

24 October 2024
Markets Announcement Office
ASX Limited

LIBERTY GROUP 2024 AGM CHAIRMAN'S ADDRESS & CEO'S ADDRESS

In accordance with ASX listing rule 3.13.3, Liberty Group (ASX: LFG) attaches the following documents to be presented at the 2024 Annual General Meeting (Meeting) being held at 11.00am today:

- Chair's address
- Chief Executive Officer's address
- Meeting presentation slides

The results of the Meeting will be communicated to the ASX shortly after the conclusion of the Meeting.

Authorised for disclosure by the Board.

For further information:

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About the Liberty Group

Liberty Group is a leading diversified finance company in Australia and New Zealand. Its businesses include residential and commercial mortgages, motor vehicle finance, personal loans, business loans, broking services, general insurance and investments. Liberty has raised more than \$49 billion in global capital markets. Since 1997, Liberty has helped more than 850,000 customers get financial.



Chair Address

The year ended 30 June 2024 for the Liberty Group has delivered a sound result consistent with the current economic and competitive environment, and a result that distinguishes us.

Liberty Group achieved statutory net profit after tax for the year ended 30 June 2024 of \$115 million or 38 cents per stapled security. This result is 36% lower than FY23 reflecting challenging market conditions.

Consistent with statements made about our distribution policy, the Group distributed earnings of \$0.25 per stapled security to securityholders at a payout ratio of 66%. This distribution equates to an unfranked yield of 6.6% based on the security price as at 28 June 2024. We affirm our current policy to distribute 40% to 80% of Liberty Group net profit after tax to securityholders annually.

These results were achieved in an environment of rising interest rates and high cost of living. The results are a testament to the dedication of the Liberty team and the strength of our commitment to customers.

As an investment grade rated financial institution, the Liberty Group is in a strong financial position and we are optimistic that the next financial year will enable us to deliver profit growth for securityholders.

This is my last AGM to you as Chair. It is more than 19 years since I joined the Liberty Board, and I have had a great deal of pleasure and pride in watching the Liberty Group under the leadership of Sherman Ma, James Boyle and Peter Riedel.

I would like to thank my Board colleagues Peter Hawkins, Leona Murphy and Jane Watts for their support and guidance.

Peeyush Gupta recently joined the Board as part of our board renewal process and is up for election at today’s AGM. Subject to his appointment today, the Board has elected Peeyush to be Chair of the Liberty Group following the conclusion of today’s AGM.

With Peeyush’s deep boardroom experience and his extensive career in financial services, I am confident that Peeyush will make a significant contribution to the future success of the Liberty Group.

Finally, thanks to you, the Securityholders for your support.

I will now hand over to James.

CEO Address

Thank you, Richard, and good morning, everyone.

I’d like to add my welcome to all the Securityholders who have taken time to join our Meeting today.

I join the Chair to acknowledge the traditional owners of the lands that we are presenting from.

Today I plan to provide a business update with financial results for the last financial year and the most recent quarter’s business results.

I will then close with an outlook for the coming financial year.



Business Update

In Financial Year 24, given the difficult trading conditions, we were happy to deliver strong loan origination leading to portfolio growth through our targeted diversification strategy.

Over the year our Net Interest Margin declined, but in the second half of the Financial Year was stable which is a positive moving into the new financial year.

We were also able to continue supporting our customers in hardship and to manage loan delinquency resulting from tougher economic conditions and challenged household budgets.

Finally, we continued our focus on exceptional service and improved digital engagement which was reflected in our positive Net Promoter scores from Brokers and Customers.

FY24 Operating Highlights

Turning to our FY24 operating highlights, we were delighted to have once again delivered continued portfolio growth and record loan originations whilst exercising ongoing cost discipline.

We were able to increase our portfolio by 7%, averaging the year with assets of \$14.1b.

Our new asset originations were at an all-time high at \$5.7b, up 5% on the prior corresponding period.

Our impaired loans increased by 56% up to \$309m reflecting both the growth and diversity in our portfolio as well as the tougher economic conditions we continue to help our customers manage through.

We were particularly proud of our teams’ ability to achieve this record growth with a net decrease in FTE of 2%, down to 535. We feel it important to highlight that we will continue to invest in our team and platform as we execute our diversification strategy moving forward.

Our Broker Net Promoter Score once again comes in at an industry-leading 82.

Our Customer Net Promoter Score increased slightly to 62.

FY24 Financial Highlights

Despite strong performance on the fundamental value drivers for our business, we felt the impacts of the environment through compressed margins and increased provisions.

Our full FY24 net profit after tax and amortisation was \$132m, which is down from \$187m last financial year.

Our net revenue held relatively steady, with a slight decrease of 1% to \$583m.

