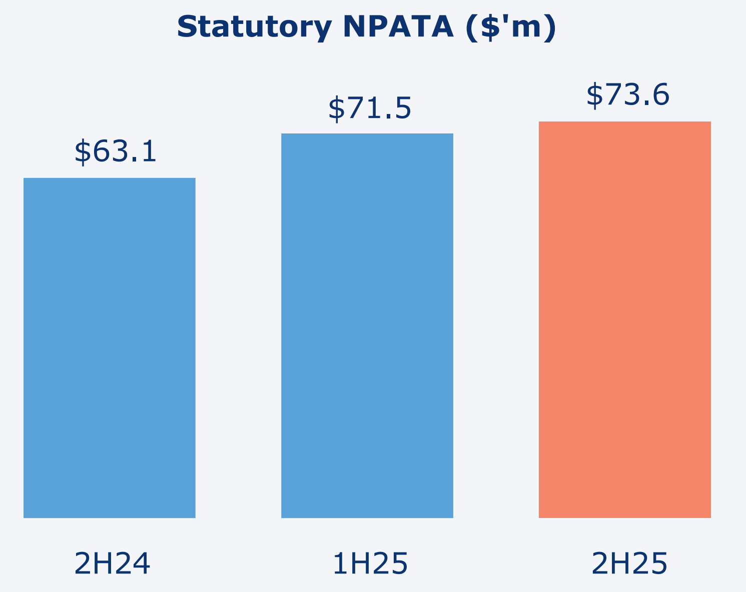


- Impact of sale of MPRE
  - FY24: lower statutory NPATA ($4.9m)
  - FY25: higher statutory NPATA by ($0.1m)

*Refer to Appendix for detailed reconciliation between statutory and underlying performance

Profit Performance Half Year





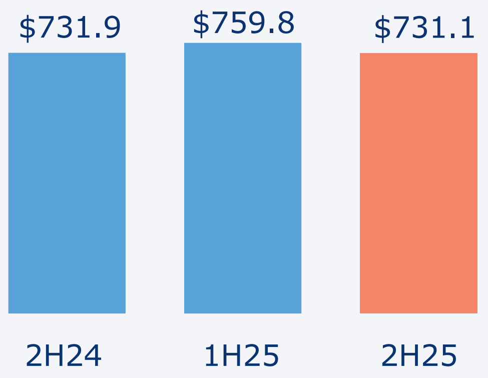
- Increase in Underlying NPATA (2H25 v 1H25) explained by
  - Stable net interest income with increase in NIM (+4bps)
  - Lower impairment expense as credit risk moderates ($1m)
- Increase in Underlying NPATA (2H25 v 2H24) explained by
  - Higher average portfolio and higher NIM ($7m)
  - Lower impairment expense as credit risk moderates ($6m), offset by
  - Lower net fee and commission income ($2m)

- Impact of sale of MPRE
  - 2H24: higher statutory NPATA by ($0.7m)
  - 1H25: higher statutory NPATA by ($0.1m)

*Refer to Appendix for detailed reconciliation between statutory and underlying performance

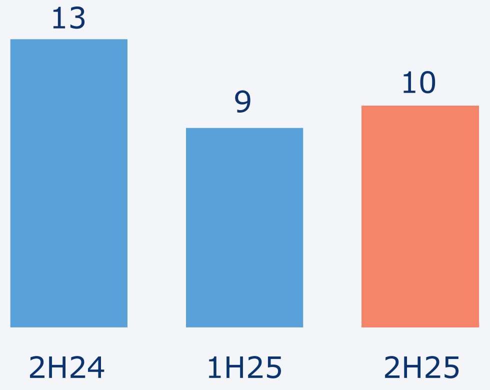
Profit Drivers

Total Revenue ($'m)



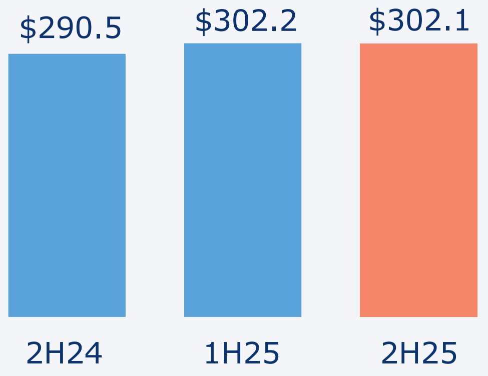
- Total revenue reduced 4% (2H25 v 1H25) driven by lower yield following pass through of RBA rate reductions
- Total revenue stable (2H25 v 2H24) as impact of rate reductions offset by higher average portfolio and higher fee and commission income

Loan Impairment (bps)



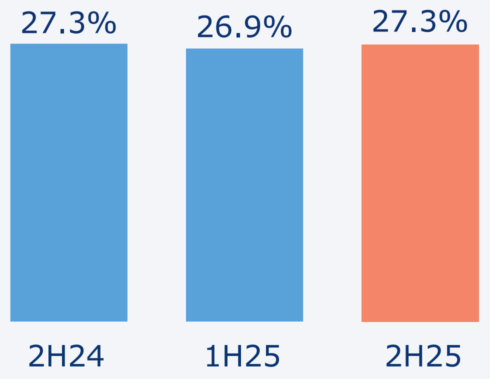
- Impairment stable (2H25 v 1H25) as lower realised losses (3bps) offset by higher provisions with increased delinquency (4bps)
- Impairment lower (2H25 v 2H24) as lower provisions required given reduction in motor loans (3bps)

Net Revenue ($'m)



- Net revenue stable (2H25 v 1H25) as yield reductions offset by lower cost of funds (NIM 2.50% v 2.46%)
- Net revenue increased 4% (2H25 v 2H24) due to higher NIM (2.50% v 2.47%), higher average portfolio and higher fee and commission income
- Exit NIM 2.52% higher than 2H25 from reduced funding margin

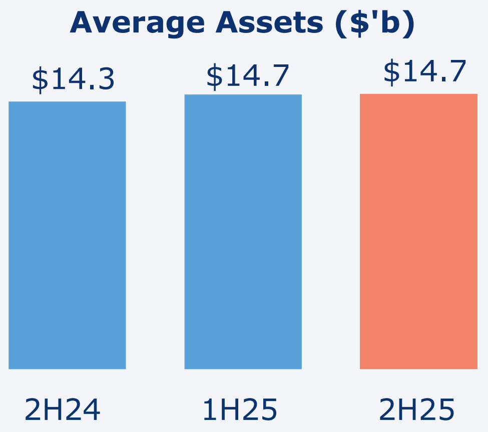
Cost to Income (%)



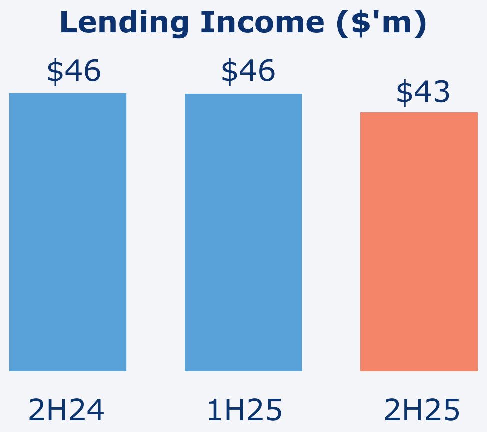
- Cost to income stable demonstrating effective cost management despite wage inflation

