CREATING OPPORTUNITY

CREDIT CORP ANNUAL REPORT 2023

Credit Corp Group

This is Credit Corp

Credit Corp is Australia's largest provider of responsible financial services in the credit-impaired consumer segment. We are committed to providing genuine and affordable financial solutions for our customers, with the goal of improving their financial situation. Our success and reputation is based on a culture of strong compliance and transparency, combined with a respectful and understanding approach to our customers. Our superior analytics capabilities, advanced technology and responsible approach are key to staying ahead of the market.

CREATING OPPORTU

Creating opportunity is the basis of our approach to generating long-term value. It is about a relentless focus on providing customers with opportunities to resolve existing credit obligations and gain access to uniquely affordable personal finance.

We have established a pipeline of new products and business improvements to ensure we have the potential to be the market leader across all business segments.

About this report

Credit Corp's annual report is our primary statutory and regulatory reporting disclosure. It comprises information about our activities, strategy, and financial results over the reporting period. Credit Corp is publicly listed in Australia, and the annual report is lodged with the Australian Securities and Investments Commission and ASX Limited.

VIEW OUR REPORTS ONLINE

NITY

Acknowledgement of Country

We acknowledge the Traditional Custodians of the land on which we work, live and travel. We pay respect to Elders past, present and emerging.

HIGHLIGHTS 2023

Financial Highlights

Our leadership has delivered a consistent record of success and the flexibility to respond when circumstances change.

$91.3M
NET PROFIT AFTER TAX (NPAT)
↓ 5% VS. PCP[1]

$473.4M
REVENUE
↑ 15% VS. PCP

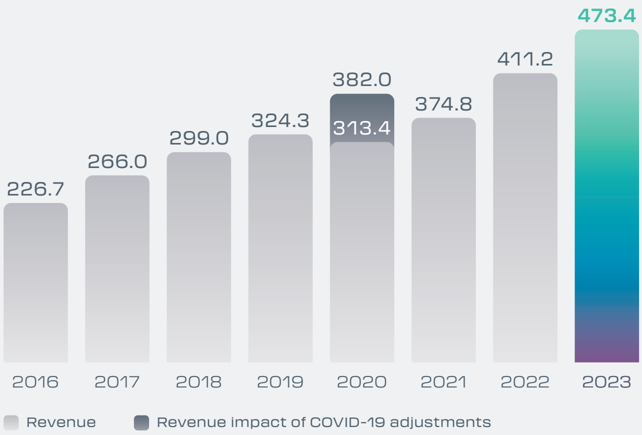
$385.7M
Post-Tax Operating Cash Flow
↓ 0.3% VS. PCP

$1,046.7M
Income Generating Assets
↑ 25% VS. PCP

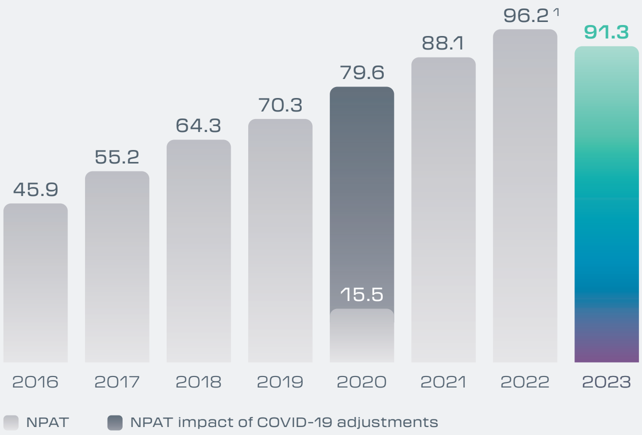
134.2¢
Earnings per share (EPS)
↓ 6% VS. PCP[1]

70.0¢
Dividends per share (DPS)
↓ 5% VS. PCP

REVENUE ($M)



NPAT ($M)



1. FY22 excludes US Paycheck Protection Program receipt of an after tax $4.5 million. FY22 statutory NPAT was $100.7 million and EPS was 148.9 cents.

Our People

The diversity of our people is key to our success

Customers

Our relationships are built on respect and collaboration

Community

We aim to provide a pathway to mainstream financial inclusion

2,261
EMPLOYEES
across the globe

Maintained **lowest**
EDR COMPLAINT RATE
in Australian industry

98%
SMALL SUPPLIERS PAID
within 30 days of agreed arrangements[2]

68,400
HOURS
training delivered

3.2M
CUSTOMERS
globally

Highest rated
CONSUMER HARDSHIP RESPONSE
by the financial counsellors in the most recent ***Rank the Banks survey*** (Dec 2019)

95%
LEADERSHIP
positions filled internally

$1.73B
IN FACE VALUE
of debts in ongoing repayment arrangements

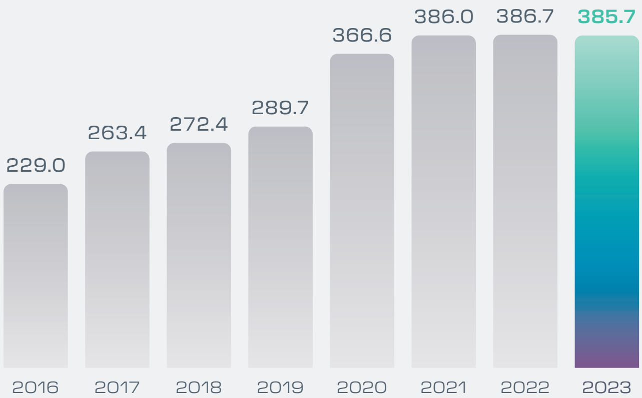
8TH YEAR
granting a scholarship through the Jan Pentland foundation

59%
WOMEN IN
frontline operational management roles

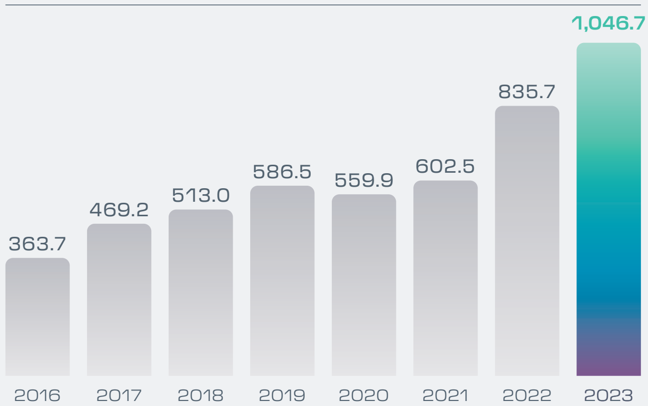
$12.7B
IN FACE VALUE
of receivables globally

2,000 KG
OF E-WASTE RECYCLED
from our Australian offices

POST-TAX OPERATING CASH FLOW ($M)



INCOME GENERATING ASSETS ($M)



2. Payment times to small business suppliers as reported under the Payment Times Reporting Scheme for the six months to 31 December 2022.

ABOUT US

Our purpose

This is why we're here

To empower our customers by providing genuine and affordable solutions as a pathway to increased financial inclusion.

Our goal

This is what we want to be

To be the leading global provider of responsible financial services in the credit-impaired consumer segment.

Our strategy

This is how we get there

Superior analytics

Our businesses succeed through effectively pricing investments and managing risk.

We objectively analyse large volumes of data to ensure we deliver an acceptable return on our investments using analytics, technology and systems to develop an in-depth understanding of our customers and efficiently allocate our resources.

Operational excellence

We create business outcomes by communicating with our customers.

Our ability to communicate effectively requires exceptional operational performance.

We combine analytics and technology with skilled and motivated people to achieve outstanding results.

Responsibility and compliance

The community has high expectations of financial services providers that go beyond minimum legal requirements.

We are committed to meeting these expectations to ensure the success of our business and to protect our clients and other stakeholders.

We take pride in providing our customers with genuine and affordable financial solutions tailored to their needs.

Our values

This is what we believe in

Our values describe how we behave and are apparent in everything we do.

DISCIPLINE
Doing the right thing

Doing the right thing means having an ethical and controlled approach to everything we do.

ACCOUNTABILITY
Making it happen

Making it happen is all about delivering the right results by taking responsibility for setting targets and measuring outcomes.

TRANSPARENCY
Being open and honest

Transparency means being open and honest in all that we do, drawing attention to challenges and problems in our business, so that we can overcome them.

Entrepreneurship and organic expansion

Our strong core business and industry leadership is a platform for organic expansion.

Multiple sources of growth give us the opportunity to continue to invest in our ongoing success without compromising our overall rate of return.

We are considered in our approach to growth, developing test models and establishing pilot operations before launching new products or entering new markets.

We constantly monitor performance against our expectations and adopt a patient and iterative approach towards ultimate success.

Our history
This is how we grew

1985
Credit Corp undertakes the first debt sale transaction in Australia

2000
Credit Corp is listed on the ASX on 4 September 2000

2009
Credit Corp partners with Kildonan Uniting Care

2010
Credit Corp opens its offshore call centre in Manila, Philippines

2011
Credit Corp launches its consumer lending business

2012
Credit Corp commences US operations

2014
The Wallet Wizard brand is created, offering the lowest-cost and most responsible option for customers in the credit-impaired consumer segment

2015
Credit Corp enters the S&P ASX200 index

2018
Credit Corp achieves 10 years of consecutive double digit growth, averaging 27 per cent per annum, and an inaugural profit from its US debt buying operation

2019
The acquisition of Baycorp increases Credit Corp's commitment to collection services operations

A second US collection centre opens in Washington State

2021
Launch of Credit Corp's first Reconciliation Action Plan

Completion of the largest single purchased debt ledger transaction in Australian history with the acquisition of the Collection House book

2022
Credit Corp acquires the Radio Rentals appliance leasing business from Thorn Group Limited

2023
US operational headcount grows by almost 60% positioning the segment for growth

Credit Corp acquires Collection House Limited, creating one of the largest collection services businesses in Australia and New Zealand

Our performance
This is what we have achieved

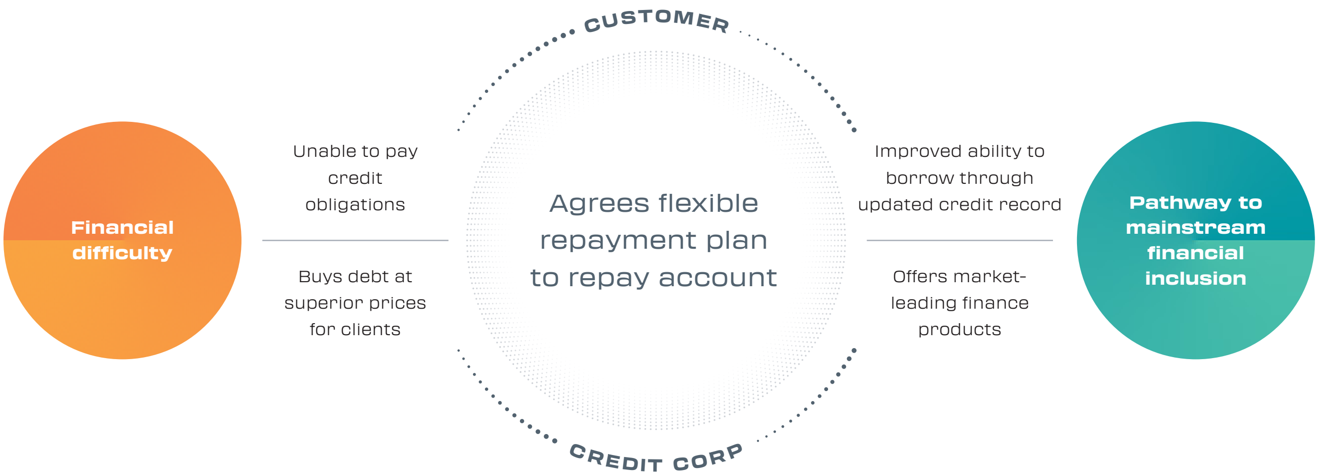
For information on our operational performance

READ OUR REVIEW OF OPERATIONS

OUR BUSINESS

CREDIT CORP IS AUSTRALIA'S LARGEST PROVIDER OF RESPONSIBLE FINANCIAL SERVICES TO THE CREDIT-IMPAIRED CONSUMER SEGMENT.

We specialise in working with our customers and providing responsible financial solutions as a pathway to mainstream financial inclusion.

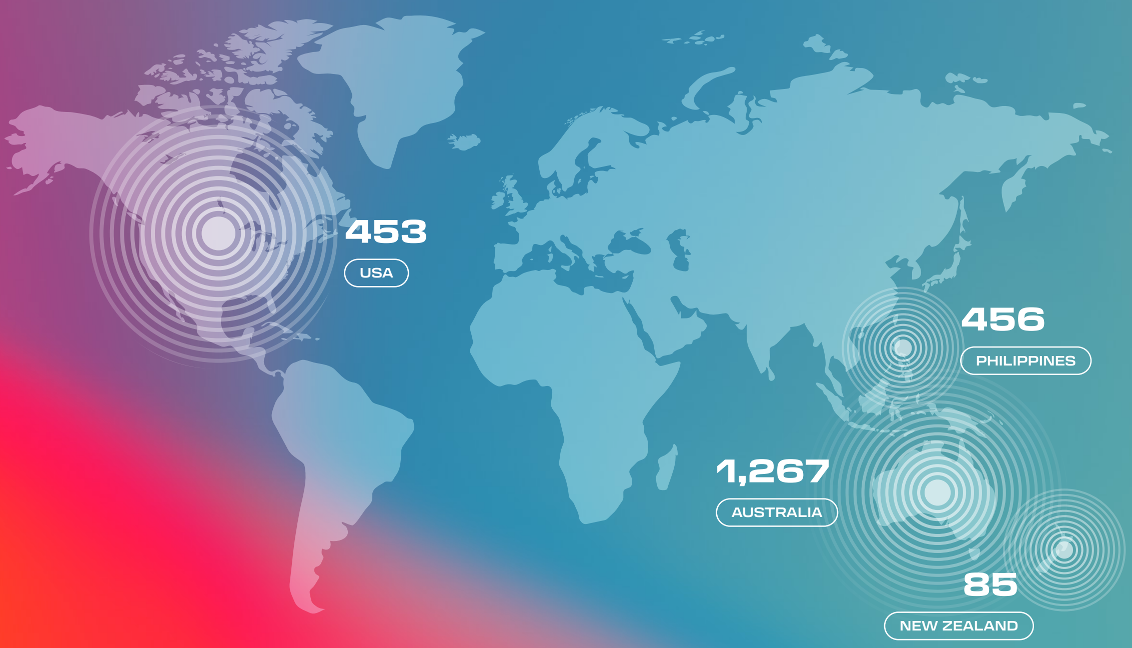


Our market is comprised of people who have had trouble with credit. Most consumers in our segment have either defaulted on a previous credit obligation or do not have a stable earnings history. These consumers are excluded from the sorts of readily available finance provided by mainstream lenders that many people in society take for granted.

2,261 Employees globally

68,400 HOURS training delivered

$12.7B IN FACE VALUE of receivables globally



62% FEMALE EMPLOYEES

38% MALE EMPLOYEES

CREDIT CORP HAS THREE KEY BUSINESSES

Debt Buying & Collection

In our debt buying business, across Australia, New Zealand and the US, we work with consumers who have found themselves in default of their credit obligations. We engage with our customers to create affordable repayment plans as a pathway to debt relief and mainstream financial inclusion.

Our clients are the major banking, finance, telecommunications and utility providers. We buy defaulted consumer debts from these clients. We look to provide our clients with the highest prices possible, while ensuring we will be able to produce an acceptable return on our outlay.

We then work with our newly acquired customers to agree flexible repayment plans to suit their individual circumstances. The debts we acquire are generally at least six months in arrears and have already been through a collection process both in-house with the credit issuer and with external service providers.

Our clients are looking to realise an immediate return on these defaulted debts while relieving themselves of the costs of the collection process. They also want assurance that their former customers will be treated with understanding and respect in accordance with relevant laws and standards.

Credit Corp has a strong compliance record and reputation as a responsible service provider. We have one of the lowest rates of external dispute resolution complaints in the industry and we work closely with regulators, consumer advocates and financial counsellors to ensure continual improvement in our approach.

Over the last 10 years we have grown the US business and it is now one of the top seven debt buyers in that market, providing a platform for growth into the future. To service the increased investment, our resourcing has expanded beyond our offices in Utah and Washington State, with the addition of a third virtual operation in North Carolina and the commencement of an offshore workforce from the Philippines.

Collection Services

Credit Corp also offers collection services to its clients who wish to outsource collection of debt prior to any decision to undertake debt sale. Credit Corp operates one of the largest agency businesses across Australia and New Zealand under National Credit Management Limited (NCML), Baycorp and most recently Collection House Limited, acquired in 2022.

The collection services business operates from locations in Australia, New Zealand and the Philippines.

Our client base ranges from large corporate organisations and government departments through to small and medium sized businesses.

CREDIT CORP HAS HELPED MORE THAN 307,000 CONSUMERS AVOID HIGHER COST PRODUCTS THROUGH OUR MARKET-LEADING ALTERNATIVES.

Lending

In our consumer lending business, we provide one of the lowest cost and most responsible loan products to consumers who have limited borrowing alternatives. Our innovative products are among the most economical and flexible offerings in our segment of the market.

Our aim is to assist consumers in a responsible way. All of Credit Corp's products feature interest and fee rates below the caps applicable to mainstream consumer lending. To date, Credit Corp has helped more than 307,000 consumers avoid higher cost and unsustainable products through our market-leading alternatives.

In developing our affordable and flexible loans, we have been able to leverage Credit Corp's leading position in analytics, technology and customer interaction.

This has reduced our costs and resulted in one of the most automated, accurate and responsible lending processes in the industry. Credit Corp's superior collections platform ensures that credit losses are efficiently minimised.

The attractiveness of our loan products is apparent in the growth of new customers and our high retention rate. Suppliers and other stakeholders have appreciated our role in helping customers avoid other high-cost products in the market.

In Australia, our loan products are delivered under a portfolio of brands, including CarStart and Wallet Wizard, which is also offered in New Zealand.

During 2023, we started a pilot for a product aimed at meeting the needs of customers as they improve their credit standing, which includes an interest-free digital credit card with the option of a separate line of credit. While it is in the early stages, we are optimistic about the growth potential of this pilot.

CHAIR'S REPORT

CREATING OPPORTUNITY ENCAPSULATES CREDIT CORP'S APPROACH TO GENERATING LONG-TERM VALUE.

It means having the strategies and flexibility to maintain performance while laying the foundations for new sources of growth, regardless of external conditions. It is about a relentless focus on providing customers with responsible pathways to resolve existing credit obligations and gain access to uniquely affordable personal finance. Despite adverse conditions, I am pleased to report that Credit Corp continued to create opportunity in 2023.

The backdrop to Credit Corp's 2023 performance was the strategic diversification of Credit Corp led by the board and management over many years. Each year the Company's leadership has evaluated its strategic position, assessed the alternatives for growth and made commitments to develop and expand new businesses. The acquisition of Collection House Limited during the year created one of the largest collection services businesses in Australia and New Zealand, bringing in some large and growing clients. Strategic resolve and the flexibility to respond to changing external conditions has combined with disciplined execution to create three businesses which are leaders in their respective markets.

Navigating challenging conditions

Each of Credit Corp's businesses confronted challenging conditions in 2023. Credit Corp navigated these conditions to post a solid earnings result, while continuing to develop opportunities for growth into the future.

Sale volumes in the core Australian and New Zealand debt buying market remained very low, producing a marked contraction in purchasing and collections. The US debt buying business confronted a significant lift in volumes under existing contractual purchasing arrangements and Credit Corp was required to rapidly expand collection capacity in a very tight labour market. The Australian lending business experienced increased demand at a time when economic indicators suggested that consumers may confront financial headwinds in the period ahead.

The challenge for the Australian and New Zealand debt buying business was to limit the impact of declining collections on segment profits. It was important that this was executed carefully, so as to maintain standards and preserve the ability to expand should conditions recover. As such, use of automation and digital collection capabilities developed over recent years was increased. Teams of people were also redeployed into overnight shifts to assist in producing returns from elevated US purchasing. The acquisition of Collection House also provided further opportunities to redeploy personnel from the debt buying business.

Notwithstanding the challenges faced over 2023, the Company continued to invest in creating opportunities for future growth. Investments were made in enhancing automation and digital collections within the debt buying businesses. An exciting digital credit card pilot was launched, adding to Credit Corp's suite of offerings and expanding its addressable market.

Maintaining focus on customers

At the same time as delivering on the earnings commitment made to shareholders at the start of the year, and continuing to lay the foundations for future growth, Credit Corp maintained its focus on providing customers with responsible solutions. The company established over 261,000 affordable repayment plans with customers and continued to provide consumers with amongst the cheapest and most responsible cash loans available in the credit-impaired consumer finance market. Credit Corp again produced one of the lowest rates of external ombudsman and regulatory complaints in its segments of the market.

Positive culture

Delivering to expectation across a range of conditions requires a positive culture. The values of transparency, accountability and discipline define the culture at Credit Corp. Transparency to honestly appraise business prospects, identify shortcomings and set a plan of action. Accountability to embrace challenging goals. Discipline to follow through with the right execution to deliver long-term outcomes. It is the day-to-day application of these values by Credit Corp's people that underpins the actions and outcomes that are creating opportunity.

OUR VALUES UNDERPIN THE ACTIONS AND OUTCOMES THAT ARE CREATING OPPORTUNITY.

As part of maintaining a positive culture, Credit Corp has undertaken a carefully managed process of board renewal over recent years. During 2023, two proven leaders in consumer finance were appointed as non-executive directors. As part of this process Richard Thomas retired from the board after more than 16 years of exemplary service to the Company. Richard held the role of acting Chair of Credit Corp during a critical inflection point for Credit Corp and laid the foundations for the Company's success over subsequent years. I thank Richard for his important contribution.

I also thank my fellow Directors, our CEO Thomas Beregi and his management team for their leadership of Credit Corp. On behalf of the Board and shareholders, I thank all employees for their ongoing commitment, effort and dedication to Credit Corp.

ERIC DODD
Chair

CEO'S REPORT

AT CREDIT CORP, CREATING OPPORTUNITY IS ABOUT DEVELOPING COMPETITIVE BUSINESSES CAPABLE OF GENERATING LONG-TERM GROWTH ACROSS A RANGE OF EXTERNAL CONDITIONS.

While the focus must always be on the long-term, performance will always be assessed at a point in time which necessitates a balance with short-term outcomes.

In 2023 we created long-term opportunity while managing short-term performance to within the guidance range set at the start of the year. We continued to invest in business improvement, expansion and new products while producing a Net Profit after Tax of $91.3 million representing a fall of five per cent over the prior year.

Creating opportunity from the core

Credit Corp's approach is to grow by realising opportunities to leverage strengths developed in our core business of Australian and New Zealand debt buying. We have been a clear leader in this market for many years. Collections, profits and returns on equity have consistently exceeded those of competitors. In establishing our position we have built strengths in data analytics to support disciplined risk management, operational excellence as a source of competitive advantage and control to ensure respectful and responsible collection practices of prime importance to our clients and other stakeholders.

Despite the core business facing headwinds arising from reduced purchased debt ledger (PDL) supply, it has remained critical that we continue to invest in developing our advantage. This is not only necessary to ensure we maximise the benefits of a recovery in Australia and New Zealand PDL supply, but also because the business serves as an important test-bed and source of resources to support the competitiveness of Credit Corp's other segments.

In 2023 we made significant investments in a range of technologies targeted at improving the efficiency, effectiveness and compliance of our collection operations. These included enhanced calling and scheduling automation, improved digital communication capabilities and the ongoing deployment of speech analytics. Each of these enhanced tools were combined with analytical capabilities to build a platform for ongoing improvement. As these enhancements are optimised they will be progressively introduced to the US debt buying and Australian consumer lending segments.

The core business has been an important source of talent to support other business. During 2023, some 95 people were transferred to other business segments. This included some key personnel taking on new leadership opportunities as well as the creation of new teams to support US expansion and growth in collection services.

During the year we continued our expansion into the collection services segment through the acquisition of Collection House Limited. In prior years we completed the purchase of Collection House's PDLs and in the current year we acquired the legal entity, including the remaining collection services operations, from the administrator. The acquisition has significantly increased the size of Credit Corp's collection services operations and has provided a renewed platform for growth in this segment of the debt collection market.

Creating opportunity in the US

US debt buying represents a substantial growth opportunity. The US market is more than 15 times larger than that of Australia and New Zealand. It is also growing considerably faster and has begun to exhibit more favourable pricing as supply continues to increase at a time when demand from buyers has weakened due to higher funding costs and more limited access to capital. Credit Corp is now an established operator, having secured purchases from almost all of the major US sellers of PDLs.

In 2023 we took several steps to improve our performance and competitiveness in the US, growing our collections workforce by almost 60 per cent. This included an exciting new virtual site in North Carolina and the commencement of an offshore workforce in the Philippines. We also enhanced our use of automation and digital collections, while expanding our legal collection channel. Credit Corp is in a strong position to secure increased share in this market.

Creating opportunity for consumers

Across all of Credit Corp's activities the focus is on creating opportunity for consumers. In our debt buying and collection services businesses our objective is to work with customers to resolve their credit obligations. We do this through flexibility and understanding, with a view to agreeing affordable repayment plans that can be adjusted as circumstances change.

In our lending business we create opportunity by providing responsible and affordable loans to consumers whose only alternatives are significantly more expensive. Our lending customers directly choose to start a relationship with Credit Corp, so we need to meet all their requirements. In addition to being competitive and affordable we need to be timely and responsive.

Our customers continue to reward us for meeting their expectations. Lending volumes increased during 2023. During the year we reached an important milestone, serving our 300,000th customer. While many customers will repay a significant portion of their loan and then return to re-draw, many others will borrow once and not return.

Wallet Wizard is a well-known and trusted brand delivering responsible and affordable financial inclusion to customers who are excluded from access to credit from mainstream issuers. As customers, however, improve their credit records over time they gain access to cheaper and more functional forms of mainstream consumer finance. The challenge for Credit Corp is to identify ways to meet the needs of these customers as they improve their credit standing.

During 2023 we commenced an important pilot with a view to developing a product capable of addressing this challenge. The pilot commenced in March 2023 under the WizIt brand and provides an interest free digital credit card with the option of a separate line of credit. The line of credit features a range of interest rates and borrowing limits linked to the credit standing of the customer. While we remain in the early stages of the pilot we have been encouraged by the results so far and are hopeful that it will assist in maintaining the strong rate of growth of the lending business into the future.

Creating opportunity for the community

For a long time Credit Corp has committed to being a responsible member of the communities within which it operates. Within our own sphere of activity we work with consumers who are suffering a degree of financial exclusion. Our objective is to improve the circumstances of our customers as a pathway to mainstream financial inclusion.

In our debt buying businesses we work with customers who have, for various reasons, found themselves in default of their credit obligations. We ensure that all customer interactions are respectful and understanding. Across all our operations we set standards of behaviour at levels well above minimum legal requirements. Our respectful culture is supported by an effective control framework to ensure we adhere to our standards. We continually monitor customer interactions, using some of the latest technologies, with a view to improving the customer experience. We seek feedback from customers, consumer groups and regulators as further sources for continuous improvement.

As a consequence of our ongoing focus we maintained market-leading complaint rates in 2023. In Australia complaints lodged with the Australian Financial Complaints Authority (AFCA) expressed as a rate per million dollars collected were 25 per cent lower than our nearest competitor. On a similar basis, in the US, complaints logged with the Consumer Financial Protection Bureau (CFPB) were 60 per cent lower than the nearest publicly listed competitor.

In our lending business we aim to responsibly deliver financial inclusion to consumers excluded from access to credit from mainstream issuers. We use technology to maximise efficiency and pass the benefit of a low cost structure onto our customers with some of the lowest pricing in the credit-impaired segment within which we operate. To ensure that our lending is responsible we assess financial capacity through an automated interrogation of verified customer data.

The strength of our approach was borne out by feedback from our customers in 2023. Our net promoter score improved to 21. Credit losses remained well within the target set despite rising costs of living.

Increasingly, Credit Corp has looked to make a contribution to society beyond its own sphere of activity. The Company has progressed its Reconciliation Action Plan, to recognise First Nations people of Australia, to the Innovate stage. We also continue to support diversity initiatives and enhance our commitment to environmental sustainability. This year's Annual Report incorporates a substantially upgraded sustainability report, including expanded reporting of Credit Corp's environmental footprint.

Opportunity ahead

Credit Corp is well-positioned to continue to perform strongly in the period ahead.

