

Results for Announcement to the Market

Appendix 4E

Name of entity	Latitude Group Holdings Limited
ACN	604 747 391
Reporting period	1 January to 31 December 2025
Previous corresponding period	1 January to 31 December 2024

Extracts from the income statements (\$ million)	Change on previous period		
	31 December 2025	Up/down	%
Revenue from ordinary activities ⁽¹⁾	1,214.3	up	8.9%
Profit from ordinary activities after tax attributable to members on a continuing basis	94.4	up	208.5%
Net profit for the period attributable to members	94.0	up	335.2%

⁽¹⁾ Information is presented on a continuing operations basis, unless otherwise stated.

Details relating to dividends

	Amounts per share (cents)	Franked amount per share (cents)	Tax rate for franking credits
2025			
Final dividend	5.00	2.14	30%
Interim dividend	4.00	-	-
Final dividend dates			
Ex-dividend date			20 March 2026
Record date			23 March 2026
Payment date			21 April 2026

Dividend Reinvestment Plan details

The Directors have resolved to suspend the Dividend Reinvestment Plan (DRP) with immediate effect until further notice.

Net tangible assets per security

	31 December 2025	31 December 2024
Net tangible assets per security	\$0.47	\$0.44

Details of subsidiaries

Details of entities over which control has been gained or lost during the financial year can be found in Note 6.2 of the following Consolidated Financial Report for the year ended 31 December 2025.

Additional information

Information supporting the Appendix 4E disclosure requirements can be found in the following consolidated financial statements extracted from the Consolidated Financial Report for the year ended 31 December 2025.

This report is based on the Consolidated Financial Report of the Group which has been audited by KPMG.

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Results for Announcement to the Market

Summary of Group performance

Statutory profit after tax from continuing operations increased from \$30.6 million in 2024 to \$94.4 million in 2025, an increase of \$63.8 million.

Cash Net Profit After Tax (Cash NPAT)⁽¹⁾ from continuing operations increased from \$65.9 million in 2024 to \$105.1 million in 2025, an increase of \$39.2 million. The movements in Cash NPAT are discussed in detail below.

Summary of financial results

\$'m	2025	2024	Change %
Net interest income	813.6	688.5	18%
Other income	25.9	40.7	(36%)
Total operating income	839.5	729.2	15%
Net charge offs	(266.3)	(214.0)	(24%)
Risk adjusted income⁽¹⁾	573.2	515.2	11%
Cash operating expenses ⁽²⁾	(362.1)	(360.0)	(1%)
Cash PBT⁽¹⁾	211.1	155.2	36%
Movement in provision for impairment	(34.3)	(21.8)	(57%)
Depreciation & amortisation (excl leases)	(31.8)	(38.0)	16%
Profit before tax & notable items	145.0	95.4	52%
Income tax expense	(39.9)	(29.5)	(35%)
Cash NPAT⁽¹⁾ from continuing operations	105.1	65.9	59%
<i>Notable items after tax⁽¹⁾⁽²⁾</i>			
Amortisation of acquisition intangibles	-	(25.5)	100%
Other notable items	(10.7)	(9.8)	(9%)
Statutory profit after tax from continuing operations	94.4	30.6	208%
Discontinued operations	(0.4)	(9.0)	96%
Statutory profit after tax	94.0	21.6	335%
Profit is attributable to:			
Owners of Latitude Group Holdings Limited	94.0	21.6	335%
Statutory profit after non-controlling interest	94.0	21.6	335%

⁽¹⁾ Cash NPAT, Risk Adjusted Income and Notable items are non-IFRS metrics used for management reporting and reflects what the Group considers to be the underlying performance of the business. Cash NPAT is not audited.

⁽²⁾ Cash operating expenses excludes notable items. Notable Items are items 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 investment will not evolve during the reporting period.

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Results for Announcement to the Market

Note on statutory profit and cash NPAT

Statutory profit is prepared in accordance with the Corporations Act 2001 and the Australian Accounting Standards, which comply with International Financial Reporting Standards (IFRS). Figures disclosed in the Summary of Group Performance are on a cash NPAT basis unless stated as being on a statutory profit after tax basis. Cash NPAT is unaudited. Cash NPAT exclusions relate to:

- Amortisation of acquisition intangibles – reflects the amortisation of customer lists and distribution agreements recognised as part of the acquisition accounting (fully amortised in November 2024),
- Restructuring and corporate development costs – reflects the transition costs to a simplified operating structure and the costs associated with acquisitions and integrations,
- Remediation costs – reflects the costs relating to customer remediation, regulatory and enforcement activities and legal costs net of interim insurance recoveries received,
- Asset impairment – primarily reflects the decommissioning of platforms and site relocation, and
- Decommissioned facilities – reflects the costs relating to facilities that are decommissioned and are not intended to be utilised going forward.

Reconciliation of cash NPAT from continuing operations to statutory profit/(loss) after tax from continuing operations

\$'m	2025	2024	Change %
Cash NPAT from continuing operations	105.1	65.9	59%
Amortisation of acquisition intangibles	-	(25.5)	100%
Restructuring and corporate development costs	(3.2)	(3.1)	(3%)
Remediation costs	(3.1)	(3.0)	(3%)
Asset impairment	(4.1)	(1.7)	(141%)
Decommissioned facilities	(0.3)	(2.0)	85%
Statutory profit after tax from continuing operations	94.4	30.6	208%

Reconciliation of notable items 2025

\$'m	Cash NPAT	Restructuring costs	Remediation costs	Asset impairment	Decommissioned facilities	Statutory profit/ (loss) after tax
Net interest income	813.6	-	-	-	-	813.6
Other income	25.9	-	-	-	-	25.9
Total Operating Income	839.5	-	-	-	-	839.5
Net charge offs	(266.3)	-	-	-	-	(266.3)
Risk Adjusted Income	573.2	-	-	-	-	573.2
Cash operating expenses	(362.1)	(4.5)	(2.9)	(5.8)	(0.3)	(375.6)
Cash PBT	211.1	(4.5)	(2.9)	(5.8)	(0.3)	197.6
Movement in provision for impairment	(34.3)	-	-	-	-	(34.3)
Depreciation & Amortisation (excl leases)	(31.8)	-	-	-	(0.2)	(32.0)
Profit before Tax	145.0	(4.5)	(2.9)	(5.8)	(0.5)	131.3
Income tax (expense)/benefit	(39.9)	1.3	(0.2)	1.7	0.2	(36.9)
Profit after tax from continuing operations	105.1	(3.2)	(3.1)	(4.1)	(0.3)	94.4

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Results for Announcement to the Market

Review of operations

FY25 was a year of solid financial performance, disciplined execution and continued progress against Latitude's strategic priorities to simplify and sharpen our focus on what we do best across our core markets in Pay and Money divisions. The Group delivered significant growth in volumes and receivables, expanded margins, maintained prudent credit discipline and strengthened its balance sheet, culminating in Cash NPAT of \$105.1 million, up 59% YoY.

Supported by increased consumer lending demand, new product features, and expanded partner networks, Latitude enters FY26 with strengthened momentum, improved profitability and a capital position in line with its target range.

New volume of \$9.1 billion was up 10% YoY, supported by strong demand for lending products and solid retail purchase activity. Receivables for the Group grew 7% YoY to \$7.2 billion, with interest-bearing receivables up 8% YoY.

Margin expansion continued with operating income increasing 15% YoY to \$839.5 million. This was driven by a 18% uplift in net interest income, supported by 104bps YoY improvement in net interest margin to 11.75% as a result of lower funding costs and pricing strategy discipline. Higher delinquencies and net charge offs are in line with point in cycle expectations, with NCOs increasing to 3.85% of average receivables, up 52bps YoY. The increase remains within the pre-Covid historical charge off range, while still delivering strong risk adjusted returns.

Cash operating expenses increased 1% YoY (decreased 3% YoY excluding the 1H24 one-off benefit). The Group continued to invest in technology, marketing and capability building to support growth, while maintaining strong cost discipline, offsetting the impact of increased volumes. The cash cost-to-income ratio improved to 43.1%, down 625bps YoY (down 802bps YoY excluding the 1H24 one-off benefit).

The results of FY25 reflect the successful execution of Latitude's Path to Full Potential strategy, with ongoing improvement across key operational and financial metrics. Management remains focused on driving sustainable growth, disciplined credit performance, and delivering long-term value for shareholders.

Summary of financial analysis

Cash NPAT of \$105.1 million in FY25, an increase of \$39.2 million or 59% compared to FY24, due to the following key drivers:

- **Total Operating Income** rose \$110.3 million or 15% YoY to \$839.5 million. This growth was primarily driven by a \$125.1 million or 18% increase in net interest income to \$813.6 million, reflecting a 104bps YoY improvement in net interest margin to 11.75%. Interest income yield increased 45bps to 17.16%, supported by funding cost improvements (interest expense/AGR down 59bps to 5.41%). Other income declined by \$14.8 million YoY due to loyalty program costs (launched in 2H24) and FX market volatility, with other income yield falling 26bps to 0.37%. Despite this, operating income margin improved 78bps YoY to 12.12%.
- **Net Charge Offs** increased \$52.3 million or 24% YoY to \$266.3 million. This reflected a rise in the net charge off yield to 3.85%, up 52bps YoY. The increase is attributed to the increasing delinquencies in line with point in cycle expectations. The increase remains within the pre-Covid historical range, facilitating strong risk adjusted returns.
- **Cash operating expenses** were \$362.1 million, up \$2.1 million or 1% YoY, with productivity improvements helping offset the expense impact of higher volumes, enabling operating leverage across the year. The cash cost-to-income ratio continues to improve, down 625bps YoY to 43.1%. Excluding the one off 1H24 short term incentive provision release, there was an underlying cost reduction of 3% YoY and 802bps YoY reduction in cash cost-to-income ratio.
- **Provision movement** increased to \$34.3 million, primarily due to receivable growth (including FX). Group coverage rose to 4.45%, up 16bps YoY, reflecting prudent provisioning for the macro economic environment.

Balance sheet management and dividends

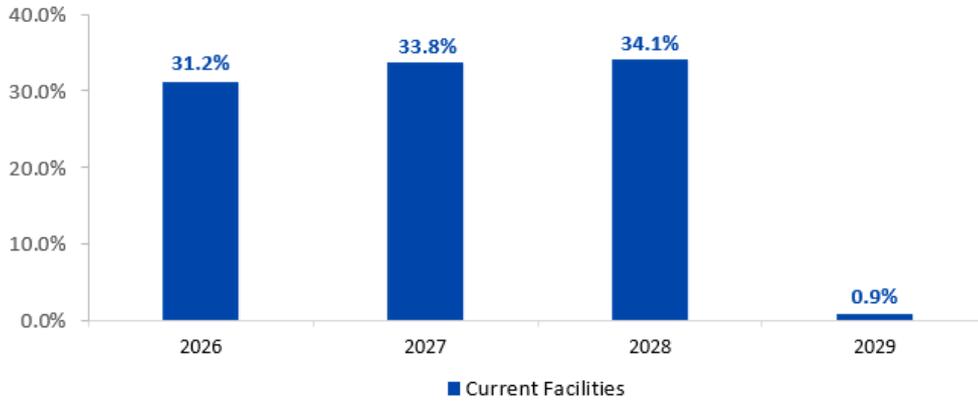
The results achieved in 2025, the growing momentum of the Group's business performance and the continued strength of the balance sheet, which saw Latitude's Tangible Equity Ratio (TER) close the year at 7.1%, enabling Latitude's Board to declare a 2H25 fully franked dividend of 5.00 cents per share (with 4.00 cents unfranked paid at the interim), totalling 9.00 cents per share for the full year equivalent to a 89% payout ratio relative to FY25 Cash NPAT of \$105.1m.

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 31 December 2025.

Results for Announcement to the Market

Securitised debt maturity profile



The above includes current balance of all securitised debt at the first contractual maturity. Latitude Australia Personal Loans Series 2024-1, Series 2025-1 and 2025-2 included at 10% call option.

Over the 12-month period Latitude raised \$1.5 billion of new term funding and refinanced \$1.5 billion of private credit facilities at more favourable margins and structural terms, while enhancing the diversification of its funding sources and extending our debt maturity profile. The Group maintained a 12-month liquidity runway throughout the year with greater than \$1.0 billion of committed headroom available as at 31 December 2025 to support continued receivables growth in 2026.

Latitude continued to reduce the overall amount of corporate debt outstanding in 2025, repaying part of the outstanding debt facilities. Latitude maintains access to undrawn commitments of \$76.7 million via the syndicated facility agreement.