*Net Revenue=Total Revenue less Interest Expense; Cost to Income excludes Commission Expense

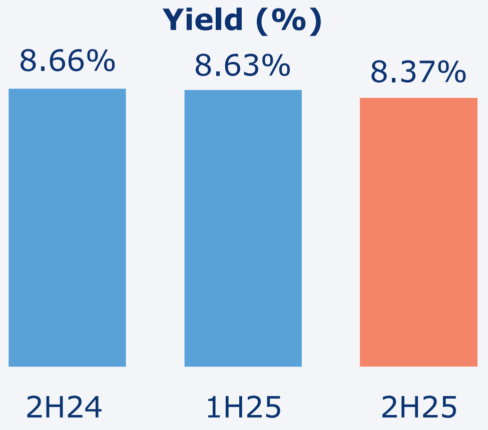
Revenue



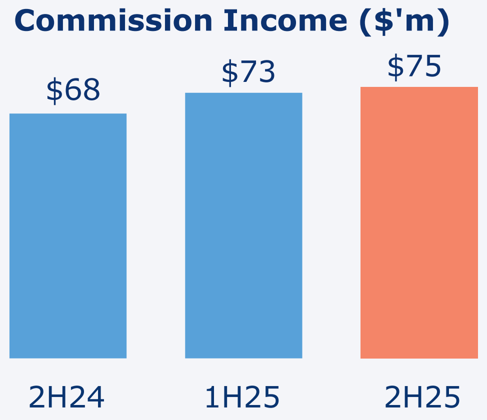
- Average assets stable (2H25 v 1H25) as commercial growth offsets reduction in residential and motor
- Average assets +3% (2H25 v 2H24) as commercial and personal loan growth exceeds reduction in residential and motor
- New originations $2.3b in 2H25 (v $2.8b 1H25 and $2.8b 2H24)



- Reduced lending income between periods consistent with reduced new loan originations

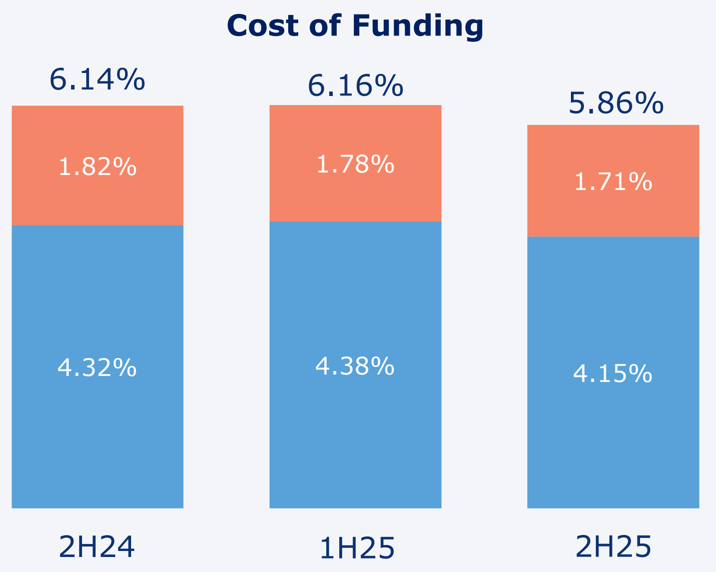


- Yield reduced to 8.37% (2H25) from 8.63% (1H25) due to:
  - Full RBA cash rate passed on (20bps)
  - Origination yield lower than portfolio yield (5bps)
  - Asset mix as motor loans reduce (1bp)

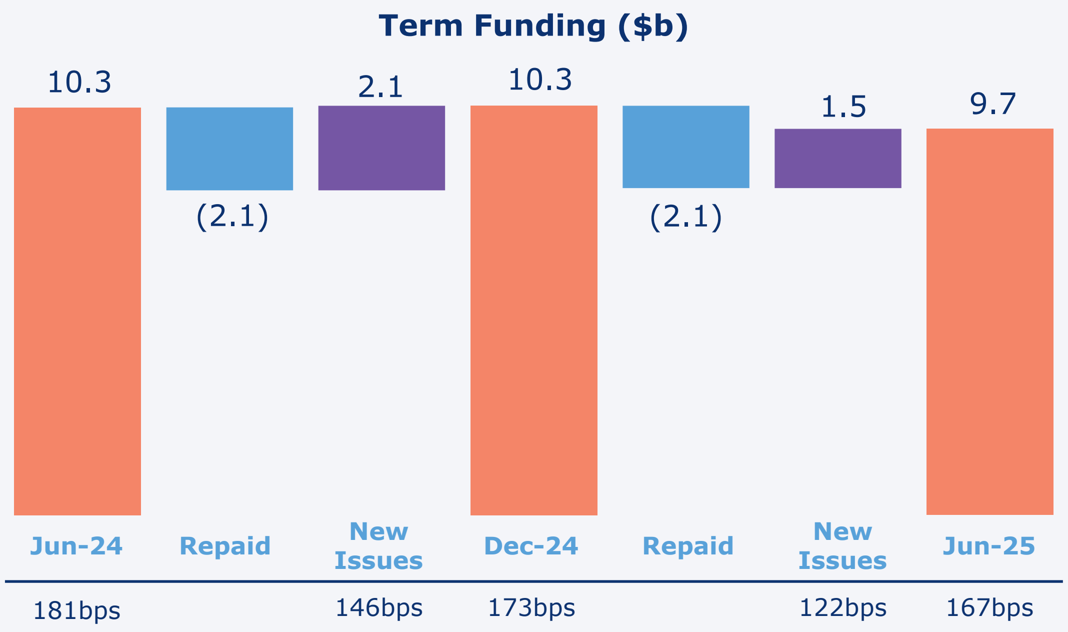


- Movement reflects increased transaction volumes in Australian and NZ distribution businesses
- Commission income increase offset by increased commission expense

Funding



- Funding benchmark 415bps in 2H25 (decrease of 23bps v 1H25 and 17bps v 2H24) from RBA cash rate decreases during 2H25
- Funding margin 171bps in 2H25 (decrease of 7bps from 1H25 and 11bps v 2H24) as margin on new term, renewed wholesale and new MTN funding all lower than prior periods



- FY25 term issuance ($3.6b) and increased wholesale limits ($0.8b) supporting new originations
- All 2H25 maturing facilities renewed on improved terms ($3.2b)
- Mar-25 MTN maturity ($200m) replaced with new MTN issue in Mar-25 ($300m) at improved margin (40bps)