The outlook for the US debt purchasing and Australian consumer lending segments is for a year of solid profit growth. We invested heavily in the US in 2023 and have worked hard to grow and improve our operations. US PDL supply continues to increase and prices are starting to become more attractive. Similarly, we will start 2024 with a record consumer loan book.

We lengthened the duration of our borrowing facilities late in 2023 and retain substantial headroom which can be applied to any sizeable opportunities for additional investment as they arise.

In closing my report for 2023 I want to thank all of Credit Corp's 2,261 people across four countries for their ongoing commitment to Credit Corp and its values. I am excited about the prospect of working with them to meet the challenges and opportunities that lie ahead.

Thomas Beregi
Chief Executive Officer

CREDIT CORP IS WELL-POSITIONED TO CONTINUE TO PERFORM STRONGLY IN THE PERIOD AHEAD.

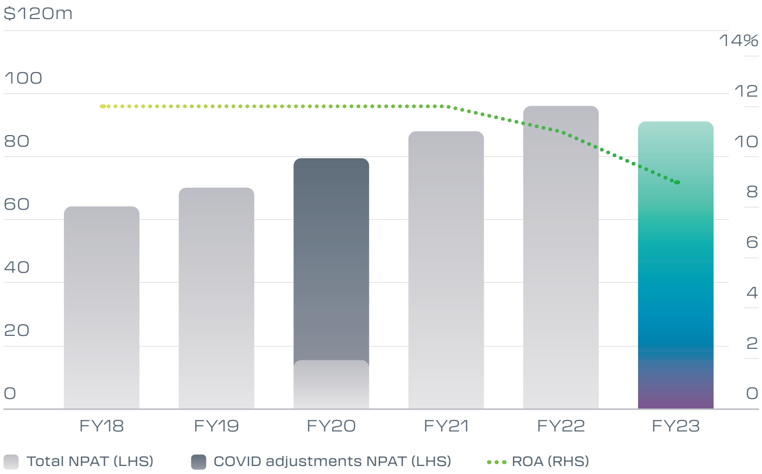
REVIEW OF OPERATIONS

Overview

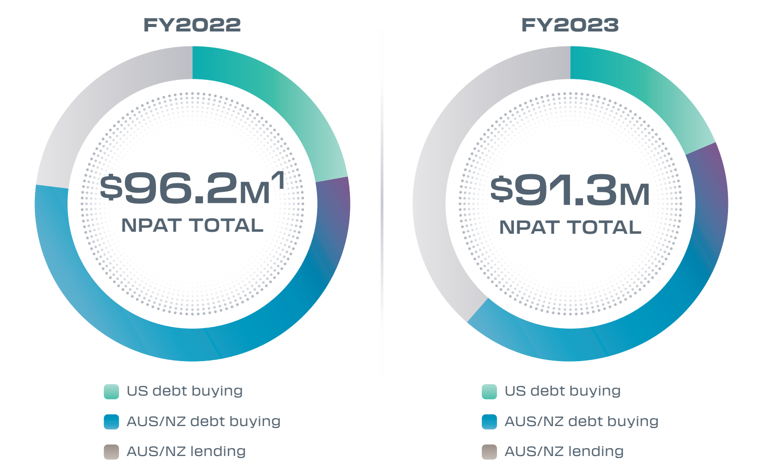
The diversification of earnings continued in FY2023. Ongoing challenging market conditions in AU/NZ debt buying and the impact of rapid headcount growth in the US resulted in diminished Net Profit after Tax (NPAT) contributions from those segments. Largely offsetting this was record NPAT from the consumer lending segment.

Overall FY23 NPAT of $91.3 million was 5 per cent lower than FY22. For the first time, earnings from the organically developed growth segments of US debt buying and consumer lending represented over half of the total Group NPAT. Both of these segments are poised for further growth in FY24.

NPAT AND RETURN ON ASSETS



SEGMENT PROFIT



1. FY22 excludes US Paycheck Protection Program receipt of an after tax $4.5 million. FY22 statutory NPAT was $100.7 million and EPS was 148.9 cents.

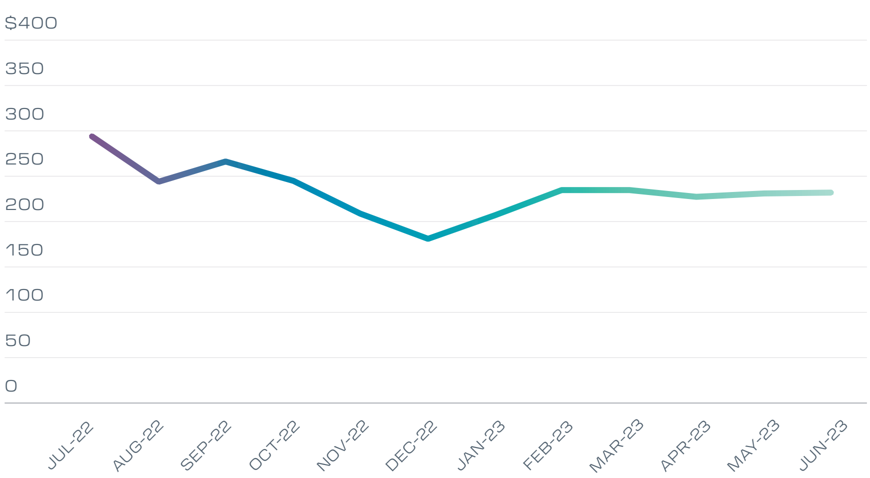
US DEBT BUYING

Strong headcount growth impacted operational performance in the first half before stabilising and producing improved second half outcomes. Collections were 14 per cent higher in the second half after being flat against the prior corresponding period in the first half. The face value of the accounts under payment arrangement, including litigated payers, grew by 25 per cent over the year.

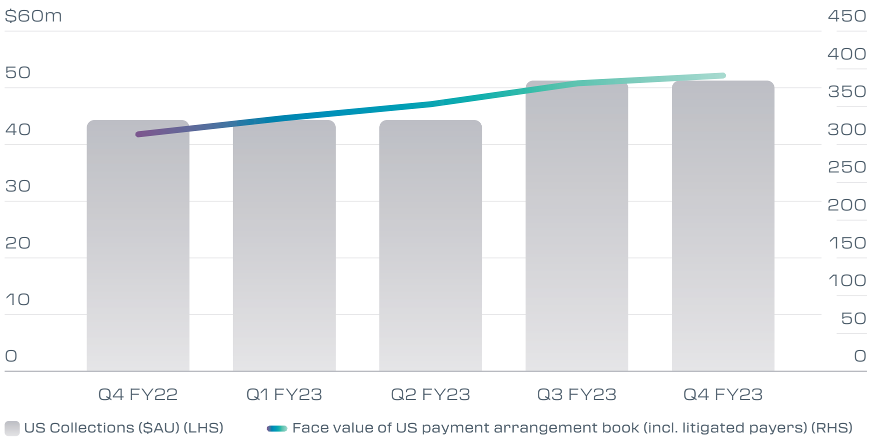
Late in the year, increased delinquency on the payment arrangement book was experienced, which may reflect a deterioration in collection conditions.

Unsecured credit balances continued to grow along with charge-off rates during the year. These favourable conditions eventually resulted in reduced pricing in some market segments late in the year. This allowed an investment pipeline of A$70 million for FY24 to be secured. Further investment will be dependent on market pricing appropriately reflecting observed collection conditions.

US PRODUCTIVITY PER HOUR (A$)



US COLLECTIONS AND ARRANGEMENT BOOK (A$M)



REVIEW OF OPERATIONS
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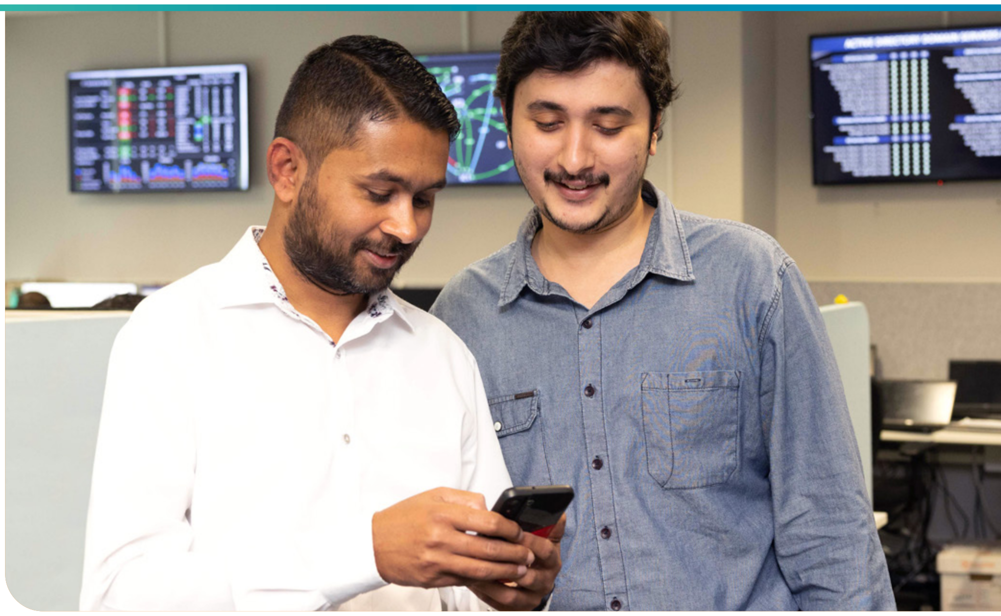


AU/NZ DEBT BUYING

Market volumes continue to be modest. This is due to both unsecured credit balances remaining significantly lower than pre-pandemic levels as well as major bank customer remediations. The constrained market meant that ledger investment was below replacement levels and the book ran-off during FY23.

The collection services segment was bolstered by the acquisition of Collection House during the year, significantly increasing its revenue and client base. As debt buying headcount has reduced in line with investment, some staff have been redeployed within the expanded collection services segment.

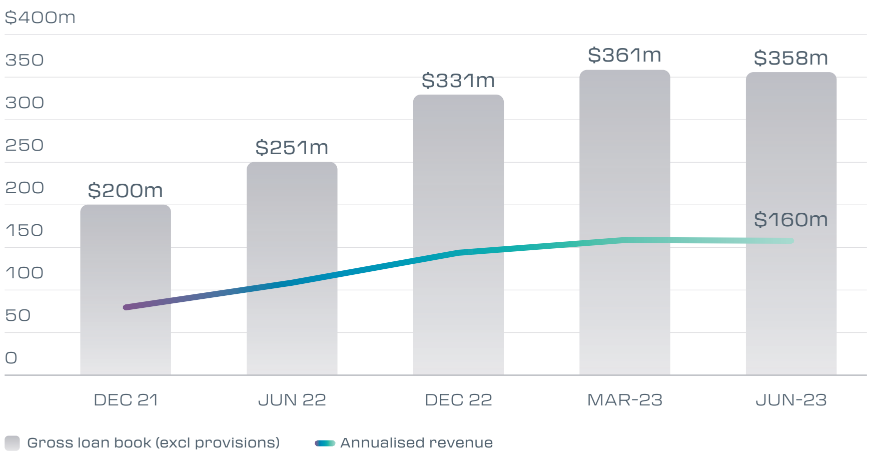
CONSUMER LENDING

The strong demand for the Wallet Wizard product in FY22 continued in FY23 as consumers re-leveraged post-pandemic. This resulted in a record FY23 closing book of $358 million. This starting book will result in strong consumer lending segment earnings growth in FY24.

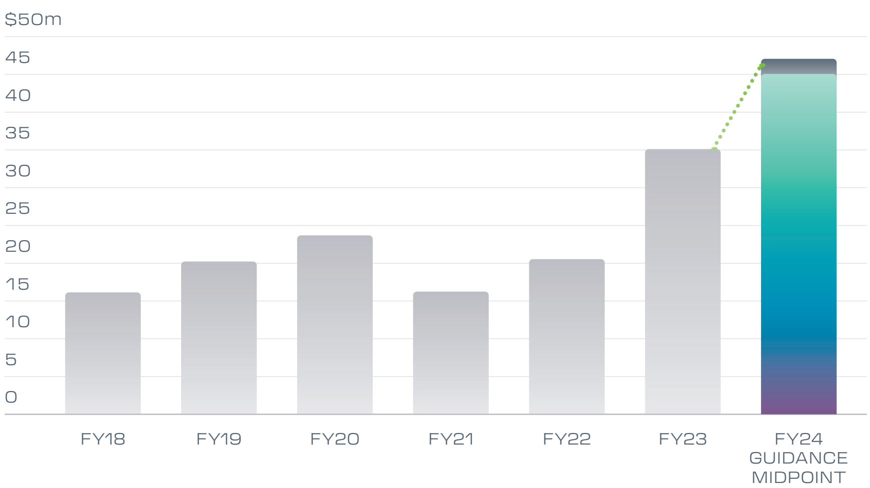
Arrears and losses have increased but remain within pro-forma. In response, credit risk settings have been tightened and the life-of-loan loss provision maintained at a level 300 basis points in excess of the loss pro-forma. If economic conditions deteriorate, the short duration of the book should mitigate the risk of excess losses.

Consistent with maintaining the short duration of the book in the current environment, auto lending volumes continue to be rationed.

CONSUMER LENDING BOOK AND ANNUALISED REVENUE



CONSUMER LENDING NPAT

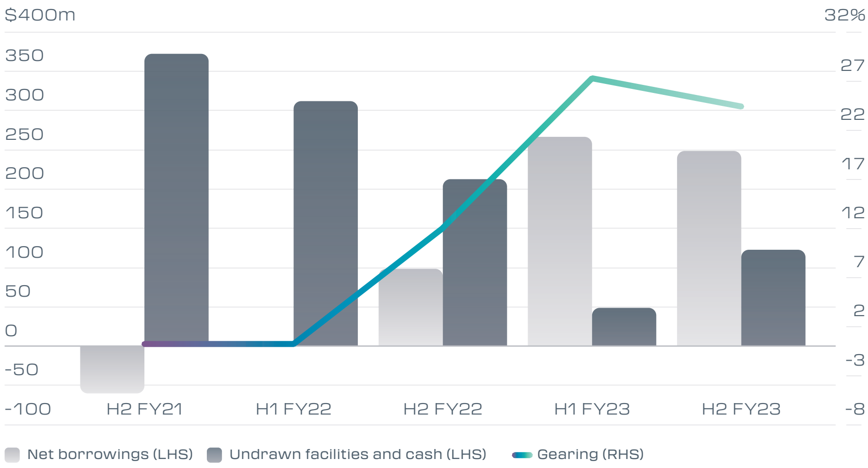


CAPITAL MANAGEMENT

The syndicated banking facility was rolled over until June 2026. Together with the consumer lending warehouse, which was increased and extended during the year, there are total facilities of $372 million with strong tenor.

Investment levels are expected to moderate in FY24, producing significant free cash flow and increasing capital headroom. This is important strategically as the uncertain economic outlook may result in one-off investment opportunities arising.

GEARING AND CASH FACILITIES



OUTLOOK

Initial expectations for FY24 NPAT are for growth of 4 per cent at the mid-point and 10 per cent at the top of the range of $90 to $100 million. This embeds an expectation that the core AU/NZ debt buying segment continues to run-off and these reduced earnings are offset by growth in NPAT from consumer lending and US debt buying.

NPAT BY SEGMENT

BOARD OF DIRECTORS

Eric Dodd

Chair, Non-Executive Director

Appointed:
Appointed as a Non-Executive Director in July 2009 and Chair on 4 February 2021

Board Committees:
- Chair of the Nomination Committee
- Member of the Audit & Risk Committee
- Member of the Remuneration & HR Committee

Skills and experience:
Eric has more than 45 years experience in the insurance, finance, banking and healthcare sectors. Eric previously held the position of CEO of Insurance Australia Group, and Director and CEO of MBF Australia Limited for a six-year period, before being appointed as Managing Director of the combined organisation when MBF merged with BUPA Australia in June 2008. Eric is also a past Managing Director and CEO of NRMA Insurance Limited, and has held a number of senior positions within the financial services industry.

Directorships and other current appointments:
Currently, Eric is Chair of First American Title Insurance Company of Australia Pty Limited and Chair of Integrity Insurance Group.

Qualifications:
Eric holds a Bachelor of Economics, is a Fellow of the Institute of Chartered Accountants Australia and New Zealand, and a Fellow of the Australian Institute of Company Directors.

Thomas Beregi

Managing Director and CEO

Appointed:
March 2023

Board Committees:
- Nil

Skills and experience:
Thomas joined Credit Corp as Chief Financial Officer in September 2007, before being appointed to his current role as Chief Executive Officer in October 2008. Prior to joining Credit Corp, he was the Chief Operating Officer of real estate services firm Jones Lang LaSalle Australia. Thomas has previously held senior finance and operational positions with multi-national consumer goods companies Diageo plc and PepsiCo Inc. Thomas was appointed as a Company Secretary in September 2007.

Directorships and other current appointments:
- Nil

Qualifications:
Thomas holds a Bachelor of Economics and a Bachelor of Law, is a Certified Practising Accountant and a Graduate Member of the Australian Institute of Company Directors.

Leslie Martin

Non-Executive Director

Appointed:
March 2014

Board Committees:
- Member of the Audit & Risk Committee

Skills and experience:
Leslie has 30 years experience in commercial banking in several countries and is a specialist in payments and corporate cash management. She has been in the start-up phase of businesses with Chase Manhattan (now JP Morgan Chase) in New York and Hong Kong. She joined Westpac in 1994 as a General Manager to establish its transaction banking capability and later led the Working Capital Services business at the Commonwealth Bank.

Directorships and other current appointments:
Currently, Leslie is a Director of IMA Asia, an independent economics advisory firm, and acts on the advisory boards of two technology start-up companies. She has held board positions with subsidiaries of the Commonwealth Bank and a variety of payment industry bodies.

Qualifications:
Leslie holds a Bachelor of Arts and a Master of Business Administration, and is a Fellow of the Australian Institute of Company Directors.

Trudy Vonhoff

Non-Executive Director

Appointed:
September 2019

Board Committees:
- Chair of the Remuneration & HR Committee

Skills and experience:
Trudy is an experienced Non-Executive Director and has over 25 years experience in retail and business banking, corporate banking, financial markets and strategy. Past executive roles include General Manager, Operations and General Manager of Commercial and Agribusiness Banking for Westpac Banking Corporation and Chief Financial Officer of AMP Bank Limited.

Directorships and other current appointments:
Trudy currently serves as a Director and Chair of the Audit & Risk Committee of Iress Limited (ASX:IRE); Director and Chair of the Risk Committee for Cuscal Limited; and Director of Australian Cane Farms Limited. Previous board roles include Non-Executive Director of AMP Bank Limited, Cabcharge Australia (ASX: A2B), Ruralco Holdings (ASX:RHL) and Tennis NSW.

Qualifications:
Trudy holds a Bachelor of Business (Hons) and a Master of Business Administration, and completed Executive Development courses at Harvard Business School. She is a Graduate Member of the Australian Institute of Company Directors and a Senior Fellow of FINSIA.

THE CREDIT CORP BOARD OF DIRECTORS IS COMMITTED TO STRONG CORPORATE GOVERNANCE POLICIES AND PRACTICES, AND GUIDES THE BUSINESS AND AFFAIRS OF THE GROUP ON BEHALF OF SHAREHOLDERS.

Phillip Aris

Non-Executive Director

Appointed:
July 2021

Board Committees:
- Member of the Nomination Committee
- Member of the Remuneration & HR Committee

Skills and experience:
Phillip brings extensive senior executive and board experience across a range of roles within the financial services and technology sectors in Australia, the United Kingdom and Asia. Past executive roles include Head of Credit Cards for Commonwealth Bank, Chief Executive Officer of CountPlus Limited, and Regional Head of Strategy & Business Development for Thorn-EMI Asia Pacific, working across Australia, the UK and Hong Kong.

Directorships and other current appointments:
Currently, Phillip is Non-Executive Chair of XPON Technologies Group Limited.

Qualifications:
Phillip holds a Bachelor of Economics and a Master of Management.

James M. Millar AM

Non-Executive Director

Appointed:
December 2021

Board Committees:
- Chair of the Audit & Risk Committee

Skills and experience:
James brings extensive senior leadership experience to the Credit Corp Board from both his professional services and Non-Executive Director careers. He has had a distinguished professional services career, initially in corporate reconstruction, culminating in his role as Chief Executive Officer of the Oceania Region for EY and serving the firm's global operations.

Directorships and other current appointments:
James is currently a Director and Chair of the Audit, Risk and Compliance Committee of Mirvac Limited (ASX:MGR). He is also the Chair of Export Finance Australia and The Vincent Fairfax Family Foundation. He has previously served on the boards of Slater and Gordon, Fairfax Media, Macquarie Media, Helloworld, Fantastic Furniture and the Forestry Corporation of NSW.

Qualifications:
James holds a Bachelor of Commerce, is a retired Fellow of the Institute of Chartered Accountants Australia and New Zealand, and is a Fellow of the Australian Institute of Company Directors.

Lyn McGrath

Non-Executive Director

Appointed:
January 2023

Board Committees:
- Member of the Audit & Risk Committee
- Member of the Nomination Committee

Skills and experience:
Lyn has had a long and successful executive career in financial services culminating in her role as Group Executive Retail Banking at BOQ responsible for both the BOQ Retail Bank and the Virgin Money Australia Digital Bank. Prior to BOQ, Lyn was at Commonwealth Bank for almost 12 years, including Executive General Manager roles leading retail banking distribution and the wealth advice business.

Directorships and other current appointments:
Lyn is currently a Director of Auswide Bank Ltd (ASX:ABA), a Director of Challenger Bank Ltd, a Director and Chair of the Audit and Risk Committee of the Australian Digital Health Agency, as well as Chair of TogetherAI Pty Ltd, a mental health technology platform.

Qualifications:
Lyn holds a Bachelor of Arts and a Master of Business Administration. She is a Graduate of the Australian Institute of Company Directors, a Senior Fellow of FINSIA, a Vincent Fairfax Fellow in Ethical Leadership and a member of Chief Executive Women.

Brad Cooper

Non-Executive Director

Appointed:
April 2023

Board Committees:
- Member of the Remuneration & HR Committee
- Member of the Audit & Risk Committee

Skills and experience:
Brad has had a successful executive career in financial services, serving as CEO of BT Financial Group for almost a decade to 2019 and was formerly CEO of Westpac New Zealand Limited, appointed in 2007. Prior to this, Brad had a long career at the then GE Consumer Finance businesses in Australia and the UK and Ireland, becoming Managing Director of Consumer Finance in each region, as well as serving as CEO of GE Money and as Chair of GE Capital Bank in the UK.

Qualifications:
Brad has a Master of Business Administration from the Macquarie Graduate School of Management.

38%

Female directors

Our Board is a strong, diverse team, which enables it to guide the strategic management of the Company and ensure that controls are in place to meet standards of performance set by shareholders, clients and the community.

SENIOR MANAGEMENT TEAM

THOMAS BEREGI
Chief Executive Officer

16 years with Credit Corp

Priorities:

Thomas is responsible for leading the Credit Corp business, providing strategic leadership and execution to deliver solid long-term growth and strong returns on invested capital.

Experience:

Thomas joined Credit Corp in 2007 as Chief Financial Officer before being appointed Chief Executive Officer in 2008. Prior to Credit Corp, Thomas held senior finance and operational roles in organisations such as Jones Lang LaSalle, Diageo and Pepsico.

MATT ANGELL
Chief Operating Officer

17 years with Credit Corp

Priorities:

Matt is responsible for oversight of the revenue generating businesses of Credit Corp across all geographies. He is committed to delivering on the revenue and profit objectives of the Group each year, whilst also overseeing the execution of strategic priorities that will drive growth into the future.

Experience:

Matt has over 25 years of management experience and prior to joining Credit Corp, ran software development and consulting teams in Australia and the USA.

MICHAEL EADIE
Chief Financial Officer

14 years with Credit Corp

Priorities:

Michael is accountable for the financial management of Credit Corp, including ASX reporting, forecasting, taxation, treasury and capital management. Alongside the CEO and COO, he is responsible for the strategic planning and execution that has underpinned the growth and diversification of Company earnings over the last decade.

Experience:

Michael joined Credit Corp in 2009 as Financial Controller before becoming Chief Financial Officer in 2010. Prior to joining Credit Corp, Michael held a variety of senior roles in leading financial services companies, including 10 years at Macquarie Bank. These roles were primarily commercially focused, supporting the financial management and capital allocation decisions of operating divisions.

CHRISTOPHER MIDLAM
Head of Client Services

16 years with Credit Corp

Priorities:

Chris is responsible for key client relationships and business development for debt buying and collection services. His priorities are maintaining strong client relationships with Credit Corp's existing client base whilst exploring and developing future growth opportunities.

Experience:

Chris joined Credit Corp in 2007 and has held a number of senior roles across the group's front line operation as well as support services. Prior to joining Credit Corp, Chris headed up the service and sales division of Citizen Australia.

OUR PEOPLE ARE THE CORNERSTONE OF OUR SUCCESS AND WE ARE COMMITTED TO PROVIDING THEM WITH THE ABILITY TO SUCCEED IN THEIR ROLES AND DEVELOP THEIR CAREERS.

TIM CULLEN
Chief Information Officer

9 years with Credit Corp

Priorities:

Tim is responsible for information technology, security (including cyber, fraud and physical security), business continuity, client administration and facilities for the Credit Corp Group.

His priorities are to improve and deliver operational excellence, customer experience and drive competitive advantage through automation, digitisation and smart technologies.

Experience:

Tim has more than 30 years experience in technology and financial services. Prior to joining Credit Corp, Tim held roles at NAB and MLC leading their direct channels, digital and eSecurity business as well as leading technology functions in the retail bank.

STEPHANIE PALMER
Chief People Officer

7 years with Credit Corp

Priorities:

Stephanie is responsible for Group HR, ensuring equitable and engaging people processes are established in all business units globally. Her priorities are the attraction and retention of staff, as well as creating interesting career pathways and developing internal talent to support the Company's growth in new markets and geographies.

Experience:

Stephanie has 25 years experience in HR, predominantly with an international remit. Prior to joining Credit Corp, Stephanie was with Peugeot Citroen in the UK and Paris for 13 years, ultimately becoming HR Director for the UK, Ireland and Scandinavia.

DAVID BRAND
Head of Marketing

9 years with Credit Corp

PRIORITIES:

David is responsible for the development and implementation of the marketing strategy for Credit Corp's lending operations.

Experience:

David brings extensive senior marketing experience across a variety of sectors. Past executive roles include senior appointments in fast moving consumer goods, alcoholic beverages, consumer electronics and quick service restaurants.

MARTIN WU
Chief Analytics Officer

9 years with Credit Corp

Priorities:

Martin manages a team responsible for the forecasting, analytics and data reporting that underscores decision-making for debt buying and lending operations across the Group. His focus is on enhancing and embedding advanced analytics capabilities into business processes to inform strategy and execution.

Experience:

Martin has more than 20 years experience in debt buying, consumer lending, general insurance, and actuarial consulting environments. Prior to joining Credit Corp, Martin held a number of roles with PricewaterhouseCoopers and Suncorp, responsible for claims valuation, pricing, core-banking model validation, and financial modelling.

CUSTOMER STORIES

EVERY CUSTOMER HAS A STORY
CREDIT CORP LISTENS

Meet Anton | AUS

Anton had gone through a difficult period in his life following concerns with his daughter's health, and his circumstances unexpectedly worsened shortly afterwards when his family home was impacted by natural disaster. Overwhelmed by accumulating bills and circumstance, Anton wanted to find a financial solution but was apprehensive about discussing his finances with Credit Corp.

Lourdes reached out to Anton and reassured him that they would work together to resolve his debt. After building rapport over time, Anton felt comfortable sharing his story with Lourdes. Together they tailored a solution to his circumstances and agreed on an affordable repayment option that gave Anton peace of mind.

"Every conversation with Lourdes has been absolutely wonderful, she was always very kind and accommodating.

When you're discussing debt, it's not usually a comfortable conversation to have, but she really took the time to listen to my situation and sympathise. It was very reassuring."

Meet Julie | AUS

Julie was going through a difficult time following the sudden death of her husband. Struggling to cope with loss, she found it very difficult to meet her usual obligations and even stopped opening her mail.

Stevie reached out to Julie to better understand her circumstances. Overwhelmed, Julie shared her story, expressing concern about her credit file. Stevie responded with compassion to ensure Julie felt supported, and reassured her that they would work together to resolve the matter.

Stevie addressed Julie's concerns and discussed some flexible repayment solutions for her to consider. Together they tailored a financial solution, which enabled Julie to repay the debt soon after.