Our net interest margin reflected the impact of increased costs and reduced to 2.51%, down 25bps.

Our bad and doubtful debt continued to normalise to the current trading conditions of higher interest rates and challenged household budgets at 25bps, up from 13bps the prior year.

Our cost to income ratio increased slightly, from 26.9% to 28.0%.

Consequentially, we distributed 25 cents, down 44% from the prior corresponding period.

Loan Originations 1Q25

Turning now to business highlights during the first quarter of Financial Year 25.

Many of the same trends have continued, and we have been able to grow our portfolio at the Group level.



Our Net Interest Margin has remained relatively flat through the quarter, continuing the trend of improved trading conditions into FY25.

We maintained momentum with loan originations at Group level with the improvement in Residential lending offsetting some slowing in new Motor loans.

The total Group originations were \$1,455m for the quarter which is consistent with the average of the last two quarters.

Loan Portfolio 1Q25

As previously mentioned, we are happy to report that we have been able to continue to grow our portfolio during the first quarter.

Our Residential lending portfolio has remained flat for the third quarter in a row. We believe current conditions will provide the opportunity to return to growth in the foreseeable future.

Elsewhere we continue to benefit from origination momentum which resulted in portfolio growth in both our Secured and Financial Services segments.

As a result, we finish the quarter with a Group portfolio of \$14,774m.

FY25 Outlook

Finally, looking ahead to the rest of FY25.

We continue to operate in conditions that are challenged by global events and market volatility. However, we believe there is some confidence returning as the expectation of interest rate decreases improves.

We remain confident on the need and place for non-deposit taking finance companies as these changes occur.

Until those interest rate changes manifest, we anticipate the ongoing need to provide greater support to customers in hardship.

However, we also expect to see more opportunities for residential lending with lower discharges which would result in home lending portfolio growth.

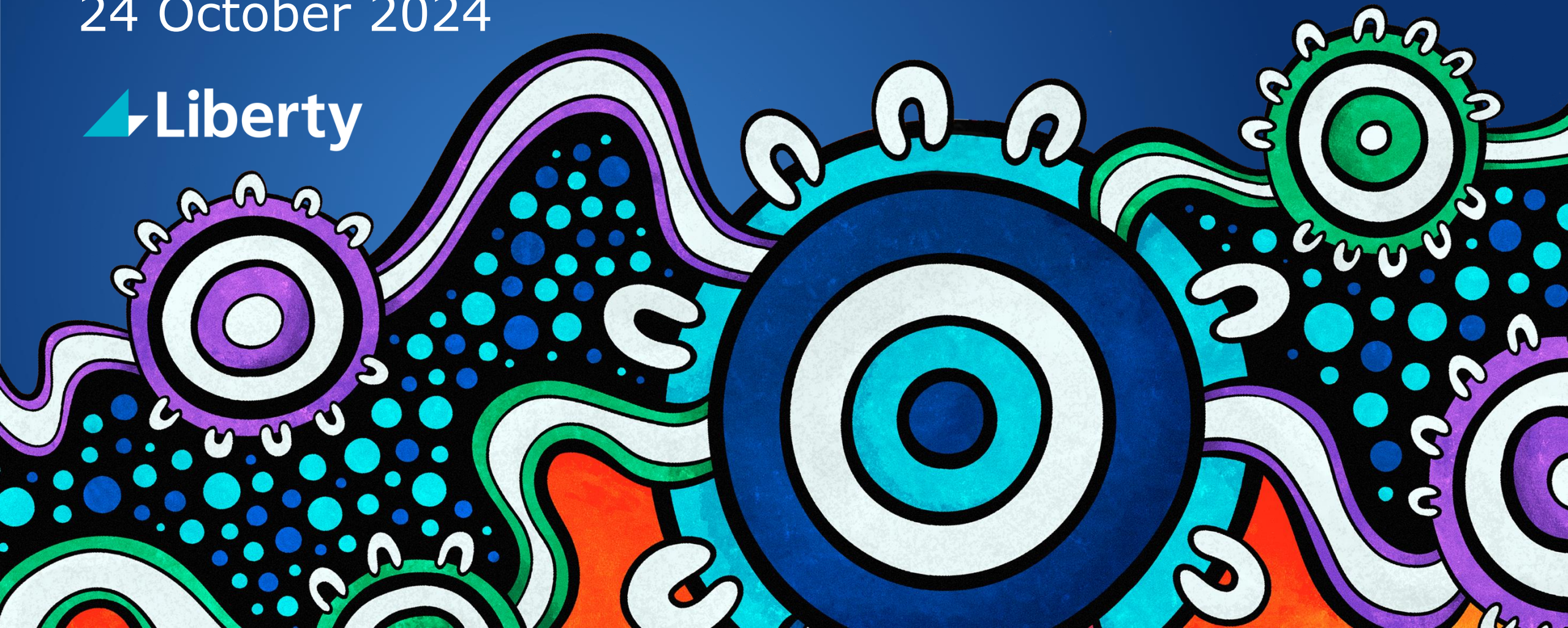
We have also seen positive investor sentiment and strong engagement in debt capital markets which we believe supports an improving period for Net Interest Margins.