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LATITUDE GROUP HOLDINGS LIMITED

ABN 83 604 747 391

Consolidated Financial Statements extract from the
Consolidated Financial Report
For the year ended 31 December 2025

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2025 Consolidated Financial Report Extract
 Latitude Group Holdings Limited
 For the year ended 31 December 2025

Consolidated Income Statement

	Notes	2025 \$'m	2024 \$'m
Continuing operations			
Interest Income		1,188.4	1,074.5
Interest expense		(374.8)	(386.1)
Net interest income	2.2(a)	813.6	688.4
Other operating income	2.2(b)	25.9	40.7
Total operating income		839.5	729.1
Loan impairment expense	3.2(f)	(300.6)	(235.8)
Operating expenses			
Employee benefit expense		(132.3)	(115.3)
Depreciation and amortisation expense		(34.8)	(80.0)
IT and data processing expenses		(79.5)	(80.2)
Marketing expenses		(37.8)	(39.8)
Administrative and professional expenses		(61.8)	(80.7)
Occupancy and operating expenses		(21.5)	(19.5)
Other expenses		(39.9)	(27.2)
Total operating expenses		(407.6)	(442.7)
Profit before income tax		131.3	50.6
Income tax expense	2.3(a)	(36.9)	(20.0)
Profit from continuing operations		94.4	30.6
Discontinued operations			
Net loss after tax from discontinued operations		(0.4)	(9.0)
Profit for the year		94.0	21.6

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The above statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

	Notes	2025 \$'m	2024 \$'m
Profit for the year		94.0	21.6
Other comprehensive income			
Items that may be reclassified to income statement			
Cash flow hedges - fair value gain/(loss)	4.1(b)	5.9	(20.9)
Cash flow hedges - related taxes	4.1(b)	(1.7)	6.2
Currency translation differences arising during the year	4.1(b)	(8.8)	(5.8)
Other comprehensive loss for the year net of income tax		(4.6)	(20.5)
Total comprehensive income for the year is attributable to:			
Owners of Latitude Group Holdings Limited		89.4	1.1
Total comprehensive income for the year		89.4	1.1
Earnings/(loss) per share for income attributable to the ordinary equity holders of the Company			
		Cents	Cents
Earnings per share	2.5	9.0	2.1
Diluted earnings per share	2.5	8.0	1.8
Earnings/(loss) per share for income from continuing operations attributable to the ordinary equity holders of the Company			
		Cents	Cents
Earnings per share	2.5	9.1	2.9
Diluted earnings per share	2.5	8.1	2.6

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The above statement should be read in conjunction with the accompanying notes.

2025 Consolidated Financial Report Extract
 Latitude Group Holdings Limited
 For the year ended 31 December 2025

Consolidated Balance Sheet

	Notes	2025 \$'m	2024 \$'m
Assets			
Cash and cash equivalents	3.1(b)	300.7	410.2
Derivative financial instruments	3.1(c)	10.0	10.8
Loans and other receivables	3.1(d)	6,859.2	6,417.7
Other assets		11.4	11.1
Current tax assets		-	28.7
Deferred tax assets	2.3(d)	200.1	202.1
Other financial assets		14.2	14.2
Property, plant and equipment	5.1(a)	7.9	18.8
Intangible assets	5.1(b)	731.8	769.2
Total assets		8,135.3	7,882.8
Liabilities			
Trade and other liabilities	3.1(e)	161.6	214.4
Current tax liabilities		11.1	-
Derivative financial instruments	3.1(c)	6.8	6.4
Provisions	5.1(e)	92.4	93.7
Deferred tax liabilities	2.3(d)	26.8	27.7
Borrowings	3.1(f)	6,618.9	6,316.2
Total liabilities		6,917.6	6,658.4
Net assets		1,217.7	1,224.4
Equity			
Contributed equity	4.1(a)	2,211.5	2,222.5
Reserves	4.1(b)	(679.3)	(675.1)
Retained losses	4.1(c)	(314.5)	(323.0)
Total equity		1,217.7	1,224.4

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The above statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

	Attributable to owners of Latitude Group Holdings Limited			
	Contributed equity \$'m	Reserves \$'m	Retained losses \$'m	Total Equity \$'m
At 1 January 2025	2,222.5	(675.1)	(323.0)	1,224.4
Profit for the year	-	-	94.0	94.0
Other comprehensive loss for the year	-	(4.6)	-	(4.6)
Total comprehensive profit for the year	-	(4.6)	94.0	89.4
Transactions with owners in their capacity as owners:				
Issue of ordinary shares - dividend reinvestment plan	0.1	-	-	0.1
Capital note buy-back	(11.1)	-	-	(11.1)
Dividends paid	-	-	(72.8)	(72.8)
Capital note distributions	-	-	(12.7)	(12.7)
Share-based payments	-	0.4	-	0.4
Total transactions with owners	(11.0)	0.4	(85.5)	(96.1)
At 31 December 2025	2,211.5	(679.3)	(314.5)	1,217.7
At 1 January 2024	2,222.5	(652.9)	(335.0)	1,234.6
Profit for the year	-	-	21.6	21.6
Other comprehensive loss for the year	-	(20.5)	-	(20.5)
Total comprehensive loss for the year	-	(20.5)	21.6	1.1
Transactions with owners in their capacity as owners:				
Capital note distributions	-	-	(9.6)	(9.6)
Share-based payments	-	(1.7)	-	(1.7)
Total transactions with owners	-	(1.7)	(9.6)	(11.3)
At 31 December 2024	2,222.5	(675.1)	(323.0)	1,224.4

The above statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

	Notes	2025 \$'m	2024 \$'m
Cash flows from operating activities			
Interest received		1,172.4	1,075.4
Interest paid		(375.5)	(380.8)
Other operating income received		33.0	35.1
Operating expenses paid		(327.1)	(315.4)
Net income taxes refunded/(paid)		1.6	(5.6)
Cash flow from operating activities before changes in operating assets and liabilities		504.4	408.7
Net increase in loans and other receivables		(855.8)	(812.4)
Net increase in trade and other liabilities		33.3	24.4
Changes in operating assets and liabilities arising from cash flow movements		(822.5)	(788.0)
Net cash used in operating activities		(318.1)	(379.3)
Cash flows from investing activities			
Net purchases of intangible assets, property, plant & equipment		(7.0)	(19.9)
Net cash used in investing activities		(7.0)	(19.9)
Cash flows from financing activities			
Proceeds from borrowing issuances and drawdowns		2,427.7	3,770.0
Repayment of borrowings		(2,059.5)	(3,118.0)
Payments of transaction costs from financing activities		(4.4)	(5.3)
Repayment of facility agreements		-	(25.8)
Repayment of loan due to related parties		(19.1)	-
Dividends paid		(72.8)	(25.1)
Capital note distributions paid		(12.9)	(9.6)
Capital note buy-back		(11.1)	-
Outflow from share-based payment plan		(0.3)	-
Payment of lease liabilities		(3.5)	(6.5)
Deferred consideration paid		(16.6)	(16.6)
Net cash provided by financing activities		227.5	563.1
Net increase/(decrease) in cash and cash equivalents		(97.6)	163.9
Cash and cash equivalents at beginning of financial year		410.2	250.7
Effects of exchange rate changes on cash and cash equivalents		(11.9)	(4.4)
Cash and cash equivalents at end of financial year	3.1(b)	300.7	410.2

The Consolidated Statement of Cash Flows includes discontinued operations.

The above statement should be read in conjunction with the accompanying notes.

2025 Consolidated Financial Report Extract

Notes to the Financial Statements

For the year ended 31 December 2025

Section 1 | Basis of preparation

1.1 Basis of preparation

(a) Reporting entity

The consolidated financial report is for Latitude Group Holdings Limited (the 'Company') and its controlled entities (the 'Group'). Latitude Group Holdings Limited is a for-profit public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Level 18, 130 Lonsdale Street, Melbourne, Victoria, 3000.

These consolidated financial statements were authorised for issue by the Directors on 20 February 2026.

(b) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASs) and other pronouncements of the Australian Accounting Standards Board (AASB), the Corporations Act 2001 and International Financial Reporting Standards (IFRS) and interpretations published by the International Accounting Standards Board (IASB).

Certain comparative amounts have been restated to conform with the basis of preparation adopted in the current period.

(c) Basis of measurement

These consolidated financial statements have been prepared under the historical cost basis, except for the following:

- Derivative financial instruments;
- Financial assets and financial liabilities designated at fair value through profit or loss (FVTPL);
- Financial assets designated at fair value through other comprehensive income (FVOCI); and
- Assets held for sale - measured at the lower of carrying amount and fair value less costs of disposal.

(d) Functional and presentation currency

These consolidated financial statements are presented in Australian Dollars, which is Latitude Group Holdings Limited's deemed functional and presentation currency.

(e) Rounding of amounts

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the consolidated financial report. Amounts in the consolidated financial report have been rounded off in accordance with that Instrument to the nearest hundred thousand dollars, unless otherwise indicated.

(f) Significant estimates and judgements

The preparation of the consolidated financial statements that conform to accounting standards requires Management to exercise judgement in applying the Group's accounting policies and to make estimates and assumptions. The significant estimates and judgements made by Management in preparing these consolidated financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Areas involving assumptions and estimates that are material to the financial statements or areas requiring a higher degree of judgement, are disclosed in the following sections:

- Section 2.3: Deferred tax assets and liabilities
- Section 3.1: Determination of fair values
- Section 3.2: Recoverability of loans and other receivables
- Section 5.1: Recoverability of goodwill and other intangible assets and estimated useful life (other than goodwill)
- Section 5.1: Provisions including remediations
- Section 6.4: Contingent liabilities and contingent assets

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2025 Consolidated Financial Report Extract

Notes to the Financial Statements

For the year ended 31 December 2025

1.2 Material accounting policies

Material accounting policies adopted in the preparation of these consolidated financial statements have been included in the relevant notes to which the policies relate. Other material accounting policies are listed below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction. Foreign exchange gains and losses are presented in the consolidated income statement on a net basis within other operating income.

Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each consolidated balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each consolidated income statement and consolidated statement of other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the translation reserve.

(b) Principles of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated.

2025 Consolidated Financial Report Extract

Notes to the Financial Statements

For the year ended 31 December 2025

1.3 New and amended standards

(a) New and amended standards adopted

The Group has adopted the following standards and amendments effective from 1 January 2025:

- *AASB 2023-5 – Amendments to AASB 121 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*, which are effective for annual reporting periods beginning on or after 1 January 2025.

The Group has assessed its operations and determined that the amendments do not have a material impact on the financial statements for the year ended 31 December 2025.

(b) New standards and interpretations not yet adopted

The following standards and amendments have been issued but are not yet effective and have not been early adopted by the Group. Adoption will occur on their respective effective dates. Based on current assessments, none are expected to have a material impact on the Group's financial statements, unless otherwise noted.

- *Classification and Measurement of Financial Instruments – Amendments to AASB 9 and AASB 7* (effective 1 January 2026), clarifying derecognition of financial liabilities and updating the SPPI test to include ESG-linked features.
- *AASB 2024-3 Annual Improvements Volume II* - Effective 1 January 2026, this amendment aims to improve consistency and clarity across several standards:
 - Clarification of lease liability derecognition (*AASB 9*)
 - Enhanced cross-referencing and language consistency (*AASB 7*)
 - Clarification of de facto agent determination (*AASB 10*)
 - Updated terminology (*AASB 107*)
- *AASB 2025-1 Contracts Referencing Nature-dependent Electricity – Amendments to AASB 7 and AASB 9* (effective 1 January 2026), providing guidance on accounting for renewable energy contracts. The Group has no exposure.
- *AASB 18 Presentation and Disclosure in Financial Statements* – Replaces *AASB 101* (effective 1 January 2027), introducing significant changes to financial statement structure and presentation. The Group anticipates an impact on presentation and is reviewing current reporting practices.

2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

Section 2 | Results

2.1 Segment information

(a) Description of segments

The Group's Managing Director and Chief Executive Officer (CEO), who is the chief operating decision maker (CODM) is responsible for the overall performance of the Group and is accountable for monitoring the Group's business affairs, setting its strategic direction, establishing policies and overseeing the Group's financial position. The CODM assesses the business on a Cash NPAT basis where the Cash NPAT is calculated by adding back the after-tax impact of amortisation of acquisition intangibles and notable items to Statutory profit/(loss) after tax from continuing operations.

The CEO has identified the following reportable segments of its business:

- **Australia and New Zealand Pay (A&NZ Pay):** credit cards, including cards that offer interest free payment plans.
- **Australia and New Zealand Money (A&NZ Money):** personal loans and motor loans.
- **Other:** other business activities and corporate costs.

Transactions between segments are carried out at arm's length and are eliminated on consolidation when they arise within the Group.

No single customer contributes revenue greater than 10% of the Group's revenue.

	External Revenue from continuing operations		Non-current assets ⁽¹⁾	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	\$'m	\$'m	\$'m	\$'m
Geographical information				
Australia	979.0	890.5	3,437.5	3,298.7
New Zealand	235.3	224.7	710.1	672.4
Total	1,214.3	1,115.2	4,147.6	3,971.1

⁽¹⁾ Non-current assets exclude financial instruments and deferred tax assets.