"I cannot speak highly enough of Stevie. I have never been treated with such respect by another human being. Stevie has renewed my faith in people. I am so very grateful."

Meet Meg | USA

Meg's brother unexpectedly lost his job during COVID and was at risk of losing his family home. It was then that Meg made the difficult decision to fall behind on her own bills, taking over her brother's mortgage repayments until he was back on his feet.

When Ruth contacted Meg to discuss her debt, Meg was immediately thankful. She explained that she put aside her goal of buying her own home to assist her brother and his family, and was now concerned that her outstanding account would make it impossible to reach this goal.

Ruth listened patiently and offered a variety of repayment solutions. Together they agreed on an affordable repayment arrangement that empowered Meg to manage her debt and get back on track financially.

"Ruth was amazing. I am so grateful and appreciative of what Credit Corp has done to help me. I really thought after helping my family that my credit was done.

Since I'm trying to purchase a home, I've needed to work on getting my credit to where it should be, so I am very thankful that you called me to help."

*Some names and identifying details have been changed to protect the privacy of individuals.

EMPLOYEE STORIES

PROVIDING OUR EMPLOYEES WITH OPPORTUNITIES TO ACHIEVE THEIR CAREER ASPIRATIONS

Meet Jess | AUS

Jess joined Credit Corp in 2015 as a Lending Customer Service Officer, looking for a change of pace after working as a leisure centre attendant. Since then she has worked in a variety of roles across the lending team.

Building on the support and encouragement from her managers and team, and following completion of IGNITE, one of Credit Corp's career pathway training programs, Jess was promoted to a Team Performance Manager where she was responsible for on-boarding and training a number of lending customer service and verification staff.

Jess's determination to focus on building her technical skills and knowledge as a manager has given her the confidence to take on her most recent role as a Lending Business Analyst.

"Credit Corp really offers a unique environment that encourages you to progress your skills and seek ways to grow. The people I work with are incredible, they work cohesively and have each other's back. I've moved into a lot of different areas to enhance my experience and have always felt supported doing so.

I am really excited about my upcoming opportunity to travel to the Philippines, where I'll be running training sessions and sharing my knowledge with some new team members!"

Meet Kagiso | AUS

Kagiso joined Credit Corp in 2016 as a Customer Relationship Manager to pursue his interest in finance, after working for some time as an educator. He soon moved into a specialised Legal Collections role and he currently holds a position as a Quality Assurance Officer in the customer care department.

Kagiso has actively furthered his financial knowledge and skills by taking advantage of the on-site training and support offered to all staff, obtaining a nationally-recognised Certificate III in Financial Services and participating in the career pathway training program, JUMP. Kagiso also credits the combination of a collaborative work environment and high-quality training programs with enabling him to excel in his role.

"Being part of Credit Corp has been an incredibly rewarding experience. The continuous learning opportunities and the supportive network of colleagues has made my time here truly fulfilling. Not only have I been able to pursue my passion for finance, but I have also been able to grow both professionally and personally.

The company culture promotes teamwork and mutual support, fostering a sense of camaraderie among colleagues. Over time, many of my co-workers have become close friends. I am grateful to be a part of such an exceptional organisation that values its employees and cultivates a culture of friendship and success."

Meet Jazz | USA

Jazz joined Credit Corp in 2022 as a Customer Relationship Manager based in our Seattle office, after making the decision to try something new. Previously Jazz worked in the military and in healthcare, specialising in assisting people in the mental health space. After moving around the country for previous roles, Jazz returned to her home state of Washington and joined the team at Credit Corp.

Adapting the valuable communication skills gained from her previous roles to the collections environment, Jazz soon excelled in her role and was promoted to a Senior Customer Relationship Manager. She was recently accepted into the career pathways training program, JUMP, and has applied for the Internal Talent Development Program, a fast track management program.

"I am grateful that Credit Corp has recognised my transferable skills and given me the opportunity to build my career with training and development.

I have been surprised at how quickly I have been able to find a home at Credit Corp. I value the positive culture and family vibe, it has been extremely supportive and encouraging."

OUR COMMITMENT TO SUSTAINABILITY

We are committed to being a leader in sustainability and compliance. We apply our values to ensure the creation of responsible outcomes for our customers, people, clients, shareholders and the community.

Sustainability governance

During FY23, we established an Environment, Social and Governance (ESG) Working Group (Working Group) to formalise our strategic approach to ESG matters, and strengthen sustainability policies, principles and practices.

The Working Group comprises representatives from across the business, including the CEO. The key focus areas include undertaking an ESG materiality assessment, consideration of ESG risks and opportunities, formalising a sustainability framework, and strengthening our reporting, particularly in the environmental space.

The Working Group will report to the Board a minimum of three times per year on a range of ESG matters, including progress and performance.

Materiality assessment

The Working Group undertook an assessment to determine our most material sustainability topics for inclusion in our reporting. The topics are those that we consider reflect Credit Corp's significant economic, environmental and social impacts.

To identify our material topics we undertook:

- a desktop assessment, including an analysis of industry peers, media, ESG ratings, benchmarking surveys and investor and employee feedback, as provided through internal surveys and open forums such as employee roadshow Q&A with the CEO and Leadership Team
- interviews with employees and executives
- validation by members of the ESG Working Group and the Senior Management Team.

As this is an iterative process, the material topics will be subject to further review in FY24. The results of our initial materiality assessment are provided.

Our material sustainability topics

- Attracting and retaining great people
- Culture and values
- Employee engagement
- Inclusion and diversity
- Health, safety and wellbeing
- Customer engagement, advocacy and experience
- Responsible products and transparency of information
- Digital innovation and technology
- Industry leadership
- Human rights and modern slavery
- Data privacy
- Cybersecurity
- Ethics and business conduct
- Environmental impact and performance

Our Sustainability Framework

Our Sustainability Framework (Framework) sets out our commitment to achieving responsible outcomes for our customers, people, clients, shareholders and the community across four areas. The Framework is underpinned by our commitment to a high standard of corporate governance, responsible business conduct, effective risk management and our values, which are apparent in everything we do.

This Framework outlines the material topics identified for Credit Corp to address in this report.

Commitment to our people

- Attracting and retaining great people
- Culture and values
- Employee engagement
- Health, safety and wellbeing
- Inclusion and diversity

Supporting our customers

- Customer engagement, advocacy and experience
- Responsible products and transparency of information
- Digital innovation and technology
- Industry leadership

Reducing our environmental impact

- Environmental impact and performance

Good business practice

- Human rights and modern slavery
- Data privacy
- Cybersecurity
- Ethics and business conduct

United Nations Sustainable Development Goals

Credit Corp is committed to driving awareness and action in support of the United Nations Sustainable Development Goals (UN SDG), which are a set of 17 goals that define global sustainable development priorities and aspirations for 2030.

The Goals call for action to address significant economic, social and environmental challenges, such as poverty, inequality, improving health and education and climate action.

Our focus is on the four UN SDGs against which we feel we can have most impact given the nature of our business and our sphere of influence. Our actions in relation to the identified UN SDGs are set out here.

Goal 3 – Good health and Wellbeing

- Employee attraction, retention and engagement initiatives
- Health, safety and wellbeing of our employees

Goal 5 – Gender Equality

- Celebrating International Women's Day
- Launch of the Women's Success Network

Goal 8 – Decent Work and Economic Growth

- Reconciliation Action Plan
- Industry engagement and leadership
- Human rights and modern slavery
- Partnership with MatchWorks
- Providing customers with affordable solutions as a pathway to increased financial inclusion

Goal 13 - Climate Action

- Improving data collection to enable a more robust calculation of emissions to determine our carbon footprint
- Initiatives to improve waste management at our sites
- Review of policies for inclusion of 'greener' considerations

COMMITMENT TO OUR PEOPLE

Our people are the key to our success. It is important they feel engaged, capable and accountable. They represent our culture by applying our values every day. Their diverse abilities enable us to interact effectively with our customers to achieve exceptional results.

Our workforce at a glance

Total employees (FTE)

2,261

GENDER DIVERSITY

62% Female — Male 38%

38% women on the board

59% frontline operational managers are female

AGE DIVERSITY

35% <30

54% 30–50

11% >50

4 countries

10 cities

20 ethnicities

50+ languages spoken

253 internal promotions

95% of leadership positions filled internally

Strengthening culture and accountability

Our Employee Code of Conduct (Code) defines our workplace principles and sets expectations around how our people should act. The relationship between our people and our customers is based on respect.

To embed the Code into our processes and keep it front of mind, we undertake mandatory annual refresher training for all employees as well as ongoing monthly training with our operational employees.

The Board, executive and senior management team take breaches of the Code and other misconduct seriously. Formal employment consequences include the requirement to complete additional training, impacts on reward and promotion, and where appropriate, formal warnings or termination of employment.

We provide clear avenues for people to report ethical concerns and improper behaviour. Employees may raise matters via internal reporting channels to senior managers and office holders, including company directors. Concerns can also be raised anonymously in line with our Whistleblower Policy. Matters will be reported to the Board periodically, or as frequently as necessary depending on the seriousness of the issue.

In the 2023 financial year, zero matters went to an employment tribunal and 0.03 matters per 100 employees were lodged with the Fair Work Commission (FWC). These matters were in relation to workplace disputes, and have since reached completion with the FWC.

View our Employee Code of Conduct

View our Group Whistleblower Policy

Creating opportunity for our people – development and training

We provide a positive workplace that supports employees' safety, wellbeing and development. Our in-house training team, all Certificate IV Technical and Adult Education qualified, continue to support employee learning through a flexible combination of face-to-face classroom and virtual training sessions.

Our in-house training programs focus on a mix of technical and soft skills that lay the foundation for operational success and career growth in operational leadership, including resilience, decision-making, workplace partnering, coaching, negotiation and investigative work.

All new operational employees undergo an extensive induction and onboarding training program upon joining the Company, administered by the training and operational teams.

In FY23, a total of 626 employees completed one of the training programs on offer that form part of our career pathway model.

The training benefits those looking for career progression and/or leadership development, for both frontline manager and other management roles.

We deliver nationally recognised and accredited Certificate III in Financial Services, Certificate IV in Leadership and Development, and Certificate III in Mercantile Agents qualifications to our employees in Australia through our subsidiary Collective Learning and Development Pty Ltd (RTO ID: 31566) part of the acquisition of the Collection House Group. We have previously partnered with TAFE NSW (RTO ID:90003) to deliver Certificate III and IV training to our employees in Australia.

87 (2022: 12) employees attained a Certificate III and 4 completed a Certificate IV qualification in 2023. 180 employees are presently on track to complete a Certificate III in Finance (FNS30122) or a Certificate III in Mercantile Agents (FNS30420).

To date this has enabled our debt collection and collection services employees to attain an external qualification on the job, at no cost to them. It has proven to be a successful way for employees to build the foundations for a career in financial services.

"I really enjoyed the 'Engaging an Audience' session of the JUMP program, and learning how to keep an audience focused, deliver an engaging presentation and really listen. Listening is such an important part of our roles, and remembering to stop and listen before I respond or react is one of the key takeaways that I will use every day, and share with my team."

Tahia
Customer Relationship Manager, NSW, on undertaking the JUMP training program

"Learning and Development proudly partner with all areas of the organisation to deliver quality induction and capability building programs. Our aim is to deliver world class training to all employees, creating opportunity for them and at the same time, best meeting our customers' needs."

Laura
Group Learning and Development Manager

Commitment to our people cont.

Energising our people

To support our employees, over time we have increased communications, introduced new wellbeing initiatives and tracked our engagement through regular 'pulse checks'.

We connect with our employees through a variety of channels to keep them engaged and informed. Employees are engaged directly via individual team meetings, emails, employee roadshows and feedback tools, and more broadly through our intranet shared hub and monthly newsletter.

Throughout FY23 we held two virtual roadshows where employees were able to ask the CEO, members of the executive team and senior management anything – whether related to business strategy, the future of the company or employee initiatives.

Giving back

We launched our Group Volunteering Policy, enabling employees to access up to two paid days of volunteering leave per calendar year, at our employee roadshow in October 2022. Employees are encouraged to use their volunteering leave to support causes aligned to our corporate goal of providing responsible solutions for credit-impaired customers, including supporting people in financial hardship.

Creating employment opportunities

In July 2022, we partnered with MatchWorks, an agency specialising in providing employment opportunities to individuals who are returning to the workforce or have a disability.

MatchWorks has tailored a one-week training program allowing participants to gain experience in two TAFE Certificate recognised call centre modules. At the end of the week, our recruitment team attends the program and conducts interviews with participants, with a view to offering suitable candidates employment with Credit Corp.

Over nine programs run in the last 12 months, 37 candidates across QLD and NSW successfully gained employment with Credit Corp.

Culture and engagement

Employee engagement is an important focus, as is taking action on feedback received.

We survey our employees twice a year to find out how they feel about working at Credit Corp, and create meaningful action plans at both the corporate and local level. We use our biannual employee roadshows as a platform to communicate to our teams the improvements we've made as a result of their input, in a segment titled "You Said, We Did". We also identify any new focus areas based on their feedback. An external provider, Culture Amp, administers the survey to ensure anonymity for our employees.

During FY23, 78 per cent of staff participated in our surveys. We saw engagement rise in the first half of the year, followed by a 2 per cent decline in the second half compared to levels reported 12 months ago. It is clear from feedback that external factors, including concerns over rising costs of living, have influenced employee sentiment.

Pleasingly, our results on Management and Learning & Development outscore other organisations that use the same Culture Amp platform. Our people believe our leaders are strong role models, they receive good support and they know what they need to do to be successful.

Our action areas for the next year include collaboration and communication between functions and addressing frustrations with systems performance.

Reward and recognition

Recognising that rising costs of living can be a source of stress, we launched Perkbox, a global reward and benefit platform, to all employees in May.

The Perkbox platform gives employees access to a range of benefits, or 'perks' to suit their individual lifestyle, as well as wellness content and tenure rewards. It also provides more opportunity for timely recognition and celebration of colleagues, something our employees have told us they would like to see more of in recent employee engagement surveys.

Embracing new ways of working

We continue to support many of our employees who are working in a hybrid work from home/return to the office model, aimed at giving employees the flexibility they value, but allowing time in the office together for collaboration, development and engagement purposes.

Creating a diverse, inclusive culture

We believe a diverse and inclusive workplace leads to better business outcomes. Employing people from diverse backgrounds and experiences enables us to provide exceptional customer service to our equally diverse customer base.

We are proud of our diversity. As outlined in our Diversity Policy, we strive to create a diverse and inclusive workplace free of stereotypes and discrimination where everyone is valued and treated equally regardless of their ethnicity, sexual orientation, gender, background or any other personal characteristic. In doing that, we aim to provide an environment in which our employees feel supported, comfortable and confident when bringing themselves to work.

View our Diversity Policy

What our employees are saying [1]

87% say their manager genuinely cares about their wellbeing

85% say their manager is a great role model and helps them succeed

82% say their manager makes them feel valued at Credit Corp and 81% say they feel part of a team

82% say we hold ourselves and our team members accountable for results

81% of employees say Credit Corp values diversity and **79%** say they can be their authentic self at work

1. May 2023 Employee Engagement Survey

GENDER EQUALITY IS A KEY PRINCIPLE OF OUR DIVERSITY STRATEGY

We recently published our annual Australian Workplace Gender Equality Report for 2022-2023. The report is a mandatory requirement under the *Workplace Gender Equality Act 2012* in Australia. The information in the report is based on our Australian employees only and covers our specific policies, strategies and actions on gender equality, as well as our workforce profile.

View our 2022-2023 Australian Workplace Gender Equality Report

Celebrating International Women's Day

To celebrate International Women's Day (IWD) we held a live-streamed panel discussion with over 1,000 employees participating globally. Our panellists, including our Chief People Officer and our CEO, shared their experiences and insights on how we can all play our part and #EmbraceEquity. Our employee-driven #TellYourStory video was shared, showcasing the stories of some of our own inspiring women, celebrating how they have overcome adversities to move themselves forward both personally and professionally, and have appreciated the support they received from Credit Corp.

Being mindful of unconscious bias

Following the conversation around breaking the bias for IWD in 2022, a specialist in female development and unconscious bias held workshops for our senior management teams, exploring why unconscious bias matters, how it shows up, and how to challenge it so collectively we are in the best position to ensure the playing field is level for everyone. The training will be extended to remaining people managers and integrated into leadership programs in early FY24.

Launching our Women's Success Network

IWD also saw the launch of our first-ever Women's Success Network (WSN). The WSN is a voluntary network of Credit Corp's women and their allies, with everyone welcome, regardless of role or gender. To date around 200 employees have joined the network. When asked what inspired them to join, members highlighted it was about the opportunity for growth, empowerment, understanding, knowledge and building connections with peers.

To build on the aspect of connection, local Lean In Circles have been set up offering smaller, more intimate support groups for employees. We recently held our first WSN event, 'The Power of Networking' with an external specialist. Further events will follow on topics voted as most relevant by WSN peers, including 'Women's Health Topics - Breaking the Taboo' and 'Unconscious Bias'.

Pride in diversity

We celebrate diversity in its many different forms across our offices, including World Pride, a global event which aims to promote and advocate for LGBTQIA+ human rights around the world.

We support Pride because we know it is a cause important to many of our workforce.

It gave us the opportunity to open the conversation on LGBTQIA+ matters and understand how we can build on the positive results received for diversity and inclusion in our employee engagement survey.

We asked employees, particularly those who consider themselves members of a minority group, to tell us if they have any practical, positive suggestions for how we might implement meaningful actions to improve the experience of working at Credit Corp, and to help review our practices to ensure they are inclusive.

Following this, a Pride in Diversity Working Group has been established and is initially tasked with a review to improve the inclusivity of the language used in our policies.

> "It has been fantastic to join our Women's Support Network! It has enabled me to connect with a range of people from different backgrounds across the company. Through this I have been approached to lead a local 'Lean in Circle,' where a group of members will meet to share stories and ideas, and look to inspire and support each other. Opportunities like this are helping build my confidence, both personally and professionally."

Karissa
Team Performance Manager, AUS

Commitment to our people cont.

Advancing reconciliation

We adopted our first Reconciliation Action Plan (RAP) in 2021, and launched our second RAP, an Innovate RAP, in January 2023. This builds on the foundations laid by our Reflect RAP 18 months ago and formalises our commitment to increasing First Nations participation in the financial sector.

Since then, we have taken important steps to reaffirm our commitment and advance the understanding of reconciliation with our employees.

Our offices across Australia celebrated National Reconciliation Week and NAIDOC Week, championed by our RAP Working Group. Over the last year we invited Traditional Custodians of the land to share their stories with our teams, commissioned artworks by Indigenous artists local to our offices, and launched initiatives focused on encouraging inclusion and respect.

Our vision for reconciliation is an Australia where Aboriginal and Torres Strait Islander peoples enjoy the same access to employment and responsible financial solutions as the wider Australian community.

In line with this, we have prioritised the strengthening of long-standing relationships with financial counsellors across Australia and the Magistrates Court of Western Australia, including Aboriginal Liaison Officers. By better understanding how to assist First Nations people in a culturally respectful manner with fines, civil matters and debt, we have the opportunity to improve their economic and social wellbeing. Our day-to-day operations involve working with people to provide pathways towards mainstream financial inclusion, and our work in this space continues.

Our Innovate RAP provides the roadmap for the following 24 months and will guide us in the implementation of practical actions to make tangible change. Through these actions, both large and small, we aim to develop further cultural understanding and create opportunities for Aboriginal and Torres Strait Islander communities within our sphere of influence. We believe genuine change can only happen by working together and sharing knowledge and stories.

Our RAP Working Group brings together people from across our different business units and locations, including Aboriginal and Torres Strait Islander staff.

Inaugural Aboriginal and Torres Strait Islander scholarship

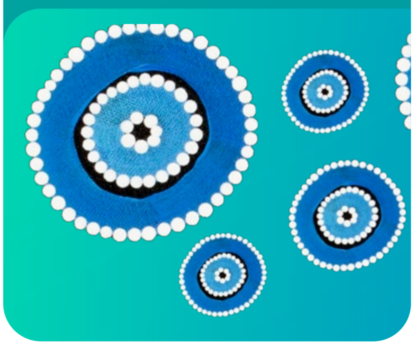
This year, for the first time, we granted a scholarship to an Aboriginal and Torres Strait Islander applicant through the Jan Pentland Foundation.

The scholarship provides the opportunity for an individual in the not-for-profit sector to gain their Diploma in Financial Counselling.

The first recipient, Shay-Ann, was announced at Financial Counselling Australia's (FCA) National Conference in May. Shay-Ann works for the Indigenous Consumer Assistance Network and is Aboriginal, Torres Strait Islander and South Sea Islander.

This scholarship is in line with our Reconciliation Action Plan commitment to seek opportunities to support the professional development of Aboriginal and Torres Strait Islander peoples within the financial services sector. This may include educational assistance and building financial capability, with a view to improving employment opportunities.

Find out more about our support for the Jan Pentland scholarship on page 34.



Supporting Aboriginal and Torres Strait Islander owned businesses

We continue to seek opportunities to build relationships and support Aboriginal and Torres Strait Islander individuals and businesses.

In 2022, we started purchasing recycled, ethically sourced and Indigenous office supplies for use across our Australian business from Cultural Choice, a 100 per cent Australian-owned and operated indigenous office supply company. For every Cultural Choice product purchased, they will donate a percentage to the Cultural Choice Association, which aims to support the prevention of Aboriginal youth suicide and its related causes in Australia.

0.9% of our Australian employees have indicated that they most strongly identify with Aboriginal and/or Torres Strait Islander ancestry

View our *innovate* Reconciliation Action Plan

Celebrating National Reconciliation Week and NAIDOC Week

The RAP Working Group actively shared resources and information about local events or initiatives that employees could participate in to support National Reconciliation Week (NRW) and NAIDOC Week.

Be a voice for generations

Aligned with this year's NRW theme, the team put together a "Be a Voice for Generations" video in conjunction with our Aboriginal and Torres Strait Islander employees and their families.

The video includes a range of perspectives from different age groups and aims to highlight the voices of various generations so we can better understand Aboriginal and Torres Strait Islander peoples' deep and inherent culture and values. The team shared their personal views on what reconciliation means to them, and how they felt we could all contribute to progressing reconciliation.

During NRW, employees attended a special premiere screening of the video in each of our Australian offices.

Karen, RAP Working Group member, shared her generational insights in the video:

"I'm a proud member of the RAP Working Group and my husband is an Aboriginal man, a member of the Wiradjuri Nation. One of the learnings I've had through this process is that as a nation on the reconciliation journey, we still have some way to go.

I asked my husband to contribute to the video, but he was reluctant to do so because his experience, particularly from his younger days, was that it's better to keep your head down and not draw attention to yourself. One of my goals for reconciliation is that future generations don't feel like that. I'd like us to create a society where people of all backgrounds and experience are able to talk freely and we listen because we value their opinions. It's heart-warming to see some younger people talking proudly, so hopefully that shows we're heading in the right direction."

New Zealand's commitment to Te Tiriti O Waitangi

Following on from efforts to advance reconciliation in Australia, towards the end of 2022 our New Zealand office committed to Te Tiriti O Waitangi, the Treaty of Waitangi.

As part of this commitment, they introduced Te Reo Māori (the language of Māori) in the workplace, as a way of helping ensure it stays a living language, and now open and close employee events and client meetings with a karakia, or prayer.

An E-learning module was introduced for employees covering history, traditional culture, and significant events, as well as a library of Te Reo Māori terms for the team to use.

One of our employees is attending an Auckland University of Technology course in Te Reo Māori to share knowledge and enhance our skills in this area.

Fostering allyship

Our Sydney RAP Working Group members participated in a local council run workshop during NRW. The workshop aimed to foster allyship with Aboriginal and Torres Strait Islander peoples, and enhance our group's knowledge and capacity to support and advocate for these communities.

It proved invaluable. We gained insights into cultural protocols and strategies for demonstrating our commitment, including creating a meaningful Acknowledgement of Country. The training provided extensive resources on history, significant events, and practical tips for engaging with these communities.

Overall, our participation in the workshop has significantly contributed to the growth and development of our Sydney RAP Working Group Members. We are committed to applying the knowledge, skills and resources acquired to further support and advocate for Aboriginal and Torres Strait Islander peoples in the future.

Commitment to our people cont.

Prioritising health, safety and wellbeing

The workplace health and safety (WHS) of our people continues to be a priority and this year we have continued our focus on wellbeing after feedback indicated employees would like to hear more from us in this space.

Recognising that everyone's wellbeing journey is individual, we offered a variety of initiatives giving people the opportunity to restore balance and improve their overall health and wellbeing, both physical and mental.

We continued to promote our free confidential counselling service, our Employee Assistance Program, run by a third party.

In September, we ran a series of webinars and activities covering all aspects of wellbeing - physical, emotional and mental. With something to appeal to everyone, employees were encouraged to 'choose their own wellness' journey. We partnered with external experts to run a webinar series that provided tips around how to gain clarity in a world of distractions, optimise sleep for success, and understand the importance of mindfulness for energy. A bespoke webinar focusing on financial wellbeing, with tips and tricks to help employees was well received. We also participated in STEPtember, where our Credit Corp team took over 68,000,000 steps.

Our Wellness Committee builds momentum and drives engagement in the wellbeing space, and is comprised of employees globally who are keen to share their passion for wellbeing with others across the company.

Wellness Committee member, Melanie, spoke about the Committee:

"As wellness champions, we are here to create shared responsibility with employees for improving wellbeing, and to increase engagement through social connection by giving enthusiasts an opportunity to share their passion with their colleagues.

The committee aims to meet monthly and advocate for both physical and mental health, and encourage other local enthusiasts to organise activities such as mixed sport, healthy eating days, running clubs, fun runs, challenge walks… the ideas are endless!"

We continued our support for mental health by having accredited Mental Health First Aiders in each of our locations, in addition to First Aiders. Our Mental Health First Aiders receive external training from organisations offering a certificate recognised by Mental Health First Aid Australia, and act as a first point of contact for people experiencing mental health problems in emergency situations.

Resilience training now forms part of our regular induction and onboarding program for new starters and an online resilience course is also available to all employees.

This course was designed in collaboration with Kildonan Uniting Care, a leading not for profit financial counselling service, to provide techniques to help strengthen resilience and manage stress, and for our collections teams to be in the best position to support customers bounce back from challenges. A total of 1,063 employees completed the course in FY23.

Our WHS performance	2023	2022	2021
Injuries per 100 employees	0.5	0.31	0.27

Continuous improvement and training

We are committed to a safety culture. We are continuously evaluating and improving our work processes and environment to ensure the safety and wellbeing of all employees.

Our Work Health Safety (WHS) Policy is readily accessible to all staff, forms part of the induction process for new employees and complements our mandatory annual refresher training for all employees.

We continuously review our WHS policies and procedures to ensure they are up to date and reflect legislative changes. In 2023, we refreshed our Return to Work program to ensure we are minimising the amount of time lost for a work-related injury, and we are currently reviewing our WHS policies and procedures in light of recent legislative changes around psychological safety.

We regularly review potential risks to minimise the occurrence of injuries and occupational diseases. All incidents are logged and reported monthly to the Board, and appropriate changes are made to further improve health and safety.

SUPPORTING OUR CUSTOMERS

Understanding our customers is fundamental to our success. Our relationships with our customers are built around respect and collaboration with the goal of providing affordable financial solutions tailored to their needs as a pathway towards mainstream financial inclusion.

We want to make it easier for our customers to do business with us, and create opportunities that will ultimately allow them to participate in parts of the economy they may have been excluded from.

Customer engagement

A good relationship with our customers is critical to agreeing appropriate financial solutions. We are collaborative and take a respectful and understanding approach to each customer's situation.

We work with our customers to ensure a sustainable and realistic repayment solution. 86 per cent of collections are received from mutually agreed repayment arrangements in Australia and New Zealand.

Credit Corp maintains a number of proactive controls to identify and respond to hardship, sensitive issues or dissatisfaction in order to provide the best service to our customers.