Finally, we continue our focus on cost efficiency and service with improved digital tools and engagement for our business partners and customers.

I would now like to hand back to Richard for the formal business of this Meeting.

Liberty Financial Group Annual General Meeting

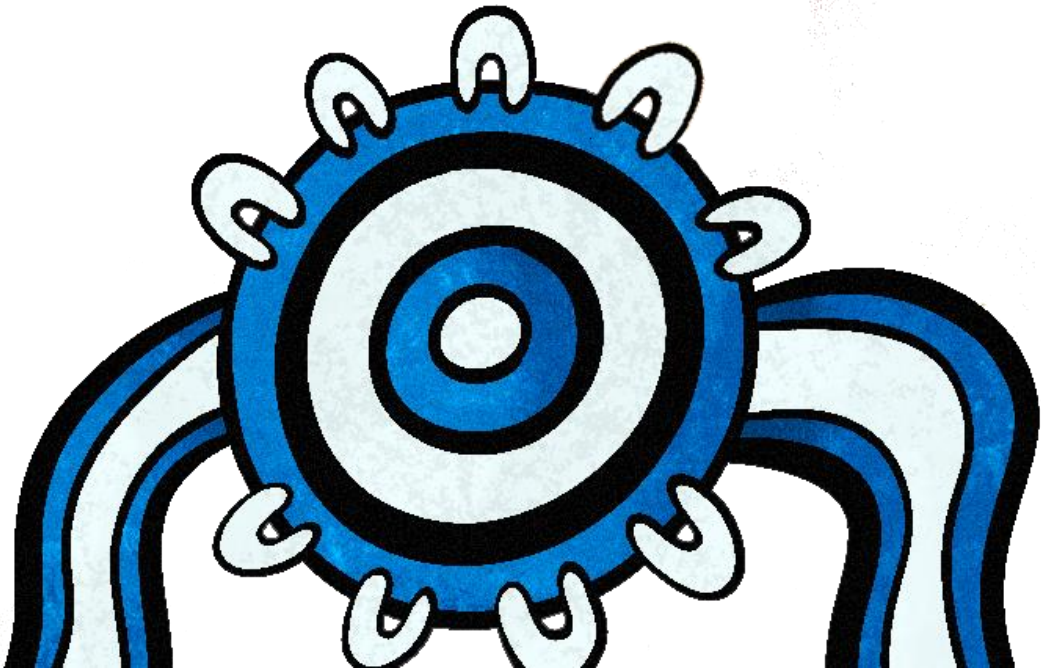
24 October 2024

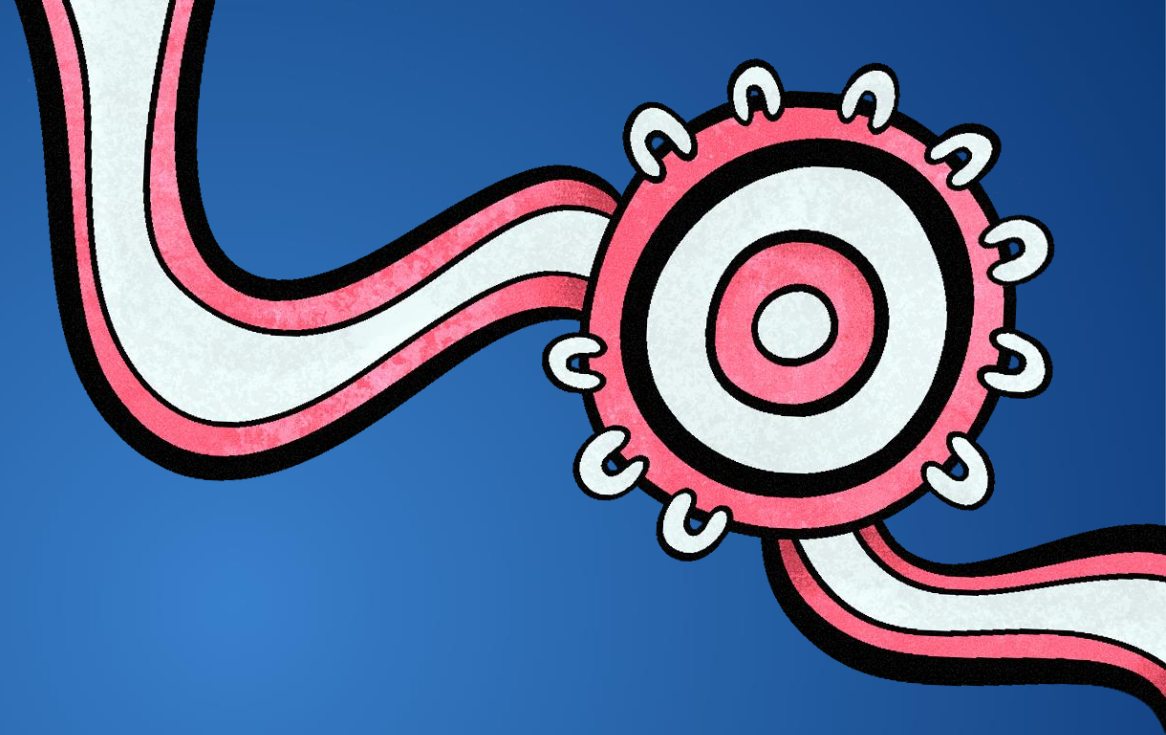


Agenda

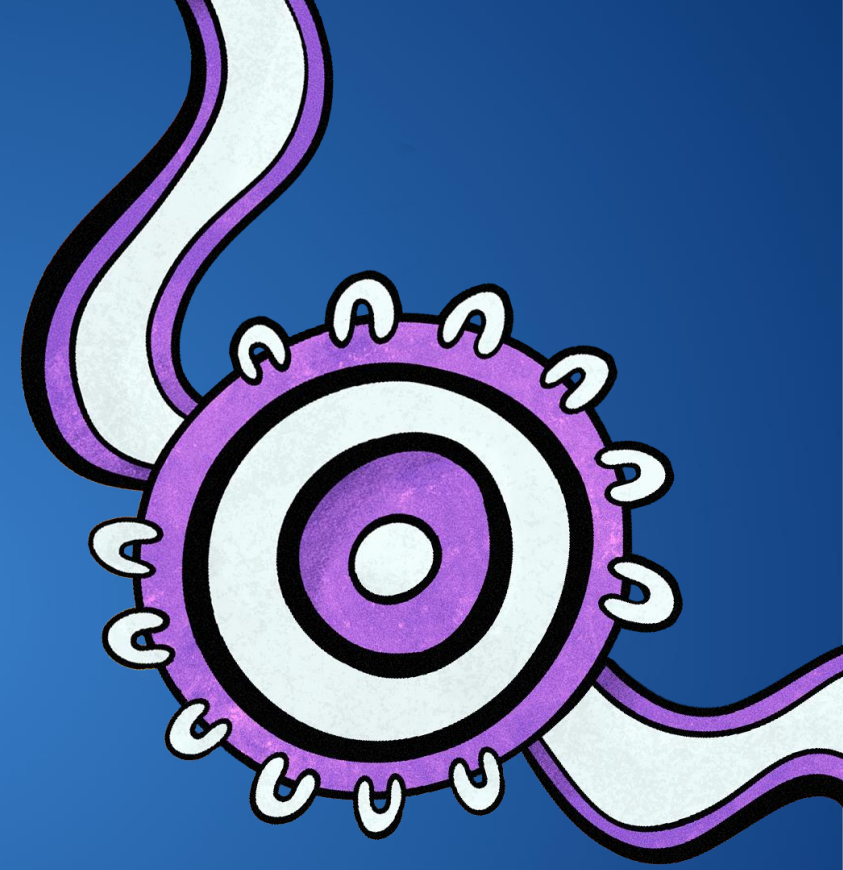


- 01** Introduction
- 02** Chair Address
- 03** CEO Address
- 04** Formal Business
- 05** Questions
- 06** Closing Remarks