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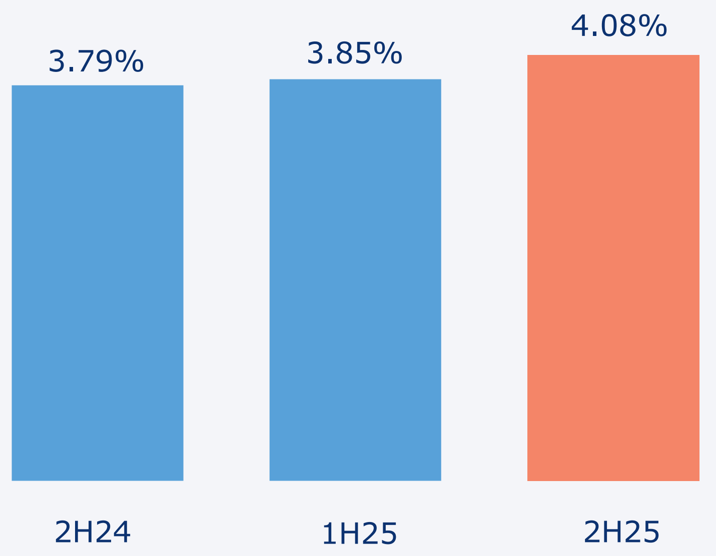
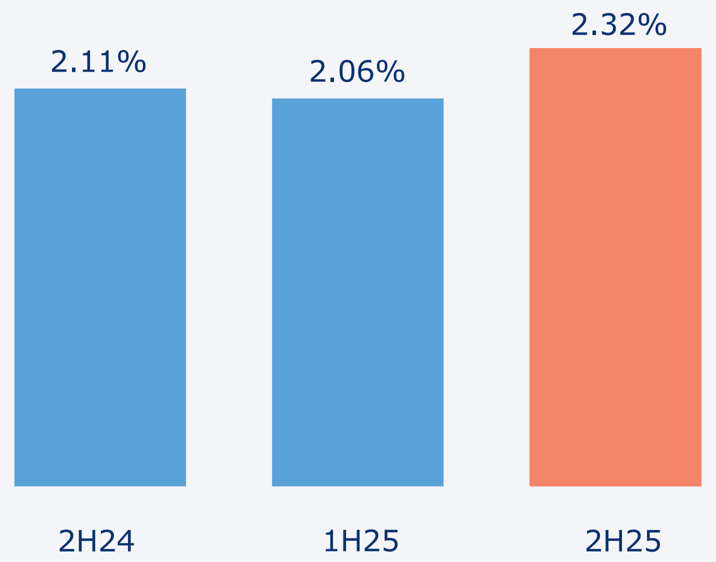
Portfolio Risk

+30 Day Delinquency



- June delinquency always seasonally higher than December
- Early-stage delinquency stable with annual increase to 30-Jun-25 (29bps) less than annual increase to 30-Jun-24 (82bps)
- Dishonour rates and count of customers in support have reduced each month since Dec-24
- +30 day delinquency reduced to 3.91% at 31-Jul-25

+90 Day Delinquency



- Late-stage delinquency largely stable with annual increase to 30-Jun-25 (21bps) less than annual increase to 30-Jun-24 (64bps)
- Majority of customers in 90+ day delinquency supported by property security (77%) with an average LVR of 90%
- +90 day delinquency reduced to 2.25% at 31-Jul-25

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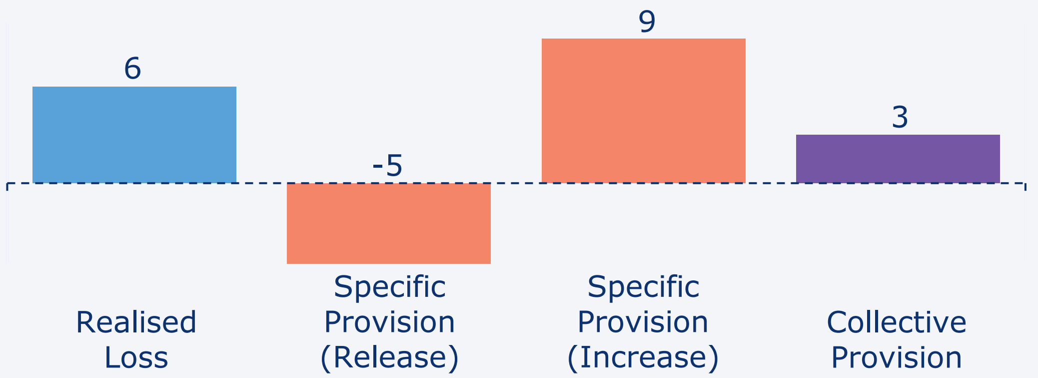
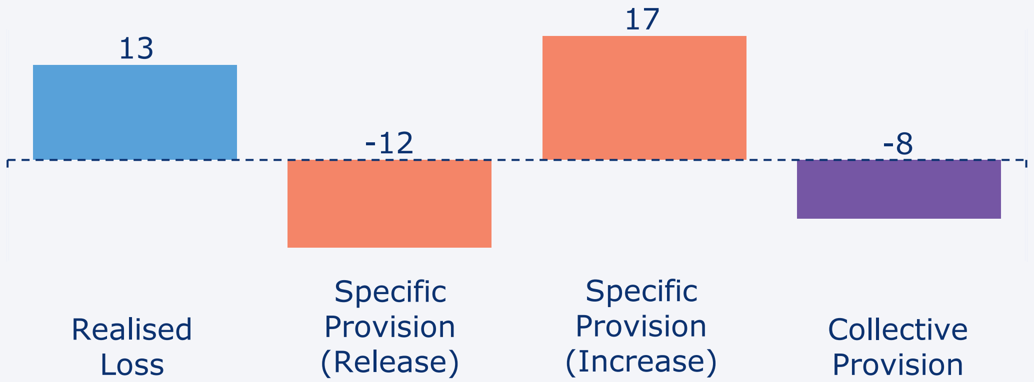
Loan Impairment

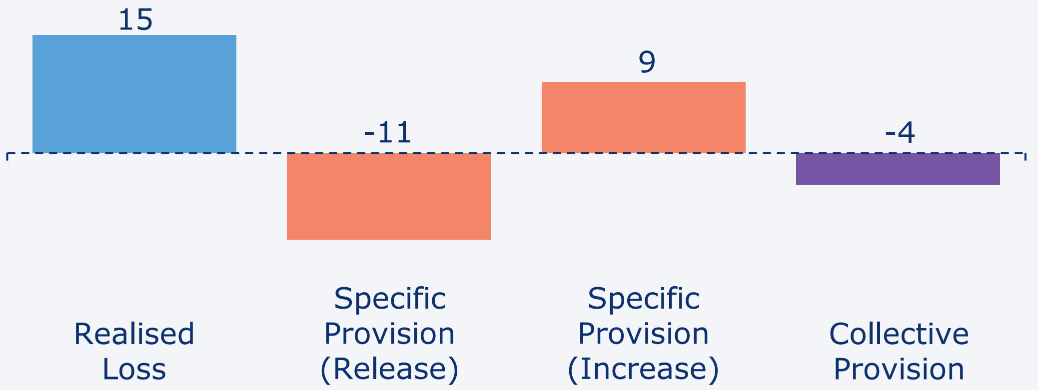
2H24 (13 bps)