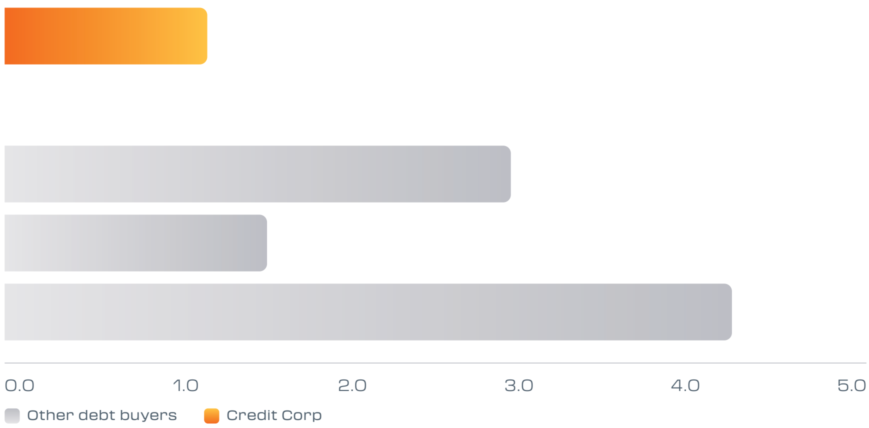
In addition to this, we have measures to identify and assist customers facing vulnerability. We reinforce contact points within our business with Financial Counselling Australia (FCA) for escalation of any particular cases their members may wish to discuss.

Lowest industry complaint rates

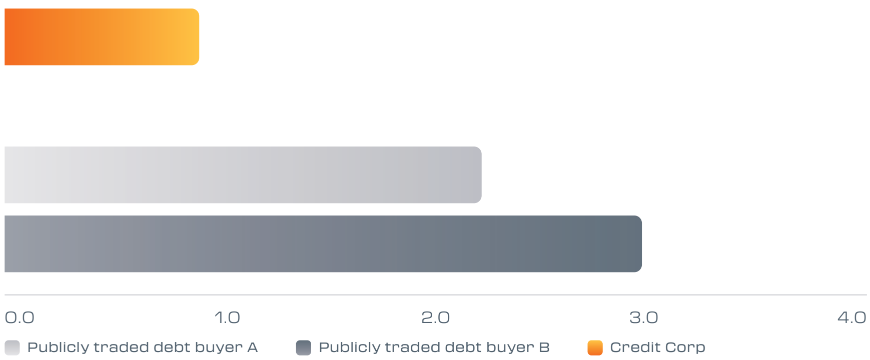
We maintain the lowest number of external dispute resolution (EDR) complaints per million dollars collected in our industry, as sourced from published results by our EDR provider. Our complaint rate is 25 per cent lower than our nearest competitor.

In the US, we maintain a dispute rate per million dollars collected which is significantly lower than our publicly-traded competitors as reported by the federal regulator.

H1 FY2023 AUS EDR RATE [1]



12 MONTHS TO MAR-23 US DISPUTE RATE [2]



1. No. of complaints reported by External Dispute Resolution (EDR) provider (The Australian Financial Complaints Authority) for the 6 month period to December 2022 divided by total annual PDL collections expressed in millions of dollars.
2. Complaint metrics from Consumer Financial Protection Bureau (CFPB) database for the 12 months to Mar-2023 divided by reported collections https://www.consumerfinance.gov/data-research/consumer-complaints/search/?from=0&searchField=all&searchText=&size=25&sort=created_date_desc.

Customer experience

We continue to improve our digital collection capabilities through integrating self-service technologies and digital customer engagement channels. Our self-service portal delivers a positive customer experience and provides a range of functionality that allows automated negotiations and the ability to establish repayment arrangements 24/7.

Our digital capabilities are underpinned by advanced analytics to ensure our offerings and messaging are tailored to the individual circumstances of our customer. Rather than a collections strategy that relies too heavily on one channel, we take a holistic approach, combining advanced digital capabilities with the skills of our highly trained collections teams.

We continually monitor customer interactions using some of the latest technologies, with a view to improving the customer experience. We have continued the deployment of speech analytics, a tool that reviews calls for respectful engagement, conversation sentiment and hardship, and notes exceptions for follow up. Incorporating machine learning models that leverage conversation data is an effective way to support our quality assurance process, allow for intervention if necessary, and target areas for improvement and training, all in real time.

Continually leveraging innovative technology makes it easier for customers to get the assistance they need, ultimately maximising their experience.

Improving accessibility

We aim for all customers to be able to communicate and transact with us in ways that are convenient and accessible to them. We recently enabled accessibility features on our collections websites, including screen reader capability, different language support and dyslexia-friendly font.

Remediation

Not everything has met the high standards Credit Corp sets for its conduct. Early in the year, an error was detected in the application of interest forbearance to a very small proportion of the Company's customers. Stakeholders were advised and an announcement was made promptly. Controls were put in place to prevent any recurrence of the issue and affected customers were comprehensively remediated during the year. The issue prompted a thorough review of the group's operational control framework and additional measures were put in place, including the deployment of speech analytics to assist with the timely identification of potential policy exceptions.

3.2M

CUSTOMERS

Globally

Supporting our customers cont.

Customer advocacy

We work closely with financial counsellors and consumer advocates to develop responsible financial solutions for our customers.

We offer a dedicated escalation point for financial counsellors through our Customer Experience function.

We recognise the important role financial counsellors play in assisting vulnerable consumers and we sponsor a number of financial counsellor conferences every year. This year we sponsored and participated in conferences in NSW, Victoria, Queensland, South Australia and Western Australia, as well as the national conference in Canberra.

We train all of our frontline operations staff to identify and respond to financial hardship, whether raised by a customer or financial counsellor, and empower them to apply appropriate forbearance to address hardship at the first point of contact.

We have a long relationship with Kildonan Uniting Care, a leading not for profit financial counselling service, who has assisted in the development of resilience training for employees. This contains techniques to help strengthen resilience, manage stress and grow people's ability to bounce back from challenges.

We also offer sessions on respectful engagement and customer circumstances, including matters such as family and domestic violence. These sessions help our people to better understand issues that may be impacting our customers and develop appropriate solutions to suit their individual situations.

In December 2019, Financial Counselling Australia's member survey recognised Credit Corp as having the highest ranked response to financial hardship of all financial services providers across Australia.

The 2019 Financial Counselling Australia's

"Rank the banks" survey

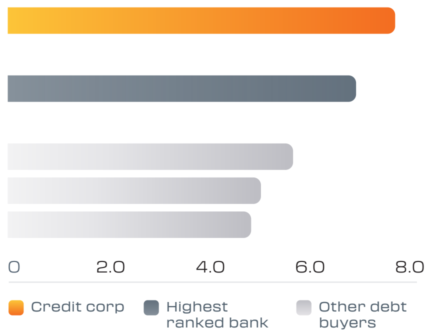
Ranked Credit Corp's consumer hardship response

7.8/10

Highest score

Achieved by any financial services provider

FINANCIAL COUNSELLOR RATING OF BANKS AND DEBT BUYERS[1]



Jan Pentland scholarship

For the last eight years, Credit Corp has granted an annual scholarship through the Jan Pentland Foundation, aimed at providing an opportunity for a recipient in the not for profit sector to gain their Diploma in Financial Counselling.

The Foundation honours Jan Pentland, who championed the cause for financial counselling and campaigned for a better deal for people on low incomes or who were vulnerable.

The 2023 scholarship winner was announced at the FCA National Conference in May. This year's recipient, Maggie, has been working in Northern Territory communities for the last six years. She is now employed by Lutheran Care, supporting First Nations communities surrounding Alice Springs and working closely with financial counsellors on a daily basis. Once qualified, she would like to make a difference in the domestic and family violence field of financial counselling and ultimately return to her hometown in Victoria to assist those in rural and remote areas without access to financial counselling.

"I have seen the benefit of having access to financial services, whether counselling or literacy assistance. To be able to assist someone and benefit not only their future, but their children's is something I feel really fortunate and proud to be part of," Maggie said.

Maggie impressed us with her passion and determination to make a difference to her local community.

In addition, for the first time we granted a scholarship to an Aboriginal and Torres Strait Islander applicant in line with our RAP commitments (refer to page 28).

1. Financial Counselling Australia: Rank the Banks and Other Creditors 2019 - Rating of response to consumer hardship, July 2020, pages 7 and 19

Responsible lending

We provide responsible and affordable loans to consumers, many of whom may find that their only alternatives are significantly more expensive.

Technological efficiency and a low cost structure allows us to offer customers some of the lowest cost loan products in the credit-impaired segment, whilst at the same time conforming to interest and fee parameters recommended by consumer advocacy groups during regulatory consultation.

Our flagship fast cash loan product Wallet Wizard is up to 76 per cent cheaper than competitor products.

We apply responsible lending practices. As the holder of an Australian Credit License, Credit Corp complies with relevant laws and regulations, including but not limited to responsible lending obligations and design and distribution obligations.

Financial capacity is assessed through an automated interrogation of verified customer data, including income and expenses. Any inconsistencies are resolved by discussion with applicants and further substantiation is undertaken where appropriate.

The Target Market Determination also guides the design and distribution of our products, and forms part of our lending assessment criteria. We regularly review the performance and distribution of products to ensure that the loans meet the likely needs, objectives and financial situation of the target market.

We aim to deliver the best outcomes for our customers and believe Net Promoter Score (NPS) is a good overall measure of our customers' experience with us as it subtracts our detractors from our promoters.

Our NPS includes surveyed customers in all groups, including new and returning customers, approved and declined customers, as well as those customers who have withdrawn or let their application expire.

21 NPS

LENDING CUSTOMERS

+1 VS. PCP

Wallet Wizard

Our flagship loan product

76% cheaper than competitor products.

Australian fast cash loan pricing[1]

Credit Corp	$141
A typical competitor	$600

1. Total interest and fees based on a $1,500 loan over nine fortnights.

Reference: www.walletwizard.com.au

$1.73B

IN FACE VALUE

of receivables in ongoing repayment arrangements

$12.7B

IN FACE VALUE

of receivables globally

202K

CUSTOMERS

Lending

GOOD BUSINESS PRACTICE

Good governance underpins our culture and ensures our strategy is delivered effectively.

Managing our supply chain

We work with over 1,300 Australian and international suppliers and during the year procured goods and services worth more than $85 million to support our global operations. It is important we fulfil our responsibilities to those businesses as well as manage potential risks.

We aim to support small business suppliers by paying invoices within 30 days and in line with our contractual arrangements with them.

Our Supplier Code of Conduct outlines how we manage supply chain risks such as data security and privacy, human rights, environmental impact and conflicts of interest. We require suppliers to acknowledge this code as part of their contractual agreement with us.

View our Supplier Code of Conduct

Our approach to human rights and modern slavery

We recognise that human rights are universal and acknowledge that our role in respecting and promoting the fundamental human rights of our people, suppliers, customers and the communities impacted by our operations and supply chain is an important one.

Credit Corp commits to the principles of the United Nations Global Compact on human rights, labour standards and anti-corruption, as well as local labour standards wherever we operate.

We commit to fair pay and working conditions in keeping with, or in excess of, the minimum standards required in each country in which we operate.

We respect our employees and do not discriminate against any attribute protected by law, including freedom of association.

Minimising the risks of modern slavery

We have no tolerance for slavery of any kind.

Whether in our operations or our supply chain, we are committed to taking all necessary steps to operate our business in an ethical and responsible manner, and to mitigate the risk of modern slavery and human trafficking.

We published our third Modern Slavery and Human Trafficking Statement in December 2022. This was prepared in consultation with our Modern Slavery Working Group.

Read our Modern Slavery Statement in line with the *Modern Slavery Act 2018* (Cth)

We have had

NO NOTIFIABLE PRIVACY BREACHES

in the past 12 months

Treating data with care – privacy and data security

Protecting the personal data of our customers and employees, as well as our confidential business information, is a priority across our organisation. To do this, we have implemented customer, client and employee privacy policies and continually strengthen our systems.

Our people are key to helping us protect the information we hold. All new operations employees undergo an extensive induction training program before they commence work and we regularly educate our people through ongoing monthly compliance refresher training.

Data handling training provided to all relevant staff is audited and monitored through regular refresher training and testing modules. Credit Corp adopts a Data Security and Data Protection Policy and maintains a data breach incident response plan.

Credit Corp is ISO 9001 certified in quality management and ISO 27001 certified in information security management.

Our approach to identifying and addressing data security risks involves regular internal and external penetration tests and 24/7 third party monitoring of the security perimeter.

Third party suppliers to Credit Corp are subject to robust external security and privacy assessments to ensure compliance with the Company's policies and procedures. All of our customer data is encrypted and our external controls require mandatory multi-factor authentication.

Credit Corp's data security and privacy controls are subject to regular auditing by our clients. We are continually maturing and aligning our controls to constantly evolving industry best practice and guidelines.

The Credit Corp Group Privacy Policy details how we collect, use, disclose, store and secure personal information. We prioritise staff training on secure information handling practices and our people complete mandatory privacy training annually.

View our Privacy Policy

Cybersecurity awareness and testing

Credit Corp continues to invest in cybersecurity controls and monitor for cybersecurity threats that could potentially impact our infrastructure, data security and customer privacy.

Our Chief Information Officer is responsible for managing cybersecurity risk, developing and implementing plans, and reporting to the Board on a regular basis.

We align with the National Institute of Standards and Technology (NIST) Cybersecurity Framework and the Open Web Application Security Project (OWASP).

Demonstrating our commitment to continuous improvement, in 2023 we undertook a cybersecurity desktop scenario exercise with the Board to review our systems and processes in the event of a cybersecurity breach.

We have engaged a third-party cybersecurity specialist to carry out an incident preparedness assessment to assess our controls and identify areas for improvement. They will also be on hand to assist with forensic investigations and respond to any cyber incidents, should the need arise.

Another third-party security specialist undertakes 24/7 dark web monitoring on our behalf.

Throughout the year, we run a number of cybersecurity awareness campaigns for employees focusing on key trends in the industry, including phishing, business email compromise, and incident management.

We also conduct regular simulated phishing testing with employees and include information security awareness training in our mandatory annual training program.

Each initiative aims to empower staff with the knowledge required to identify and respond to cybersecurity incidents at all levels of the business, to ensure our processes are robust and our systems remain secure.

Combating financial crime

Credit Corp is committed to the detection, deterrence and disruption of money laundering and financing of terrorism and other serious financial crimes. We are committed to conducting our business in accordance with all applicable laws and regulations maintaining our reputation as a compliance leader within the industry.

Our AML/CTF Group Statement sets out our core principles in the identification, mitigation and management of the risk that our products or services may be used to facilitate money laundering or terrorism financing.

View our AML/CTF Statement

Anti-bribery and corruption

Credit Corp has no tolerance for any form of bribery or corruption.

Our suite of anti-bribery and corruption policies is underpinned by our corporate values - doing the right thing, being open and honest and making it happen – and includes the following;

- Employee Code of Conduct
- Gifts and Entertainment Group Policy
- Securities Trading Policy
- Credit Corp Group Whistleblower Policy
- Supplier Code of Conduct
- External Auditor Policy
- Conflicts of Interest Policy

Position on political donations and industry associations

We belong to a number of industry associations as part of our normal course of business. We appreciate the opportunity to share perspectives and gain valuable insights from these groups in ways that are lawful and not anti-competitive.

While we do not make political donations, we may from time to time, pay to attend political events aimed at the business community. In 2023, we did not participate in any such events and did not contribute to any political party in Australia.

Exceeding compliance expectations

The community has high expectations of financial services providers that go beyond minimum legal requirements. We are committed to meeting these expectations.

REDUCING OUR ENVIRONMENTAL IMPACT

Our environmental impact is relatively small as we are a services and technology-based business. However, we are committed to minimising our environmental footprint.

In FY2023, we completed a Business Environmental Sustainability Assessment with a view to setting up better data collection systems, establishing our baseline carbon and environmental position, reviewing our policies and procedures and identifying opportunities for improvement to inform our practices moving forward. This assessment was undertaken with the assistance of specialised environmental consultants.

Progress and priorities

The table below outlines our progress to date and priorities as we look to improve our data collection, policies and practices:

Progress in FY23	Priorities for FY24 and FY25
Completed a Business Environmental Sustainability Assessment and formalised an overarching Group Environmental Policy reaffirming our commitment	Improve our data collection systems for reporting of scope 2 for our overseas sites and calculation of scope 3 for all operations
Calculated scope 1, 2 and 3 for FY22, where data allowed, to better understand our baseline position. Calculated scope 1 and 2 for FY23 for Australia	Improve recycling systems at our sites to reduce waste to landfill
Considered areas within our control to improve data collection and reduce emissions identified	Consider the impact of any regulatory changes on reporting requirements
	Review and update our travel and procurement policies
	Consider emission reduction opportunities, including the transition to renewable energy

We formalised our Group Environmental Policy, clearly stating our commitment to reducing our environmental impact.

View our Group Environmental Policy

Greenhouse gas emissions

As part of establishing our baseline environmental position, we undertook a preliminary calculation of our scope 1, 2 and 3 emissions for all our global operations for FY22.

Our scope 1 emissions consist of fuel for the Radio Rentals fleet, and fugitive emissions, mainly from air conditioning.

Our scope 2 emissions consist of electricity usage at all our sites across Australia, Philippines, New Zealand and the US.

Our scope 3 emissions account for a significant proportion of our total footprint and comprise indirect emissions from our suppliers, such as professional services (accounting, legal), mail house, air travel and waste management providers.

In calculating scope 2 emissions for sites outside of Australia and scope 3 emissions for the first time, it became apparent that more robust measurement systems were required for some emission sources in order to provide an accurate footprint for the purpose of meaningful disclosure in this report.

During FY24, a key area of focus will be to improve our data collection systems for reporting of scope 2 for our overseas locations and scope 3, and to clarify our reporting boundaries.

Scope 1 and 2 emissions for our Australian operations for FY22 and FY23 are below:

	Unit	2023	2022
Scope 1 emissions	Tonnes CO_2-e		
Fleet fuels		195	135
Refrigerants		18	18
Total scope 1 emissions		**213**	**153**
Scope 2 emissions	Tonnes CO_2-e		
Electricity (Market based approach)[1]		548	633
Total scope 1 and 2 emissions	Tonnes CO_2-e	**761**	**786**

1. The market-based approach reflects emissions from electricity that companies have chosen through contractual arrangements - such as green power or renewable energy certificates. In contrast, the location-based approach reflects the average emissions intensity of grids on which energy consumption occurs (using grid-average emission factor data), and does not reflect any of a company's purchases of green power or renewable energy certificates. Opting for the market-based method will allow Credit Corp to compare emissions over time and incorporate any contracted purchases of renewable energy in future.

During FY24 we will consider emission reduction opportunities, including the transition to renewable energy.

Ways we are reducing our impact

We recognise the impact of air travel and work to reduce this by prioritising web conferencing wherever practical. We acknowledge that business class flights have a higher carbon footprint than economy flights and seek to reduce their use through our Travel Policy.

The business is currently trialling a hybrid working model across its offices in Australia, New Zealand and the Philippines, with most teams in the office at least 2-3 days per week (varying between departments and locations). This reduces the commute to and from work, and resource consumption within the office.

Our Sydney head office is in a building with a 5.5-star NABERS energy rating and 4-star NABERS water rating. Our two Australian-managed data centres have a power usage effectiveness (PUE) rating of 1.45 and a 5-star NABERS rating. The one data centre in the United States has a PUE rating of 1.35.

In addition, a number of energy and resource saving initiatives have been implemented in some of our Australian offices, with timers on air conditioning units, TVs and main display screens and installation of LED / T5 lighting with proximity sensors in offices to minimise energy use.

Printers are defaulted to double-sided printing and are set up for secure printing, requiring a code to be entered at the printer to release the print job, thereby reducing paper use and improving security.

The Sydney head office building provides recycling for food organics, paper and cardboard, toner cartridges, disposable coffee cups and commingled items.

During the year, we participated in a waste audit, which has provided valuable feedback to implement actions to improve our recycling rate and reduce waste to landfill.

National Recycling Week in November 2022 was used as an opportunity to refresh signage and educate employees around how to recycle correctly.

Office electronic waste (monitors, keyboards, mouses, desktops, laptops, phones, network and infrastructure equipment) in Australia is collected by ShredX and either recycled, repurposed or destroyed.

Over 2,000 kg of e-waste was recycled across our Australian offices.

To further reduce our environmental impact, and emissions within Scope 3, during FY24 we will look at ways to improve recycling systems at our sites to reduce waste to landfill, and review and update our travel and procurement policies.

OUR SUSTAINABILITY PERFORMANCE

This table summarises the metrics in line with our Sustainability Framework.

Metric	Unit	2023	2022	2021
Commitment to our people				
Total employees (FTE)	#	**2,261**	**1,840**	**1,733**
Australia		1,267	997	969
New Zealand		85	96	62
Philippines		456	359	360
USA		453	388	352
Headcount	#	**2,378**	**1,926**	**1,816**
Australia		1,374	1,123	1,067
New Zealand		93	64	64
Philippines		451	358	345
USA		460	381	340
Employment type (headcount)	%			
Full-time		91	92.7	89.6
Part-time		8.6	6.7	9.9
Casual		0.4	0.6	0.5
Safety and wellbeing	#			
Injuries per 100 employees		0.5	0.31	0.27
Work-related fatalities		0	0	0
Parental leave	#			
Employees who have accessed parental leave				
Female		35	29	–
Male		12	11	–
Employees still employed 12 months after returning from parental leave				
Female		21	–	–
Male		7	–	–
Employee training	hrs			
Total training hours		**68,400**	**58,910**	**29,800**
Leadership levels		3,789	3,156	–
Frontline employees		64,611	55,754	–
Average hours per FTE		30	32	17
Gender diversity	%			
Women in workforce		**62**	**60**	**60**
Women in all management roles		55	52	51
Women in frontline management roles		59	59	58
Women in top management roles		29	23	27
Women in management roles in revenue-generating functions		57	52	54
Women in STEM-related roles		33	33	26
Female non-executive directors on Board		38	33	33
Age diversity	%			
< 30 years old		35	34	35
30-50 years old		54	56	56
> 50 years old		11	10	9
Length of service	%			
0-5 years		61.6	59.1	–
6-10 years		24.1	26.5	–
11-15 years		9.4	10.4	–
16-20 years		3.4	3	–
21+ years		1.5	1	–

Metric	Unit	2023	2022	2021
Commitment to our people				
Hires and internal candidates				
Leadership positions filled by internal candidates	%	95	91	87
Internal promotions	#	253	176	151
Flexible working	#			
Employees working flexibly (approved arrangements)		258	–	–
Employees with caring responsibilities		120	–	–
Credit Corp Indigenous workforce	%			
Represents the proportion of Australian employees who have indicated they most strongly identify with Australian Aboriginal and/or Torres Strait Islander ancestry [1]		0.9	–	–

Metric	Unit	2023	2022	2021
Supporting our customers				
Net Promoter Score - Wallet Wizard	#	21	20	18
Complaint rate [2]				
Australia - EDR		1.2	1.5	0.5
USA - Federal regulator		0.9	0.97	0.43

Metric	Unit	2023	2022	2021
Reducing our environmental impact				
Greenhouse gas emissions	Tonnes CO_2-e			
Scope 1 emissions				
Fleet fuels		195	135	–
Refrigerants		18	18	–
Total scope 1 emissions		213	153	–
Scope 2 emissions				
Electricity (market-based approach) [3]		548	633	–
Total scope 1 and 2 emissions		761	786	–

Note: Some metrics were reported for the first time in 2023. Where this is the case, the comparative figures have not necessarily been disclosed.

1. Disclosure is voluntary and indicative only.
2. Refer to page 32 for information on the calculation of complaint rates.
3. The market-based approach reflects emissions from electricity that companies have chosen through contractual arrangements - such as green power or renewable energy certificates. In contrast, the location-based approach reflects the average emissions intensity of grids on which energy consumption occurs (using grid-average emission factor data), and does not reflect any of a company's purchases of green power or renewable energy certificates. Opting for the market-based method will allow Credit Corp to compare emissions over time and incorporate any contracted purchases of renewable energy in future.

Assessing our performance

We benchmark our progress as we strive to deliver better economic, social and environmental outcomes. We take part in a range of sustainability indices and surveys, including:

Morgan Stanley Capital International (MSCI):

In September 2022, Credit Corp Group received a rating of "AA" (on a scale of AAA-CCC) in the MSCI ESG Ratings Assessment, unchanged from the year before.

MSCI ESG RATINGS AA
CCC B BB BBB A AA AAA

Sustainalytics:

In August 2022, Credit Corp Group received an ESG Risk Rating of 17.7 and was assessed by Morningstar Sustainalytics to be at Low Risk of experiencing material financial impacts from ESG factors. In no event this report shall be construed as investment advice or expert opinion as defined by the applicable legislation.

The score is out of 100, where 0 equals negligible risk and 40 or above equals severe risk.

Rated SUSTAINALYTICS

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE OVERVIEW

Credit Corp Group Limited (the Company) and its subsidiaries (collectively, the Group) maintains governance policies and practices that provide a framework for and guide decision-making to meet stakeholder expectations of sound corporate governance, acknowledging Credit Corp's responsibilities to its shareholders, creditors, clients, customers, employees and the communities in which it operates.

The Group's corporate governance practices comply with the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations released by the ASX Corporate Governance Council.

Our purpose is to empower customers by providing genuine and affordable solutions as a pathway to increased financial inclusion. Our objective is to be the leading global provider of responsible financial services in the credit-impaired consumer segment.

Our business demands high standards of governance and control. Financial services have become a basic need in modern economies and the sector is heavily scrutinised. In our segment of the market we are more likely to encounter consumers suffering from different forms of hardship and vulnerability. Mitigating the risk associated with working with such customers requires a strong control framework overseen by the Group's Board.

Credit Corp has a positive governance culture supported by its values of discipline, accountability and transparency. Discipline involves the adherence to established standards and controls. Accountability ensures that targets for stakeholder outcomes are set and achieved to deliver continuous improvement. Transparency keeps stakeholders informed of all material aspects of performance and promotes the timely recognition of opportunities for improvement.

Our corporate governance practices also reflect these values.

This statement relates to the financial year ended 30 June 2023, and is current as at 1 August 2023. This statement has been approved by the Board.

THE BOARD

DIRECTORS

The directors of the Group at any time during the whole of the financial year and up to the date of this report are:

Mr Eric Dodd	Chair, Director (Non-Executive)
Qualifications	Bachelor of Economics, Fellow of the Institute of Chartered Accountants Australia and New Zealand and Fellow of the Australian Institute of Company Directors.
Experience and expertise	Appointed as a Non-Executive Director on 1 July 2009 and has been Chair since 4 February 2021. Mr Dodd has extensive experience in senior executive roles in the insurance, finance, banking and healthcare sectors. Mr Dodd has previously held the positions of CEO of Insurance Australia Group, Managing Director and CEO of NRMA Insurance and Managing Director and CEO of MBF/Bupa Australia. He has served as Chair and Non-Executive Director of a number of ASX listed companies.
Special responsibilities	Mr Dodd is the Chair of the Board, Chair of the Nomination Committee, and a member of the Audit and Risk Committee and the Remuneration and HR Committee.
Interest in shares and options	6,927 ordinary shares of Credit Corp Group Limited.

Mr Thomas Beregi	Managing Director and Chief Executive Officer
Qualifications	Bachelor of Economics, Bachelor of Laws (Hons), Certified Practising Accountant, and Graduate Member of the Australian Institute of Company Directors.
Experience and expertise	Appointed as Managing Director on 21 March 2023. Mr Beregi joined the Group on 3 September 2007 in the role of Chief Financial Officer was subsequently appointed to his current position of Chief Executive Officer on 1 October 2008. Prior to joining the Group, he was the Chief Operating Officer of Jones Lang LaSalle Australia. Mr Beregi was appointed as a Company Secretary on 21 September 2007.
Special responsibilities	Mr Beregi is the Managing Director and CEO of the Group.
Interest in shares and options	41,086 ordinary shares and 303,733 performance rights of Credit Corp Group Limited.

Mr Phillip Aris	Director (Non-Executive)
Qualifications	Bachelor of Economics and Master of Management.
Experience and expertise	Appointed as a Non-Executive Director on 15 July 2021. Mr Aris brings extensive senior executive and board experience from a range of roles within the financial services and technology sectors across Australia, the United Kingdom and Asia. Past executive roles include Head of Credit Cards for the Commonwealth Bank (ASX: CBA), Chief Executive Officer of CountPlus Limited (ASX: CUP) and the Regional Head of Strategy & Business Development for Thorn-EMI Asia Pacific.
Directorship of listed entities	XPON Technologies Group Limited since its listing on 16 December 2021.
Special responsibilities	Mr Aris is a member of the Nomination Committee and Remuneration and HR Committee.
Interest in shares and options	1,500 ordinary shares of Credit Corp Group Limited.