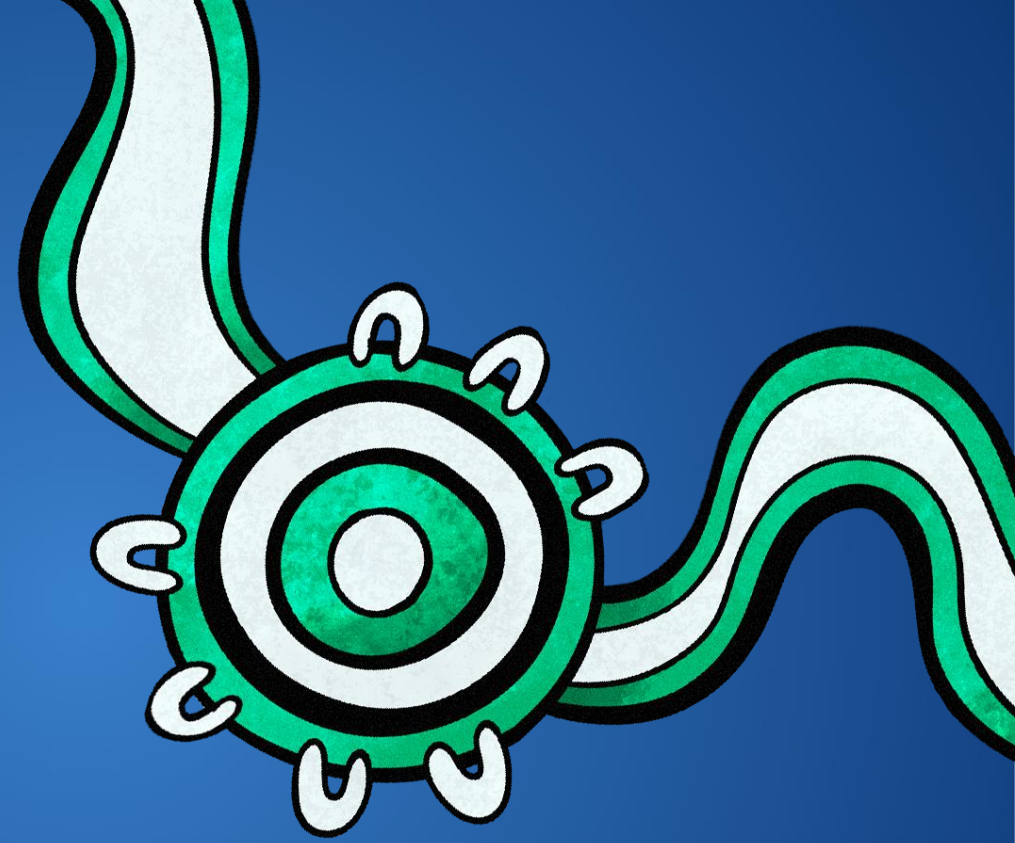
01 Introduction



04 Chair Address

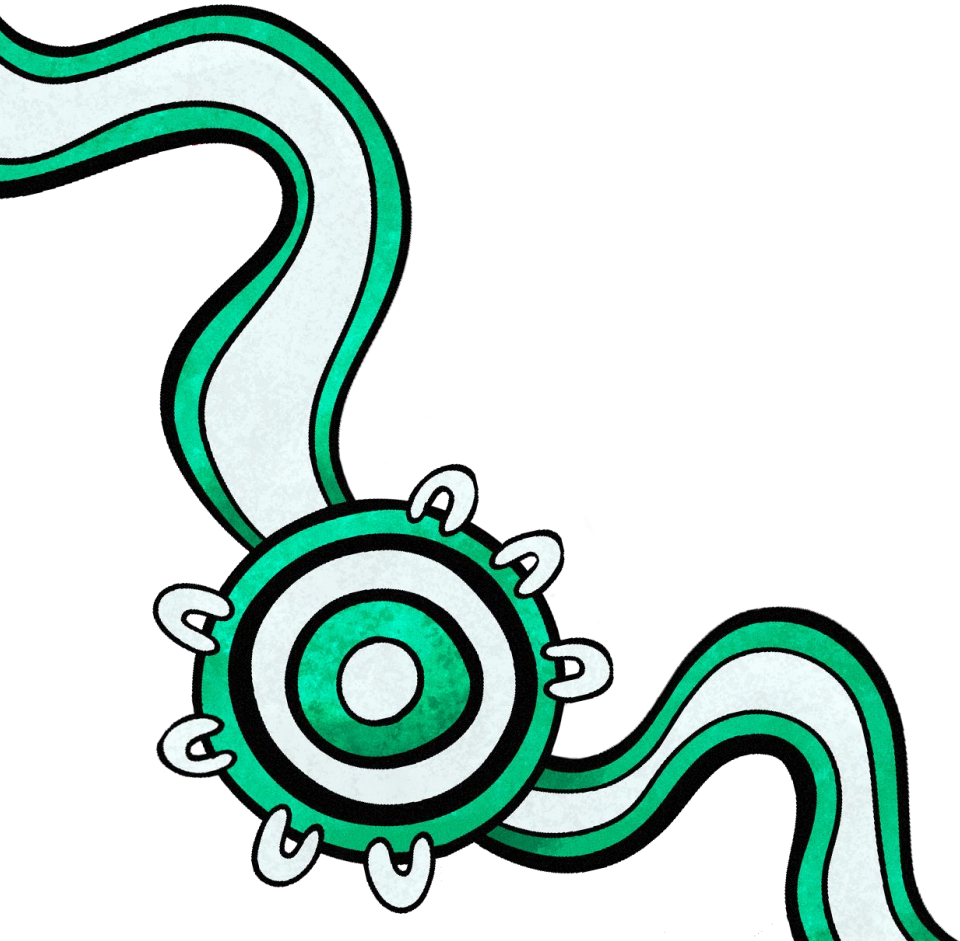
Mr Richard Longes





03 CEO Address

Mr James Boyle



Business Update

-  New loan origination reflecting competitive environment
-  Portfolio growth through targeted diversification
-  NIM stable
-  Customer hardship and delinquency within expectations
-  Strong and stable broker and customer net promoter score
-  Continued investment in digital customer experience