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2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

2.1 Segment information (continued)

(b) Operating segment overview

Year ended 31 December 2025	A&NZ Pay \$'m	A&NZ Money \$'m	Other \$'m	Total \$'m
External revenue				
Net interest income	462.0	354.8	(3.2)	813.6
Other income	20.7	6.0	(0.8)	25.9
Total operating income	482.7	360.8	(4.0)	839.5
Net charge offs	(131.5)	(134.8)	-	(266.3)
Risk adjusted income	351.2	226.0	(4.0)	573.2
Cash operating expenses	(222.2)	(139.9)	-	(362.1)
Cash PBT	129.0	86.1	(4.0)	211.1
Movement in provision	(8.1)	(26.2)	-	(34.3)
Depreciation & amortisation (excluding leases)	(28.7)	(3.1)	-	(31.8)
Profit/(loss) before tax & notable items	92.2	56.8	(4.0)	145.0
Income tax expense	-	-	(39.9)	(39.9)
Cash NPAT	92.2	56.8	(43.9)	105.1
Notable items				
Remediation costs	-	-	(2.9)	(2.9)
Restructuring costs	-	-	(4.5)	(4.5)
Asset impairment	-	-	(5.8)	(5.8)
Decommissioned facilities	-	-	(0.5)	(0.5)
Tax effect of adjustments	-	-	3.0	3.0
Statutory profit/(loss) after tax from continuing operations	92.2	56.8	(54.6)	94.4
Discontinued operations				(0.4)
Statutory profit after tax				94.0
31 December 2025				
Segment balance sheet information				
Total assets reported by the Consolidated Group	3,947.4	3,480.1	707.8	8,135.3
Total liabilities reported by the Consolidated Group	(3,104.9)	(2,587.8)	(1,224.9)	(6,917.6)

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2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

2.1 Segment information (continued)

Year ended 31 December 2024	A&NZ Pay \$'m	A&NZ Money \$'m	Other \$'m	Total \$'m
External revenue				
Net interest income	407.1	288.7	(7.3)	688.5
Other income	31.2	4.9	4.6	40.7
Total operating income	438.3	293.6	(2.7)	729.2
Net charge offs	(116.8)	(97.2)	-	(214.0)
Risk adjusted income	321.5	196.4	(2.7)	515.2
Cash operating expenses	(224.2)	(135.8)	-	(360.0)
Cash PBT	97.3	60.6	(2.7)	155.2
Movement in provision	(16.8)	(5.0)	-	(21.8)
Depreciation & amortisation (excluding leases)	(31.4)	(6.6)	-	(38.0)
Profit before tax & notable items	49.1	49.0	(2.7)	95.4
Income tax expense	-	-	(29.5)	(29.5)
Cash NPAT	49.1	49.0	(32.2)	65.9
Notable items				
Amortisation of acquisition intangibles	-	-	(36.4)	(36.4)
Remediation costs	-	-	1.2	1.2
Corporate development	-	-	(0.9)	(0.9)
Restructuring costs	-	-	(3.5)	(3.5)
Asset impairment	-	-	(2.4)	(2.4)
Decommissioned facilities	-	-	(2.8)	(2.8)
Tax effect of adjustments	-	-	9.5	9.5
Statutory profit/(loss) after tax from continuing operations	49.1	49.0	(67.5)	30.6
Discontinued operations				(9.0)
Statutory profit after tax				21.6
31 December 2024				
Segment balance sheet information				
Total assets reported by the Consolidated Group	3,868.0	3,218.4	796.4	7,882.8
Total liabilities reported by the Consolidated Group	(3,011.3)	(2,376.1)	(1,271.0)	(6,658.4)

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2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

2.2 Revenue and expenses

Accounting Policy

Revenue recognition

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Interest is applied to the gross carrying value of a financial asset unless the asset is credit impaired, in which case it is applied to the net carrying value.

Net interest income

The Group recognises interest on loans and receivables as interest income. Interest income is recognised based on the effective interest rate method. The effective interest rate method allocates interest income over the life of the financial asset based on the amortised carrying value. The expected life of the financial instrument (portfolio average expected life; sales finance 14 months; personal loans 19 months and motor loans 19 months), or when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

The Group recognises fees and costs, which are integral to the financial assets (for example loan origination fees and costs), using the effective interest rate method. When applying the effective interest method, fees and costs are amortised over the expected life of the financial asset or a shorter period if this is the period to which the fees and costs relate.

Other operating income

Interchange and operating fee income from contracts with customers is measured based on the consideration specified in a contract with the customer. The Group recognises revenue over the service period when it transfers control over a service to a customer.

Other fees include service and incremental fees charged per transaction and revenue is recognised at the point in time when the related services are performed.

Other expenses

Operating expenses are recognised as services are provided to the Group, over the period in which an asset is consumed, or once a liability is created.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated balance sheet. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

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2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

2.2 Revenue and expenses

(a) Net interest income

	2025 \$'m	2024 \$'m
Interest income	1,176.0	1,063.5
Bank interest income	12.4	11.0
Total interest income calculated using the effective interest method	1,188.4	1,074.5
Finance costs on borrowings	(374.3)	(385.2)
Lease interest expense	(0.5)	(0.9)
Total interest expense	(374.8)	(386.1)
Net interest income	813.6	688.4

(b) Other operating income

	2025 \$'m	2024 \$'m
Interchange and operating fees	26.2	35.6
Other	(0.3)	5.1
Total other operating income	25.9	40.7

(c) Reconciliation of profit/(loss) after income tax to net cash inflow/(outflow) from operating activities

	2025 \$'m	2024 \$'m
Net profit after income tax	94.0	21.6
(Increase) in interest receivable	(16.0)	(0.9)
Increase/(decrease) in interest payable	(0.7)	6.6
Depreciation and amortisation	34.8	80.4
Non-cash charge offs	379.6	298.6
Other expenses including income tax	12.7	2.4
(Increase) in loans and other receivables	(855.8)	(812.4)
Net (decrease) in trade and other liabilities	33.3	24.4
Net cash (used in) operating activities	(318.1)	(379.3)

Reconciliation of profit/(loss) after income tax to net cash inflow from operating activities includes discontinued operations.

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2.3 Income tax expense and deferred tax

Accounting Policy

Taxation

Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, based on amounts expected to be paid to the tax authorities.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination, that, at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset when there is a legally enforceable right to offset and an intention to settle the liability simultaneously. Current and deferred tax is recognised in the consolidated income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

Tax consolidation legislation (Australian Group only)

The Company and some wholly-owned controlled entities have implemented the tax consolidation legislation from December 2015. On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which limits the joint and several liability of the wholly-owned entities in the case of a default by the head entity, Latitude Group Holdings Limited. The entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set-off in the consolidated financial statements. The head and controlled entities in the tax consolidated group account for their own current and deferred tax accounts. These tax amounts are measured as if each entity in the tax consolidation group was a separate taxpayer with the Group. In addition to its own current and deferred tax amounts, the Company also recognises the current tax liabilities (assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidation group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate the Company for any current tax payable assumed. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements. The amounts receivable or payable under the tax funding agreement are due upon receipt of the funding advice from the head entity. The funding amounts are recognised as intercompany receivables. Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

Pillar Two – Global minimum top-up tax

Pillar Two applies to large multinational groups ('MNE') that operate in more than one country and have annual consolidated revenue greater than EUR €750 million (or ~AUD \$1.31 billion) in at least two out of the last four years. Under this legislation, MNEs are liable to pay a top-up tax for any difference between the effective tax rate ('ETR') for each jurisdiction in which it operates, and the 15% minimum rate (under these rules) should a jurisdiction's ETR be lower than 15%. Whilst the Group is a MNE, it currently does not meet the revenue threshold test for these rules to apply to it. All entities within the Group have an ETR that exceeds 15%.

2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

2.3 Income tax expense and deferred tax (continued)

(a) Income tax expense

	Note	2025 \$'m	2024 \$'m
Current tax on profits for the year		42.0	29.9
Adjustments recognised in the year for current tax of prior years		(2.9)	1.0
Current tax expense		39.1	30.9
Origination and reversal of temporary differences	2.3(c)	(2.2)	(10.9)
Deferred tax benefit		(2.2)	(10.9)
Income tax expense		36.9	20.0
Income tax expense is attributable to:			
Profit from continuing operations		36.9	20.0
(Loss) from discontinued operations		-	-
Income tax expense		36.9	20.0

(b) Numerical reconciliation of income tax expense/(benefit) to prima facie tax payable

	2025 \$'m	2024 \$'m
Profit/(loss) from continuing operations before income tax expense	131.3	50.6
Loss from discontinued operations before income tax expense	(0.4)	(9.0)
	130.9	41.6
Tax at the Australian tax rate of 30% (2024: 30%)	39.3	12.5
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Permanent differences	0.6	5.2
Effect of differences in tax rates in foreign jurisdictions	(0.1)	1.3
Adjustments of prior years	(2.9)	1.0
Income tax expense	36.9	20.0

(c) Deferred tax expense represents movements in deferred tax assets/liabilities

	2025 \$'m	2024 \$'m
Provisions and other liabilities	(11.1)	(8.4)
Deferred income	2.5	(0.5)
Acquisition transaction costs	1.2	0.8
Intangible assets - software	(1.6)	(1.8)
Property, plant and equipment	(0.5)	0.2
Intangible assets - other	0.3	(7.2)
Deferred expenses and prepayments	1.9	1.8
Trust net income	5.4	2.5
Other	(0.3)	1.7
Deferred tax benefit	(2.2)	(10.9)

The Group has \$13.9 million (2024: \$13.8 million) of unused tax losses and \$1.1 million (2024: \$1.4 million) deductible temporary differences for which no deferred tax asset is recognised in the balance sheet (2024: \$nil). These relate to the Group's operations in Asia and Canada and may be carried forward indefinitely (subject to shareholding test requirements) or until the entities cease to exist.

2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

2.3 Income tax expense and deferred tax (continued)

(d) Deferred tax assets and liabilities

	2025 \$'m	2024 \$'m
Deferred tax assets		
Provisions and other liabilities	125.1	119.2
Tax losses	21.6	25.3
Deferred income	22.7	25.2
Acquisition transaction costs	1.3	1.8
Lease liability	2.1	5.6
Intangible assets - software	21.9	19.7
Property, plant and equipment	2.4	2.2
Other	3.0	3.1
Deferred tax assets	200.1	202.1
Deferred tax liabilities		
Intangible assets - other	4.9	4.6
Deferred expenses & prepayments	16.0	14.1
Right-of-use assets	2.0	4.3
Interest rate swaps	2.5	0.9
Trust net income	-	0.4
Other	1.4	3.4
Deferred tax liabilities	26.8	27.7
Net deferred tax assets	173.3	174.4
Amounts expected to be settled within 12 months	109.1	111.8
Amounts expected to be settled after more than 12 months	64.2	62.6
Net deferred tax assets	173.3	174.4

(e) Other tax recognised

	2025 \$'m	2024 \$'m
Income tax recognised in other comprehensive income:		
Cash flow hedge reserve	1.7	(6.2)

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2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

2.4 Dividends and distributions

Dividends on ordinary shares

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

(a) Dividends

On 20 February 2026, the following dividends were declared by the Directors.

	Cents per share	Total \$m	Date of payment	Franked amount per share
Final 2025 dividend	5.00	52.0	21 April 2026	30%

The following dividends were declared and paid by the Company during the current year:

2025	Cents per share	Total \$'m	Date of payment	Franked amount per share
Interim 2025 dividend	4.00	41.6	23 October 2025	Unfranked
Final 2024 dividend	3.00	31.2	23 April 2025	Unfranked

No dividends were declared or paid by the Company during 2024.

Dividend reinvestment plan

On 20 February 2026, the Directors resolved to suspend the Dividend Reinvestment Plan (DRP) with immediate effect until further notice.

Franking credits

The amount of Australian franking credits available to shareholders at year ended 31 December 2025 for subsequent financial years is \$2.6 million (2024: \$3.8 million).

(b) Distributions

Distributions paid on other equity instruments relate to capital notes issued as described in note 4.1(a). The following distributions were paid during the current and comparative year.

	2025 \$'m	2024 \$'m
Distributions paid on capital notes ⁽¹⁾⁽²⁾	12.9	9.6

⁽¹⁾ Distributions payable is within trade and other payables Note 3.1(e)

⁽²⁾ Distributions paid during 2024 include both fully franked and unfranked components, consistent with the franking status of the ordinary shares.

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2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

2.5 Earnings/(loss) per ordinary share

(a) Earnings/(loss) per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	Basic		Diluted	
	2025	2024	2025	2024
Earnings (\$'m)				
Profit/(loss) for the year attributable to owners of the Company	94.0	21.6	94.0	21.6
Net loss from discontinued operations attributable to owners of the Company	(0.4)	(9.0)	(0.4)	(9.0)
Earnings from continuing operations attributable to owners of the Company	94.4	30.6	94.4	30.6
Weighted average number of ordinary shares (millions)				
Weighted average number of ordinary shares	1,039.7	1,039.7	1,039.7	1,039.7
Potential dilutive weighted average number of ordinary shares:				
Conversion of capital notes	-	-	130.7	133.8
Total weighted average number of ordinary shares	1,039.7	1,039.7	1,170.4	1,173.5
Earnings per share (cents) attributable to owners of the Company				
Earnings/(loss) per share (cents)	9.0	2.1	8.0	1.8
Earnings/(loss) per share (cents) from continuing operations	9.1	2.9	8.1	2.6

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2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

Section 3 | Financial Instruments and Risk Management

3.1 Financial assets and liabilities

[Accounting Policy](#)

Classification - Financial assets and liabilities

Amortised cost

Debt instruments are measured at amortised cost if both the following conditions apply:

- (a) the instrument is held to collect contractual cash flows, rather than being sold prior to contractual maturity to realise fair value changes; and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition and derecognition

Financial instruments are recognised when the Group becomes party to the contractual provisions of the instrument. Financial assets are derecognised when the Group's contractual rights to the cash flows from the instrument expire or if the Group transfers the instrument to another party without retaining control or substantially all the risks and rewards of the asset. Financial liabilities are derecognised when the Group's obligation under the contract is discharged, cancelled or it expires.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, restricted cash and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash.