Mr Brad Cooper	Director (Non-Executive)
Qualifications	Master of Business Administration.
Experience and expertise	Appointed as a Non-Executive Director on 18 April 2023. Mr Cooper brings extensive consumer finance and retail financial services experience at CEO level to the Group. Past executive roles include CEO of BT Financial Group, CEO of Westpac New Zealand Limited, and Managing Director of the then GE Consumer Finance businesses in Australia and the UK.
Special responsibilities	Mr Cooper is a member of the Audit and Risk Committee and Remuneration and HR Committee.
Interest in shares and options	—

Ms Lyn McGrath	Director (Non-Executive)
Qualifications	Bachelor of Arts, Master of Business Administration, Graduate of the Australian Institute of Company Directors, a Senior Fellow of FINSIA, a Vincent Fairfax Fellow in Ethical Leadership and a member of Chief Executive Women.
Experience and expertise	Appointed as a Non-Executive Director on 1 January 2023. Ms McGrath has extensive financial services experience in particular leading large retail banking businesses undergoing digital transformation. Her executive roles include Group Executive Retail Banking at the Bank of Queensland (BOQ) and Executive General Manager roles leading retail banking distribution and the wealth advice business at the Commonwealth Bank. Ms McGrath has held Non-Executive Director roles including at Auswide Bank, Challenger Bank Ltd, and the Australian Digital Health Agency, as well as Chair of TogetherAI Pty Ltd, a mental health technology platform.
Directorship of listed entities	Auswide Bank from 1 March 2023.
Special responsibilities	Ms McGrath is a member of the Audit and Risk Committee and Nomination Committee.
Interest in shares and options	—

CORPORATE GOVERNANCE STATEMENT

Ms Leslie Martin	**Director (Non-Executive)**
Qualifications	Bachelor of Arts, Master of Business Administration and Fellow of the Australian Institute of Company Directors.
Experience and expertise	Appointed as a Non-Executive Director on 20 March 2014. Ms Martin has 30 years experience in commercial banking in several countries and is a specialist in payments and corporate cash management. She has been in the start-up phase of businesses with Chase Manhattan (now JP Morgan Chase) in New York and Hong Kong. She joined Westpac in 1994 as a General Manager to establish its transaction banking capability and later led the Working Capital Services business at the Commonwealth Bank.
Special responsibilities	Ms Martin is a member of the Audit and Risk Committee.
Interest in shares and options	11,063 ordinary shares of Credit Corp Group Limited.

Mr James M Millar AM	**Director (Non-Executive)**
Qualifications	Bachelor of Commerce, Fellow of the Australian Institute of Company Directors and Retired Fellow of the Institute of Chartered Accountants Australia and New Zealand.
Experience and expertise	Appointed as a Non-Executive Director on 21 December 2021. Mr Millar brings extensive senior leadership experience to the Credit Corp Board from both his professional services and Non-Executive Director careers. He has had a distinguished professional services career, initially in Corporate Reconstruction, and culminating in his role as Chief Executive Officer of the Oceania Region for EY, serving the firm's global operation. Mr Millar is currently a Director and Chair of the Audit, Risk and Compliance Committee of Mirvac Limited. He has previously served on the Boards of Slater and Gordon, Fairfax Media, Macquarie Media, Helloworld, Fantastic Furniture and as Chair of the Forestry Corporation of NSW. He is also currently the Chair of Export Finance Australia and the Vincent Fairfax Family Foundation.
Directorship of listed entities	Mirvac Limited from 19 November 2009.
Special responsibilities	Mr Millar is Chair of the Audit and Risk Committee.
Interest in shares and options	–

Ms Trudy Vonhoff	**Director (Non-Executive)**
Qualifications	Bachelor of Business (Hons), Master of Business Administration, Senior Fellow of the Financial Services Institute of Australasia and Graduate Member of the Australian Institute of Company Directors.
Experience and expertise	Appointed as a Non-Executive Director on 19 September 2019. Ms. Vonhoff has extensive experience in retail and institutional banking, finance, risk, technology and operations, and agribusiness. She has previously held senior executive positions, including as divisional CFO and COO with large financial services entities including Westpac and AMP. Ms Vonhoff is currently a Director and Chair of the Audit & Risk Committee of Iress Limited, Director and Chair of the Risk Committee for Cuscal Limited and Director of Australian Cane Farms Limited.
Directorship of listed entities	Iress Limited from 1 February 2020.
Special responsibilities	Ms Vonhoff is Chair of the Remuneration and HR Committee.
Interest in shares and options	12,150 ordinary shares of Credit Corp Group Limited.

Mr Richard Thomas	Director (Non-Executive) (retired 19 May 2023)
Qualifications	Fellow of the Australian Institute of Company Directors.
Experience and expertise	Appointed as a Non-Executive Director on 22 September 2006. Mr Thomas was Acting Chair between 11 February 2008 and 30 June 2008. Mr Thomas has more than 50 years experience in the banking and finance industry in Australia, New Zealand and the United States.
Special responsibilities	Mr Thomas was a member of the Nomination Committee before his retirement on 19 May 2023.
Interest in shares and options	17,272 ordinary shares of Credit Corp Group Limited as at his retirement date.

All directors held office during the whole financial year except Ms Lyn McGrath who held office from 1 January 2023, Mr Brad Cooper who held office from 18 April 2023, Mr Richard Thomas who held office from the beginning of the 2023 financial year until 19 May 2023 and Mr Thomas Beregi who held office from 21 March 2023.

Company secretaries

The following persons held the position of company secretary during the whole financial year:

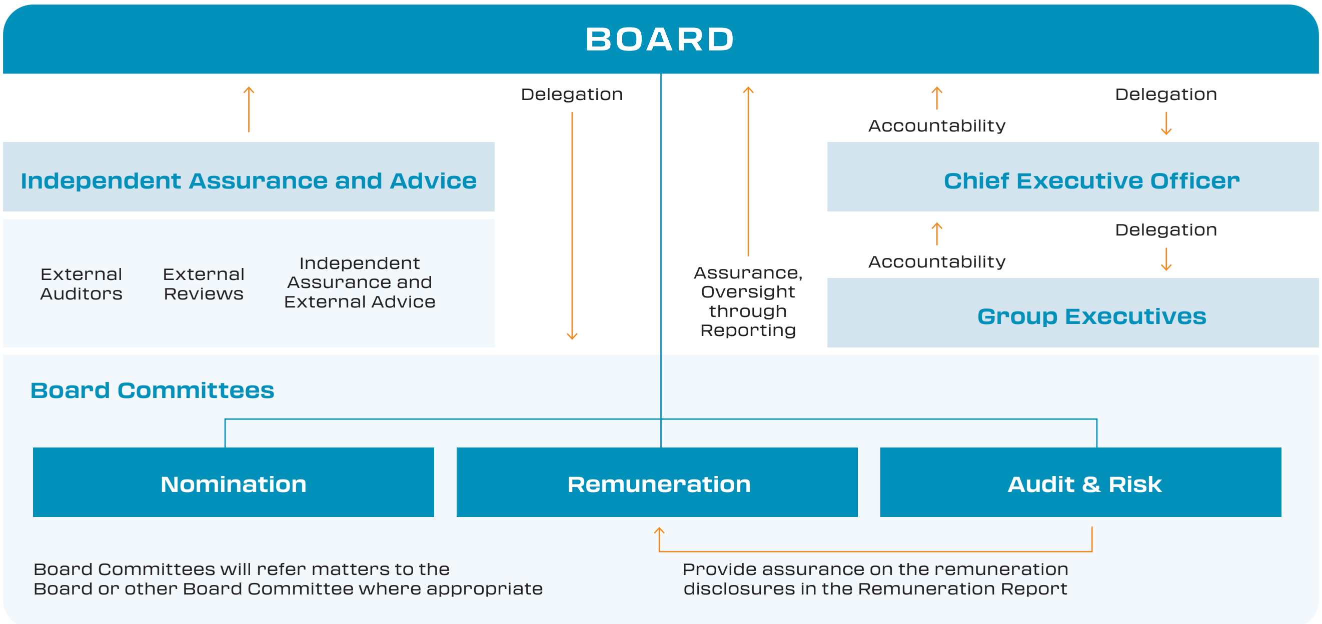
Mr Thomas Beregi	Managing Director, CEO, and Company Secretary
Qualifications	Bachelor of Economics, Bachelor of Laws (Hons), Certified Practising Accountant, and Graduate Member of the Australian Institute of Company Directors.
Experience and expertise	Mr Beregi joined the Group on 3 September 2007 in the role of Chief Financial Officer and was subsequently appointed to his current position of Chief Executive Officer on 1 October 2008. Prior to joining the Group, he was the Chief Operating Officer at Jones Lang LaSalle Australia. Mr Beregi was appointed as a Company Secretary on 21 September 2007 and as Managing Director on 21 March 2023.

Mr Michael Eadie	Company Secretary
Qualifications	Bachelor of Accounting, Master of Applied Finance, Certified Practising Accountant and Fellow of the Financial Services Institute of Australasia.
Experience and expertise	Mr Eadie joined the Group on 4 May 2009 as Finance Manager and was subsequently appointed Chief Financial Officer on 19 November 2010. He has previously held senior finance roles within major financial services organisations, including Macquarie Bank Limited. Mr Eadie was appointed as a Company Secretary on 17 March 2011.

CORPORATE GOVERNANCE STATEMENT

ROLES AND RESPONSIBILITIES

Credit Corp's Board and Board Committee structure



The key focus areas of the Board during the 2023 financial year are set out below.

Board areas of focus in FY2023

- continued Board renewal process, including the appointment of two new directors
- reviewed and refreshed the Group's strategic plan for the next five years
- reviewed the organisation structure of the Group
- reviewed and updated the structure of Executive remuneration from FY2024
- reviewed business cases and the performance of pilots to diversify the product suite of the lending business
- reviewed and refreshed the Group's risk appetite and risk management framework, and monitored operations to ensure adherence to the risk appetite set by the Board
- reviewed credit risk settings and performance for consumer lending
- reviewed and monitored purchased debt ledger commitments
- monitored the Group's liquidity, financial position and key metrics, including financial covenants.

MANAGEMENT

The Delegation of Authority Policy detailing functions delegated to management is published on the Group's website. All matters not specifically reserved to the Board and necessary for the day-to-day operation of the Group are delegated to management.

The following functions are delegated to management:

- formulating, recommending and implementing the strategic direction of the Group
- translating the approved strategic plan into operating budgets and performance objectives
- managing the Group's human, physical and financial resources to achieve the Group's objectives
- operating within the delegated authority limits set by the Board
- assuming day-to-day responsibility for the Group's conformance with relevant laws and regulations and its compliance framework and all other aspects of the day-to-day running of the Group
- performing against established Key Performance Indicators (KPIs) to deliver the objectives of the Group
- developing, implementing and managing the Group's risk management and internal compliance and control systems to ensure the Group is operating within the risk appetite set by the Board
- developing, implementing and updating policies and procedures
- advising the Board promptly of any material matters impacting, or potentially impacting, the Group's operations
- providing the Board with accurate, timely and clear information to enable the Board to perform its responsibilities
- keeping abreast of industry and economic trends in the Group's operating environment.

ACCOUNTABILITY OF COMPANY SECRETARY

The Company Secretaries are accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

BOARD SKILLS, EXPERTISE AND ATTRIBUTES

The Board considers that the directors bring professional skills, knowledge and experience as well as personal attributes which enable the Board to operate effectively and meet its responsibilities to the Group and stakeholders. The skills and experience of non-executive directors are summarised in the following skills matrix.

Skills and Experience	Description	Number of Directors
Customer focus	Experience in developing and overseeing the embedding of a strong customer-focused culture in large and complex organisations, and a demonstrable commitment to achieving customer outcomes	🟠🟠🟠🟠🟠🔵🔵
Strategy	An ability to define strategic objectives, constructively question business plans, oversee the implementation of strategy using commercial judgement and bring a global perspective to bear	🟠🟠🟠🟠🟠🟠🟠
Financial services	Experience working in, or advising, the banking and financial services industry with strong knowledge of its economic drivers and global business perspectives	🟠🟠🟠🟠🟠🟠🟠
Financial acumen	Highly proficient in accounting or related financial management and reporting for businesses of significant size	🟠🟠🟠🟠🟠🟠🔵
Risk	Experience in anticipating, recognising and managing risks, including financial, non-financial and emerging risks, and monitoring risk management frameworks and controls	🟠🟠🟠🟠🔵🔵🔵
Technology, digital and data	Experience in developing or overseeing the application of technology in large and complex businesses, with particular reference to technology-innovation, disruptive technologies, data, cybersecurity, digital transformation and customer experience	🟠🟠🟠🟠🔵🔵🔵
Governance	Experience as a director of a listed entity, with detailed knowledge of governance issues, with particular reference to the legal, compliance, regulatory and voluntary frameworks applicable to listed entities and highly regulated industries	🟠🟠🟠🟠🔵🔵🔵
Environment and social	Experience in understanding and identifying potential risks and opportunities arising from environmental and social issues, including the transition to a climate resilient future, management of biodiversity, and addressing human rights and modern slavery within supply chains	🔵🔵🔵🔵🔵🔵🔵
People and culture	Experience in people matters including workplace health and safety, cultures, morale, inclusion and diversity, management development, succession, remuneration and talent retention initiatives	🟠🟠🟠🟠🔵🔵🔵
Executive leadership	Having held a CEO or a similar senior leadership role in a large complex organisation, and having experience in that position in managing the business through periods of significant change and delivering desired business outcomes	🟠🟠🟠🟠🟠🟠🟠

🟠 Expert 🔵 General working experience and knowledge

INDUCTION OF NEW DIRECTORS

New directors undergo an induction program which includes meetings with members of management, the Chair of the Board and the Chair of each relevant Committee to gain an insight into the Group's business, values and culture. The directors utilise various programs and opportunities, including through their professional associations and accreditations, to maintain and enhance their skills and knowledge.

CORPORATE GOVERNANCE STATEMENT

BOARD DIVERSITY

A diverse group of skilled directors make the Group a stronger organisation that makes better decisions. The Group also has a specific objective for achieving gender diversity in the composition of the Board, which is to have not less than 30 per cent of each gender.

As Credit Corp has met its objective for Board gender diversity, the focus is on maintaining alignment with this objective, noting that our performance against it will vary at any given time depending on the timing of Board renewal and Board composition changes.

3 of 8 Board members are female = 38%

BOARD COMPOSITION

The term held by each director in office during the year at the date of this report, or at the date of retirement, is as follows:

Name	Position	Term as director
Mr Eric Dodd (Chair)	Independent Director	14 years
Mr Thomas Beregi[1]	Managing Director and CEO	< 1 year
Mr Phillip Aris	Independent Director	2 years
Mr Brad Cooper[2]	Independent Director	< 1 year
Ms Lyn McGrath[3]	Independent Director	< 1 year
Ms Leslie Martin	Independent Director	9 years
Mr James M Millar AM	Independent Director	1 year
Ms Trudy Vonhoff	Independent Director	4 years
Mr Richard Thomas (retired 19 May 2023)	Independent Director	16 years

1. Mr Thomas Beregi was appointed Managing Director on 21 March 2023, and was appointed CEO on 1 October 2008.
2. Mr Brad Cooper was appointed an independent director on 18 April 2023.
3. Ms Lyn McGrath was appointed an independent director on 1 January 2023.

Average board tenure = ~4 years

0-3 years 3-6 years 6+ years

INDEPENDENCE

All non-executive directors satisfy the Group's criteria for independence, which aligns with the guidance provided in the ASX Corporate Governance Council Recommendations.

The Board assesses the independence of non-executive directors on appointment and annually. Each non-executive director provides an annual attestation of their interests and independence. Directors are considered to be independent if they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with:

- the exercise of their unfettered and independent judgement
- their ability to act in the best interests of the Credit Corp Group rather than the interests of another party.

Materiality is assessed on a case-by-case basis by reference to each non-executive director's individual circumstances rather than by applying general materiality thresholds.

Each non-executive director is required to disclose any interest in or relationship that they have directly, or indirectly with a Group entity. The Board considers information about any such interests or relationships, including any related financial or other details, when it assesses the non-executive director's independence.

APPOINTMENT OF DIRECTORS

The Board, with the support of the Nomination Committee, has responsibility for the selection and nomination to shareholders of new or retiring directors standing for re-election. The Group's Appointment of Directors Policy is published on its website and sets out the Group's policy for the selection, appointment and re-election of directors.

Where a candidate is recommended by the Nomination Committee, the Board will assess that candidate against a range of criteria, including skills, experience, expertise, personal qualities and cultural fit with the Board and the Group. In addition, appropriate checks are made of a candidate's background as well as assessing any actual or perceived issues of independence.

If, after carrying out this checking and assessment, the Board appoints the candidate as a director, that director will stand for election by shareholders at the next Annual General Meeting (AGM). All material information in the Group's possession that is relevant to a decision on whether or not to elect or re-elect the director is provided to shareholders.

New directors are provided with a written agreement in the form of a formal letter of appointment setting out the key terms and conditions of appointment, including their duties and responsibilities, and requirement to disclose interests affecting independence or conflict of interest. New senior executives also sign an employment contract setting out the terms of their appointment.

PERFORMANCE REVIEWS

Board's and Committees' performance reviews

The Board reviews its performance on a regular basis, including the performance of its Committees and individual directors, in accordance with the Performance Evaluation Policy, which is available on the Group's website. The Board uses surveys for the purpose of its Board and Committee performance reviews. These reviews ensure that individual directors and the Board work effectively in meeting their responsibilities as described in the Board and Committee charters. These reviews occurred during FY2023.

Executive performance reviews

The performance of all key executives is reviewed annually against the Group's performance targets and individual KPIs.

The performance review of the CEO is undertaken by the Chair of the Board, reviewed by the Remuneration and HR Committee and approved by the Board. The performance reviews of other executives are undertaken by the CEO and approved by the Remuneration and HR Committee. Performance reviews for each executive were conducted in FY2023.

ROLE OF THE BOARD COMMITTEES

The Board is assisted by its three standing Board Committees, and membership of each of the Board Committees is outlined in their respective Charter and are summarised in the table below. All of the Board Committees are comprised of non-executive directors. Board Committee members are chosen for the skills and experience they can contribute to the respective Board Committee.

Committee	Key Responsibilities	Membership
Audit and Risk Committee	The responsibilities of the Audit and Risk Committee are set out in the Audit and Risk Committee Charter, which is available on the Group's website and includes accountabilities to review and provide recommendations to the Board on the following: • approval of the annual and interim financial statements of the Group with the review process to include consideration as to whether the financial statements provide a true and fair view of the financial position and performance of the Group • review of the Group's risk management framework to ensure that it continues to be sound and that the Group is operating with due regard to the risk appetite set by the Board • appointment, re-appointment, rotation or removal of the external auditor with such appointment subject to shareholder approval in a general meeting • review and assessment of the effectiveness of the Group's compliance program in ensuring compliance with relevant legal and regulatory requirements, having regard to the Group's obligations in all jurisdictions in which it operates.	Mr James M Millar AM (Chair) Mr Eric Dodd Mr Brad Cooper Ms Lyn McGrath Ms Leslie Martin
Remuneration and HR Committee	The responsibilities of the Remuneration and HR Committee are set out in the Remuneration and HR Committee Charter, which is available on the Group's website and includes accountabilities to review and provide recommendations to the Board on the following: • the Company's executive remuneration framework, policy and practice to ensure that it supports the Company's strategic objectives and core values and delivers outcomes consistent with the Company's risk management framework and risk appetite • the structure, design and maximum award values applicable to the Company's short- and long-term incentive plans • non-executive director remuneration, including any aggregate NED fee cap amendments • the design of the performance appraisal system and the annual performance appraisals of executives other than the CEO • employee engagement surveys and action plans • succession planning for executives other than the CEO • objectives to achieve gender diversity in the composition of executives and the total workforce and the Group's progress in achieving its objectives.	Ms Trudy Vonhoff (Chair) Mr Eric Dodd Mr Phillip Aris Mr Brad Cooper
Nomination Committee	The responsibilities of the Nomination Committee are set out in the Nomination Committee Charter, which is available on the Company's website, and includes accountabilities to review and provide recommendations to the Board on the following: • developing and maintaining a Board skills matrix • determining the size and composition of the Board, including reviewing Board succession plans • assessing the ongoing independence of non-executive directors • setting the criteria for nomination as a director and the membership of the Board • making appointments and setting succession plans for the Board • undertaking Board, Committee and individual director performance evaluations.	Mr Eric Dodd (Chair) Mr Phillip Aris Ms Lyn McGrath

CORPORATE GOVERNANCE STATEMENT

DIVERSITY

The Group recognises the important contribution that people of various cultural backgrounds, ethnicity, experience, gender and age make to the Group. Diversity includes all characteristics that make individuals different from each other, including characteristics such as religion, race, ethnicity, language, gender, sexual orientation, disability, age or any other area of potential difference.

The Group's diverse workforce is a key to continued growth and improved operating performance. In particular, employees of diverse backgrounds and experience are able to provide strong customer service to our equally diverse customer base.

In order to attract and retain a diverse workforce, the Group is committed to providing an environment where employees are treated with fairness and respect and have equal access to development and promotion opportunities.

The Group has established a Diversity Policy, which outlines the Board's objectives to achieve diversity. A summary of the policy is available on the Group's website.

Measurement of progress against the Group's diversity objectives occurs annually by the Board.

The table below sets out the Group's diversity objectives and the progress made towards achieving them in the 2023 financial year. The Board will review these objectives in the 2024 financial year and report on progress being made towards their achievement.

Objectives	Progress in achieving objectives
Provide equal opportunities for candidates regardless of cultural, gender or any other difference	• The primary goal of the Group's recruitment process for all operational roles is to maximise objectivity in the decision-making process for frontline employees. • The Group utilises online tools as well as scenario-based interviews in the recruitment process. This allows the skill level and predicted performance of candidates to be assessed against the requirements of each frontline role.
Retain and encourage a diverse workforce at all levels of the Group	• The Group continues to reflect significant gender diversity, including within management levels. The percentage of individuals who identify as females in the Group is as follows: (see table below) • A number of employees worked under flexible work arrangements to balance family and other commitments with their employment. During the reporting period, 11 per cent of the Group's workforce utilised a formal flexible work arrangement. Since the onset of the COVID-19 pandemic, more than three-quarters of the Group's workforce have worked flexibly between remote and office-based work.
Provide development opportunities for employees regardless of cultural, gender or any other difference	• The Group provided nationally recognised accredited training to all eligible employees. • Leadership training was provided to all employees in management positions during the year. • Documented career pathways enabled frontline supervisors to support their progression into management roles.
Promote an inclusive culture where all employees are treated with respect and fairness	• Each year the Group reiterates its zero tolerance policy towards any discrimination, bullying or victimisation of employees with clear escalation channels through which any concerns can be raised. • Annual online training promotes the Group's expectations and educates employees on their part in creating our inclusive culture. • The annual employee engagement survey enables the Group to gather data on issues relating to equality, respect and fairness and uses this data to set measurable goals. • The Group's Reconciliation Action Plan (RAP) sets out our steps to build relationships, respect and trust between Aboriginal and Torres Strait Islander peoples and the wider Australian community. This process is facilitated by the RAP Working Group established to set relevant objectives and foster understanding across the Group. The RAP Working Group brings together people from across the different business units and locations, including Aboriginal and Torres Strait Islander staff.
Ensure internal promotion decisions within the Group are merit-based	• Recruitment procedures for selection into frontline supervisory roles and management development programs are in place to maximise objectivity in the decision-making process. • This includes having panels of senior management from Human Resources and Operations participating in the decision-making process.

	2023	2022
Board	**38%**	33%
CEO and executive management[1]	**14%**	14%
Frontline management	**59%**	59%
The Group's workforce	**62%**	60%

1. The CEO and executive direct reports of the CEO.

ETHICAL DECISION-MAKING

CODE OF CONDUCT

The Employee Code of Conduct adopted by the Group is a key element of the Group's corporate governance framework. Its purpose is to guide directors, executives and employees on the minimum standards of conduct expected of them in the performance of their duties, including their dealings with customers, clients, shareholders, employees and other stakeholders.

Compliance with the Employee Code of Conduct is a condition of appointment as a director of, an employee of, or a contractor to, the Group.

The Employee Code of Conduct is published on the Group's website.

OUR VALUES

The Group believes that its values represent its culture and underpin its success. All staff are encouraged to embrace these values. During induction, new staff are introduced to the values and staff are publicly recognised across the business where they demonstrate exceptional alignment to one or more of the Group's values.

The Group's values are:

- **'Doing the right thing' or Discipline:**
  Doing the right thing means adhering to controls to ensure that established standards are always achieved.
- **'Making it happen' or Accountability:**
  Making it happen is all about delivering the right results by taking responsibility for setting targets and measuring outcomes.
- **'Being open and honest' or Transparency:**
  Being open and honest means providing accurate and balanced communication to stakeholders together with recognising challenges and issues so they can be addressed.

FINANCIAL REPORTING AND AUDIT

APPROACH TO FINANCIAL REPORTING

Our approach to financial reporting reflects three core principles:

- that our financial reports present a true and fair view of our financial position and performance
- that our accounting methods comply with applicable accounting standards and policies
- that our external auditor is independent and serves security holders' interests.

The Board, through the Audit and Risk Committee, has regard to Australian and international developments relevant to these principles when reviewing our practices.

The Board delegates oversight responsibility for the integrity of financial statements and financial reporting systems to the Audit and Risk Committee. Similarly, the Board delegates oversight responsibility for the preparation of remuneration reports and disclosures to the Remuneration and HR Committee, which recommends remuneration reports and related disclosures, and provides relevant assurances, through the Audit and Risk Committee to the Board for approval.

CEO AND CFO ASSURANCE

The Board receives regular reports from management about the Group's financial condition and operational results, as well as that of controlled entities. Before the Board approves the half year and full year financial statements, the CEO and the CFO declare to the Board that in all material respects:

- Credit Corp's financial records:
  - > correctly record and explain its transactions, and financial position and performance
  - > enable true and fair financial statements to be prepared and audited
  - > are retained for seven years after the transactions covered by the records are completed.
- the financial statements and notes comply with applicable accounting standards
- the financial statements and notes give a true and fair view of the Group's financial position and of its performance
- any other matters that are prescribed by the *Corporations Act 2001* (Cth) and regulations as they relate to the financial statements and notes are satisfied
- the declarations above have been formed on the basis of a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial reporting risks.

The CEO and CFO have provided such statements for the financial year ended 30 June 2023.

CORPORATE GOVERNANCE STATEMENT

EXTERNAL AUDITOR

The Group's external auditor is Hall Chadwick. Our Hall Chadwick lead audit partner is Mr Drew Townsend. Mr Drew Townsend assumed responsibility for this role in December 2021.

The external auditor receives all the Audit and Risk Committee papers, attends meetings of this committee and is available to Committee members at any time. The external auditor also attends the AGM to answer questions from shareholders regarding the conduct of its audit, the audit report and financial statements and its independence.

Hall Chadwick is required to confirm its independence and compliance with specified independence standards at the Group's half and full financial year.

The Group's relationship with the external auditor is strictly governed, including restrictions on employment, business relationships, financial interests and use of the Group's financial products by the external auditor.

Periodically, the Audit and Risk Committee consults with the external auditor without the presence of management about internal controls over financial information, reporting and disclosure and the fullness and accuracy of the Group's financial statements.

Engagement of the external auditor
To avoid possible independence or conflict issues, the Group's policies prohibit the external auditor from carrying out certain types of non-audit services for the Group. The policies also limit the extent to which Hall Chadwick can perform other non-audit services. Use of Hall Chadwick for any non-audit services must be assessed and approved in accordance with the pre-approval process set out in these policies.

THE AUDIT AND RISK COMMITTEE DIALOGUE WITH MANAGEMENT AND EXTERNAL AUDIT

The Audit and Risk Committee maintains an ongoing dialogue with management and the external auditor, including regarding those matters that are likely to be designated as Key Audit Matters in the external auditor's report. Key Audit Matters are those matters which, in the opinion of the external auditor, are of the most significance in their audit of the financial report.

As part of its oversight responsibilities, the Audit and Risk Committee also conducts discussions with a range of internal and external stakeholders including:

- the external auditor, about major financial reporting risk exposures and the steps management has taken to monitor and control such exposures
- the external auditor concerning their reports regarding significant findings in the conduct of their audits, and their oversight of any issues identified to ensure they are rectified by management in an appropriate and timely way or reported to the Audit and Risk Committee
- management and the external auditor concerning the half year and full year financial statements.

RISK MANAGEMENT, MARKET DISCLOSURE AND SHAREHOLDER COMMUNICATIONS

CONTINUOUS DISCLOSURE

The Group's Continuous Disclosure Policy, which is published on its website, is designed to ensure compliance with disclosure obligations under the ASX Listing Rules and to ensure accountability at senior executive level for that compliance.

This policy also allows the Group to ensure shareholders and the market are fully informed of its strategy, performance and details of any information or events that could have a material impact on the value of the Group's shares.