FY24 Operating Highlights



Average financial assets

\$14.1b (\$13.2b)
+7%



New assets originated

\$5.7b (\$5.4b)
+5%



Impaired loans

\$309m (\$198m)
+56%



Average FTE Staff

535 (546)
(2%)



Broker NPS

82 (82)
-0%



Customer NPS

60 (59)
+2%

FY24 Financial Highlights



Underlying NPATA

\$132m (\$187m)
(29%)



Net revenue

\$583m (\$590m)
(1%)



NIM

2.51% (2.76%)
(25bps)



BDD

25bps (13bps)
+12bps



Cost to income

28.0% (26.9%)
+110bps

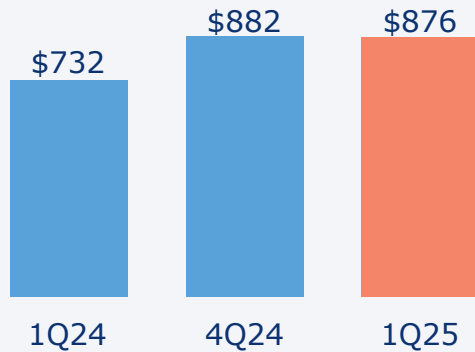


Distribution

25c (45c)
(44%)

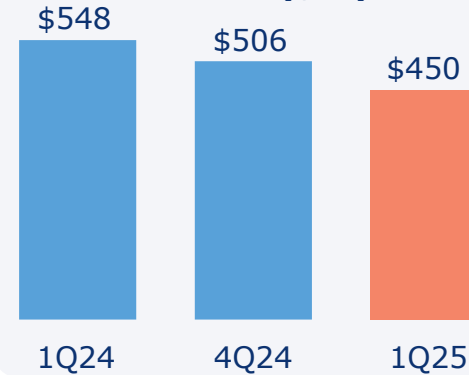
Loan Origination 1Q25

Residential (\$'m)



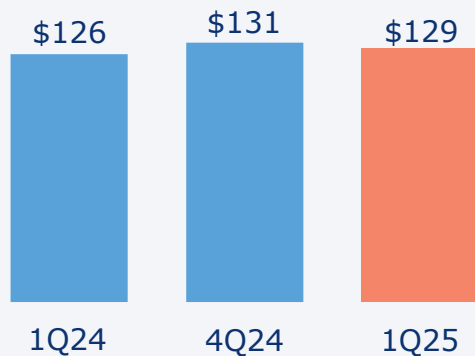
- ▲ New loan origination supported by improved demand for credit as interest rates stabilise

Secured (\$'m)



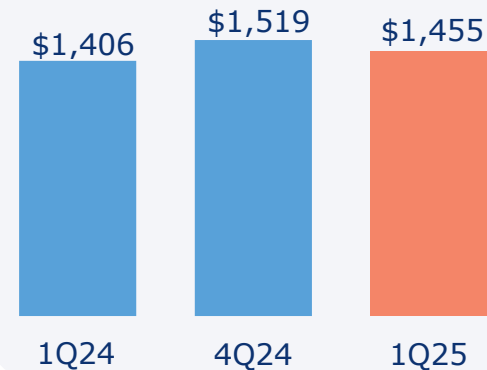
- ▲ Lower loan origination reflecting increased competitive environment in motor finance
- ▲ Stable SME and SMSF new loan origination

Fin Serv (\$'m)



- ▲ Stable new personal loan origination

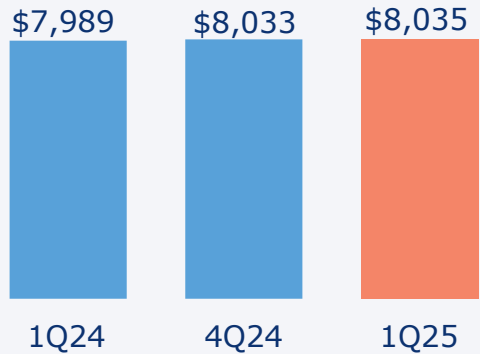
Group (\$'m)