Loans and other receivables

Loan receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Group did not intend to sell immediately or in the near term. Loans and advances are amounts due from customers in the ordinary course of business. They are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost, using the effective interest method, net of any provision for doubtful debts.

Trade and other liabilities

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition.

Borrowings

Borrowings are initially recognised at fair value, net of directly attributable transaction costs and subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

[Fair value through profit or loss \(FVTPL\)](#)

The Group may choose to designate, at initial recognition, a financial asset or a financial liability at FVTPL if it eliminates or reduces an accounting mismatch. Equity investments are measured at FVTPL unless the Group has elected to measure them as FVOCI below.

[Fair value through other comprehensive income \(FVOCI\)](#)

Other financial assets

The Group elects to measure its non-traded equity instruments at fair value through other comprehensive income, with only dividend income being recognised in profit or loss as the Group intends to hold them for the long term for strategic purposes.

[Loss provisioning](#)

Provision for losses on loans and advances

Loss provisioning is based on a three-stage approach to measuring expected credit losses (ECLs) for loans and advances which is based on the change in credit quality of financial assets since initial recognition:

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2025 Consolidated Financial Report Extract

Notes to the Financial Statements

For the year ended 31 December 2025

3.1 Financial assets and liabilities (continued)

Stage 1: Where there has been no significant increase in the risk of default since origination, reserves reflect the portion of the lifetime ECL from expected defaults in the following twelve months.

Stage 2: For assets where there has been a significant increase in risk since origination but are not credit impaired, a lifetime ECL is recognised.

Stage 3: For assets deemed as credit impaired, a lifetime ECL is recognised.

ECLs are derived from probability-weighted estimated loss measures taking account the time value of money, and possible outcomes, informed by current and future economic conditions.

The Group employs account-level provision models featuring granular risk segmentation based on shared credit risk characteristics and lending type, by product category. As asset quality deteriorates an exposure will move through ECL stages. As asset quality improves, an asset that was previously assessed as a significant increase in credit risk ('SICR') that had lifetime ECL, may in subsequent periods revert to Stage 1.

Significant increase in credit risk ('SICR')

The Group determines that a SICR occurs when an account triggers specific criteria based on relevant risk indicators, including but not limited to:

- Indication of a significant deterioration in the asset's internal risk rating grade since origination, which may take into account customer repayment history information or customer behavioural attributes, and
- Modified loans information (hardship): the SICR rules may be adjusted based on changing portfolio dynamics and are monitored and assessed by the Group to ensure the rules remain appropriate. The Group uses the back-stop criteria of 30 days past due to determine SICR.

Credit impaired

Exposures are assessed as credit impaired where the Group determines that an account is in default, being an account that is either 90 days or more past due or it is an account identified as bankrupt, deceased, fraudulent or in litigation.

Impaired accounts existing in the portfolio resulting from the purchase of impaired financial assets are referenced as 'Purchased or Originated Credit-Impaired' (POCI) assets under AASB 9. In accordance with AASB 9, POCI should be reserved for on a lifetime basis. The Group therefore identifies any POCI accounts in Stage 1 and adjusts the reserve for these to ensure lifetime coverage is achieved.

Modified loans

Modified loans comprise those under a hardship arrangement or in the process of litigation. When a flag indicator is removed from the modified loan, signalling the end of the modification arrangement, then the loss allowance for the account will revert to being measured at an amount equal to Stage 1 (12-month) ECL if the account does not otherwise show a significant increase in credit risk or determined to be credit-impaired.

Write-off

Loans and advances from customers are written off when they are deemed non-collectable at a portfolio level, or at an earlier date depending on customer status. Subsequent recoveries from legal enforcement relating to an amount previously charged off are set off against loan impairment expenses in the statement of profit or loss and statement of other comprehensive income.

Macroeconomic scenarios

The estimation of expected credit losses and assessment of credit risk leverages various information including past events, current conditions, and reasonable information about future events including economic conditions. As part of the measurement of expected credit losses for financial assets, the Group determines multiple scenarios (Baseline case, Upside case, and Downside case), informed by the economic outlook, to produce multiple ECLs.

The Group determines the probability of each scenario according to the Group's AASB 9 governance process, taking into consideration the relevant macro-economic outlooks in Australia and New Zealand and their likely impact on Latitude's portfolios, with the scenario ECLs then weighted to determine a final probability weighted ECL.

3.1 Financial assets and liabilities (continued)

Second-generation models

The Group implemented second-generation provisioning models to generate ECL in 2024, which addressed key improvement opportunities identified in the first-generation models, while further aligning the Group's methodologies and modelling techniques to industry common practice. Refer to table 3.2(e) for impact.

Derivative financial instruments

Derivatives are classified as FVTPL unless they are designated hedging instruments. They are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges). The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. It also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values of cash flows on hedged items.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other operating income. When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

Derivatives that do not qualify for hedge accounting

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss within other operating income.

Offsetting

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Group has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

3.1 Financial assets and liabilities

(a) Financial assets and financial liabilities

Financial assets		Assets designated FVOCI	Assets designated FVTPL	Assets at amortised cost	Total
	Notes	\$'m	\$'m	\$'m	\$'m
31 December 2025					
Cash and cash equivalents	3.1(b)	-	-	300.7	300.7
Derivative financial instruments	3.1(c)	-	10.0	-	10.0
Loans and other receivables	3.1(d)	-	-	6,859.2	6,859.2
Other financial assets		1.6	-	12.6	14.2
Total financial assets		1.6	10.0	7,172.5	7,184.1

31 December 2024					
Cash and cash equivalents	3.1(b)	-	-	410.2	410.2
Derivative financial instruments	3.1(c)	-	10.8	-	10.8
Loans and other receivables	3.1(d)	-	-	6,417.7	6,417.7
Other financial assets		1.6	-	12.6	14.2
Total financial assets		1.6	10.8	6,840.5	6,852.9

Financial liabilities		Liabilities designated FVTPL	Liabilities at amortised cost	Total
	Notes	\$'m	\$'m	\$'m
31 December 2025				
Trade and other liabilities	3.1(e)	-	161.6	161.6
Derivative financial instruments	3.1(c)	6.8	-	6.8
Borrowings	3.1(f)	-	6,618.9	6,618.9
Total financial liabilities		6.8	6,780.5	6,787.3

31 December 2024				
Trade and other liabilities	3.1(e)	-	214.4	214.4
Derivative financial instruments	3.1(c)	6.4	-	6.4
Borrowings	3.1(f)	-	6,316.2	6,316.2
Total financial liabilities		6.4	6,530.6	6,537.0

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2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

3.1 Financial assets and liabilities (continued)

(b) Cash and cash equivalents

	2025 \$'m	2024 \$'m
Current assets		
Cash and cash equivalents	298.6	406.9
Restricted cash ⁽¹⁾	2.1	3.3
Total cash and cash equivalents	300.7	410.2

⁽¹⁾ Being cash deposited as a security

(c) Derivatives

	2025 \$'m	2024 \$'m
Current derivative assets		
Interest rate swap contracts - cash flow hedges	0.4	1.6
Forward foreign exchange contracts	-	4.5
Total current derivative financial instrument assets	0.4	6.1
Non-current derivative assets		
Interest rate swap contracts - cash flow hedges	9.6	4.7
Total non-current derivative financial instruments	9.6	4.7
Total derivative assets	10.0	10.8
Current derivative liabilities		
Interest rate swap contracts - cash flow hedges	0.5	0.1
Forward foreign exchange contracts	2.6	-
Total current derivative financial instrument liabilities	3.1	0.1
Non-current derivative liabilities		
Interest rate swap contracts - cash flow hedges	3.7	6.3
Total non-current derivative financial instrument liabilities	3.7	6.3
Total derivative liabilities	6.8	6.4

The Group enters into derivative transactions for economic hedging purposes under International Swaps and Derivatives Association ('ISDA') master agreements. The agreements generally allow for simultaneous netting of payments in relation to each party's obligations for derivative assets and liabilities. Therefore, although the Group does not have a current legal enforceable right of set off and does not offset the assets and liabilities on the balance sheet, it will settle the derivative on a net basis simultaneously when the amounts due or owed are with the same counterparty.

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2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

3.1 Financial assets and liabilities (continued)

(d) Loans and other receivables

	2025 \$'m	2024 \$'m
Loans and advances		
Loans and advances	7,211.5	6,747.7
Unearned income	(40.1)	(56.1)
Provision for impairment losses	(321.0)	(289.4)
Total loans and advances	6,850.4	6,402.2
Other receivables		
Trade receivables	4.5	13.0
Other receivables	4.3	2.5
Total other receivables	8.8	15.5
Total loans and other receivables	6,859.2	6,417.7
Current	3,451.3	3,234.6
Non-current	3,407.9	3,183.1
Total loans and other receivables	6,859.2	6,417.7

As the majority of the Group's customer loans are variable rate products, their fair values are deemed not to be significantly different to their carrying amounts. Other receivables are generally of a short-term nature whose fair value approximates their carrying amounts.

Information about the impairment of loans and other receivables, their credit quality and the Group's exposure to credit risk can be found in section 3.2.

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2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

3.1 Financial assets and liabilities (continued)

(e) Trade and other liabilities

	Notes	2025 \$'m	2024 \$'m
Current			
Trade and other payables		60.7	59.6
Accrued expenses		47.8	62.1
Payables to related parties	6.3(c)	-	16.6
Customer credit balances		44.3	54.8
Lease liability		1.7	4.4
Capital note distributions		1.5	1.7
Current trade and other liabilities		156.0	199.2
Non-Current			
Lease liability		5.6	15.2
Non-current trade and other liabilities		5.6	15.2
Total trade and other liabilities		161.6	214.4

The carrying amounts of trade and other liabilities approximates fair value. When measuring lease liabilities, the Group discounts lease payments using its incremental borrowing rate. The weighted-average discount rate applied is 5.66% as at 31 December 2025 (31 December 2024: 4.19%).

(f) Borrowings

	2025 \$'m	2024 \$'m
Current		
Secured securitisation liabilities	1,364.6	734.5
Unsecured facility agreements	30.5	49.5
Current borrowings	1,395.1	784.0
Non-current		
Secured securitisation liabilities	5,223.8	5,532.2
Non-current borrowings	5,223.8	5,532.2
Total borrowings	6,618.9	6,316.2

The Group's principal sources of funding are through revolving warehouse facilities and asset-backed securities (ABS) issued in Australia and New Zealand. These debt issuances fund pools of customer loans and advances that are sold to the special purpose entities that issue the debt.

The contractual maturities attached to the securitisation liabilities range between 0-5 years. Actual securitisation liability repayments occur when the trust reaches contractual amortisation periods (commencing in 0-3 years) based on assumed repayment patterns in the underlying receivables. Refer to section 3.2(p) for further details relating to liquidity management. The funding programme provides additional committed facilities as described in section 3.2(o).

Significant changes in funding during the year ended 31 December 2025 include:

Securitisation liabilities

- The Latitude Australia Personal Loans Series 2021-1 Trust was fully redeemed on 17 February 2025.
- In March 2025, \$500.0 million was issued by the Latitude Australia Personal Loans Series 2025-1 Trust with an expected call date in 17 May 2028.
- In May 2025, the New Zealand Personal Loans Trust was refinanced for NZD \$593.3 million and increased in December 2025 to NZD \$667.6 million with an expected amortisation date of 17 February 2028.
- In July 2025, \$500.0 million was issued by the Australian Credit Card Master Trust Series 2025-1 with a scheduled amortisation date of 22 November 2028.

2025 Consolidated Financial Report Extract

Notes to the Financial Statements

For the year ended 31 December 2025

3.1 Financial assets and liabilities (continued)

- In August 2025, the Australian Sales Finance and Credit Card Trust No. 3 was refinanced for \$568.5 million with an expected amortisation date of 22 August 2028.
- In October 2025, \$500 million was issued by the Latitude Australia Personal Loans Series 2025-2 Trust with an expected call date of 17 May 2029.
- In November 2025, the Australian Sales Finance and Credit Card Trust No.4 was established for \$24 million with a scheduled amortisation date of 11 November 2028.

Facility agreements

- On 6 January 2025 the remaining USD \$10 million of the single draw bullet facility #2 with SBI Shinsei Bank was fully repaid on its maturity date.
- In March 2025, the USD \$20 million unsecured single draw bullet term credit facility #1 with SBI Shinsei Bank was extended to mature in March 2026.

As at 31 December 2025, AUD \$2.5 million of Facility A & C was utilised to support bank guarantees. AUD \$75.0 million of Facility A & C remained undrawn. USD \$39.9 million of Facility B was utilised to support existing letters of credit provided as collateral for access to Schemes. USD \$1.1 million of Facility B remained undrawn.

Transaction costs incurred to establish funding

Borrowings are shown net of capitalised transaction costs incurred to establish the funding programme. Unamortised transaction costs of \$6.1 million are set off against borrowings at 31 December 2025 (2024: \$5.1 million). During the year \$4.4 million (2024: \$5.3 million) of borrowing costs were capitalised.

Covenants

Under the terms of the major borrowing facilities, the Group is required to comply with financial covenants. The Group has complied with the financial covenants during the year 31 December 2025 and in the comparative reporting period. There are no indications that the Group may have difficulties complying with the debt covenants within 12 months of the reporting date.