2H25 (10 bps)



1H25 (9 bps)



- Impairment expense 10bps in 2H25 :
  - Reduced realised losses as environment begins to improve for consumers
  - Increased specific provision reflects enhancement to approach for motor and personal loans to identify provisions earlier
  - Reduced collective provision reflects higher specific provision and reduced motor portfolio driving lower loss expectation

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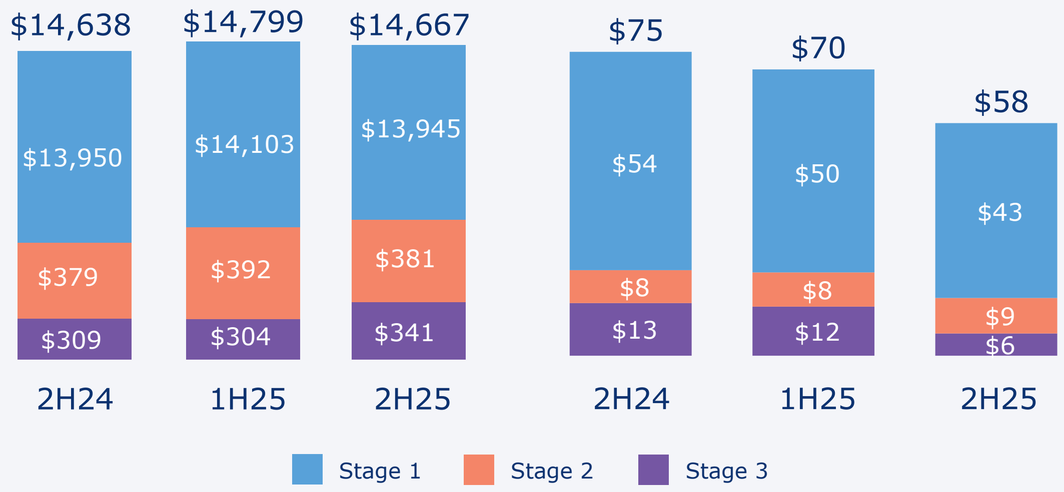
Loss Provisions

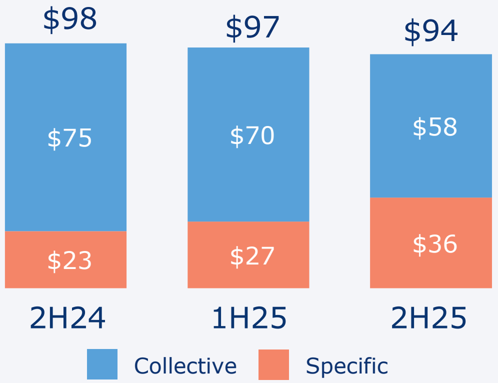
Portfolio by Stage ($'m)

Collective Provision by Stage ($'m)



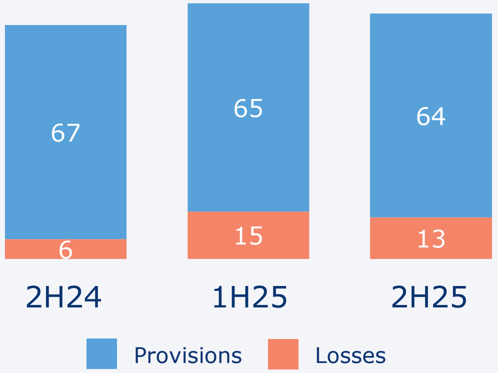
- Stage 2 and 3 higher risk balances largely stable through periods
- Exposure with property security represents Stage 2 (85%) and Stage 3 (77%) supported by strong security position (LVR=58%, 90%)
- Continued support for customers in hardship with rate relief coming
- 53% of customers (by balance) in Stage 3 making active payments at 85% of contract amount

Provisions by Nature ($'m)



- Total provisions at Jun-25 ($94m) consistent with prior periods notwithstanding reallocation between specific and collective

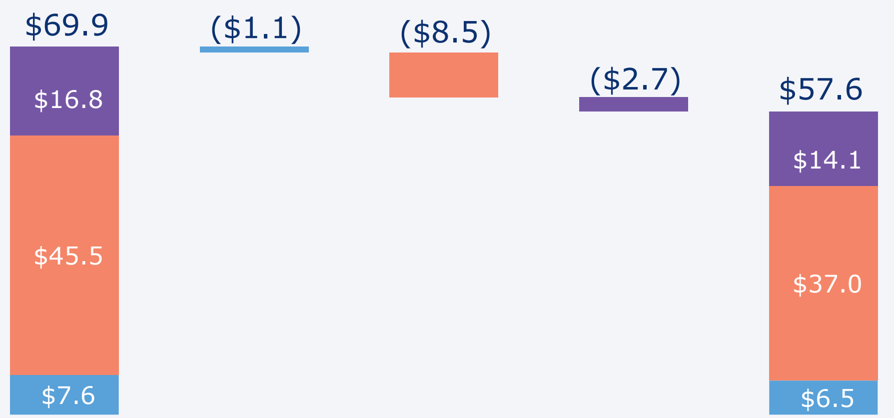
Provision Coverage (bps)



- Total provision coverage at Jun-25 (64bps) consistent with prior periods
- Total provisions provide 28% coverage against Stage 3 balances and 2.3 times coverage against annual realised losses

Expected Credit Loss

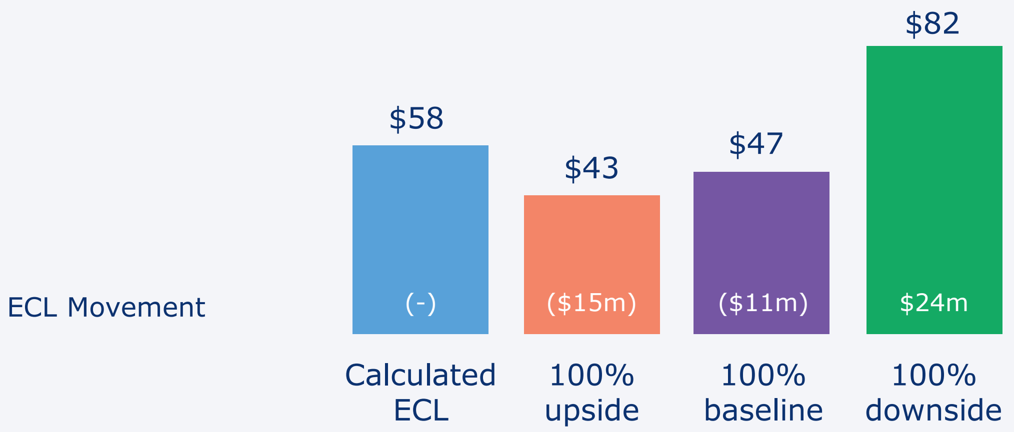
ECL by Segment



Expected Loss	Dec-24	Residential	Secured	Fin Serv	Jun-25
Loan life	0.49%	0.08%	0.65%	1.78%	0.40%
Annual	0.18%	0.04%	0.20%	0.71%	0.15%