- ▲ FY25 new loan origination on track to exceed FY24

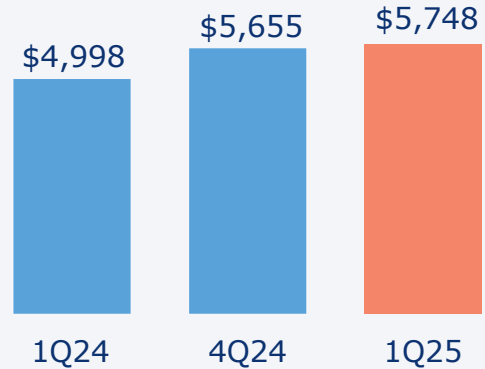
Loan Portfolio 1Q25

Residential (\$'m)



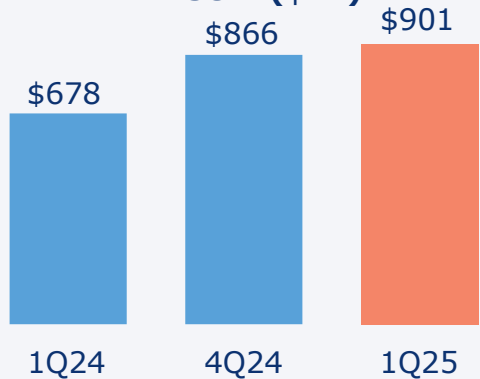
- ▲ Stable portfolio following recent growth in new loan originations exceeding loan discharges

Secured (\$'m)



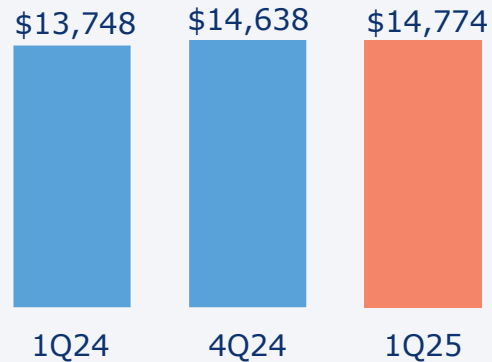
- ▲ Continued growth in Secured loan portfolios as new origination higher than discharges and amortisation

Fin Serv (\$'m)



- ▲ Continued growth in personal loan portfolio as new origination higher than discharges and amortisation

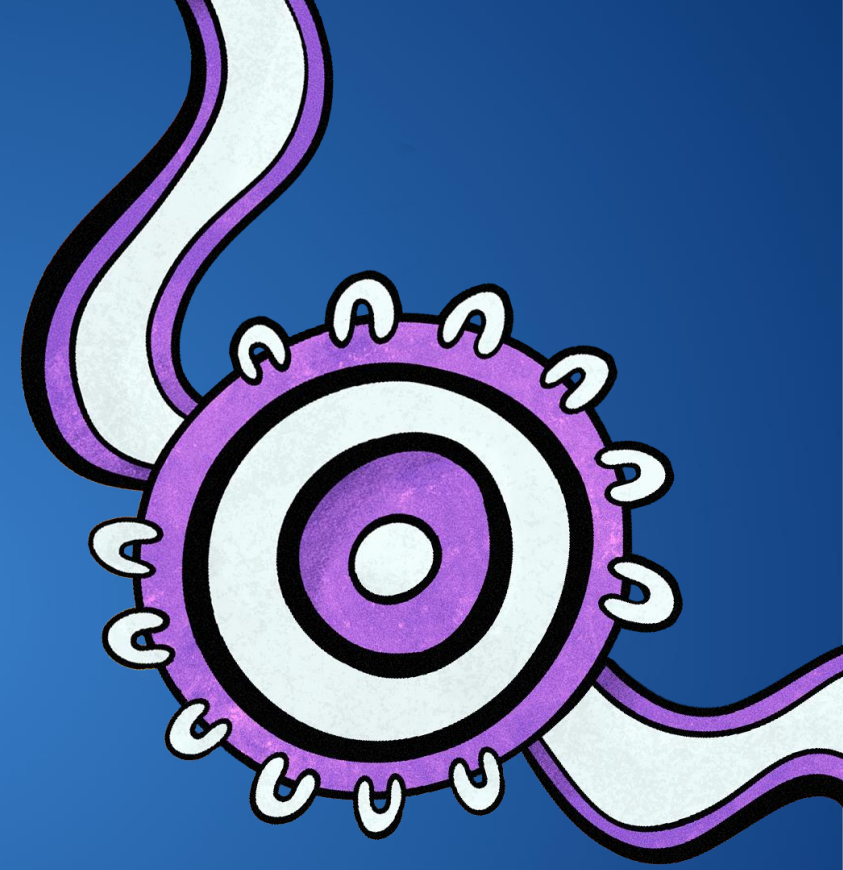
Group (\$'m)