The CEO and the Company Secretary, in consultation with the Board, are responsible for the review, authorisation and disclosure of information to the ASX and for overseeing and co-ordinating information disclosure to the ASX, shareholders, brokers, analysts, the media and the public.

COMMUNICATION WITH SHAREHOLDERS

The Group recognises the rights of its shareholders and other interested stakeholders to access balanced, understandable and timely information concerning the operations of the Group. The CEO and the Company Secretary are primarily responsible for ensuring communications with shareholders are delivered in accordance with the rights of shareholders and the Group's policy of continuous disclosure.

The Group's website contains all corporate governance related policies, Charters, the Company's Constitution, ASX announcements, and other corporate governance material, including The Security Holders' Rights and Communication Policy, which sets out the communication strategy of the Group including electronic facilities, formal reporting to security holders and the Annual General Meeting.

Electronic facilities
The Group maintains a website that provides information on its services and its business in general, as well as an investor relations section that contains information for shareholders of the Group. The Group's announcements are made on this website as well as the ASX website. There is a facility on the Group's website for security holders to lodge questions.

Formal reporting to security holders

Formal reporting to shareholders is conducted through the interim report for the six months ended 31 December and the annual report for the financial year ended 30 June. The Group also releases market updates summarising the Group's performance during each other quarter of the financial year.

Annual General Meeting (AGM)

The AGM gives shareholders the opportunity to hear the CEO and Chair provide updates on the Group's performance, ask questions and to express views and vote on the various matters of Group business on the agenda.

Live webcasting of the AGM is also conducted to allow shareholders to view and hear the proceedings of the meeting online.

Shareholders also have the opportunity to ask questions of the Group's external auditor at the meeting in relation to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Group in the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit. The Group encourages shareholders to attend its AGM.

The Group invites and encourages shareholders to attend and participate in the AGM and also provides live webcasting to allow security holders to view and hear the proceedings of the meeting.

In addition, shareholders may electronically communicate with the share registry, Boardroom Pty Limited (Boardroom). The relevant contact details are disclosed in the Corporate Directory section of the annual report.

A direct voting facility is provided through Boardroom's website to allow security holders to vote ahead of the AGM. Details of this facility are included in the Notice of AGM. Shareholders can also submit questions in advance of the meeting via the Group's share registry or the Group's auditor.

Shareholders who do not currently receive electronic communications from Boardroom may update their communication options via a secure online service offered by Boardroom at www.investorserve.com.au.

RISK MANAGEMENT

The Group has established a Risk Management Policy to identify, assess, monitor and manage material business risks, both financial and non-financial, to minimise their impact on the achievement of the Group's goals. Business risks comprise, but are not limited to, economic, technological, operational, legal, political and social risks. These specified risks are managed both through the Group's risk management system and insurance program, which are approved by the Board.

The Audit and Risk Committee provides a review function in respect of the risk framework and aggregated risk profiles at the Group level on behalf of the Board. The Committee's charter is published on the Group's website. Management has been given responsibility for the establishment, implementation and maintenance of the system of risk management, including measures of its effectiveness.

Internal control systems and procedures are monitored and reviewed by the Group's Compliance Manager who reports his findings to the Audit and Risk Committee. The composition of the Audit and Risk Committee is detailed in the Role of the Board Committees section and the attendance of members at the meetings of the Committee is disclosed in the directors' report.

The Group's Risk Management Policy is published on its website. The Audit and Risk Management Committee reviewed the Group's risk appetite and framework during the 2023 financial year.

The Group has an internal audit process within the compliance function. This process tests compliance to the various standards for which the Group is accredited or required to comply with, as well as internal controls associated with the Group's risk management framework.

The Group considers that, due to the nature of its activities, it has limited exposure to environmental risks. The Group recognises the social risks associated with the provision of financial services to credit-impaired customers and maintains a strong framework of internal controls to mitigate these risks. Over many years of operation this framework has proved effective in producing strong compliance outcomes.

CORPORATE GOVERNANCE STATEMENT

POLICIES

WHISTLEBLOWER POLICY

The Group's Whistleblower Policy is designed to ensure alignment to the values of the Group, with transparency being one of those values. This policy ensures that the confidentiality of the whistleblower's identity is safeguarded and the whistleblower is protected from retaliation or victimisation. The policy provides direction for staff, contractors, and service providers to raise concerns to the Group in relation to unlawful, unethical or irresponsible behaviour. Training for staff that defines whistleblowing and describes how to make a whistleblowing complaint, what process the Group will follow if it receives such a complaint and the protections that are available for whistleblowers is provided. The Group Whistleblower Policy is published on the Group's website.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

The Group's Anti-Bribery and Anti-Corruption Policy is included in the Gifts and Entertainment Policy. The policy identifies that giving or receiving bribes or other improper payments is prohibited. The policy requires that breaches are reported to the Head of Compliance who then reports any material breaches to the Board. Training is provided to staff annually.

SECURITY TRADING POLICY

The Group's Securities Trading Policy governs when its directors and employees may deal in Credit Corp shares and the process that must be followed in respect of such dealings. The Securities Trading Policy is published on the Group's website.

The Group's directors and employees are not permitted to deal in Credit Corp shares during any blackout or closed periods (except in exceptional circumstances):

- two months immediately preceding the preliminary announcement of the Group's annual results until the commencement of the next trading day after the release of the annual results
- two months immediately preceding the announcement of the Group's interim results until the commencement of the next trading day after the release of the interim results
- any other periods that the Board determines, in its absolute discretion, to be a blackout or closed period, including due to there being undisclosed price sensitive information.

At any time outside the blackout or closed periods, directors or employees may trade in Credit Corp shares where:

- directors, excluding the Chair, and KMP obtain the prior written clearance of the Chair
- the Chair obtains prior written clearance from the Chair of the Audit and Risk Committee and in the event that person is not available, the Chair of the Remuneration and HR Committee
- other employees obtain prior written clearance from a Company Secretary.

The Group's employees are only permitted to enter into margin loans secured against Credit Corp shares with the prior written approval of the Chair. The Group's employees are prohibited from hedging unvested awards in the Group's shares, which would otherwise limit the economic risk of an employee's holdings on unvested securities granted under an employee incentive plan.

MINIMUM SHAREHOLDING POLICY

In June 2023, the Group adopted a Directors' Minimum Shareholding Policy which applies to non-executive directors.
The purpose of this Policy is to:

- strengthen the alignment between the interest of directors and the interest of shareholders
- encourage a focus on building long-term shareholder value.

The Group's non-executive directors are required to acquire and hold a minimum shareholding in the Company equivalent to 100 per cent of the annual pre-tax base director fee within 3 years from the time of their appointment or the effective date of this Policy, whichever is the later. Once the minimum shareholding requirement is met, it must be maintained as long as the individual remains as a non-executive director of the Company.

WEBSITE DISCLOSURE

Further information relating to the Group's corporate governance practices and policies has been made publicly available on the Group's website at www.creditcorpgroup.com.au/investors/corporate-governance.

DIRECTORS' REPORT

The directors present their report together with the financial report of the Group for the financial year ended 30 June 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the course of the financial year were debt ledger purchasing, collection services and consumer lending.

There were no significant changes in the nature of the Group's activities during the financial year.

REVIEW OF OPERATIONS

Overview

The directors of the Group report a Net Profit after Tax (NPAT) of $91.3 million for FY2023, a 5 per cent decrease from the FY2022 NPAT of $96.2 million (excluding the $4.5 million US PPP loan forgiveness). While lending segment earnings grew strongly, the impact was offset by continued run-off in the core AU/NZ debt buying business and costs arising from increased US resourcing. The highlights include the following:

- 70% growth in lending segment NPAT
- 43% growth in the consumer loan book to a record gross closing balance of $358 million
- recovery in US operational performance over the second half
- solid FY2024 US investment pipeline secured in improved pricing conditions

Australian / New Zealand debt buying

PDL supply in the AU/NZ debt buying market remains constrained. While some one-off purchases were secured late in the year, the FY2024 investment pipeline remains modest. A further contraction in segment earnings is therefore expected in FY2024.

Resourcing in the AU/NZ debt buying operation has run-off in line with reduced investment. Some debt buying staff have transferred to the expanded collection services business, bolstered by the acquisition of Collection House during the year.

US debt buying

After a period of rapid US headcount build-up during the first half of the year, a focus on operational improvement produced 14 per cent growth in collections for the second half. Notwithstanding this, increased delinquency late in the year showed that collection conditions may have deteriorated as the Company experienced increased repayment plan delinquency.

US PDL supply has continued to increase. The additional volume had a limited impact on pricing until late in the year. More favourable pricing over recent months has enabled Credit Corp to secure a PDL investment pipeline of A$70 million for FY2024. Credit Corp has the operational and financial capacity to undertake further purchasing, but this will be subject to the alignment of market pricing with the Company's assessment of the collection outlook.

Consumer lending

Consumer lending demand remained strong as credit-impaired consumers re-leveraged post COVID. Delinquency increased part way through the year, but a prompt collection response and tightened credit settings have ensured that arrears and losses remain within pro-forma levels.

The strong loan book growth had been achieved while rationing the volume of longer-duration auto loans. The short loan book duration and ongoing monitoring and adjustment of credit settings should contain risk if economic conditions deteriorate.

Outlook

The record starting loan book should produce strong consumer lending segment earnings growth in 2024. Similarly, expanded collection capacity and operational improvement is anticipated to deliver earnings growth in the US. Another year, however, of reduced purchasing will yield a further decline in earnings from the AU/NZ debt buying segment. Accordingly, Credit Corp anticipates earnings growth of 4 per cent at the mid-point of the NPAT guidance range.

CHANGES IN STATE OF AFFAIRS

During the financial year, there were no significant changes in the state of affairs of the Group other than those referred to in the review of operations and financial statements or notes thereto.

DIRECTORS' REPORT

DIVIDENDS PAID OR RECOMMENDED

Dividends paid or declared to shareholders since the end of the previous financial year were:

Declared and paid during the year 2023	Cents per share	Total amount $'000	Date of payment
Interim 2023 ordinary	23.0	15,647	31 Mar 2023
Final 2022 ordinary	36.0	24,407	12 Sep 2022
Total		**40,054**	

After balance date, the following dividend was proposed by the directors:

Proposed after end of year	Cents per share	Total amount $'000	Date of payment
Final 2023 ordinary	47.0	31,974	29 Sep 2023

The financial effect of this dividend has not been brought to account in the consolidated financial statements for the year ended 30 June 2023 and will be recognised in the 2024 financial report.

EVENTS SUBSEQUENT TO REPORTING DATE

In the interval between the end of the financial year and the date of this report, there has not been any item, transaction or event of a material and unusual nature that is likely, in the opinion of the directors of the Group, to significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

ENVIRONMENTAL REGULATIONS

The Group's operations are minimally affected by environmental regulations.

INDEMNIFYING OFFICERS OR AUDITOR

The Group has provided indemnities to the current directors (as named above), the company secretaries (Mr Thomas Beregi and Mr Michael Eadie) and all executives of the Group against liabilities incurred as a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The Group will meet the full amount of any such liabilities, including costs and expenses.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Group against a liability incurred by an officer or auditor.

These indemnities were in place both during and after the end of the financial year.

Potential liabilities are insured with the premiums paid by the Group. The insurance contract prohibits disclosure of any details of the policy and the premiums paid.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied for leave of the court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

NON-AUDIT SERVICES

The following non-audit services were provided by the Group's auditor, Hall Chadwick. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. All non-audit services are reviewed and approved by the Audit and Risk Committee prior to commencement of the audit to ensure they do not impact the impartiality and objectivity of the auditor.

Details of the amounts paid to Hall Chadwick for non-audit services provided during the year are set out below:

Services other than statutory audit	$
Other services	
Taxation compliance services	44,622
Taxation services	35,192
Total	**79,814**

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's Independence Declaration for the period ended 30 June 2023 has been received and can be found on page 75 of the financial statements.

ROUNDING OFF

The Group is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars, unless otherwise indicated.

DIRECTORS MEETINGS

The number of directors meetings (including meetings of committees of directors) and the number of meetings attended by each of the directors of the Group during the financial year were:

	Directors meetings		Audit and Risk Committee		Remuneration and HR Committee		Nomination Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr Eric Dodd	12	12	6	6	7	7	4	4
Mr Thomas Beregi [1]	3	3	—	—	—	—	—	—
Mr Phillip Aris	12	12	2	2	7	7	2	2
Mr Brad Cooper [2]	3	3	2	2	1	1	—	—
Ms Lyn McGrath [3]	6	6	3	3	—	—	2	2
Ms Leslie Martin	12	12	4	4	—	—	2	2
Mr James M Millar AM	12	12	6	6	—	—	—	—
Ms Trudy Vonhoff	12	12	—	—	7	7	—	—
Mr Richard Thomas [4]	11	11	—	—	—	—	4	4

1. Mr Thomas Beregi was appointed Managing Director on 21 March 2023.
2. Mr Brad Cooper was appointed on 18 April 2023.
3. Ms Lyn McGrath was appointed on 1 January 2023.
4. Mr Richard Thomas retired from the Board on 19 May 2023.

INTRODUCTION FROM THE CHAIR OF

THE REMUNERATION AND HR COMMITTEE

Dear Fellow Shareholders

On behalf of the Board, I am pleased to present Credit Corp's 2023 Remuneration Report. In addition to reporting on 2023 outcomes, we have outlined some changes in our Executive remuneration framework for the 2024 year. These changes reflect our ongoing commitment to a performance culture and incorporate our response to ensure we remain market competitive to attract and retain executive talent.

FY2023 performance and highlights

Group NPAT declined by 5 per cent in FY2023 despite record consumer lending segment earnings. The strong consumer lending result was underpinned by a record closing loan book of $358 million. Market conditions in the core AU/NZ debt buying segment remained challenging with constrained market volumes limiting investment. Second half performance in the US debt buying segment improved after the dilutive impact of rapid headcount growth earlier in the year.

Linking remuneration outcomes with group performance

As a consequence of the Group's financial performance in FY2023:

- No Short-term incentive (STI) will be payable to Executive Key Management Personnel (KMP) due to the Net Profit after Tax (NPAT) being below the target set by the Board
- In respect of the Long-term incentive (LTI) for the triennium performance period from FY2021 to FY2023 the ROE gate-opener as well as the minimum compound annual growth rate (CAGR) of NPAT have not been achieved. It is also unlikely that the market performance hurdle (relative TSR) will be achieved.

These outcomes are detailed in the report and demonstrate the alignment of remuneration outcomes and performance. In a period when financial performance has failed to meet expectations, the absence of incentive payments / vesting is an appropriate outcome.

Enhanced reporting

This year's remuneration report introduces some additional disclosures. LTI performance rights grants have been disclosed on a face value basis within the report in line with usual market practice.

Remuneration changes in FY2024

In FY2023, the Remuneration and HR Committee on behalf of the Board performed a review of the structure of Executive KMP remuneration. The objective of the review was to ensure the remuneration structure going forward was appropriate for Credit Corp having regard to:

- the present size of the Company with the current structure having been implemented in 2016
- the increasingly diversified and international nature of the Company's activities with over half of earnings now attributable to consumer lending and US debt buying
- market practice and benchmarks for Companies of similar size and operational scope.

The outcomes of the review of the remuneration structure are:

- maintaining the existing maximum remuneration cost envelope
- increasing fixed pay to better align with the market
- reducing maximum STI opportunity
- maintaining a higher than market weighting to the LTI opportunity.

These changes are:

- responsive to the changes in the size and mix of the operations of the Company
- referenced to market benchmarks - with total remuneration reflecting the core duties of individual executives (fixed pay now positioned slightly above market medians to ensure we attract and retain quality executive talent)
- remain aligned to the key drivers of shareholder value creation (being long-term NPAT growth and superior market performance) by maintaining an above market weighting to the LTI opportunity.

The NPAT CAGR hurdle has been revised to reflect current market return expectations for the Company. This change impacts the LTI scheme for the triennium performance period from FY2024-26 and does not apply retrospectively.

Non-Executive Director (NED) remuneration has increased from the start of FY2024 referenced to market benchmarking and is the first such increase in two years. There is no proposal to increase the present NED fee pool at the 2023 Annual General Meeting. A minimum shareholding policy was introduced for non-executive directors.

Conclusion

The FY2023 incentive remuneration outcome appropriately reflects the Group's financial performance. The changes to the Executive remuneration structure from FY2024 maintains and enhances the strong alignment between financial performance and remuneration outcomes that has been a cornerstone of Credit Corp's remuneration philosophy over the long-term.

On behalf of the Board, I invite you to read our Remuneration Report and welcome your feedback.

Trudy Vonhoff
Chair, Remuneration and HR Committee

DIRECTORS' REPORT

AUDITED REMUNERATION REPORT

REMUNERATION REPORT OVERVIEW

This Remuneration Report for the financial year ended 30 June 2023 has been prepared in accordance with section 300A of the *Corporations Act 2001* and has been audited as required by section 308(3C) of the Corporations Act.

The KMPs during the Reporting Period are set out below:

Name	Position	Term as KMP
Non-Executive Directors		
Mr Eric Dodd	Chair	Full financial year
Mr Phillip Aris	Non-Executive Director	Full financial year
Mr Brad Cooper	Non-Executive Director	From 18 Apr 2023
Ms Lyn McGrath	Non-Executive Director	From 1 Jan 2023
Ms Leslie Martin	Non-Executive Director	Full financial year
Mr James M Millar AM	Non-Executive Director	Full financial year
Ms Trudy Vonhoff	Non-Executive Director	Full financial year
Mr Richard Thomas	Non-Executive Director	Until 19 May 2023
Executive KMP		
Mr Thomas Beregi	Managing Director and CEO	Full financial year
Mr Matthew Angell	Chief Operating Officer (COO)	Full financial year
Mr Michael Eadie	Chief Financial Officer (CFO)	Full financial year

This Remuneration Report is set out in the following sections:

SECTION 1 Group Executive Remuneration Framework to 30 June 2023

SECTION 2 Remuneration Outcomes and Alignment to Performance

SECTION 3 Structure of Variable Remuneration

SECTION 4 Remuneration Governance

SECTION 5 Non-Executive Director Remuneration

SECTION 6 Changes to Executive Remuneration

SECTION 7 Statutory Remuneration Tables and Data

SECTION 1 GROUP EXECUTIVE REMUNERATION FRAMEWORK TO 30 JUNE 2023

REMUNERATION PRINCIPLES

The Group's remuneration strategy is designed to attract, retain and motivate talented individuals, rewarding strong performance with top quartile remuneration at the maximum whilst ensuring fixed remuneration benchmarks at or around the median of comparable ASX listed companies. The principles that guide this strategy are summarised below:

ALIGNMENT	Maximise alignment to shareholders with a high proportion of performance-based remuneration subject to the achievement of sustained earnings growth and market performance
TRANSPARENCY	Performance hurdles that are objective, easily understood and predominantly linked to financial performance
COMPETITIVE	Attract, retain and motivate talented and capable executives to execute the Group's strategy
CULTURE	Throughout the Group, drive a performance-based culture with strong engagement
EQUITABLE	Significant proportions of executive remuneration are at-risk and are provided in the form of equity
RISK MANAGEMENT	LTI eligibility linked to hurdle returns achieved with a conservative capital structure and an STI with a financial performance gate-opener. All incentives are subject to Board discretion based on adherence to risk appetite parameters.

DIRECTORS' REPORT

AUDITED REMUNERATION REPORT

CONTINUED

SECTION 1 GROUP EXECUTIVE REMUNERATION FRAMEWORK TO 30 JUNE 2023 CONTINUED

HOW IS REMUNERATION STRUCTURED?

Total remuneration

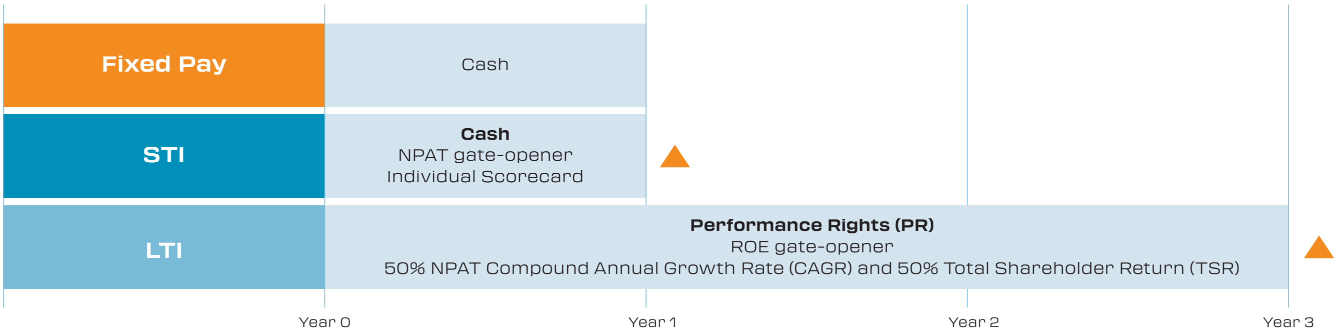
Total remuneration is designed to attract and retain capable and experienced executives, reward them for creating long-term value and provide a direct link between the interests of shareholders and executives.

Fixed remuneration	Short-term incentive (STI)	Long-term incentive (LTI)
PURPOSE		
Attract and retain experienced and capable leaders	Drive and reward the achievement of challenging annual performance targets	Create long term value and shareholder alignment through an equity-based incentive
DESCRIPTION		
Salary and other benefits (including statutory superannuation)	Annual incentive opportunity delivered in cash, awarded based on the achievement of financial targets as a gateway as well as a balanced scorecard of individual key performance indicators (KPI)	Three-year incentive opportunity delivered through share rights, with vesting dependent on achievement of threshold measures that deliver acceptable growth in earnings as well as shareholder returns through the cycle
LINK TO STRATEGY / PERFORMANCE		
Provides competitive ongoing remuneration in recognition of day-to-day responsibilities and accountabilities	• Supports annual delivery of key strategic and operational targets that will position the Group for longer-term growth • Earnings gateway as well as significant proportion of individual targets are linked to financial performance • Balanced scorecard of individual KPIs to achieve adherence with the Group risk appetite	• Focuses on multi-year metrics that support sustained shareholder value creation • Delivered in equity to align the interests of executives and shareholders • Supports retention
MARKET POSITIONING		
At or around median fixed remuneration in market for listed companies of similar size and operational complexity	Maximum STI set between the median and top quartile in market for listed companies of similar size and operational complexity, payable only when acceptable financial performance has occurred	Maximum LTI at the top quartile in market for listed companies of similar size and operational complexity in order to ensure commensurate remuneration outcomes for executive KMP where shareholder value has been created
PERFORMANCE MEASURES		
Considerations: • Skills, experience, accountability • Role and responsibility	**Gateway conditions:** • Performance above annual financial budgeted earnings **CEO individual targets:** • Balanced scorecard of financial and non-financial measures focused on achieving strategic milestones required to sustain and grow earnings in the medium-term	**Gateway condition:** • Achievement of hurdle ROE (on a pro-forma gearing basis) **Vesting conditions:** ***Sustained earnings growth (50 per cent of total)*** • Minimum 8 per cent (40 per cent vesting) and maximum 11 per cent (100 per cent vesting) CAGR over the three-year performance period ***Market performance (50 per cent of total):*** • Minimum above-median (zero vesting at the 50^{th} percentile) and maximum top quartile (100 per cent vesting) total shareholder return (TSR) performance relative to the ASX200 excluding materials and energy stocks

SECTION 1 GROUP EXECUTIVE REMUNERATION FRAMEWORK TO 30 JUNE 2023 CONTINUED

HOW AND WHEN IS REMUNERATION DELIVERED?

The following diagram shows how remuneration is delivered to executives.

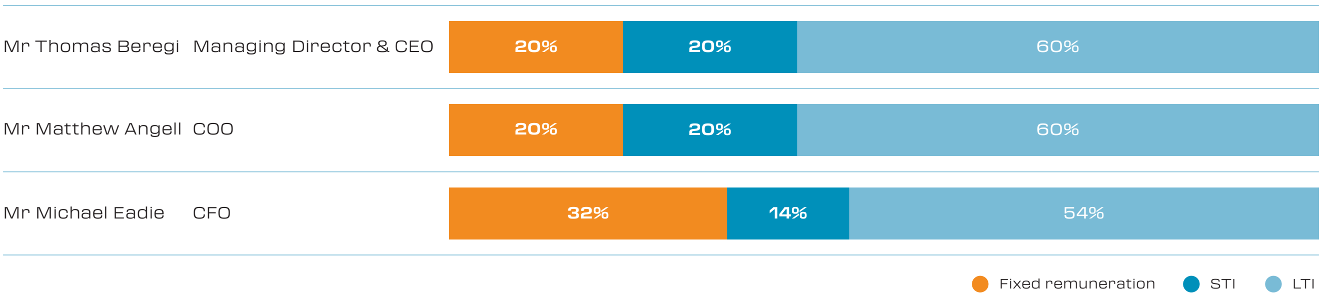


EXECUTIVE REMUNERATION MIX

Total remuneration includes both a fixed component and an at-risk or performance-related component, comprising both short-term and long-term incentives. The Board views the at-risk component as an essential driver of a high-performance culture and one that contributes to achievement of long-term shareholder returns.

The intent is to ensure that fixed remuneration benchmarks at or around median remuneration of comparable listed entities with a relatively higher component of performance-based remuneration. The overall objective is to ensure that remuneration which benchmarks in the top quartile of comparable listed entities is paid only for strong performance that results in outcomes that create shareholder value.

The following illustration shows the remuneration mix at maximum achievement levels for the Group KMP executives in FY2023.



Proportions are based on the table below:

Executive KMP		Fixed remuneration	Non-monetary benefits[1]	Maximum STI	Maximum LTI[2]	Long-service leave[3]	Total remuneration at maximum
Mr Thomas Beregi	Managing Director & CEO	$700,000	$18,764	$700,000	$2,128,516	$10,835	$3,558,115
Mr Matthew Angell	COO	$400,000	$18,764	$400,000	$1,262,465	$6,070	$2,087,299
Mr Michael Eadie	CFO	$350,000	$18,764	$170,000	$634,268	$5,092	$1,178,124

1. Non-monetary benefits consist of car parking.
2. Maximum LTI on a face value basis referencing the FY2023-25 performance rights grant.
3. FY2023 accrual for long-service leave.

EXECUTIVE REMUNERATION CHANGES

No changes occurred during FY2023 other than the CFO's maximum STI opportunity increasing to $170,000. The changes to executive remuneration from 1 July 2023 are described in Section 6.

DIRECTORS' REPORT

AUDITED REMUNERATION REPORT

CONTINUED

SECTION 2 REMUNERATION OUTCOMES AND ALIGNMENT TO PERFORMANCE

ALIGNMENT BETWEEN REMUNERATION AND GROUP PERFORMANCE

Elements of the Group's remuneration strategy and framework are directly linked to Group performance.

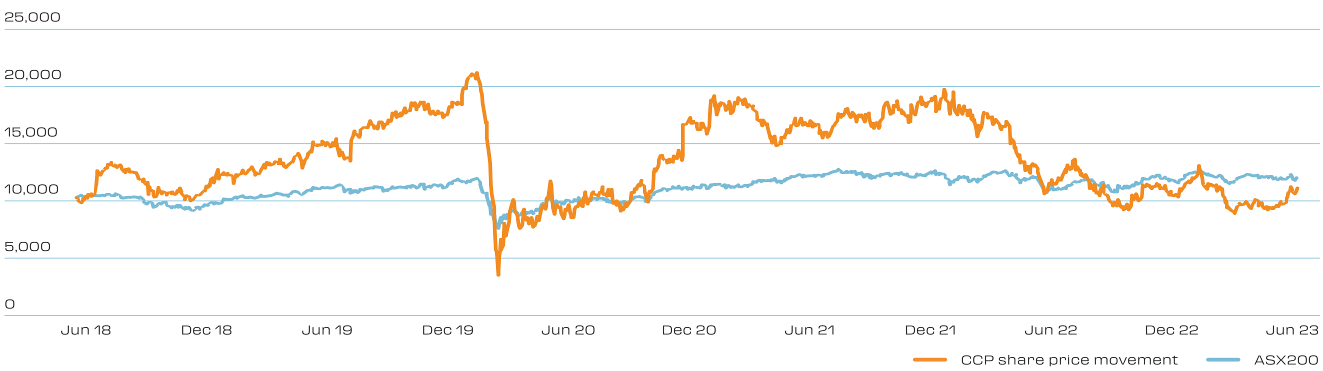
The table below sets out movements in shareholder wealth for the financial years ended 30 June 2019 to 30 June 2023, highlighting alignment between the Group's remuneration strategy and framework and Group performance over the past five years.