Fair value

For the Group's borrowings, the fair values are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

(g) Recognised fair value measurements

The Group uses valuation techniques and hierarchy levels to determine the value of its financial instruments measured at fair value. Three classification levels are used. There were no transfers between levels for recurring fair value measurements during the year.

Level 1: This includes instruments for which the valuation is based on quoted market prices.

Level 2: This includes instruments that do not have quoted market prices, where observable market data is used to determine fair value.

Forward foreign exchange contracts are valued using forward pricing valuation techniques. The fair value is determined using quoted forward foreign exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

Interest rate swaps are valued using swap models. The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, future prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.

Level 3: This category level has no observable market data inputs.

The Group holds two unquoted equity investments with no active market within Level 3, of which one has previously been recognised at nil value and remains as such at the reporting date. The fair value inputs are based on entity-specific financial statement information, discounted for their non-marketable nature and any other considerations such as the proximity of the transaction to the reporting date.

2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

3.1 Financial assets and liabilities (continued)

(h) Recurring fair values

2025	Level 1 \$'m	Level 2 \$'m	Level 3 \$'m	Total \$'m
Financial assets				
Derivative financial assets				
Derivatives used for hedging - interest rate swaps	-	10.0	-	10.0
Other financial assets	-	-	1.6	1.6
Total financial assets	-	10.0	1.6	11.6
Financial liabilities				
Derivative financial liabilities				
Derivatives used for hedging - interest rate swaps	-	4.2	-	4.2
Derivatives - foreign exchange contracts	-	2.6	-	2.6
Total financial liabilities	-	6.8	-	6.8

2024	Level 1 \$'m	Level 2 \$'m	Level 3 \$'m	Total \$'m
Financial assets				
Derivative financial assets				
Derivatives used for hedging - interest rate swaps	-	6.3	-	6.3
Derivatives - foreign exchange contracts	-	4.5	-	4.5
Other financial assets	-	-	1.6	1.6
Total financial assets	-	10.8	1.6	12.4
Financial liabilities				
Derivatives used for hedging - interest rate swaps	-	6.4	-	6.4
Total financial liabilities	-	6.4	-	6.4

The table shows the fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Financial assets using significant unobservable inputs (Level 3), have no impact on profit or loss or other comprehensive income for the year.

(i) Level 3 fair values

Reconciliation from the opening balances to the closing balances for Level 3 fair values:

	2025 \$'m	2024 \$'m
Other financial assets:		
Opening balance as at 1 January	1.6	1.6
Acquisitions/disposals	-	-
Closing balance at 31 December	1.6	1.6

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2025 Consolidated Financial Report Extract

Notes to the Financial Statements

For the year ended 31 December 2025

3.2 Financial risk management

Overview

The main risks arising from the Group's financial instruments are operational risk, credit risk, liquidity risk and market risk (interest rate risk and foreign currency risk). The Group has established risk management processes and has an enterprise risk management framework in place that aims to ensure enterprise risks are effectively identified, measured, monitored and managed. The Group operates under a governance and risk management culture, managed ultimately by a Board Risk Committee, responsible for all enterprise risk. Risk management is cascaded to the business through a Board approved risk appetite statement, approved strategies and policies and operating procedures that establish appropriate limits and controls to monitor and manage the Group's level of risk exposure. Management committees supporting risk governance include an Enterprise Risk Management Committee, which manages strategic, credit, fraud, operational and regulatory risks, and an Asset and Liability Committee, which manages funding, liquidity and market risks. A 'three-lines' of defence model is operated to comply with the Group's risk management framework.

Operational risk

The Company may, from time to time, be involved in legal proceedings (including class actions), regulatory actions or arbitration. Litigation could be commenced by a range of plaintiffs, such as customers, shareholders, suppliers, counterparties and regulators.

Litigation may, either individually or in aggregate, adversely affect the Group's business, operations, prospects, reputation or financial condition. This risk is heightened by increases in the severity of penalties for certain breaches of the law. Such matters are subject to many uncertainties and the outcome may not be predicted accurately. Furthermore, the Group's ability to respond to and defend litigation may be adversely affected by inadequate record keeping.

Depending on the outcome of any litigation, the Group may be required to comply with broad court orders, including compliance orders, enforcement orders or otherwise pay significant damages, fines, penalties or legal costs.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet their contractual obligations, arising principally from the Group's loans to customers. Credit risk management is a core feature of Latitude's business model, having developed and refined its credit risk management capabilities to foster prudent underwriting, portfolio management and effective controls. These processes include risk-based loan pricing and lending limits for its customers, allowing Latitude to approve credit to customers while maintaining delinquencies and net charge offs in accordance with Latitude's risk appetite statement. Along with the risk appetite statement, management has a credit policy in place that ensures our portfolios are diversified across various risk rating grades. Management continually assesses the effectiveness of internal credit controls and policies as part of the overall asset management at Latitude.

Exposure

(a) Total undrawn exposure of loans and advances to credit risk by credit risk rating grades

	Stage 1 \$'m	Stage 2 \$'m	Stage 3 \$'m	Total \$'m
Very low risk	4,933.7	2.0	-	4,935.7
Low risk	468.0	0.3	-	468.3
Medium risk	229.9	0.1	-	230.0
Moderate risk	34.0	9.7	-	43.7
High risk	7.3	6.2	-	13.5
2025	5,672.9	18.3	-	5,691.2

	Stage 1 \$'m	Stage 2 \$'m	Stage 3 \$'m	Total \$'m
Very low risk	5,799.0	3.4	-	5,802.4
Low risk	505.9	0.5	-	506.4
Medium risk	195.5	0.2	-	195.7
Moderate risk	28.3	10.7	-	39.0
High risk	6.9	4.5	-	11.4
2024	6,535.6	19.3	-	6,554.9

2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

3.2 Financial risk management (continued)

Credit risk rating

(b) Loans and advances by credit risk rating grades

	Stage 1 \$'m	Stage 2 \$'m	Stage 3 \$'m	Total \$'m
Very low risk	2,647.2	38.3	-	2,685.5
Low risk	1,533.7	36.7	-	1,570.4
Medium risk	1,558.0	68.6	-	1,626.6
Moderate risk	502.1	92.1	-	594.2
High risk	221.0	329.0	184.8	734.8
2025	6,462.0	564.7	184.8	7,211.5

	Stage 1 \$'m	Stage 2 \$'m	Stage 3 \$'m	Total \$'m
Very low risk	2,552.8	39.2	-	2,592.0
Low risk	1,490.5	33.9	-	1,524.4
Medium risk	1,438.9	58.0	-	1,496.9
Moderate risk	387.2	100.6	0.1	487.9
High risk	180.8	320.9	144.8	646.5
2024	6,050.2	552.6	144.9	6,747.7

The credit risk grade scale is used to summarise the risk distribution of the portfolio, based on the probability of an account going to default as determined by behavioural scorecards.

Credit quality

(c) Loans and advances aging

	2025 \$'m	2024 \$'m
Gross loans and advances		
Current	6,278.9	5,826.7
Past due 1-29 days	629.5	663.3
Past due 30-89 days	187.6	166.5
Past due > 90 days	115.5	91.2
Total	7,211.5	6,747.7

Counterparty risk

The Group is exposed to counterparty risk by holding cash and cash equivalents, and entering into derivatives with financial institutions. Their credit quality can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

(d) Counterparty risk

	2025 \$'m	2024 \$'m
Cash and cash equivalents		
<i>Investment grade (credit rating range [A-1 to A-1+])</i>	300.7	410.2
Derivative financial assets		
<i>Investment grade (credit rating [A+ to AA-])</i>	10.0	10.8

Other financial assets held by the Group are with counterparties with no external credit rating.

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2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

3.2 Financial risk management (continued)

Provision for impairment losses

(e) Movements in the provision for impairment of loans and advances

Movements in the provision for impairment of loans and advances that are assessed for impairment collectively below include transition between stages of loans considered modified.

	Stage 1		Stage 2		Stage 3		Total	
	Loans & Advances	Provisions	Loans & Advances	Provisions	Loans & Advances	Provisions	Loans & Advances	Provisions
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
At 1 January 2025	6,050.2	(89.6)	552.6	(135.6)	144.9	(64.2)	6,747.7	(289.4)
<i>Transfers between stages:</i>								
Transfers to Stage 1	176.4	(38.6)	(163.4)	33.4	(13.0)	5.2	-	-
Transfers to Stage 2	(246.0)	3.2	256.4	(7.3)	(10.4)	4.1	-	-
Transfers to Stage 3	(66.8)	0.8	(44.9)	9.1	111.7	(9.9)	-	-
Net of receivables movements and charge-offs	603.9	(3.5)	(31.1)	9.4	(47.1)	14.0	525.7	19.9
Net remeasurement of loss allowance	-	35.5	-	(50.9)	-	(38.7)	-	(54.1)
Foreign exchange movements	(55.7)	0.8	(4.9)	1.2	(1.3)	0.6	(61.9)	2.6
At 31 December 2025	6,462.0	(91.4)	564.7	(140.7)	184.8	(88.9)	7,211.5	(321.0)
At 1 January 2024	5,750.9	(185.4)	289.1	(15.4)	204.8	(63.3)	6,244.8	(264.1)
Implementation of new models	-	90.8	-	(89.4)	-	17.5	-	18.9
<i>Transfers between stages:</i>								
Transfers to Stage 1	135.1	(30.8)	(125.2)	27.1	(9.9)	3.7	-	-
Transfers to Stage 2	(315.8)	4.2	323.2	(7.0)	(7.4)	2.8	-	-
Transfers to Stage 3	(60.8)	0.8	(33.2)	7.3	94.0	(8.1)	-	-
Net of receivables movements and charge-offs	570.6	4.3	100.0	(6.4)	(135.8)	11.5	534.8	9.4
Net remeasurement of loss allowance	-	25.5	-	(51.9)	-	(28.6)	-	(55.0)
Foreign exchange movements	(29.8)	1.0	(1.3)	0.1	(0.8)	0.3	(31.9)	1.4
At 31 December 2024	6,050.2	(89.6)	552.6	(135.6)	144.9	(64.2)	6,747.7	(289.4)

The Group's total provision for impairment losses increased \$31.6 million between 31 December 2024 and 31 December 2025 (\$289.4 million to \$321.0 million) and the coverage ratio increased by 16bps (4.29% at December 2024 to 4.45% at December 2025). The application of model risk overlays is used to offset a number of inherent model risks.

A consistent approach has been applied to the following model risk overlays held by the Group for the December 2025 reporting period compared to December 2024:

- A model imprecision overlay, calculated as 10% of the core model coverage rate and applied evenly across all products \$28.1 million (31 December 2024: \$25.6 million); and
- A seasonality overlay to adjust for ordinary movements in the stage distribution of receivables due to seasonal delinquency trends exhibited by the underlying portfolios \$0.7 million (31 December 2024: \$0.6 million); and
- An economic overlay to cater for forward looking impacts and uncertainty that are not easily modelled, leveraging sensitivity on staging taking into consideration the potential impacts to hardship and delinquency from the changing economic outlook \$8.5 million (31 December 2024: \$6.8 million).

2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

3.2 Financial risk management (continued)

The Group applied the below scenario weightings during the year ended 31 December 2025:

Scenario	Weighting 2025		Weighting 2024
	Australia	New Zealand	Australia & New Zealand
Scenario One – Upside A 100% weighting to this scenario would result in a decrease to the total ECL provision at the reporting date of \$33.8 million	10%	10%	10%
Scenario Two – Baseline A 100% weighting to this scenario would result in a decrease to the total ECL provision at the reporting date of \$8.8 million	65%	60%	65%
Scenario Three – Downside A 100% weighting to this scenario would result in an increase to the total ECL provision at the reporting date of \$36.6 million	25%	30%	25%

Latitude's Economic Panel recommended maintaining the economic scenario weightings at 10% Upside Scenario, 65% Baseline Scenario and 25% Downside Scenario for Australia, with Australia's economic outlook remaining resilient, and moved towards the downside with weightings of 10%, 60% and 30% for New Zealand, with New Zealand emerging from a deeper slowdown than Australia and facing a more fragile recovery.

The Group considers inflation, GDP, unemployment rate and house prices in the determination of the scenarios noted above.

Impairment losses

(f) Losses recognised in relation to loans and advances

During the year, the following losses were recognised:

	2025 \$'m	2024 \$'m
Recognised in profit or loss		
Movement in provision on loans and advances	(34.3)	(21.8)
Net impairment loss on loans and advances	(266.3)	(214.0)
Losses recognised in relation to loans and advances	(300.6)	(235.8)

Enforcement activity

Loans and advances with a contractual amount of \$19.2 million (2024: \$77.1 million) written off during the year are subject to enforcement activity.

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2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

3.2 Financial risk management (continued)

Collateral

(g) Collateral held

	2025	2024
Maximum exposure (\$'m)	7,211.5	6,747.7
Collateral classification:		
Secured	15.1%	16.4%
Unsecured	84.9%	83.6%

Both secured and unsecured personal loans are offered to the customer. Subject to lending criteria, allowable collateral for a secured loan includes motor vehicles and other vehicles such as caravans and camper trailers, motorcycles, motor homes and boats. There is no minimum or maximum loan value ratio applicable to a secured personal loan and a minimum value of security applies. When an Australian customer takes a motor loan for the purposes of acquiring a new or used car, motorcycle or other recreational vehicle, certain allowable vehicles are accepted as security for the loan.