- ▲ FY25 on track for continued portfolio growth
- ▲ Portfolio mix continues to move toward higher yielding Secured and Financial Services assets (45%)

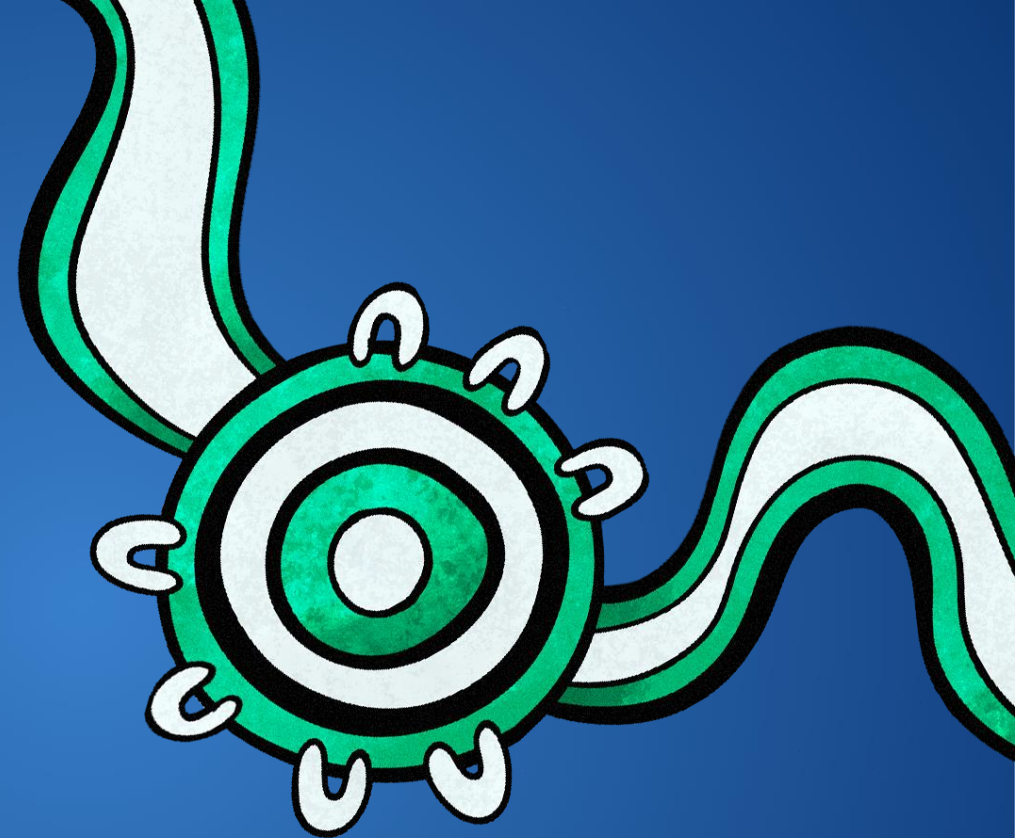
Outlook

-  Economic indicators support portfolio growth
-  Elevated customer hardship support ongoing
-  Increasing bad debts from asset mix and hardship
-  NIM stabilising
-  Automation to improve operational efficiency
-  Investment in broker and customer digital experiences



Thank you for joining us

Appendix



Disclaimer

The information provided in this presentation and any information supplied in connection with this presentation (“**Presentation**”) has been prepared by Liberty Financial Group Limited (ACN 125 611 574) (“**Company**”) and Liberty Fiduciary Ltd (ACN 119 884 623) as the responsible entity of Liberty Financial Group Trust (“**Trust**”) (the Company and Trust together, “**Liberty Group**”), which together with their subsidiaries, operates the Liberty lending and financial services business (“**Liberty**”).

The information in this Presentation is current as at 24 October 2024. It is in summary form and is not necessarily complete. It should be read together with the Liberty Group results for the full year 30 June 2024.

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This Presentation contains certain forward-looking statements and comments about future events, including Liberty’s expectations about the performance of its businesses and certain strategic transactions. Forward-looking statements can generally be identified by the use of forward-looking words such as, “expect”, “anticipate”, “likely”, “intend”, “should”, “could”, “may”, “predict”, “plan”, “propose”, “will”, “believe”, “forecast”, “estimate”, “target” and other expressions having a similar meaning. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. Forward-looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward-looking statements will not be achieved. A number of important factors could cause the Liberty Group’s actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements, and many of these factors are beyond Liberty Group’s control. Forward-looking statements are provided as a general guide only, and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainty and other factors, many of which are outside the control of the Liberty Group. As such, undue reliance should not be placed on any forward-looking statement. Past performance is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward-looking statements, forecast financial information or other forecast. Nothing contained in this Presentation nor any information made available to you is, or may be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of the Liberty Group.

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