- Lower future expected losses reflecting improved customer and portfolio loss characteristics
- Slight reduction in residential ECL (1bps)
- Unchanged commercial ECL
- Lower motor (37bps) and personal loan (32bps) ECL given increased specific provision

ECL Economic Scenarios ($m)



Economic Scenarios (Aust)	Current	Upside	Baseline	Downside
Probability weighting (Jun-25)	-	5% (5%)	65% (80%)	30% (15%)
Unemployment	4.2%	4.2%	4.3%	5.1%
GDP	1.8%	3.2%	2.2%	1.0%
Property Prices (HVI*)	207	223	217	197
RBA Cash Rate	3.9%	3.2%	3.4%	4.1%

*HVI – Home Value Index

Operating Expenses

Operating expenses ($m)	2H24	1H25	2H25
Personnel	47	45	48
Other	32	36	34
Cash expenses	**79**	**81**	**82**
IP amortisation	6	6	6
Total expenses	**85**	**87**	**88**
Cost to income (Liberty)*	**27.3%**	**26.9%**	**27.3%**
FTE (average #)	541	528	520

- Cash expense FY25 increase 3.5%
- Cost to income stable over the period due to effective cost management
- Higher personnel costs in 2H25 reflect wage inflation offsetting lower FTE

*Cost to income = Underlying personnel & other expenses (excluding commission expense) / Underlying Net Revenue

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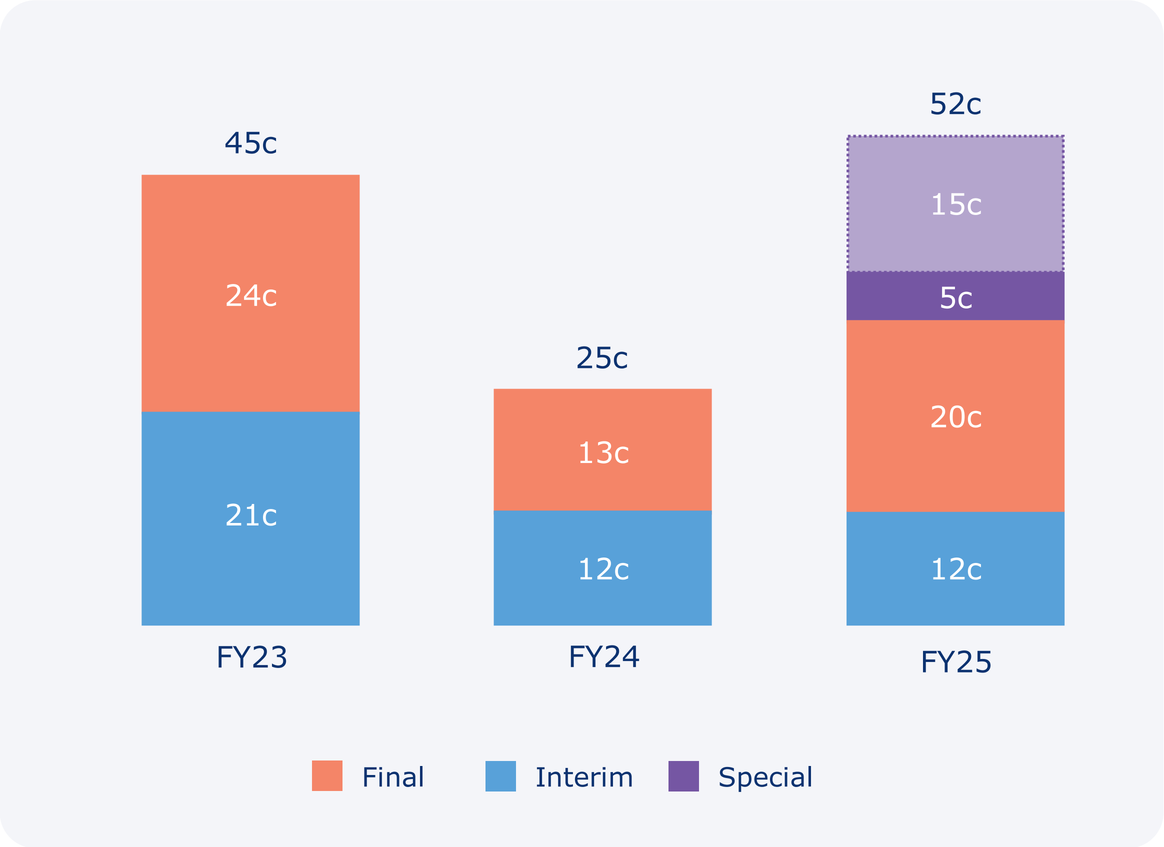
Distributions and Dividends



- Interim distribution 12 cents paid in Dec-24 for 5-month earnings period to Nov-24
- Special dividend 5 cents paid in Dec-24
- Final distribution 20 cents* for the 7-month earnings period to 30-Jun-25 to be paid 29-Aug-25
- Second special fully franked dividend of 15 cents payable on 15-Sep-25 (record date 29-Aug-25)
- FY25 distributions and special dividends (52 cents) equates to 15.6% yield based on security price of $3.34 (30-Jun-25)

*Final distribution 19.919276 cents

Financial Position

$m	Jun-24	Jun-25
Cash	941	888
Financial assets	14,638	14,660
Loans to related parties	96	77
Other assets	631	618
Financing	(14,627)	(14,707)
Other liabilities	(483)	(343)
Net assets	**1,196**	**1,193**
Leverage ratio	**13.6**	**13.6**

- Strong liquidity position with total ($9.4b) and available ($4.5b) limits at 30-Jun-25
- Stable balance sheet and leverage
- Underlying cash ROE 12.1%
- Investment grade rating BBB (stable outlook) by Standard and Poor's
- Distribution and special dividends in line with policy to optimise capital for growth and provide attractive yield for securityholders

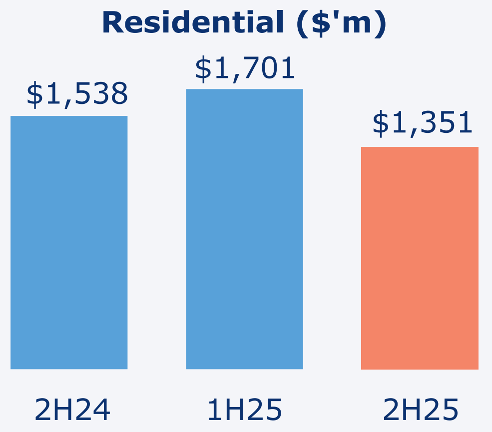
*Leverage Ratio = Total Assets / Total Equity