Guarantees

The Group does not have any guarantees at 31 December 2025 (2024: nil). The facility agreement of SGD \$30 million between Latitude Financial International Pte. Ltd. and Hong Kong and Shanghai Banking Corporation Limited (HSBC) which Latitude Group Holdings Limited was guarantor was fully repaid on 22 October 2024.

Foreign exchange risk

Foreign exchange risk arises where changes in foreign exchange rates impact the Group's profit after tax and equity.

The Group has exposures primarily arising from investment in foreign subsidiaries whose functional currency is not AUD (primarily NZD). Additional exposure arises from transactions denominated in non-functional currencies, such as USD debt and expenses. The Group's exposure to foreign exchange risk is not considered material, and therefore, no detailed disclosures have been made.

Risk management

Material transactions denominated in currencies which are not denominated in a functional currency are hedged where they are highly probable.

The Group uses forward foreign exchange contracts to manage its foreign exchange risk. These contracts are not designated as hedging instruments.

Interest rate risk

The Group's main interest rate risk arises from mismatches in the interest rate characteristics of its receivables assets and the corresponding funding liabilities.

Risk management

The Group's receivables consist of three types of applicable interest rate:

- Fixed rate personal and auto loans where the interest rate is fixed for the life of the contract. Fixed rate personal loans are typically provided on a term of one to seven years and amortise fully over this term. Auto loans are typically provided on a term of one to seven years with the majority fully amortising over this term and a small proportion partially amortising to a residual balance.
- Interest free instalment products; and
- Variable rate personal loans and auto loans, credit and instalment products which bear interest and whose interest varies over time as the applicable rate changes.

The Group's funding facilities are variable rate borrowings where rates are reset at regular intervals (generally monthly) in-line with current market rates.

Interest rate risk is managed by entering into derivatives (pay fixed interest rate swaps) whereby the Group agrees to pay a fixed interest rate and in return receive a variable market interest rate to hedge the variable borrowing costs. The Group ensures the proportion of hedges to net exposure is within the range of 95 - 105%. The Group applies a hedge ratio of 1:1.

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2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

3.2 Financial risk management (continued)

Swaps are currently in place over floating rate securitisation liabilities relating to fixed rate personal and auto loans sold into securitisation trusts. Hedging amounts and tenors reflect the expected repayment profiles of these fixed rate receivables. Additional swaps are in place to cover a portion of the floating rate securitisation liabilities relating to interest free instalment products sold into securitisation trusts. These derivatives are designated in hedging relationships to minimise profit and loss volatility.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and the maturities and amounts. The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main source of ineffectiveness is change in credit risk of the hedge instrument.

Exposure

(h) Interest rate profile

Amounts at the reporting date relating to the exposure of the Group's borrowing to interest rate changes and the contractual repricing dates of the interest rate borrowings are as follows:

	2025 \$'m	2024 \$'m
Variable rate borrowings	6,612.7	6,307.9

(i) Interest rate swaps

At the reporting date the Group had the following interest rate swap contracts outstanding:

	Weighted average interest rate %	2025 Balance \$'m	Weighted average interest rate %	2024 Balance \$'m
Interest rate swaps (nominal amount)	3.56%	2,490.9	3.57%	2,023.3

Hedged items and hedging instruments

(j) Amounts relating to items designated as hedged items

Amounts at the reporting date relating to items designated as hedged items were as follows:

	Change in value used for calculating hedge ineffectiveness \$'m	Cash flow hedge reserve \$'m	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied \$'m
2025			
Interest rate risk			
Variable rate borrowings	5.8	4.2	-
2024			
Interest rate risk			
Variable rate borrowings	(21.0)	-	-

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2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

3.2 Financial risk management (continued)

(k) Amounts relating to items designated as hedging instruments and hedge ineffectiveness

Line item in Balance sheet / income statement	Nominal amount - maturity			Carrying amount		Changes in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from hedging reserve to profit or loss
	1-6 months	7-12 months	More than one year	Assets	Liabilities			
	\$'m	\$'m	\$'m	Derivative financial instruments				
2025				\$'m	\$'m	\$'m	\$'m	\$'m
Interest rate risk								
Interest rate swaps	152.7	131.9	2,206.4	10.0	4.2	5.9	-	-
2024								
Interest rate risk								
Interest rate swaps	60.6	190.5	1,779.8	6.3	6.4	(20.9)	-	-

(l) Amounts relating to hedged items as continuing hedges and discontinued hedges

	Hedged risk	Cash flow hedge reserve	Total
			\$'m
2025			
Cash flow hedges			
Variable rate borrowings	Interest rate		4.2
2024			
Cash flow hedges			
Variable rate borrowings	Interest rate		-

Fair value gains or losses

(m) Gains/(losses) recognised in relation to derivatives designated as cash flow hedges

During the year, the following gains/(losses) were recognised:

	2025	2024
	\$'m	\$'m
Recognised in profit or loss		
Net gain/(loss) for ineffective portion of derivatives designated as cash flow hedges	-	-
Recognised in other comprehensive income		
Gain/(loss) recognised in other comprehensive income	4.2	(14.7)

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2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

3.2 Financial risk management (continued)

Sensitivity

(n) Sensitivity to changes in interest rates

	Impact on pre-tax profit		Impact on other components of equity	
	2025 \$'m	2024 \$'m	2025 \$'m	2024 \$'m
Interest rates - increase by 100 basis points - Increase/(decrease) in profit	(6.8)	(11.0)	29.1	22.6
Interest rates - decrease by 100 basis points - Increase/(decrease) in profit	6.8	11.0	(29.6)	(23.0)

The analysis above 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.

Liquidity risk

The Group ensures it has access to liquidity and has the resources to meet its contractual financial obligations during the normal course of business and in periods of stress. This includes maintaining sufficient cash and other liquid assets and flexibility in funding through committed credit lines.

Risk management

Funding is monitored on a regular basis and risk management includes forecasts and modelling including stress testing scenarios.

(o) Undrawn facilities

Financing arrangements – Corporate facilities

The Group has an existing syndicated facility agreement for the following lines of credit:

- Facility A & C: AUD \$77.5 million multicurrency bullet revolving credit facility;
- Facility B: USD \$41.0 million bullet revolving credit facility.

As at 31 December 2025, \$2.5 million of the Facility A & C was utilised to finance bank guarantees letters of credit and the remaining \$75.0 million undrawn.

Since its establishment, Facility B has been utilised to refinance existing letters of credit provided as collateral for access to Schemes. As at 31 December 2025 USD \$1.1 million of Facility B remains undrawn.

The Group has an existing Bilateral Facility Agreement for the following lines of credit:

- USD \$20.0 million single draw bullet term credit facility maturing 28 March 2026. As at 31 December 2025 the facility was fully drawn.

Financing arrangements – Securitisation facilities

In addition to the lines of credit above, the Group had access to the following undrawn borrowing facilities in relation to securitisation borrowings disclosed in section 3.1:

Floating rate	2025 \$'m	2024 \$'m
Borrowing facilities available	8,042.6	7,221.2
Drawn facilities	(6,582.8)	(6,259.6)
Undrawn facilities	1,459.8	961.6

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2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

3.2 Financial risk management (continued)

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed are the undiscounted cash flows, including both principal and associated future interest payments. The carrying amounts presented exclude accrued interest and unamortised transaction costs and therefore will not agree to the carrying amounts on the balance sheet.

(p) Contractual maturities of financial liabilities

	Less than 6 months \$'m	6 - 12 months \$'m	1-2 years \$'m	2-5 years \$'m	Over 5 years \$'m	Total contractual cash flows \$'m	Carrying amount liabilities \$'m
2025							
Non-derivatives							
Borrowings – Securitisation liabilities	482.5	687.5	1,810.7	4,423.2	-	7,403.9	6,582.8
Borrowings – facility agreements	31.0	-	-	-	-	31.0	29.9
Trade and other liabilities	155.4	1.1	2.3	2.3	1.9	163.0	161.6
Total non-derivatives	668.9	688.6	1,813.0	4,425.5	1.9	7,597.9	6,774.3
Derivatives							
Derivatives - Forward foreign exchange contracts	2.4	0.2	-	-	-	2.6	2.6
Derivatives - interest rate swaps	2.5	1.7	0.6	(0.2)	-	4.6	4.2
Total derivatives	4.9	1.9	0.6	(0.2)	-	7.2	6.8
2024							
Non-derivatives							
Borrowings – Securitisation liabilities	342.1	291.5	1,108.7	5,592.1	-	7,334.4	6,259.6
Borrowings – facility agreements	50.1	-	-	-	-	50.1	48.3
Trade and other liabilities	180.8	18.8	4.5	11.1	0.8	216.0	214.4
Total non-derivatives	573.0	310.3	1,113.2	5,603.2	0.8	7,600.5	6,522.3
Derivatives							
Derivatives - Forward foreign exchange contracts	-	-	-	-	-	-	-
Derivatives - interest rate swaps	0.1	2.6	3.2	1.0	-	6.9	6.4
Total derivatives	0.1	2.6	3.2	1.0	-	6.9	6.4

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2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

Section 4 | Capital Management

4.1 Capital Management

Accounting Policy

Contributed equity

Ordinary shares and capital notes that meet AASB 132 criteria are classified as equity. Incremental costs directly attributable to the issue of new shares, options or capital notes are shown in equity as a deduction, net of tax, from the proceeds.

The Group's capital management objectives seek to implement an efficient and diverse capital structure focused on balancing shareholder returns and financial risk, with sufficient liquidity and flexibility to support its strategy and growth.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(a) Contributed equity

	2025 \$'m	2024 \$'m
Ordinary share capital	2,075.6	2,075.5
Capital notes	135.9	147.0
Total contributed equity	2,211.5	2,222.5

Ordinary share capital

	2025		2024	
	Number of shares	\$'m	Number of shares	\$'m
Balance as at 1 January	1,039,676,643	2,075.5	1,039,676,643	2,075.5
Issue of shares - dividend reinvestment plan	56,258	0.1	-	-
Balance as at 31 December	1,039,732,901	2,075.6	1,039,676,643	2,075.5

Capital notes

	2025		2024	
	Number of securities	\$'m	Number of securities	\$'m
Balance as at 1 January	1,500,000	147	1,500,000	147
Capital notes buy-back	(110,618)	(11.1)	-	-
Balance as at 31 December	1,389,382	135.9	1,500,000	147.0

The capital notes are unsecured redeemable securities with no fixed maturity date and the Company may convert or redeem the capital notes on the optional exchange date of 27 October 2026 and in certain other circumstances. On conversion, holders would receive a number of the Company's ordinary shares in exchange for their capital notes, the number determined based on the prevailing volume-weighted average price (VWAP) of the ordinary shares less a 2.50% discount. The capital notes have priority over ordinary shares but are subordinated to the claims of senior creditors in a winding-up of the Company.

Cumulative discretionary distributions must be paid quarterly or accrue until paid. No ordinary share dividends can be paid while accrued capital note distributions remain unpaid.

On 21 February 2025, the Group announced the launch of an on-market buy-back program of up to \$10 million of its \$150 million capital notes for a period of 12 months. Subsequently, the program was upsized to \$20 million and extended until 26 October 2026.

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2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

4.1 Capital Management (continued)

(b) Reserves

	2025 \$'m	2024 \$'m
Cash flow hedge reserve		
At 1 January	-	14.7
Fair value gains/(losses)	5.9	(20.9)
Income taxes on fair value gains/(losses)	(1.7)	6.2
Cash flow hedge reserve at 31 December	4.2	-
Share-based payment reserve		
At 1 January	40.6	42.3
Employee share plan movement	0.4	(1.7)
Share-based payment reserve at 31 December	41.0	40.6
Other reserves		
At 1 January	(7.1)	(7.1)
NCI acquisition	-	-
Other reserves at 31 December	(7.1)	(7.1)
Foreign currency translation reserve		
At 1 January	(0.7)	5.1
Currency translation differences arising during the year	(8.8)	(5.8)
Foreign currency translation reserve at 31 December	(9.5)	(0.7)
Fair value through other comprehensive income reserve		
At 1 January	(2.4)	(2.4)
Net change in fair value of equity investments at FVOCI	-	-
Fair value through other comprehensive income reserve at 31 December	(2.4)	(2.4)
Common control reserve		
At 1 January	(705.5)	(705.5)
Net change in fair value of common control reserve	-	-
Common control reserve at 31 December	(705.5)	(705.5)
Total reserves	(679.3)	(675.1)

Cash flow hedge reserve

The hedging reserve is used to record gains or losses on derivatives that are designated and qualify as cash flow hedges and that are recognised in other comprehensive income. Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss, or to the extent the hedge becomes ineffective.

Share-based payment reserve

The share-based payments reserve is used to recognise the fair value of equity plan units granted to participating employees in relation to the Group's Equity Plans.

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2025 Consolidated Financial Report Extract
 Notes to the Financial Statements
 For the year ended 31 December 2025

4.1 Capital Management (continued)

Other reserve

Other reserve reflects the fully vested value of equity instruments issued to certain directors and employees. It also includes amounts from transactions with non-controlling interests that do not result in loss of control, which are treated as equity transactions.