The Board believes the Group's remuneration structure, in particular the STI and LTI, has continued to ensure a significant proportion of remuneration is only payable as a result of the achievement of sustained earnings growth at an appropriate rate of return that aligns with shareholder expectations. Failure to achieve these expectations will result in no variable pay being awarded.

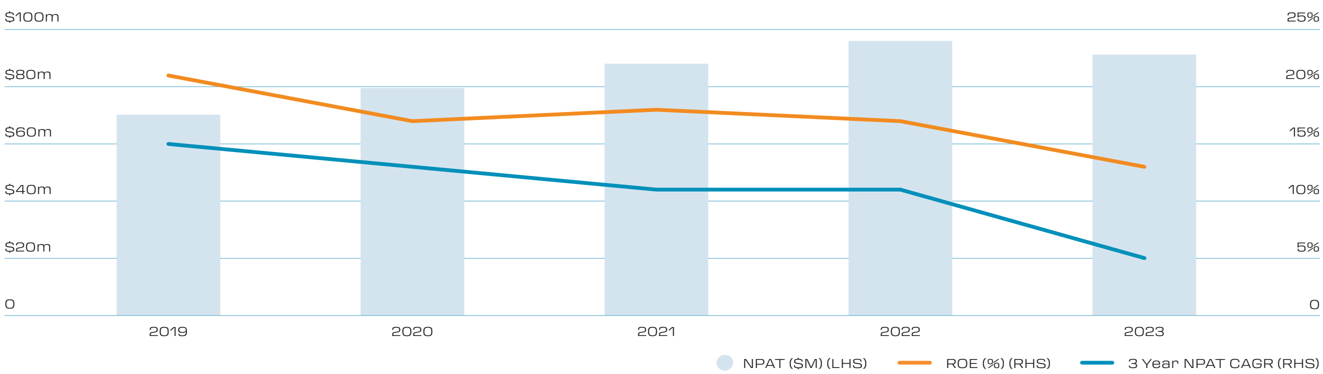
	2023	2022	2021	2020	2019
Earnings					
Total revenue ($'000)	473,369	411,200	374,786	313,403	324,254
NPAT ($'000) [1,2]	91,251	96,216	88,130	79,557	70,285
Change in NPAT	(5%)	9%	11%	13%	9%
3-year NPAT CAGR	5%	11%	11%	13%	15%
Shareholder value					
Share price at the end of the year ($)	19.80	20.28	29.73	17.17	26.52
Change in share price ($)	(0.48)	(9.45)	12.56	(9.35)	8.45
Total dividend paid per share (cents)	70	74	72	36	72
ROE [3]	13%	17%	18%	17%	21%

1. FY2022 NPAT excludes US Paycheck Protection Program (PPP) loan forgiveness.
2. FY2020 NPAT excludes COVID-related impairment and loan provisioning.
3. FY2021, FY2022, and FY2023 ROEs calculated assuming pro-forma (30 per cent) gearing.

The graph below shows the Credit Corp share price movement relative to the ASX200 Index from July 2018 to June 2023.



The graph below shows the earnings, ROE and the three-year earnings growth CAGRs from FY2019-2023.



SECTION 2 REMUNERATION OUTCOMES AND ALIGNMENT TO PERFORMANCE CONTINUED

INCENTIVE REMUNERATION OUTCOMES FOR KMP EXECUTIVES

	2023	2022	2021	2020	2019
LTI	nil	50%	100%	n/a [1]	n/a [1]
STI	nil	100%	100%	nil	100%

1. The LTI program was a three-year grant of performance rights for the FY2019-21 triennium. For the FY2020-22 triennium onwards, an annual grant of performance rights occurred.

REMUNERATION POLICY AND LINK TO STRATEGY

The Group's Remuneration Policy is designed to ensure that remuneration outcomes are aligned with the long-term success of the Group. Incentives are based on the achievement of sustained growth in earnings at an appropriate level of ROE as well as relative shareholder return.

The overall remuneration structure for FY2023 remained similar to the prior year:

- Executive KMP fixed remuneration packages are at or around the median for roles with equivalent responsibilities by companies of a similar market capitalisation
- STI payable only on achievement of annual financial and strategic targets
- LTI paid in the form of performance rights potentially converting to shares after a three-year performance period, subject to an ROE gateway based on the following performance conditions:
  - > 50 per cent dependent on exceeding financial targets over a three-year performance period
  - > 50 per cent dependent on Total Shareholder Return (TSR) relative to the ASX200 (excluding materials and energy shares) over the same three-year performance period.
- There continues to be no termination benefits payable under any contract other than in respect of the notice periods disclosed in Section 4.

USE OF NPAT AS A PERFORMANCE MEASURE

While achieving earnings targets is a key component of both the STI and LTI schemes, the application of these targets under each scheme is distinct as summarised below:

STI	• The NPAT hurdle under the STI is the annual budget set by the Board at the start of the financial year and serves two purposes: > Achieving budgeted NPAT is the gate-opener in order for the STI pool to be funded. > Achieving the budgeted NPAT metric represents 30 per cent of the CEO's individual targets. The majority of the individual targets represent operational metrics and strategic milestones designed to support the achievement of NPAT growth in the medium to long-term.
LTI	• The LTI gate-opener is a minimum ROE of 16 per cent. • If the minimum ROE is achieved, a compound annual growth rate (CAGR) of NPAT over three years of a minimum 8 and a maximum 11 per cent represents 50 per cent of the vesting conditions for performance rights granted under the LTI. • The remaining 50 per cent will vest subject to a minimum median and maximum top quartile TSR performance relative to the ASX200 excluding materials and energy shares.

The use of the NPAT hurdles as summarised above has the following objectives:

- Ensure that if the Group underperforms its earnings and / or return targets, no STI will be payable to executive KMP.
- Create a focus on sustained earnings growth over at least a three-year period under the LTI and ensure short-term earnings are not excessively rewarded under the STI by earnings achievement representing less than a third of the CEO's individual targets.
- Under the LTI, long-term underperformance in NPAT growth will result in at least 50 per cent of performance rights failing to convert and vest.

REMUNERATION OUTCOMES

The remainder of this section of the Remuneration Report discloses the likely outcome of awards made under:

- The FY2023 STI award (performance period 1 July 2022 – 30 June 2023)
- The FY2023 LTI grant (performance period 1 July 2020 – 30 June 2023).

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SECTION 2 REMUNERATION OUTCOMES AND ALIGNMENT TO PERFORMANCE CONTINUED

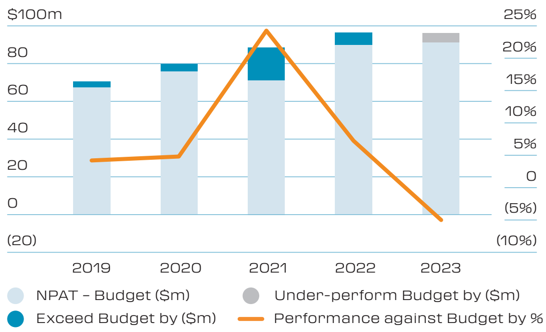
STI OUTCOMES

Indicative FY2023 STI outcomes

The Group NPAT in 2023 of $91.3 million was 5 per cent below the NPAT hurdle of $96.1 million.

As financial performance was below the budget, the gateway conditions for funding the STI in respect of the 2023 year were not met.

As the STI pool in respect of FY2023 is not eligible to be funded, no STI is expected to be paid to any KMP executive. Although no STI is expected to be payable, each KMP executive will be assessed on their individual performance against their KPIs and role accountabilities in the first quarter of FY2024 in order to meet the requirements of the performance management framework of the Group.



Scorecard measure	FY2023 outcome	Further detail
Gate-opener Company NPAT to exceed budgeted $96.1 million in order to fund the STI pool	**Not opened**	Actual NPAT of $91.3 million was below the target of $96.1 million therefore the STI pool is not funded
CEO individual targets		
Financial performance (30 per cent weighting) Company NPAT is the gateway for funding the STI pool	**65%**	Actual NPAT of $91.3 million was below the target of $96.1 million therefore insufficient for the gate-opener to be triggered
Employee engagement (10 per cent weighting) Improvement in employee engagement score by 3 per cent over the last survey performed in FY2022 as a key indicator of workforce engagement	**65%**	Employee engagement score declined by 2 per cent against the prior year
Investment objectives (5 per cent weighting) PDL investment in FY2023 and committed pipeline for FY2024 to sustain debt buying earnings	**100%**	FY2023 PDL investment targets and FY2024 target committed pipeline achieved
Strategic growth initiatives (55 per cent weighting) Operational improvement, product development and market entry objectives, which represent key milestones to longer-term earnings growth. The specific objectives include: • Expansion of consumer lending warehouse facilities to facilitate expansion of loan book • Growth in operational infrastructure in US and enhanced digital collections platform • Growth in consumer lending book • Milestones in auto, credit card and Buy Now, Pay Later new product pilots.	**80%**	• Consumer lending warehouse extension completed • US operational objectives and improvement initiatives not fully achieved • Consumer lending operational objectives including record loan book balance achieved • New product development objectives achieved

Formal assessment of the performance of the CEO and other Executives against their FY2023 KPIs will occur in September 2023. Irrespective of the outcome of this process, no STI is expected to be awarded in respect of FY2023 due to the NPAT gate-opener target not being achieved and the STI pool not being funded.

FY2022 STI OUTCOMES

The following table outlines the STI awarded to each executive KMP during the 2023 financial year in respect of the 2022 financial year:

Name	Maximum STI opportunity for 2022[1]	Maximum STI opportunity as % of fixed remuneration	STI awarded as % of maximum	STI not awarded as % of maximum
Executive KMP				
Mr Thomas Beregi	$700,000	100%	100%	0%
Mr Matthew Angell	$400,000	100%	100%	0%
Mr Michael Eadie	$170,000	49%	100%	0%

1. Note the Maximum STI opportunity for the CFO was increased from $150,000 to $170,000.

SECTION 2 REMUNERATION OUTCOMES AND ALIGNMENT TO PERFORMANCE CONTINUED

LTI OUTCOMES

Indicative FY2023 LTI outcomes

Following FY2023, performance under the FY2021-23 LTI scheme will be considered with FY2023 being the final year of the performance period triennium. The other two on-foot LTI schemes will be assessed after FY2024 (FY2022-24 scheme) and FY2025 (FY2023-25 scheme).

The following table summarises the FY2021-23 LTI scheme gateway, performance hurdles and expected outcomes:

FY2021-23 LTI scheme

ROE GATE-OPENER	**Minimum entry target for vesting of PRs**		**Indicative vesting outcome of PRs** [1]
	>16%		13% Insufficient for LTI gate-opener to be triggered
NPAT CAGR HURDLE (50%)	**Minimum entry target for vesting of PRs**	**Maximum threshold for vesting of PRs**	**Indicative vesting outcome of PRs** [1]
	Cumulative 8% CAGR of NPAT	Cumulative 11% CAGR of NPAT	Cumulative 5% CAGR of NPAT
	40% of eligible PRs vesting	100% of eligible PRs vesting	0% of eligible PRs will vest
TSR HURDLE (50%)	**Minimum entry target for vesting of PRs**	**Maximum threshold for vesting of PRs**	**Indicative vesting outcome of PRs** [1,3]
	50^{th} percentile relative TSR versus ASX200 [2]	75^{th} percentile relative TSR versus ASX200 [2]	38^{th} percentile 0% of eligible PRs will vest
	0% of eligible PRs vesting	100% of eligible PRs vesting	Likely 0% of eligible PRs may vest

1. The LTI outcome will not be formally assessed until after 31 October 2023 including the assessment of the Return on Equity (ROE) gateway. The NPAT CAGR for the FY2021 – FY2023 triennium is below the minimum threshold of 8 per cent, as noted above.
2. ASX200 excluding materials and energy stocks.
3. Actual performance will be determined based on the Group VWAP (volume weighted average price) over Group share price over the 90 days to 31 October 2023. The percentile shown is measured to 30 June 2023 for illustrative purposes.

FY2022 LTI outcomes

Following FY2022, performance under the FY2020-22 LTI scheme was assessed with FY2022 being the final year of the performance period triennium.

The following table summarises the FY2020-22 LTI scheme gateway, performance hurdle and actual outcomes:

FY2020-22 LTI scheme

ROE GATE-OPENER	**Minimum entry target for vesting of PRs**		**Actual vesting outcome of PRs**
	>16%		17% Sufficient to meet LTI gate-opener
NPAT CAGR HURDLE (50%)	**Minimum entry target for vesting of PRs**	**Maximum threshold for vesting of PRs**	**Actual vesting outcome of PRs**
	Cumulative 8% CAGR of NPAT	Cumulative 11% CAGR of NPAT	Cumulative 11% CAGR of NPAT
	40% of eligible PRs vesting	100% of eligible PRs vesting	100% of eligible PRs vested
TSR HURDLE (50%)	**Minimum entry target for vesting of PRs**	**Maximum threshold for vesting of PRs**	**Actual vesting outcome of PRs** [1]
	50^{th} percentile relative TSR versus ASX200 [1]	75^{th} percentile relative TSR versus ASX200 [1]	37^{th} percentile
	0% of eligible PRs vesting	100% of eligible PRs vesting	0% of eligible PRs vested

1. ASX200 excluding materials and energy stocks.

As set out above, 50 per cent of the FY2020–22 LTI vested to the participating executives in November 2022. The Remuneration and HR Committee and Board assessed the ROE gateway on the basis of applying pro-forma gearing.

The performance rights that converted and vested to the participating KMP executives in November 2022 were as follow:

Participating executive KMP	Number of PRs converted and vested
Mr Thomas Beregi	85,511
Mr Matthew Angell	50,844
Mr Michael Eadie	25,422
	161,777

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SECTION 3 STRUCTURE OF VARIABLE REMUNERATION

SHORT-TERM INCENTIVE (STI)

STI award eligibility is determined by KPIs set before the start of each year. These KPIs are annual operational and financial targets that are established at levels to achieve shorter-term financial and operational objectives aligned with the Group's longer-term strategic goals.

The following table outlines the major features of the 2023 STI plan:

Features	Description
Performance period	1 July 2022 to 30 June 2023
Purpose	To motivate and reward participants for achieving annual financial targets and a balanced scorecard, with weighted allocations to financial and non-financial measures that position the Group to achieve its long-term strategic goals. Achievement of the STI outcomes provides the foundation for achievement of the three-year strategic plan objectives of the LTI program.
Financial gateway for funding of STI pool	The STI pool is only funded if: • the Group achieves its budgeted NPAT • the Group complies with its banking covenants.
Appropriateness of budgeted NPAT	The FY2023 budget of $96.1 million, a flat target against the FY2022 NPAT was determined in the context of: • Ongoing low charge-off volumes in the Australian / New Zealand debt buying segment likely to result in a 30 per cent decline in segment earnings • The short-term dilution of earnings caused by up-front loan loss provisioning and customer acquisition costs as a result of the continued strong growth in the lending book following the acceleration of volumes during FY2022.
Minimum criteria required to be achieved before any payments are made	If the STI pool is funded, the proportion of each individual's targeted STI that is paid depends on satisfactory performance against individual KPIs and job description accountabilities.
Maximum STI that can be earned	The amount is set at the start of the year by the Remuneration and HR Committee and is approved by the Board. The maximum STI amount for FY2023 for each executive KMP is summarised below:

Executive KMP	Maximum FY2023 STI	% of fixed remuneration
Mr Thomas Beregi	$700,000	100%
Mr Matthew Angell	$400,000	100%
Mr Michael Eadie	$170,000	49%

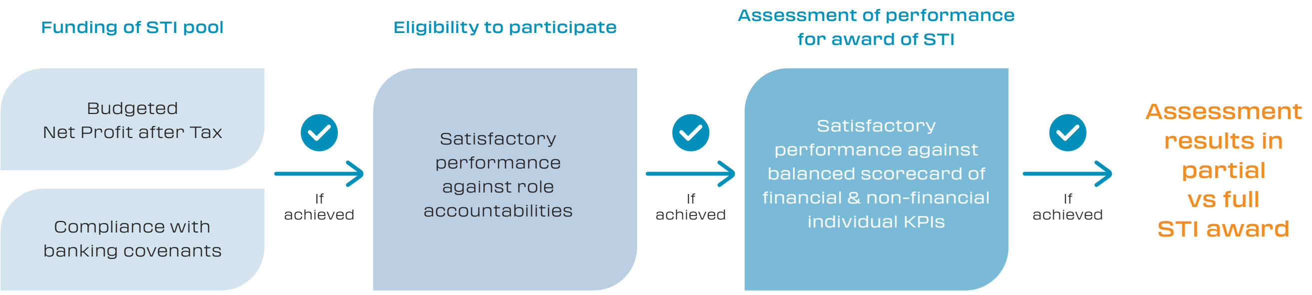
Features	Description
Assessment of STI	**Gateway** 1. Achievement of Group budgeted NPAT for year 2. Compliance with banking facility covenants 3. Satisfactory performance against role accountabilities. **Assessment of individual performance** CEO KPIs are summarised in the following table:

CEO KPIs	Weighting	
Financial performance	Achievement of Company NPAT in current year	30%
Employee engagement	Key indicator of workplace engagement	10%
Investment objectives	Investment at sufficient levels to achieve earnings targets	5%
Strategic growth initiatives	Achievement of key milestones under the Company's strategic plan to facilitate longer-term earnings growth	55%

Features	Description
Approval	Post completion of the annual financial statement audit and performance review process in September 2023, the proportion of the targeted STI payable to each Executive KMP will be determined by the Remuneration and HR Committee and approved by the Board. As noted above, no STI will be awarded in respect of FY2023 as NPAT was below the gate-opener target required to fund the STI pool.
Payment timing	September 2023
Form of payment	Cash
Terminating executive KMP	There is no mandatory STI entitlement where an executive KMP's employment terminates prior to the payment date for the STI.

SECTION 3 STRUCTURE OF VARIABLE REMUNERATION CONTINUED

The operation of the STI is summarised diagrammatically below:



LONG-TERM INCENTIVE (LTI)

The LTI is designed to align the interests of shareholders and executive KMP by motivating and rewarding executive KMP to achieve strong annual earnings growth and shareholder returns over the medium to long-term. The LTI operates on a rolling three-year performance period basis.

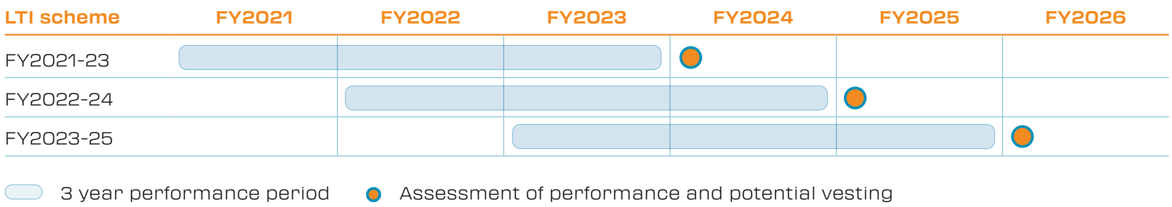
The LTI has a minimum ROE gateway and consists of the following performance hurdles:

- earnings-based hurdle (CAGR of NPAT)
- relative TSR against the performance of the ASX200, excluding materials and energy companies
- each performance hurdle accounts for 50 per cent of the total potential award.

There were three LTI schemes on-foot during FY2023 with each featuring annual grants of performance rights:

- a scheme with a performance period from FY2021-2023
- a scheme with a performance period from FY2022-2024
- a scheme with a performance period from FY2023-2025.

Features	Description
Performance period	The performance period for the NPAT hurdle under each on-foot scheme is a three-year period (FY2021–2023, FY2022–2024 and FY2023–2025), with NPAT growth being assessed on a cumulative basis with a minimum CAGR hurdle of 8 per cent. Similarly, performance under the TSR is also assessed on a cumulative basis over the same three-year performance periods.



Purpose

The Group established the LTI plan to assist in motivating, retaining and rewarding key employees. The Group's LTI plan aligns the interests of shareholders and Executive KMP by:

- 50 per cent of the potential award being based on achieving and exceeding target cumulative earnings growth, with earnings growth being a critical driver of shareholder returns
- 50 per cent of the potential award using relative TSR as a performance hurdle, which directly aligns the financial interests of Executive KMP and shareholders by linking reward to the Group's relative share price performance.

These performance hurdles operate independently and are designed to mitigate the risk of an excessive focus on share price performance by executives while still driving strong alignment with shareholder outcomes.

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SECTION 3 STRUCTURE OF VARIABLE REMUNERATION CONTINUED

Features	Description
Allocation	The allocation of performance rights to executive KMP, as determined by the Remuneration and HR Committee and the Board, for each of the on-foot LTI schemes is summarised below:

Scheme	KMP	Face value allocated to KMP executives	Number of PRs issued to KMP executives	Determination of valuation
FY2021-23	CEO	$2,094,200	148,000	Face value determined using the VWAP share price over 90 days up to grant date ($14.15).
	COO	$1,245,200	88,000	
	CFO	$622,600	44,000	
	Total		**280,000**	
FY2022-24	CEO	$2,044,657	65,618	Face value determined using the VWAP share price over 90 days up to grant date ($31.16).
	COO	$1,212,747	38,920	
	CFO	$609,303	19,554	
	Total		**124,092**	
FY2023-25	CEO	$2,128,516	90,115	Face value determined using the VWAP share price over 90 days up to grant date ($23.62).
	COO	$1,262,465	53,449	
	CFO	$634,268	26,853	
	Total		**170,417**	

Performance eligibility

- A minimum return on equity (ROE) of 16 per cent must be achieved, on average, in each three-year performance period. Gearing is adjusted to the pro-forma 30 per cent level in assessing ROE
- Satisfactory performance by an executive KMP against their job accountabilities as assessed in the annual performance review process described in the STI section above.

Vesting

NPAT CAGR (50%)

Over each three-year performance period, the proportion of performance rights converting to shares and vesting is as follows:

8% cumulative CAGR of NPAT	40%
8% and 11% cumulative CAGR of NPAT	Pro-rata 40%-100%
11% cumulative CAGR of NPAT	100% vesting

- The benefit of assessing earnings growth over a three-year performance periods is that it represents sustained earnings growth.

The 8-11 per cent compound annual NPAT growth range aligns with the financial objectives of the Group's strategic plan.

Relative TSR (50%)

The proportion of performance rights converting to shares and vesting is as follows:

50th percentile	Nil
50th-75th percentile	Pro-rata nil to 100%
75th percentile	100% vesting

The TSR performance is measured on a cumulative basis over the three-year performance period under each LTI plan. The TSR for the testing period is calculated using the volume weighted average price (VWAP) during the testing period, in order to mitigate the impact of short-term price volatility on the TSR calculation. The testing period is the 90 days to 31 October following the conclusion of each three-year performance period.

The TSR is compared to the TSR of the peer group for the purposes of determining the Group's ranking. The peer group is comprised of the ASX200 (excluding materials and energy shares). The use of a broad peer group:

- reflects the absence of a relevant peer group amongst financial services stocks with Credit Corp's operating model being relatively unique
- avoids comparison to the Diversified Financials index, which is considered inappropriate with the constituent listed Companies including funds managers, listed investment companies (LIC) and insurance companies with business models far removed from Credit Corp's business
- effectively compares the returns achieved from investing in Credit Corp shares with returns available from alternative investments in Australian equities by Credit Corp's investors.

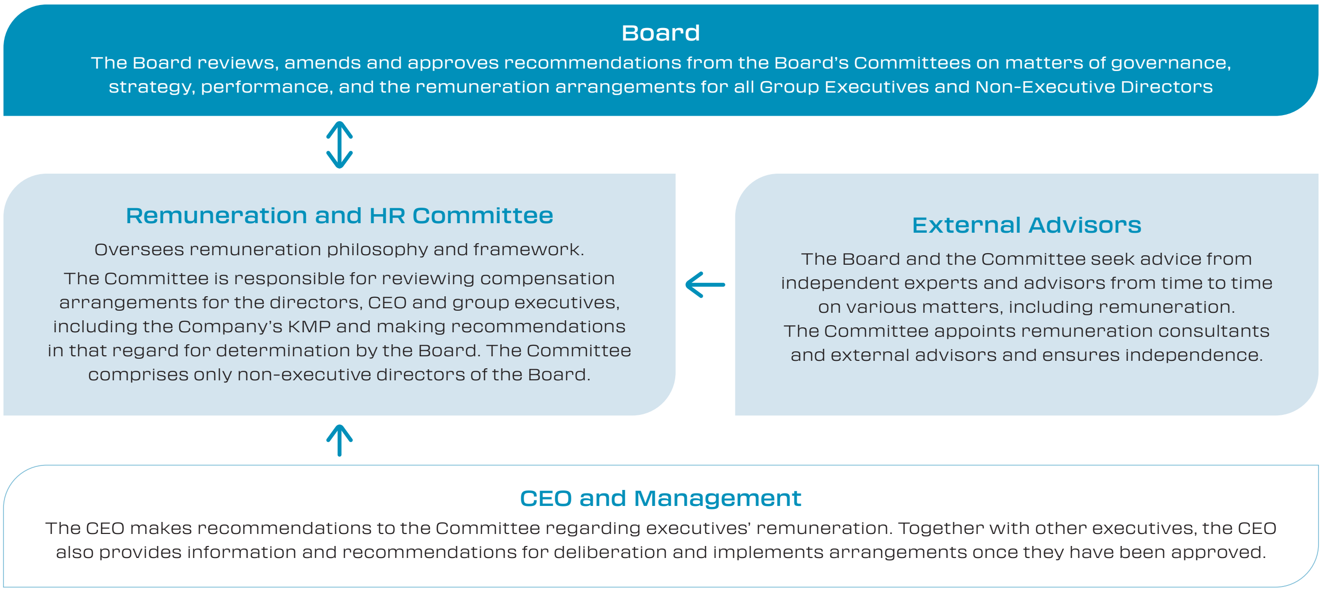
SECTION 3 STRUCTURE OF VARIABLE REMUNERATION CONTINUED

Features	Description
Use of NPAT versus EPS	The Group uses an NPAT growth hurdle with an ROE qualifier, based on a pro-forma capital structure, as this is the most appropriate approach for Credit Corp. The use of these measures captures the following: • The opportunistic element of Credit Corp's debt buying business means holding excess capital and diluting returns at times should maximise investment and returns through the cycle. • Executives are not incentivised to recommend dysfunctional long-term capital management e.g. returning capital to achieve an EPS hurdle or maximising gearing to achieve an ROE hurdle.
Dividends	An LTI participant has no entitlement to dividends until the performance rights have been converted into shares and vested.
Forfeiture	Forfeiture of an LTI participant's reward will occur should the executive KMP be terminated by the Group for any reason, remain employed but no longer form part of the leadership group or be terminated from the plan for any reason. There is no mandatory LTI entitlement where an executive KMP's employment terminates prior to the vesting date of an LTI benefit. The Board retains an overarching discretion to forfeit any performance rights granted under the LTI at any time.
Change of control	There is no mandatory entitlement to any benefit under the LTI in the event of a change in control of the Group and the Board has absolute discretion to vary any terms of the LTI program in these circumstances.

SECTION 4 REMUNERATION GOVERNANCE

OVERVIEW

The following diagram illustrates the Company's remuneration governance framework:



EXECUTIVE SERVICE AGREEMENTS

All contracts with executive KMP may be terminated by either party with agreed notice periods. Remuneration and other terms of employment are formalised in employment contracts. Details of these contracts are:

Name	Title	Term of agreement	Details
Mr Thomas Beregi	Managing Director & CEO	Ongoing, 3 month notice period	Fixed salary package consisting of base salary and superannuation, reviewed annually by the Remuneration and HR Committee.
Mr Matthew Angell	COO	Ongoing, 1 month notice period	Fixed salary package consisting of base salary and superannuation, reviewed annually by the Remuneration and HR Committee.
Mr Michael Eadie	CFO	Ongoing, 1 month notice period	Fixed salary package consisting of base salary and superannuation, reviewed annually by the Remuneration and HR Committee.

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SECTION 4 REMUNERATION GOVERNANCE CONTINUED

SHARE TRADING POLICY

The Group's share trading policy states that all Group employees are only permitted to enter into margin loans secured against Credit Corp shares with the prior written approval of the Chair. Group employees are also prohibited from hedging unvested awards in the Group's shares, which would otherwise limit the economic risk of an employee's holdings on unvested securities granted under an employee incentive plan.

Breaches of the Group's share trading policy are regarded very seriously and may lead to disciplinary action being taken (including termination of employment).