03 Business Update

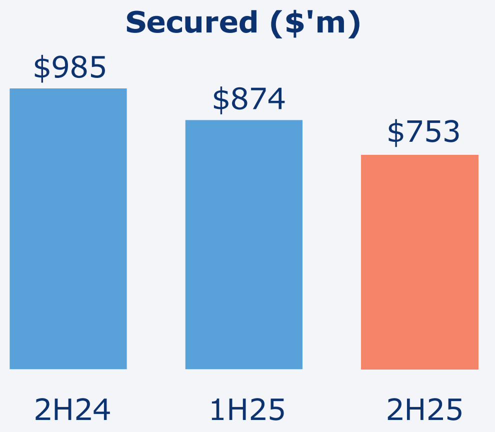
Business Update

- Disciplined lending with stable portfolio
- Competitive pressures and discharges impacting residential
- Commercial lending and portfolio growth remains strong
- Competition continues to impact motor finance
- Fin Services portfolio growth despite challenging environment
- Continued ongoing effective management of arrears

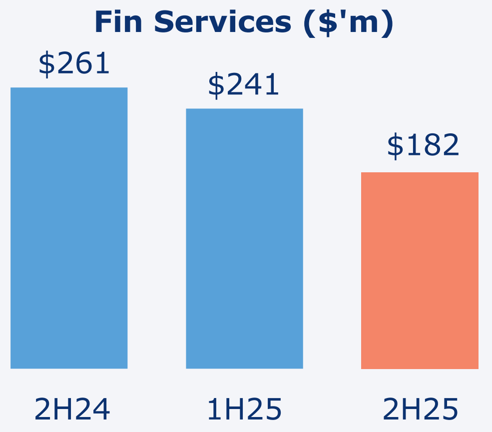
Segment Loan Origination



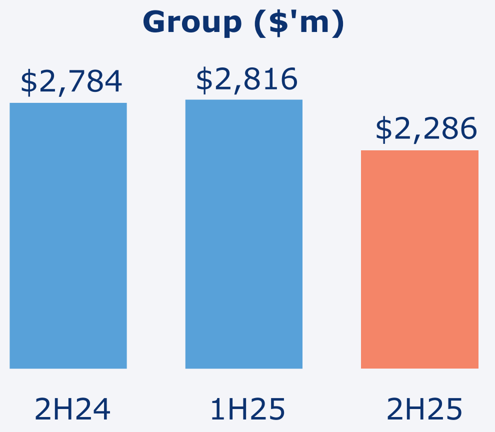
- Reduced loan origination reflects disciplined approach, highly competitive environment and subdued consumer demand impacted by election and uncertain rate cycle
- 4Q25 applications 33% higher than 3Q25 will result in higher originations in 1H26 v 2H25



- Reduced loan origination reflects continued competitive pressures in motor finance
- 4Q25 applications 14% higher than 3Q25 will result in higher originations in 1H26 v 2H25



- Reduced loan origination reflects challenging consumer environment which will improve with reduced interest rates



- Continued competitive pressures across all asset classes
- Reduced interest rates leading to higher credit demand provides positive outlook for new loan origination growth in 1H26

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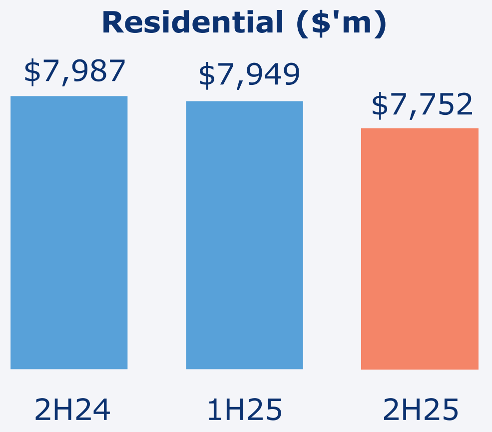
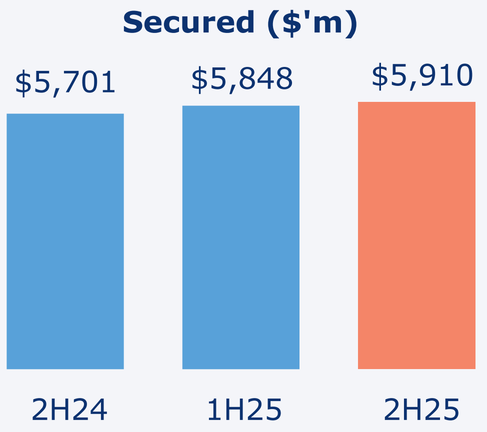
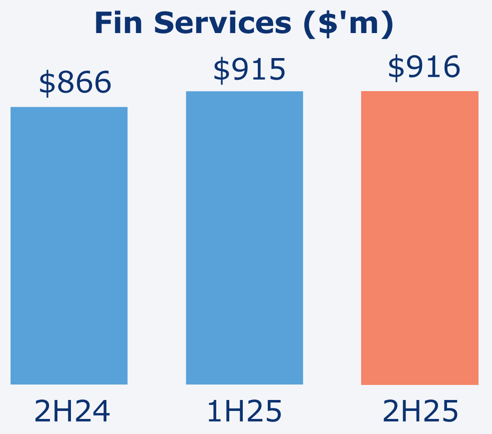
Segment Loan Portfolio



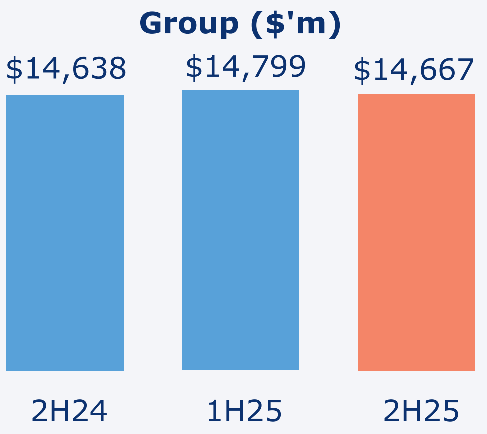
- Reduced portfolio as discharge and amortisation rate increased to 38% (FY24 36%) and exceeding new loan origination



- Discharge and amortisation rate increased to 23% (FY24 21%)
- Portfolio growth achieved from continued growth in new commercial loan origination



- Stable portfolio as discharge and amortisation rate increased to 38% (FY24 34%) matched by new loan origination in 2H25



- Portfolio stable across the periods
- 2H25 portfolio mix increased to 47% Secured and Financial Services (1H25 46%)
- Anticipating portfolio growth in 1H26 as new loan origination increases