Foreign currency translation reserve

Exchange differences arising on translation of entities that have a non-Australian dollar functional currency are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment in the entity is disposed of by the Group.

Fair value through other comprehensive income reserve

This reserve includes the cumulative net change in fair value on revaluation of equity instruments at FVOCI.

Common control reserve

The difference between the purchase consideration and the net assets acquired on the restructure under common control that occurred in March 2021 was transferred to a common control reserve.

(c) Retained earnings/(losses)

	2025 \$'m	2024 \$'m
At 1 January	(323.0)	(335.0)
Net profit for the year - attributable to owners	94.0	21.6
Ordinary share dividends	(72.8)	-
Capital note distributions	(12.7)	(9.6)
At 31 December	(314.5)	(323.0)

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2025 Consolidated Financial Report Extract

Notes to the Financial Statements

For the year ended 31 December 2025

Section 5 | Other Assets and Liabilities

5.1 Other Assets and Liabilities

Accounting Policy

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets and represents the excess of the cost paid over the fair value of the net identifiable assets acquired at the date of acquisition.

Customer relationships

Separately acquired customer contracts are shown at historical cost. Those acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. Customer contracts are amortised on a straight-line basis over 5-9 years.

Software

Software relates to IT projects and associated system expenditure that does not result in the acquisition of physical hardware, including software licence acquisitions, upgrades to software platforms, applications and internal functions and network configuration, including internally generated development costs. Software is amortised on a straight-line basis over 1-5 years, or in the case of a licenced intangible, straight line over the licence period.

An intangible asset is recognised if it is probable that the associated future economic benefits will flow to the Group and the cost can be measured reliably where the following criteria are met: it is technically feasible to complete the software so that it will be available for use; it can be demonstrated how the software will generate probable future economic benefits; adequate technical, financial and other resources to complete the development and to use or sell the software are available, and the expenditure attributable to the software during its development can be reliably measured. Any other costs associated with maintaining software are recognised as an expense as incurred.

Development activities

Capitalised development costs are recorded as software intangible assets and amortised on a straight-line basis from the point at which the asset is ready for use, over the useful life of the intangible. Each phase of a project is considered separately to determine the useful life of the project. Development expenses that do not meet the criteria as software above is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Employee benefit obligations

Short-term obligations: Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations - Long service leave: These are measured as the present value of expected future

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2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

5.1 Other Assets and Liabilities (continued)

payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the combined balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

(a) Property, plant and equipment

During the year ended 31 December 2025, the Group entered into an agreement to terminate the lease of its Auckland office premises prior to the original expiry date. This resulted in the derecognition of the associated right-of-use asset and lease liability, together with an impairment of leasehold improvements, resulting in a net loss of AUD \$0.3 million. Subsequently, the Group entered into a new lease agreement for replacement office premises in Auckland. On commencement of the new lease, a lease liability of AUD \$4.0 million and a corresponding right-of-use asset were recognised.

(b) Intangible assets

	Goodwill \$'m	Customer contracts \$'m	Software \$'m	Capital works in progress \$'m	Total \$'m
Cost	703.3	22.6	136.5	2.3	864.7
Accumulation amortisation	-	(7.0)	(88.5)	-	(95.5)
Net book amount	703.3	15.6	48.0	2.3	769.2
Balance at 1 January 2025	703.3	15.6	48.0	2.3	769.2
Additions	-	6.3	-	-	6.3
Amortisation charge	-	(5.0)	(29.8)	-	(34.8)
Impairment loss	-	-	(3.6)	-	(3.6)
Transfers	-	-	2.2	(2.2)	-
Foreign exchange movements	(5.0)	-	(0.2)	(0.1)	(5.3)
Balance at 31 December 2025	698.3	16.9	16.6	-	731.8
Cost	698.3	28.1	74.2	-	800.6
Accumulated amortisation	-	(11.2)	(57.6)	-	(68.8)
Net book amount at 31 December 2025	698.3	16.9	16.6	-	731.8
Balance at 1 January 2024	706.0	25.0	71.0	15.8	817.8
Additions	-	15.0	1.0	2.7	18.7
Amortisation charge	-	(24.5)	(37.5)	-	(62.0)
Impairment loss	-	-	(2.5)	-	(2.5)
Transfers	-	-	16.2	(16.2)	-
Foreign exchange movements	(2.7)	0.1	(0.2)	-	(2.8)
Balance at 31 December 2024	703.3	15.6	48.0	2.3	769.2
At 31 December 2024					
Cost	703.3	22.6	136.5	2.3	864.7
Accumulated amortisation	-	(7.0)	(88.5)	-	(95.5)
Net book amount at 31 December 2024	703.3	15.6	48.0	2.3	769.2

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2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

5.1 Other Assets and Liabilities (continued)

(c) Impairment testing for cash-generating units containing goodwill

For the purposes of impairment testing, goodwill is allocated to the Group's CGUs Pay A&NZ and Money A&NZ. These represent the lowest level within the Group at which the assets are monitored for internal management purposes. Each CGU is not higher than the Group's operating segments as reported in Note 2.1.

Goodwill is subject to impairment testing on an annual basis or when there is an indicator of impairment. The annual impairment testing performed at year end results in headroom within the Pay and Money CGUs and no impairment was identified.

Goodwill allocated to CGU	2025	2024
Pay A&NZ	293.3	296.2
Money A&NZ	405.0	407.1
	698.3	703.3

Cash flows used in the value-in-use calculations are based on the latest forecast information produced by Management. Management considers the forecast information to reflect the best estimates of revenue based on historical results, strategic initiatives, forecasts and facts and circumstances available as at 31 December 2025.

The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use discounted cash flow projections based on financial forecasts covering a five-year period. Cash flows are extrapolated using a growth rate and a terminal value to yield value appropriate to each CGU.

The following assumptions were made in determining the recoverable amount:

	Pre-tax discount rate	Terminal growth rate	Average revenue growth rate applied from years 1 - 5
	%	%	%
2025			
Pay A&NZ	18.6	2.0	0.7
Money A&NZ	18.6	2.0	5.1
2024			
Pay A&NZ	18.9	2.0	2.8
Money A&NZ	18.9	2.0	7.7

(d) Sensitivity

The Group assesses reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amounts of the CGUs to exceed their respective recoverable amounts for Pay A&NZ and Money A&NZ.

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2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

5.1 Other assets and liabilities (continued)

(e) Provisions

	2025 \$'m	2024 \$'m
Current		
Leave obligations	13.2	14.9
Other employee benefit obligations	14.6	13.2
Current employee benefit obligations	27.8	28.1
Remediation and other provisions	59.6	62.6
Total current provisions	87.4	90.7
Non-current		
Leave obligations	0.9	1.0
Other employee benefit obligations	1.9	-
Non-current employee benefit obligations	2.8	1.0
Remediation and other provisions	2.2	2.0
Total non-current provisions	5.0	3.0
Total Provisions	92.4	93.7

Leave obligations and other employee benefits

Leave obligations represent the Group's liability for long service leave and annual leave. The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. Other employee benefit obligations cover the Group's liability for other employee benefit obligations such as bonus payments and cash-settled long-term incentives offered to eligible employees.

	Remediation \$'m	Other \$'m	Total \$'m
Balance at 1 January 2025	57.3	7.3	64.6
Additional provision	11.2	1.5	12.7
Amounts utilised or reversed during the year	(13.2)	(2.3)	(15.5)
Balance at 31 December 2025	55.3	6.5	61.8
Balance comprised of:			
Current	55.3	4.3	59.6
Non-current	-	2.2	2.2
Total provisions	55.3	6.5	61.8

Remediation

Remediation includes customer remediation for expected refunds to customers, related customer claims, remediation project costs, cyber-incident remediation costs for customer identification document replacement, costs to respond to the regulatory investigations, regulatory enforcement costs (refer to section 6.4 for further details), regulatory remediation provisions and other remediation project costs.

Other

Other provisions include various other provisions including make-good provisions associated with leased premises, fraud losses and buy-back provisions.

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2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

Section 6 | Other Disclosures

6.1 Share-based payments

Accounting policy

Share-based payments

The fair value of units granted under equity based compensation benefits is recognised as employment expenses in the consolidated income statement with a corresponding increase in equity. The fair value is recognised at grant date and recognised over the period during which the party becomes unconditionally entitled to the instruments. The fair value is independently determined using an option-granting model as measured at the grant date which includes the terms and conditions of the instruments. The fair value of the instruments granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number and value of instruments that are expected to become exercisable. The equity-based payment expense recognised each year takes into account the most recent estimate.

(a) Description of share-based payment arrangements

In 2025, the Group reviewed its long-term incentive (LTI) plan. As a result, the plan is now accounted for under employee benefit obligations and will be cash-settled at the conclusion of the three-year performance period. Previously, the LTI plan was equity-settled. Performance Rights granted under the Latitude Equity Plan (LEP) in 2023 and 2024 remain equity-settled and continue to be offered under the original terms and conditions.

Terms and conditions – Performance Rights Granted 2024 and 2023

Performance Hurdles		
2024 Grants	Interest Bearing Receivables (IBR)	Cash Earnings per share (EPS) growth
	50% of Performance Rights may vest subject to the IBR performance condition.	50% of Performance Rights may vest subject to the EPS growth performance condition.
2023 Grants	Return on Equity (ROE)	Cash Earnings per share (EPS) growth
	50% of Performance Rights may vest subject to the ROE performance condition.	50% of Performance Rights may vest subject to the EPS growth performance condition.

Testing outcomes		
2024 Grants	Following the release of the 2026 full-year results in 2027, the Performance Rights will be tested equally against each measure and the number that vest will be calculated as:	
	IBR performance level achieved over the Performance Period	% of Performance Rights subject to the IBR hurdles that will vest
	At or above maximum targets	100%
	Between threshold and maximum targets	Straight-line pro-rata vesting between 50% and 100%
	At threshold targets	50%
Below threshold	0%	
2023 Grants	Following the release of the 2025 full-year results in 2026, the Performance Rights will be tested equally against each measure and the number that vest will be calculated as:	
	ROE/ EPS performance level achieved over the Period	% of Performance Rights subject to the ROE/ EPS hurdles that will vest
	At or above maximum targets	100%
	Between threshold and maximum targets	Straight-line pro-rata vesting between 50% and 100%
	At threshold targets	50%
Below threshold	0%	

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2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

6.1 Share-based payments (continued)

2024 and 2023 Grants	Cash EPS performance level achieved over the Performance Period	% of Performance Rights subject to the Cash EPS hurdles that will vest
	At or above maximum targets	100%
	Between threshold and maximum targets	Straight-line pro-rata vesting between 50% and 100%
	At threshold targets	50%
	Below threshold	0%

- Performance Rights that vest are exercised into Shares
- Performance Rights that don't vest will lapse and are not re-tested
- In certain circumstances, participants may receive as Cash Equivalent Value of the vested element, after testing.
- The LTI outcome will be reported in the Remuneration Report in the year following the end of the Performance Period.

Cessation of employment	
	Participants who depart Latitude prior to the vesting date, are generally treated as follows, although Board retains discretion to determine a different treatment: <ul style="list-style-type: none"> • Misconduct or summary dismissal for cause: lapse. • Resignation: The Board will typically lapse the Performance Rights. • In all other circumstances: remain on foot, subject to the original performance conditions and vesting period. The Board may elect to pro-rata the original grant based on time served during the Performance period. Rights that vest at the end of the original vesting period are automatically exercised at that date for ex-employees.

Restrictions on dealings	
	Performance Rights are subject to restrictions and participants cannot sell, transfer, encumber, hedge or otherwise deal with unvested Performance Rights without prior approval of the Board or in certain circumstances by force of law. Following vesting, the disposal restrictions cease and Shares are held subject to restrictions under the Share Trading Policy.

LTI Performance Rights (Equity-settled)

	2025 Number	2024 Number
Outstanding at 1 January	7,560,776	5,628,994
Granted	-	3,968,908
Forfeited/lapsed	(3,122,061)	(2,037,126)
Exercised	-	-
Outstanding closing balance at 31 December	4,438,715	7,560,776
Exercisable at 31 December	-	-

Significant assumptions used as inputs into the grant date fair value:

Grant date:	15 May 2024	8 October 2024
Contractual life (years)	2.63	2.23
Risk free interest rate (%)	4.16	3.87
Fair value at grant date (\$)	1.15	1.15
Share closing price at grant date (\$)	1.15	1.16
Expected dividend yield per annum (%)	-	-
Expected volatility of share price (%)	11.28	11.27

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2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

6.1 Share-based payments (continued)

Latitude Options Offer (Equity-settled)

No Latitude Options were granted during 2025.

	2025 Number	2024 Number
Outstanding at 1 January 2025	12,381,486	22,557,707
Granted	-	-
Forfeited/lapsed	(9,381,486)	(10,176,221)
Balance at 31 December	3,000,000	12,381,486

Short term incentive plan – (Equity-settled)

No further grants have been made under the STI plan.

	2025 Number	2024 Number
Balance at 1 January	-	316,437
Granted	-	-
Released from restriction	-	(316,437)
Balance at 31 December	-	-

Sign-on shares

The Group granted 219,708 restricted shares to Executives at sign-on (FY24: 233,798). The sign-on awards are granted under and subject to the Latitude Equity Plan. Vesting of awards are subject to the executives being employed by the Company on the relevant vesting dates. The fair-value of the Sign-on awards is determined at grant date and recognised over the vesting period.