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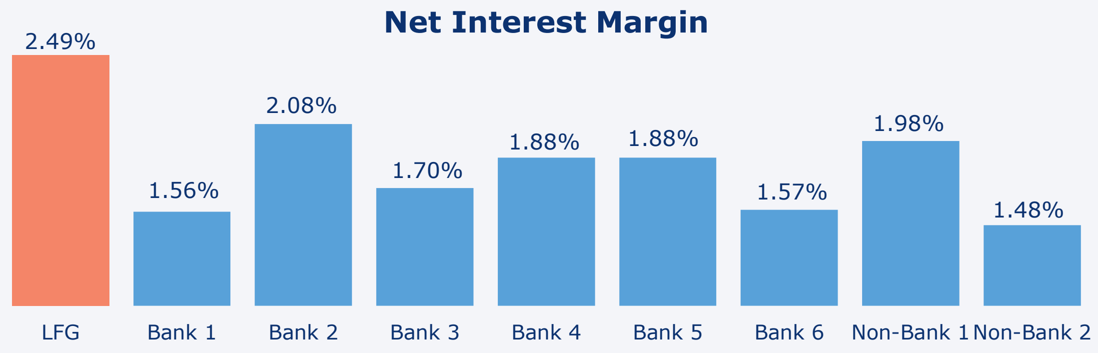
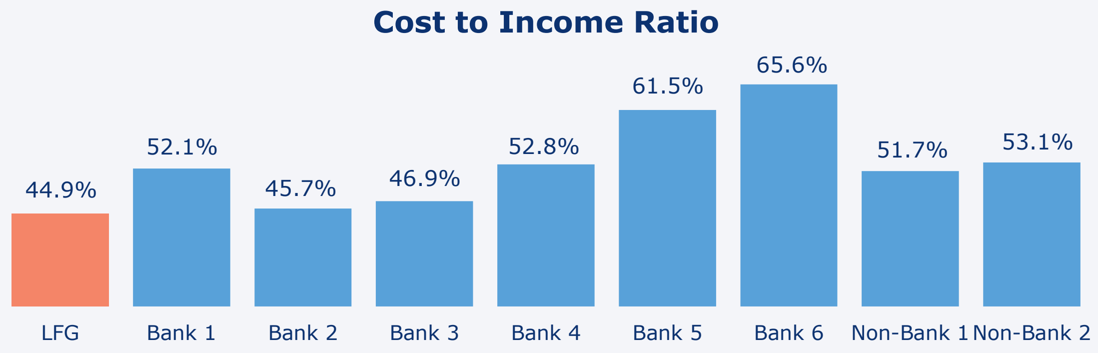
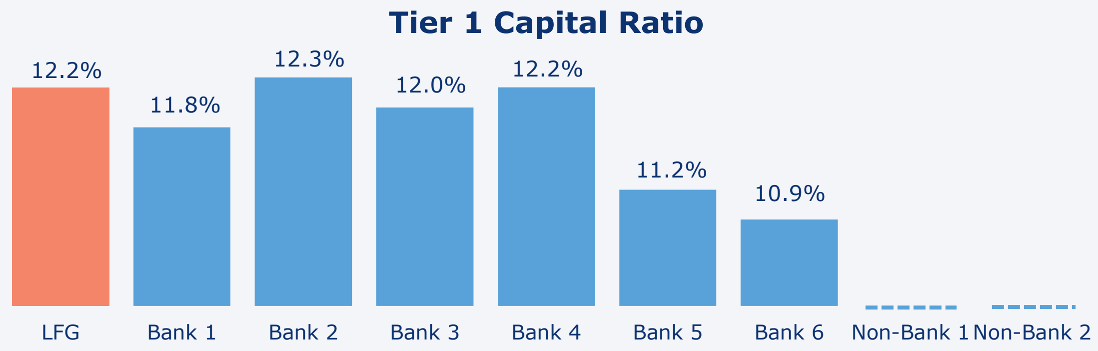
Relative Value Drivers



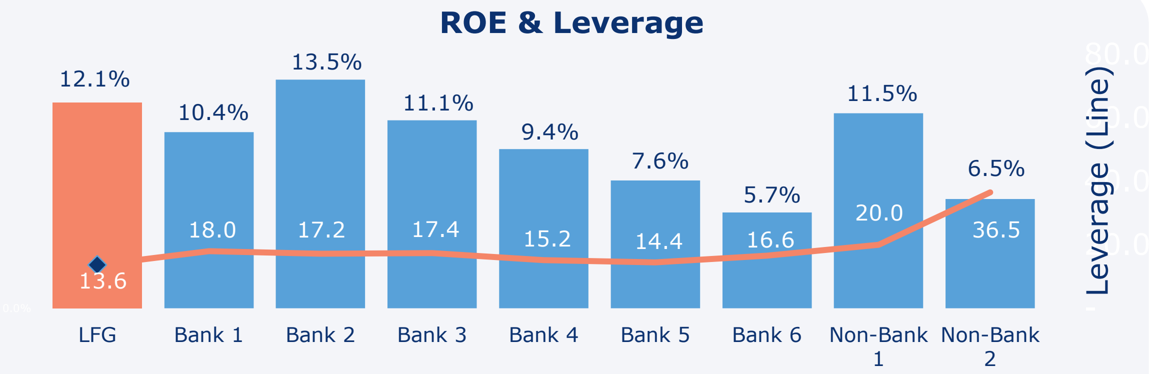
- Industry leading net interest margin



- Efficient cost management



- Bank-like capital strength



- Highest ROE to Leverage ratio

Results represent: LFG:FY25; Banks: FY25 or 1H25; Non-Banks: 1H25
Tier 1 Capital Ratio represent: LFG=S&P RAC Ratio; Others APRA Tier 1 Ratio

ESG, People and Culture

- AFR Best Places to Work 2025
- AWEI Silver Employer 2025
- Diversity Council Australia Inclusive Employer 2025
- Murrup and Koorie Academy partnerships
- B Corp self-certification 135 (increase from 107 in FY23)
- 95% staff proud to work at Liberty

04 Outlook

Outlook

- Environment supports origination and portfolio growth
- Delinquency to reduce as interest rate cycle normalises
- NIM expansion expected to continue
- NIM, CTI and ROA peer outperformance reflects discipline
- Automation to maintain leading operational efficiency
- Ongoing investment in improving digital experiences

05 Summary

Summary

- Return to profit growth
- Leading peer NIM, CTI and ROA with bank-like capital
- Continued focus on exceptional service and cost to serve
- Strong liquidity and capital position to support growth
- Continuing investment in diversifying customer solutions
- Ongoing investment in digital customer solutions

06 Questions

Appendix

Who is LFG?

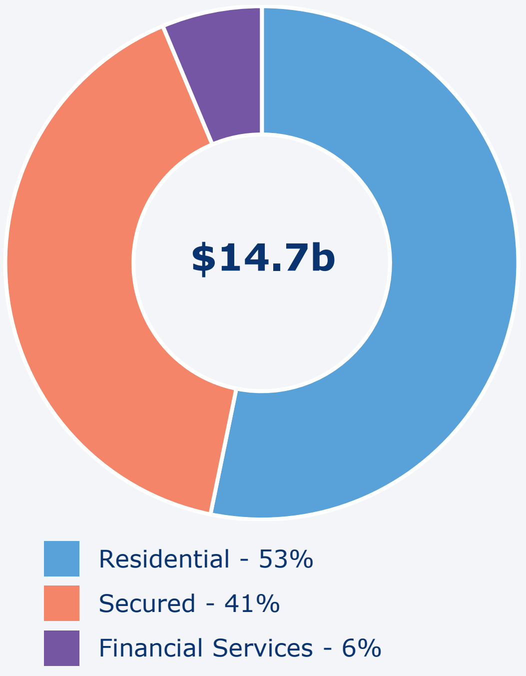
Liberty Financial

- Started 1997 and only investment grade non-bank (BBB/stable/A-2)
- Pioneered specialty finance industry in Australia and New Zealand
- Over 500 professionals, Melbourne head office
- Operates through three key segments: Residential Finance, Secured Finance and Financial Services

Durable Business Model

- Advanced risk-management capabilities
- Proprietary technology supports operations
- STRONG S&P Servicer rating across all asset classes
- Diversified products, services, revenues and profits
- Unblemished capital markets track record

Diversified Portfolio



Products and Service

Residential Finance

Australian mortgages

- Prime and custom lending for residential owner occupier and investment properties

New Zealand mortgages

- Prime and custom lending for residential owner occupier and investment properties

Secured Finance

Motor finance

- Secured prime and custom lending for vehicles purchased privately and through dealerships in Australia

Commercial finance

- Secured commercial property mortgages to SMEs and SMSFs for working capital, owner occupier loans and investment loans in Australia

Financial Services

Personal loans

- Personal loans in Australia

SME loans

- SME loans in Australia

Life insurance distribution

- Distributor of life insurance in Australia

Broker network and aggregators

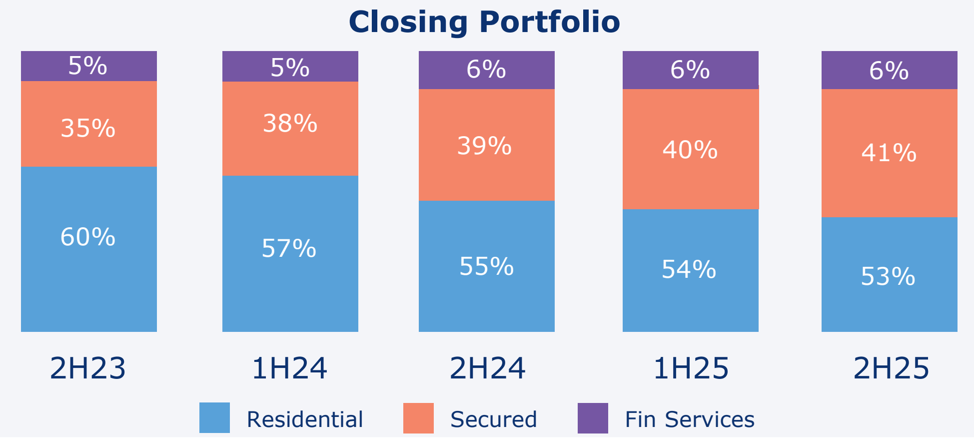
- Mortgage broker distributing loans and insurance products in Australia and New Zealand

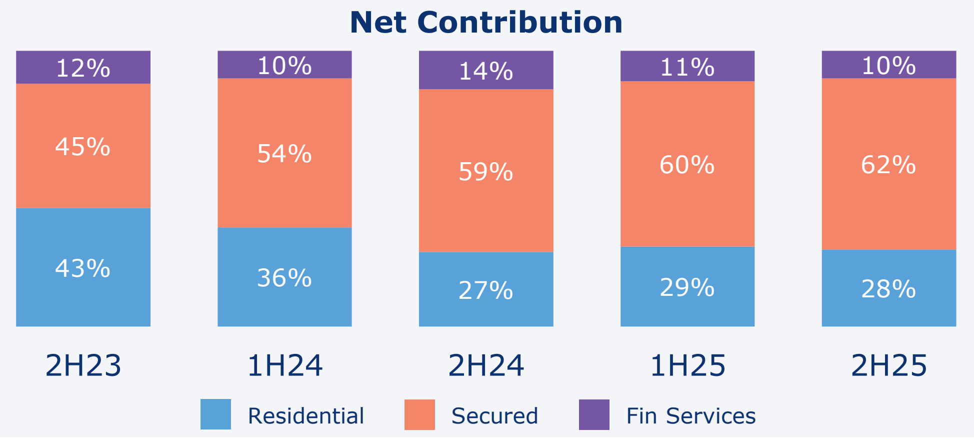
Investments

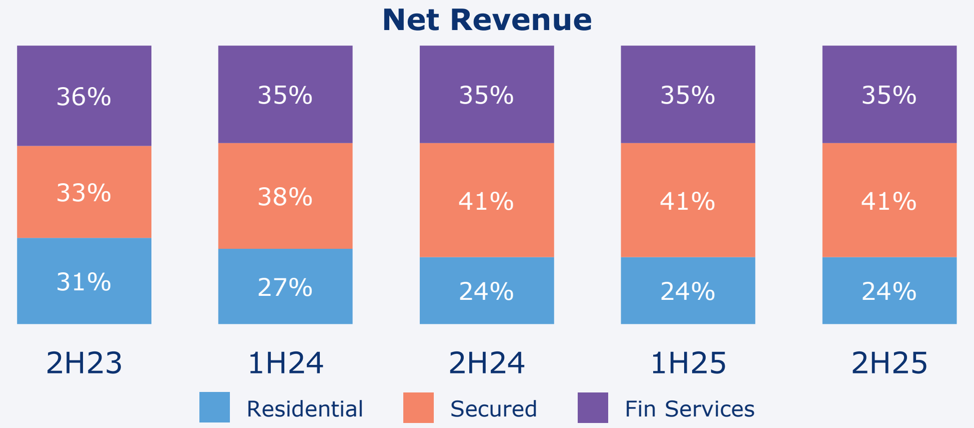
- Debenture and management investment scheme products for short and long-term investing in Australia and New Zealand

Lending activities | Loan and insurance distribution | Investments

Segment Performance







- Relative segment portfolio mix continues trajectory toward Secured, whilst Financial Services remains stable
- Higher yielding Secured and Financial Services assets generate higher relative contribution to Group net revenue and contribution

Liberty

Reconciliation Statutory to Underlying

$'m	FY24	FY25
Statutory NPAT	115.3	133.3
IP amortisation	11.8	11.8
Statutory NPATA	**127.1**	**145.1**
MPRE sale-related adjustments		
Commission income	(21.4)	(1.7)
Other income – gain on sale	(0.8)	(0.1)
Commission expense	17.1	1.4
Personnel costs	0.9	-
Other expenses – operating expenses	1.6	0.3
Other expenses - impairment of goodwill	7.0	-
Tax effect of adjustments	0.5	-
Total adjustments	4.9	(0.1)
Underlying NPATA	**132.0**	**145.0**

Statutory P&L

$'m	FY24	FY25
Interest income on financial assets measured at amortised cost	1,206.5	1,250.8
Interest income on financial assets measured at fair value	3.0	1.0
Effective yield fee income on financial assets measured at amortised cost	43.7	41.6
Other financial income	205.7	198.0
Other income	3.0	1.3
Total operating income	1,461.9	1,492.7
Finance expense	(1,107.9)	(1,139.8)
Impairment loss on financial assets measured at amortised cost	(35.2)	(27.5)
Personnel expenses	(94.1)	(93.1)
Other expenses	(90.5)	(82.9)
Total operating expense	(1,327.7)	(1,343.3)
Profit before income tax	**134.2**	**149.4**
Income tax expense	(18.9)	(16.1)
Profit after income tax	**115.3**	**133.3**

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