Grant date 1 July 2025			
Tranche	1	2	3
Approximate vesting date	July 2025	June 2026	June 2027
Contractual life (years)	0.000	0.959	1.959
Risk free interest rate (%)	3.25	3.25	3.25
Fair value at grant date (\$)	1.1244	1.0508	0.9787
Share closing price at grant date (\$)	1.13	1.13	1.13
Expected dividend yield per annum (%)	0.00	7.11	7.11
Expected volatility of share price (%)	12.48	12.48	12.48

Grant date 15 November 2024		
Tranche	1	2
Approximate vesting date	December 2024	December 2025
Contractual life (years)	0.044	1.044
Risk free interest rate (%)	3.87	3.87
Fair value at grant date (\$)	1.15	1.15
Share closing price at grant date (\$)	1.15	1.15
Expected dividend yield per annum (%)	-	-
Expected volatility of share price (%)	11.27	11.27

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2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

6.2 Interests in other entities

(a) Controlled entities

Name of entity	Ownership		Principal activities
	2025 %	2024 %	
Country of incorporation - Australia:			
Latitude Financial Group Pty Ltd	100	100	Group financier
Latitude Financial Services Australia Holdings Pty Ltd	100	100	Employer/servicer
Latitude Finance Australia	100	100	Sales finance/credit cards
Latitude Automotive Financial Services	100	100	Automotive lending
Latitude Personal Finance Pty Ltd	100	100	Personal lending
LatitudePay Australia Pty Ltd	100	100	Non trading
KVD TM Pty Ltd	100	100	Trust manager
Latitude Financial IP Pty Ltd	100	100	Intellectual property
Australian Sales Finance and Credit Cards Trust	100	100	Securitisation of receivables
Australian Personal Loans Trust	100	100	Securitisation of receivables
Australian Auto Loans Trust	100	100	Securitisation of receivables
Australian Sales Finance and Credit Cards Trust No.3	100	100	Securitisation of receivables
Australian Sales Finance and Credit Cards Trust No.4	100	-	Securitisation of receivables
Latitude Australia Credit Card Master Trust	100	100	Securitisation of receivables
Latitude Australia Credit Card Loan Note Trust	100	100	Securitisation of receivables
Latitude Australia Personal Loans Series 2021-1 Trust	-	100	Securitisation of receivables
Latitude Australia Personal Loans Series 2024-1 Trust	100	100	Securitisation of receivables
Latitude Australia Personal Loans Series 2025-1 Trust	100	-	Securitisation of receivables
Latitude Australia Personal Loans Series 2025-2 Trust	100	-	Securitisation of receivables
Australian Personal Loans Trust No. 2	100	100	Securitisation of receivables
Symple Financial Group Pty Limited	100	100	Holding company
Symple Loans Pty Limited	100	100	Personal lending
Symple Canada Holdings Pty Limited	100	100	Holding company
Country of incorporation - Canada:			
Symple Canada Financial Group Limited ⁽¹⁾	100	100	Personal lending
Country of incorporation - New Zealand:			
Latitude Financial Services Limited	100	100	Operating/lending company
New Zealand Sales Finance and Credit Cards Trust	100	100	Securitisation of receivables
New Zealand Personal Loans Trust	100	100	Securitisation of receivables
Latitude New Zealand Credit Card Master Trust	100	100	Securitisation of receivables
Latitude Innovation Holdings Limited	100	100	Non trading
Country of incorporation - Singapore:			
Latitude Financial International Pte. Ltd ⁽¹⁾	100	100	Holding company
LatitudePay Singapore Pte. Ltd ⁽¹⁾	100	100	Factoring/BNPL lending
Latitude AM Pte. Ltd	-	100	Non trading
Country of incorporation - Malaysia:			
LatitudePay Malaysia Sdn. Bhd. ⁽¹⁾	100	100	Factoring/BNPL lending

⁽¹⁾ Latitude is in the process of winding up Symple Canada Financial Group Limited and the Asia operations.

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2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

6.2 Interests in other entities (continued)

(b) Structured entities

A structured entity is one that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. The Group uses structured entities to support its loan securitisation programme. They are consolidated by the Group as it is exposed to variable returns from the securitised entities and it has the ability to affect those returns through its power over the activities of the structured entities.

	2025 \$'m	2024 \$'m
Customer loans	7,139	6,700
Funding related to receivables and customer loans	(7,078)	(6,750)

6.3 Related party transactions

(a) Ultimate parent entity

Latitude Group Holdings Limited is the ultimate parent entity of the Group.

(b) Key Management Personnel

Key Management Personnel (KMP) are Directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Group.

Compensation

	2025 \$'thousands	2024 \$'thousands
Short-term employee benefits	6,920	6,121
Long-term benefits	950	394
Post-employment benefits	224	244
Termination benefits	-	360
Share based payments	914	1,316
	9,008	8,435

Lending balances

The Group provides KMP with consumer finance facilities offered in the ordinary course of business. Interest charged on these products is at normal consumer rates and under normal terms and conditions.

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from any related parties.

	2025 \$'thousands	2024 \$'thousands
Outstanding balances at 31 December	54	55
Total available credit facility	190	197
Maximum drawn amount	95	85

(c) Other transactions and outstanding balances

Loan payable to related party relates to an unsecured single draw bullet term credit facility agreement with SBI Shinsei Bank, for USD \$20.0 million (AUD \$29.9 million) which was extended in March 2025 to mature in March 2026.

On 30 March 2021, the Company and KVD Singapore Pte. Ltd (KVDS) entered into an agreement whereby KVDS sold historic distribution entitlements to the Company for a total consideration of \$84.5 million. Following KVDS ceasing to be the ultimate parent entity of the Company in August 2023, the remaining consideration of \$16.6 million was paid on 30 September 2025 to KKR Clarendon Holdings L.P and Vatpo Investments Pte. Ltd.

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2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

6.3 Related party transactions (continued)

	2025 \$'thousands	2024 \$'thousands
Other transactions paid		
Ordinary share dividends paid	72,714	-
Capital note distribution paid	12,891	9,650
Interest paid to related party	2,949	6,912
Deferred consideration paid to selling shareholders	16,592	16,585

	2025 \$'thousands	2024 \$'thousands
Outstanding balances		
Loan payable to related party	29,944	48,282
Payable to selling shareholders	-	16,592
Interest payable to related party	519	1,246
Capital note distribution payable	1,469	1,710

6.4 Contingent liabilities and contingent assets

The Group is subject to a number of obligations which, if not discharged or considered not to be discharged, may give rise to potential claims or other costs. Where some loss from an actual or alleged non-performance of an obligation is more likely than not and can be reliably estimated, provisions have been made.

Regulatory and customer exposures arising from business operations

The Group has received regulatory notices and requests for information across various areas of its operations and continues to work with regulators to respond to these inquiries.

There is a risk that any customer complaint, claim or regulatory inquiry may lead to penalty or other costs following any settlement or determination by a regulator or by a Court in any legal proceedings. The outcomes and total costs associated with such matters remain uncertain.

Specific contingent liabilities in relation Taxation audits and the Cyber incident that may impact the Group are set out below.

Taxation

The Group is subject to an ongoing Tax Audit by the Australian Taxation Office, that is still subject to finalisation, regarding the transfer pricing of the transaction fees charged to the Group when it was acquired.

Regulatory and customer exposures arising from the Cyber incident

In March 2023, the Group was subject to a Cyber incident via a supply chain attack, which resulted in a data breach of customers' personal information.

In May 2023, the Office of the Australian Information Commissioner (OAIC) and the New Zealand Office of the Privacy Commissioner (OPC) commenced investigations into the personal information handling practices of the Group. The investigations to date have focused on whether the Group took reasonable steps to protect customers' personal information and whether the Group took reasonable steps to destroy or de-identify personal information that was no longer required.

Whilst the Group does not believe that there is any evidence of customers having suffered financial loss arising from the Cyber incident, it has provided a range of support services to customers including reimbursing customers who replaced their identification documents.

The investigations and determinations may result in potential litigation, customer compensation or other regulatory enforcement action.

The Group continues to fully cooperate with the respective regulators and ombudsman in relation to the Cyber incident.

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2025 Consolidated Financial Report Extract

Notes to the Financial Statements

For the year ended 31 December 2025

6.4 Contingent liabilities and contingent assets (continued)

At 31 December 2025, the Group maintains a provision that relates to anticipated remediation costs for customers for identification document replacement, costs to respond to the investigations and regulatory and enforcement action costs. This provision does not include the potential for:

- **Representative complaints and class actions:** Latitude is aware that two representative complaints were filed with the OAIC. At the current time, no class action has been filed. Given the status of the aforementioned matters, and the Group's belief that there is no evidence of customers having suffered financial loss arising from the Cyber incident, no provision has been recognised.
- **Insurance Proceeds:** The Group maintains insurance policies to cover risks, including Cyber-security risks. The Group is cooperating with the respective insurers, across our policies, as they assess the potential claims. Interim recovery payments have been received, however the respective claims assessment processes are continuing. At this point further recoveries are not considered virtually certain, therefore further insurance recoveries have not been recognised.

6.5 Events occurring after the reporting date

There has not arisen in the interval between the end of the year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Group, to affect significantly the operations of the Group, the results of those operations or the state of affairs of the Group, in future financial years.

6.6 Remuneration of auditor

(a) Remuneration to KPMG

	2025	2024
	\$	\$
Audit and other assurance services		
Audit and review of financial statements	1,542,500	1,642,800
Regulatory assurance services	122,500	122,500
Other assurance services	297,010	167,000
Total remuneration for audit and other assurance services	1,962,010	1,932,300
Other services		
Transaction and other advisory services	48,000	229,595
Total remuneration for other services	48,000	229,595
Total remuneration of KPMG	2,010,010	2,161,895
Total auditor's remuneration	2,010,010	2,161,895

The remuneration to KPMG for audit and assurance services is for the Group and related entities in Australia, New Zealand and Asia.

2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

6.7 Deed of cross guarantee

(a) Consolidated statements of entities party to the deed of cross guarantee

	2025 \$'m	2024 \$'m
Consolidated statement of profit or loss and other comprehensive income		
Profit/(loss) before income tax expense	128.6	80.8
Income tax (expense)/benefit	(35.0)	(29.0)
Profit/(loss) for the year	93.6	51.8
Other comprehensive income	(4.3)	(16.4)
Total comprehensive income for the year	89.3	35.4
Summary of movements in consolidated retained earnings/(losses)		
Retained losses at the beginning of the financial year	(265.7)	(307.9)
Profit/(loss) for the year	93.6	51.8
Dividends paid	(72.8)	-
Capital note distribution	(12.6)	(9.6)
Retained (losses) at the end of the financial year	(257.5)	(265.7)
Consolidated balance sheet		
Assets		
Cash and cash equivalents	102.7	152.9
Investments	396.3	391.8
Current tax receivables	-	24.4
Derivatives financial instruments	12.9	10.7
Loans and other receivables	5,805.9	5,355.7
Other assets	11.2	10.8
Deferred tax assets	160.4	157.0
Investment in controlled entity	230.3	100.4
Other financial assets	14.2	14.2
Property, plant and equipment	3.9	6.0
Intangible assets	626.0	656.1
Total assets	7,363.8	6,880.0
Liabilities		
Trade and other liabilities	139.3	179.7
Current tax liabilities	13.1	-
Derivatives financial instruments	-	3.2
Provisions	90.1	90.9
Deferred tax liabilities	24.6	24.1
Borrowings	5,756.0	5,242.1
Total liabilities	6,023.1	5,540.0
Net assets	1,340.7	1,340.0
Equity		
Contributed equity	2,211.5	2,222.5
Other reserves	(613.3)	(616.8)
Retained losses	(257.5)	(265.7)
Total equity	1,340.7	1,340.0

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2025 Consolidated Financial Report Extract
Notes to the Financial Statements
For the year ended 31 December 2025

6.7 Deed of cross guarantee (continued)

Latitude Group Holdings Limited and some of its controlled entities (refer section 6.2) have entered into a deed of cross guarantee pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785, under which each Company guarantees the debts of the others. The consolidated results of the Company and the controlled entities which are party to the deed of cross guarantee (referred to as a closed group) are presented above, where transactions between entities to the deed are eliminated in full in the profit or loss and balance sheet.

6.8 Parent entity financial information

(a) Summary financial information

The individual financial statements for the parent entity (Latitude Group Holdings Limited) show the following aggregate amounts:

	2025 \$'m	2024 \$'m
Balance sheet		
Current assets	197.9	164.0
Total assets	1,952.8	1,845.7
Current liabilities	184.8	134.0
Total liabilities	184.8	135.6
Shareholders' equity		
Contributed equity	2,224.7	2,235.7
Reserves		
Common control reserve	(627.9)	(627.9)
Foreign currency translation reserve	(11.0)	(3.1)
Retained earnings/(accumulative losses)	182.2	105.4
Total shareholders' equity	1,768.0	1,710.1
Profit for the year	162.3	125.7
Currency translation differences arising during the year	7.9	5.3
Total comprehensive income	170.2	131.0

(b) Contingent liabilities of the parent entity

Information relating to contingent liabilities of the parent entity is disclosed in Note 6.4.

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