As noted in the Corporate Governance Statement, during FY2023, the Group introduced a minimum shareholding policy for non-executive directors requiring them to hold Group shares representing a value of at least one year of base NED fees within three years of their appointment or 19th June 2026 (whichever is later).

REMUNERATION CONSULTANTS

No remuneration consultants were utilised to provide any remuneration recommendations during the year. Externally sourced remuneration benchmarking data was used during the year.

SECTION 5 NON-EXECUTIVE DIRECTOR REMUNERATION

COMPONENTS AND DETAILS OF NON-EXECUTIVE REMUNERATION

Under the Group's Remuneration Policy, non-executive directors are to be awarded fair remuneration that is appropriate to their responsibilities, performance, knowledge and skills. Fees for non-executive directors are fixed and are not linked to the performance of the Group. This is to ensure the independence of the directors.

Remuneration levels of comparable companies are reviewed annually for benchmarking purposes and allowance is made for various factors, including demands on time, the level of commitment required and any special responsibilities. An annual aggregate cap of $1.5 million was approved by the shareholders at the 2021 AGM. The increase in the aggregate fee cap was to allow the appointment of up to seven non-executive directors to broaden the skill and experience of the Board as the Company continues to grow and diversify, and to allow for continued Board renewal.

REMUNERATION OF NON-EXECUTIVE DIRECTORS

The remuneration structure is set out below:

	2023 $	2022 $
Chair	**250,000**	250,000
Director and Committee Chair	**135,000**	135,000
Director and Committee member	**125,000**	125,000
Director	**110,000**	110,000

The above remuneration does not include the 10.5 per cent (2022: 10.0 per cent) statutory superannuation entitlement.

Non-executive directors' fees were reviewed with effect from 1 July 2023. These increases were benchmarked to comparable listed entities to the Group in terms of market capitalisation, total assets, revenue and operational scope. It is noted that non-executive director remuneration was last reviewed two years ago and prior to that in 2016.

Non-executive directors' fees from 1 July 2023, excluding applicable superannuation entitlements, are summarised below:

	Amount $
Chair	275,000
Director and Committee Chair	145,000
Director and Committee member	135,000
Director	120,000

There will be no proposal to adjust the annual aggregate non-executive cap of $1.5 million at the 2023 AGM.

SECTION 6 CHANGES TO EXECUTIVE REMUNERATION

EXECUTIVE REMUNERATION RESTRUCTURE EFFECTIVE 1 JULY 2023

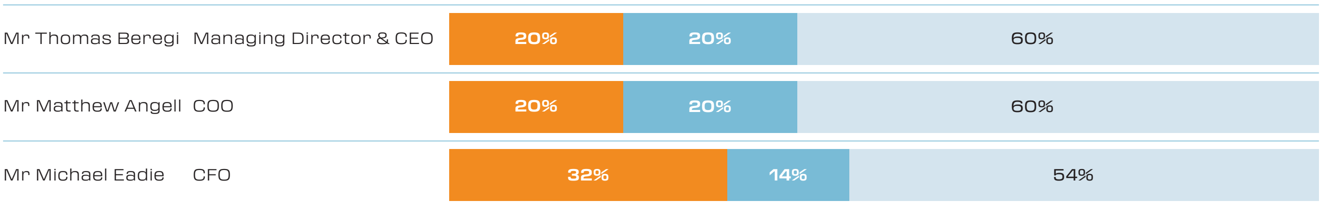
A review was completed of executive remuneration recognising the following:

- the need to be market competitive to attract and retain executives
- the size and complexity of the business including a substantial offshore component
- market benchmarks.

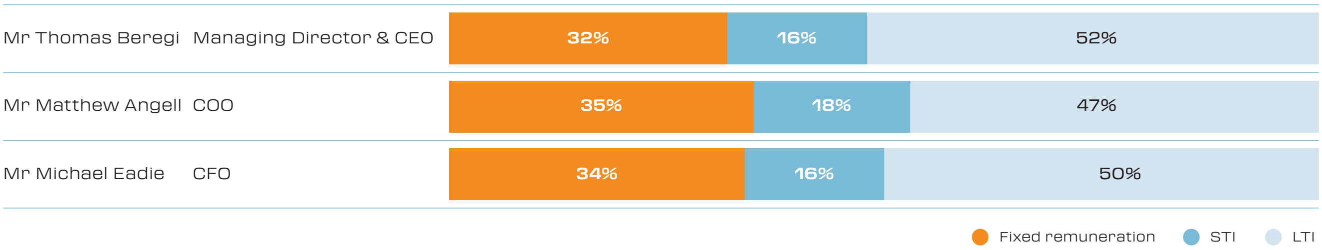
As a result, the mix of Executive remuneration has been amended from 1 July 2023 based on the following principles:

- retain the significant performance based component of remuneration that provides strong alignment with shareholder outcomes
- pay fairly and equitably for core duties against the external market based on complexity and expertise
- maintain the above market component of maximum total remuneration represented by the equity-based LTI while reducing the cash-based STI
- ensure maximum total remuneration does not exceed the existing cost envelope for each Executive role other than the CFO role, which benchmarked well below market.

Previous mix



Remuneration mix from 1 July 2023



The present and amended remuneration mix is summarised as follows:

Executive KMP		Fixed remuneration	Maximum STI	Maximum LTI[1]	Total maximum remuneration
Mr Thomas Beregi	Managing Director & CEO	$1,100,000	$550,000	$1,795,000	$3,445,000
Mr Matthew Angell	COO	$700,000	$350,000	$950,000	$2,000,000
Mr Michael Eadie	CFO	$470,000	$225,000	$705,000	$1,400,000

1. LTI presented on a face value basis.

The key changes in the remuneration mix are as follows:

- Fixed pay increases absolutely and as a proportion of total maximum remuneration.
- The maximum STI for the CEO and COO roles reduces from 100 per cent of fixed pay to 50 per cent.
- The maximum LTI represents ~50 per cent of total maximum remuneration for all executive KMP roles.

The LTI being ~50 per cent of the maximum total ensures that remuneration remains strongly aligned with the key drivers of shareholder value creation being sustained medium-term earnings growth and above median market returns. Fixed pay being aligned to market levels ensures retention risks are mitigated while the cash-based STI is decreased as a proportion of total maximum remuneration.

The operation of the STI and LTI remain consistent with previous schemes with the exception of the following changes to the LTI performance hurdles with respect to the FY2024-26 program onwards:

1. The NPAT CAGR over the three-year performance period is adjusted to 6-9 per cent in line with current market expectations with 50 per cent of the applicable performance rights converting and vesting at 6 per cent and 100 per cent at 9 per cent.
2. The market performance conditions (relative TSR) remain unchanged other than 50 per cent of the applicable performance rights converting and vesting at median market performance and 100 per cent at the 75th percentile, in line with market practice.

Adjustments to NED remuneration from 1 July 2023 have been disclosed in Section 5 above.

DIRECTORS' REPORT

AUDITED REMUNERATION REPORT

CONTINUED

SECTION 7 STATUTORY REMUNERATION TABLES AND DATA

COMPENSATION OF DIRECTORS AND OTHER KEY MANAGEMENT PERSONNEL

Statutory Reporting Basis – period ending 30 June 2023

		Short-term benefits				Post-employment benefit	Long-term benefit			
		Salary and fees $	Short-term incentive [1] $	Non-monetary benefits [2] $	Total $	Super-annu-ation $	Long-term incentive [3] $	Long-service leave $	Total $	Proportion of remuneration performance-related %
NON-EXECUTIVE DIRECTORS										
Mr Eric Dodd Non-Executive Director, Chair of Board and Nomination Committee	**2023**	**250,000**	**—**	**18,764**	**268,764**	**24,761**	**—**	**—**	**293,525**	**—**
	2022	250,000	—	18,616	268,616	23,568	—	—	292,184	—
Mr Phillip Aris Non-Executive Director, Member of Nomination Committee and Remuneration and HR Committee	**2023**	**125,000**	**—**	**—**	**125,000**	**13,125**	**—**	**—**	**138,125**	**—**
	2022	118,616	—	—	118,616	11,862	—	—	130,478	—
Mr Brad Cooper [4] Non-Executive Director, Member of Audit and Risk Committee and Remuneration and HR Committee	**2023**	**24,692**	**—**	**—**	**24,692**	**2,593**	**—**	**—**	**27,285**	**—**
	2022	—	—	—	—	—	—	—	—	—
Ms Lyn McGrath [4] Non-Executive Director, Member of Audit and Risk Committee and Nomination Committee	**2023**	**62,500**	**—**	**—**	**62,500**	**6,563**	**—**	**—**	**69,063**	**—**
	2022	—	—	—	—	—	—	—	—	—
Ms Leslie Martin Non-Executive Director, Member of Audit and Risk Committee	**2023**	**127,923**	**—**	**—**	**127,923**	**13,432**	**—**	**—**	**141,355**	**—**
	2022	135,000	—	—	135,000	13,500	—	—	148,500	—
Mr James M Millar AM Non-Executive Director, Chair of Audit and Risk Committee	**2023**	**135,000**	**—**	**—**	**135,000**	**14,175**	**—**	**—**	**149,175**	**—**
	2022	79,442	—	—	79,442	7,944	—	—	87,386	—
Ms Trudy Vonhoff Non-Executive Director, Chair of Remuneration and HR Committee	**2023**	**135,000**	**—**	**—**	**135,000**	**14,175**	**—**	**—**	**149,175**	**—**
	2022	135,000	—	—	135,000	13,500	—	—	148,500	—
Mr Richard Thomas [5] Non-Executive Director, Member of Nomination Committee before retirement	**2023**	**110,577**	**—**	**—**	**110,577**	**11,611**	**—**	**—**	**122,188**	**—**
	2022	125,000	—	—	125,000	12,500	—	—	137,500	—
Mr Donald McLay [6] Non-Executive Director, Chair of Audit and Risk Committee before retirement	**2023**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
	2022	77,115	—	—	77,115	7,712	—	—	84,827	—
EXECUTIVE KMP										
Mr Thomas Beregi [7] Managing Director, CEO, Company Secretary	**2023**	**674,708**	**—**	**18,764**	**693,472**	**25,292**	**1,063,868**	**10,835**	**1,793,467**	**59**
	2022	676,432	700,000	18,616	1,395,048	23,568	1,480,498	13,370	2,912,484	75
Mr Matthew Angell COO	**2023**	**345,115**	**—**	**18,764**	**363,879**	**25,292**	**631,007**	**6,070**	**1,026,248**	**61**
	2022	376,432	400,000	18,616	795,048	23,568	879,502	7,261	1,705,379	75
Mr Michael Eadie CFO, Company Secretary	**2023**	**320,961**	**—**	**18,764**	**339,725**	**25,292**	**317,023**	**5,092**	**687,132**	**46**
	2022	326,432	150,000	18,616	495,048	23,568	440,525	6,303	965,444	61
Total remuneration	**2023**	**2,311,476**	**—**	**75,056**	**2,386,532**	**176,311**	**2,011,898**	**21,997**	**4,596,738**	**44**
	2022	2,299,469	1,250,000	74,464	3,623,933	161,290	2,800,525	26,934	6,612,682	61

1. The STI has been included in the above table on an accrual basis and has been recorded at 100 per cent of the maximum potential payment. Individual performance reviews to be conducted after the finalisation of the FY2023 audited consolidated financial statements will determine the final entitlement.
2. The non-monetary benefits represent car parking provided during the year.
3. The LTI has been included in the above table on an accruals basis at fair value in accordance with applicable accounting standards (other disclosures in this remuneration report are made using face value).
4. Ms McGrath was appointed on 1 January 2023, and Mr Cooper was appointed on 18 April 2023.
5. Mr Thomas retired from the Board on 19 May 2023.
6. Mr McLay retired from the Board on 18 November 2021.
7. Mr Beregi was appointed Managing Director on 21 March 2023.

SECTION 7 STATUTORY REMUNERATION TABLES AND DATA CONTINUED

PERFORMANCE RIGHTS HELD, VESTED AND GRANTED AS AT 30 JUNE 2023

A reconciliation of performance rights (PR) issued to Executive KMP in respect of each LTI scheme is as follows:

	LTI schemes	Opening balance at 1 July 2022 Number	PRs issued during the year Number	Vested during the year Number	Forfeited during the year Number	Closing balance at 30 June 2023 Number
EXECUTIVE KMP						
Mr Thomas Beregi	LTI scheme 2020-2022	171,022	–	(85,511)	(85,511)	–
	LTI scheme 2021-2023	148,000	–	–	–	148,000
	LTI scheme 2022-2024	65,618	–	–	–	65,618
	LTI scheme 2023-2025	–	90,115	–	–	90,115
Mr Matthew Angell	LTI scheme 2020-2022	101,688	–	(50,844)	(50,844)	–
	LTI scheme 2021-2023	88,000	–	–	–	88,000
	LTI scheme 2022-2024	38,920	–	–	–	38,920
	LTI scheme 2023-2025	–	53,449	–	–	53,449
Mr Michael Eadie	LTI scheme 2020-2022	50,844	–	(25,422)	(25,422)	–
	LTI scheme 2021-2023	44,000	–	–	–	44,000
	LTI scheme 2022-2024	19,554	–	–	–	19,554
	LTI scheme 2023-2025	–	26,853	–	–	26,853

SHARES HELD IN CREDIT CORP GROUP LIMITED AS AT 30 JUNE 2023

The movements during 2023 in the number of ordinary shares in Credit Corp Group Limited held directly, indirectly or beneficially by each KMP, including their related parties are:

	Opening balance at 1 July 2022 Number	Shares vested during the year Number	Shares acquired during the year Number	Other changes during the year Number	Closing balance at 30 June 2023 Number
NON-EXECUTIVE DIRECTORS					
Mr Eric Dodd	6,927	–	–	–	6,927
Mr Phillip Aris	1,500	–	–	–	1,500
Mr Brad Cooper	–	–	–	–	–
Ms Lyn McGrath	–	–	–	–	–
Ms Leslie Martin	11,063	–	–	–	11,063
Mr James M Millar AM	–	–	–	–	–
Ms Trudy Vonhoff	12,150	–	–	–	12,150
Mr Richard Thomas [1]	17,272	–	–	(17,272)	–
	48,912	–	–	(17,272)	31,640
EXECUTIVE KMP					
Mr Thomas Beregi	41,086	85,511	–	(85,511)	41,086
Mr Matthew Angell	399	50,844	–	(40,844)	10,399
Mr Michael Eadie	–	25,422	–	(25,422)	–
	41,485	161,777	–	(151,777)	51,485
Total	**90,397**	**161,777**	**–**	**(169,049)**	**83,125**

1. Mr Thomas retired on 19 May 2023 and his shareholding balance as at 30 June 2023 is not included above.

TRANSACTIONS WITH KMP

No transactions with KMP occurred during the year other than remuneration arrangements as disclosed in this report.

Trudy Vonhoff
Chair of Remuneration and HR Committee

Date: 1 August 2023

Eric Dodd
Chair of Board

FINANCIAL STATEMENTS

AUDITOR'S INDEPENDENCE DECLARATION

HALL CHADWICK
Chartered Accountants & Business Advisors

CREDIT CORP GROUP LIMITED
ABN 33 092 697 151
AND CONTROLLED ENTITIES

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF CREDIT CORP GROUP LIMITED

In accordance with Section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Credit Corp Group Limited. As the lead audit partner for the audit of the financial report of Credit Corp Group Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Hall Chadwick

Hall Chadwick (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

DREW TOWNSEND
Partner
Dated: 1 August 2023

CONSOLIDATED

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $'000	2022 $'000
Purchased debt ledger (PDL) interest revenue	4	**270,039**	289,996
Consumer lending revenue	4	**147,847**	93,737
Other revenue	4	**55,483**	27,467
Finance costs		**(16,988)**	(5,166)
Employee benefits expense		**(180,710)**	(150,095)
Depreciation and amortisation expense		**(11,160)**	(10,510)
Office facility expenses		**(22,990)**	(18,438)
Collection expenses		**(30,479)**	(30,654)
Consumer loans loss provision expense		**(61,710)**	(32,476)
Marketing expenses		**(12,338)**	(13,316)
Other expenses		**(8,635)**	(7,530)
Profit before income tax		**128,359**	143,015
Income tax expense	5	**(37,108)**	(42,299)
Profit for the year		**91,251**	100,716
Earnings per share for profit attributable to owners of the Company			
Basic earnings per share (cents per share)	6	**134.2**	148.9
Diluted earnings per share (cents per share)	6	**132.4**	148.5

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

CONSOLIDATED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	2023 $'000	2022 $'000
Profit for the year	**91,251**	100,716
Other comprehensive income		
Items that may be reclassified subsequently to profit / (loss):		
Foreign currency translation reserve, net of income tax	**19,526**	18,523
Other comprehensive income for the year, net of income tax	**19,526**	18,523
Total comprehensive income for the year	**110,777**	119,239

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

CONSOLIDATED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	2023 $'000	2022 $'000
Current assets			
Cash and cash equivalents	8	**65,820**	29,705
Trade and other receivables	9	**17,857**	7,192
Consumer loans receivables	10	**166,965**	126,152
Purchased debt ledgers	11	**226,720**	240,343
Finance lease receivables	15	**–**	325
Other assets	12	**5,129**	5,328
Total current assets		**482,491**	409,045
Non-current assets			
Consumer loans receivables	10	**117,579**	72,235
Purchased debt ledgers	11	**535,421**	396,978
Plant and equipment	13	**6,579**	7,682
Right-of-use assets	14	**24,944**	26,619
Deferred tax assets	5	**66,973**	61,254
Intangible assets	16	**14,800**	800
Total non-current assets		**766,296**	565,568
Total assets		**1,248,787**	974,613
Current liabilities			
Trade and other payables	17	**38,097**	26,050
Current tax liabilities	5	**20,673**	8,451
Lease liabilities	14	**6,917**	7,910
Provisions	18	**18,605**	23,621
Total current liabilities		**84,292**	66,032
Non-current liabilities			
Borrowings	19	**314,210**	128,589
Deferred tax liabilities	5	**8,735**	9,758
Lease liabilities	14	**20,564**	21,463
Provisions	18	**3,570**	8,130
Total non-current liabilities		**347,079**	167,940
Total liabilities		**431,371**	233,972
Net assets		**817,416**	740,641
Equity			
Issued capital	21	**375,141**	361,232
Reserves	22	**44,983**	33,314
Retained earnings		**397,292**	346,095
Total equity		**817,416**	740,641

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

CONSOLIDATED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	Note	Issued capital $'000	Reserves $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2022		**361,232**	**33,314**	**346,095**	**740,641**
Total comprehensive income for the year					
Profit for the year		**–**	**–**	**91,251**	**91,251**
Foreign currency translation reserve	22	**–**	**19,526**	**–**	**19,526**
Total comprehensive income for the year		**–**	**19,526**	**91,251**	**110,777**
Transactions with owners in their capacity as owners					
Transfer from reserve on vesting of performance rights	21	**13,909**	**(9,449)**	**–**	**4,460**
Performance rights issued net of transaction costs		**–**	**1,592**	**–**	**1,592**
Dividends paid or provided for	7	**–**	**–**	**(40,054)**	**(40,054)**
Transactions with owners in their capacity as owners		**13,909**	**(7,857)**	**(40,054)**	**(34,002)**
Balance at 30 June 2023		**375,141**	**44,983**	**397,292**	**817,416**
Balance at 1 July 2021		346,738	24,963	295,362	667,063
Total comprehensive income for the year					
Profit for the year		–	–	100,716	100,716
Foreign currency translation reserve	22	–	18,523	–	18,523
Total comprehensive income for the year		–	18,523	100,716	119,239
Transactions with owners in their capacity as owners					
Transfer from reserve on vesting of performance rights	21	14,494	(14,494)	–	–
Performance rights issued net of transaction costs		–	4,322	–	4,322
Dividends paid or provided for	7	–	–	(49,983)	(49,983)
Transactions with owners in their capacity as owners		14,494	(10,172)	(49,983)	(45,661)
Balance at 30 June 2022		361,232	33,314	346,095	740,641

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

CONSOLIDATED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $'000	2022 $'000
Cash flows from operating activities			
Receipts from customers and debtors		**691,936**	667,182
Payments to suppliers and employees		**(278,040)**	(241,883)
Interest received on bank deposits		**866**	30
Interest paid – leases		**(745)**	(901)
Interest paid – other		**(15,769)**	(3,802)
Income tax paid		**(12,561)**	(33,919)
Cash flows from operating activities before changes in operating assets		**385,687**	386,707
Changes in operating assets arising from cash flow movements			
Net funding of consumer loans		**(149,496)**	(92,004)
Acquisition of purchased debt ledgers		**(320,193)**	(394,999)
Changes in operating assets arising from cash flow movements		**(469,689)**	(487,003)
Net cash outflow from operating activities	20	**(84,002)**	(100,296)
Cash flows from investing activities			
Acquisition of plant and equipment	13	**(1,330)**	(3,820)
Payment for acquisition of subsidiaries, net of cash acquired	23	**(15,452)**	—
Net cash outflow from investing activities		**(16,782)**	(3,820)
Cash flows from financing activities			
Proceeds from borrowings		**246,354**	128,906
Repayment of borrowings		**(61,207)**	—
Repayment of lease principal		**(8,445)**	(7,385)
Dividends paid	7	**(40,054)**	(49,983)
Net cash inflow / (outflow) from financing activities		**136,648**	71,538
Net increase / (decrease) in cash and cash equivalents		**35,864**	(32,578)
Cash and cash equivalents at 1 July		**29,705**	61,677
Effect of exchange rate fluctuations on cash held		**251**	606
Cash and cash equivalents at 30 June	8	**65,820**	29,705

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

NOTES TO THE
CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: CORPORATE INFORMATION

The consolidated financial statements of Credit Corp Group Limited (the Company) and its subsidiaries (collectively, the Group) for the year ended 30 June 2023 were authorised for issue in accordance with a resolution of the directors on 1 August 2023.

Credit Corp Group Limited is a for-profit company limited by shares incorporated in Australia whose shares are publicly traded on the ASX. The address of its registered office and principal place of business is Level 15, 201 Kent Street, Sydney NSW 2000, Australia.

The Group is primarily involved in operations within debt ledger purchasing, as well as collection services and consumer lending. Further information on the nature of the operations and principal activities of the Group is provided in the directors' report. Information on the Group's structure is provided in Note 26: Subsidiaries. Information on other related party relationships of the Group is provided in Note 31: Related party transactions.

The parent entity, Credit Corp Group Limited, has not prepared separate financial statements as permitted by the *Corporations Act 2001*. The financial information for the parent entity is disclosed in Note 35: Parent entity information.

NOTE 2: BASIS OF PREPARATION

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board.

a) Compliance with international financial reporting standards

The consolidated financial statements also comply with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

b) Accruals basis

Except for cash flow information, the Consolidated Financial Statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

c) Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with the instrument to the nearest thousand dollars, unless otherwise indicated.

d) Use of accounting judgements, estimates and assumptions

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and the best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and from within the Group.

In the application of the Group's accounting policies, the directors of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key estimates	Note	Page
Purchased debt ledgers (PDLs)	11	90
Impairment of financial assets	9, 10 & 11	88, 89 & 90
Provisions	9, 10 & 18	88, 89 & 94
Share-based payments	32	104
Goodwill and impairment	16	94

NOTES TO THE
CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

NOTE 2: BASIS OF PREPARATION CONTINUED

e) Significant accounting policies

The significant accounting policies adopted in the presentation of these consolidated financial statements are set out below. Other significant accounting policies are contained in the notes to the financial report to which they relate. The policies have been consistently applied to all the years presented, unless otherwise stated.

Principles of consolidation

These consolidated financial statements incorporate the assets, liabilities and results of all subsidiaries at 30 June 2023.

Subsidiaries are all entities over which the Company has control. The Company controls an entity if 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.

Profit or loss and other comprehensive income of controlled entities acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. In preparing the financial report, all intercompany balances, transactions and unrealised profits arising within the Group are eliminated in full.

Functional currency

Amounts in the directors' report and financial report are presented in Australian dollars, which is the Group's functional currency.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency, being Australian dollars, using the exchange rates prevailing at the date of transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of profit or loss.

Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. All borrowing costs are recognised in the statement of profit or loss and other comprehensive income in the period in which they are incurred.

Government grants

Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

f) New and amended standards adopted by the Group

The Group has considered the implications of new or amended Accounting Standards that have become applicable for the current financial reporting period as set out below:

AASB 2020-3 Amendments to Australian Accounting Standards — Annual Improvements 2018-2020 and other Amendments

AASB 2022-6 Amendments to Australian Accounting Standards — Classification of Liabilities as Current or Non-current

AASB 2021-7a Amendments to Australian Accounting Standards — Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the profit or loss or financial position of the Group.

NOTE 3: OPERATING SEGMENTS

a) Financial reporting by segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenue and / or incur expenses. The Group has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision maker, the CEO, to make strategic decisions. The Group has three main operating segments: debt ledger purchasing (Australia and New Zealand), debt ledger purchasing (United States) and consumer lending (Australia, New Zealand and the United States). All operating segments and results are reviewed regularly by the CEO of the Group, who reviews the operating segments' results on an ongoing basis to assess performance and allocate resources.

The reportable segments are as follows:

Debt ledger purchasing — Australia and New Zealand

This business purchases consumer debts at a discount to their face value from credit providers in Australia and New Zealand, with the objective of recovering amounts in excess of the purchase price over the collection life cycle of the receivables to produce a return.

This segment also includes the contingent collection services business in Australia and New Zealand.

Debt ledger purchasing — United States

This business purchases consumer debts at a discount to their face value from credit providers in the United States, with the objective of recovering amounts in excess of the purchase price over the collection life cycle of the receivables to produce a return.

Consumer lending — Australia, New Zealand and the United States

This business offers various consumer loan products to credit-impaired consumers.

Following is the information provided to the CEO:

	Debt ledger purchasing — Australia & New Zealand $'000	Debt ledger purchasing — United States $'000	Consumer lending — Australia, New Zealand & United States $'000	Total for continuing operations $'000
Year ended 30 June 2023				
Segment revenue				
External revenue	**224,751**	**100,771**	**147,847**	**473,369**
Segment result				
Segment profit	**67,882**	**32,366**	**56,259**	**156,507**
Finance costs				**(16,988)**
Depreciation and amortisation expense				**(11,160)**
Profit before income tax expense				**128,359**
Income tax expense				**(37,108)**
Profit after income tax expense				**91,251**
Year ended 30 June 2022				
Segment revenue				
External revenue	230,182	87,281	93,737	411,200
Segment result				
Segment profit	93,365	34,549	30,777	158,691
Finance costs				(5,166)
Depreciation and amortisation expense				(10,510)
Profit before income tax expense				143,015
Income tax expense				(42,299)
Profit after income tax expense				100,716

b) Geographical information

The Group predominantly operates in two geographic segments, Australia and the United States.

NOTES TO THE
CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

NOTE 4: REVENUE

The Group recognises revenue from the following major sources:

Interest revenue from PDLs

Revenue from PDLs represents the component designated as interest income through the application of the credit-adjusted effective interest rate to the amortised cost of the PDLs.

Interest revenue also includes realisations derived from fully amortised PDLs.

Revenue from PDLs includes the impact of changes in expected realisations, which represent an impairment loss or gain. When material, these gains or losses are disclosed as a separate line item within revenue.

Interest and fee income from consumer lending

Interest and fee income is recognised when payments are received.

The following is the Group's revenue for the year from continuing operations:

	2023 $'000	2022 $'000
PDL interest revenue	**270,039**	289,996
Interest and fee income from consumer lending	**147,847**	93,737
Other interest received	**866**	30
Other income	**54,617**	27,437
Total	**473,369**	411,200

Revenue from contracts

Other income mainly consists of revenue from contracts from the collection services business in Australia and New Zealand. This business provides collection services to clients. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a client and excludes amounts collected on behalf of third parties.

Revenue is recognised at a point in time when the service has been performed and the Group has a right to invoice.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). 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 amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities that are recoverable from, or payable to, the ATO are presented as operating cash flows.

NOTE 5: INCOME TAX

The Group operates in various tax jurisdictions, including Australia, New Zealand and the United States.

Current tax

Current tax expense charged to the income statement is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

Deferred tax

Deferred tax is accounted for based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and tax offsets, to the extent that it is probable that sufficient future profits will be available against which those deductible temporary differences can be utilised. No deferred income tax is recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the assets are realised or the liabilities are settled, based on tax rates enacted or substantively enacted at balance date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related assets or liabilities.

Income taxes relating to items recognised directly in equity are recognised directly in equity and not in the income statement and other comprehensive income.

NOTE 5: INCOME TAX CONTINUED

Tax consolidation

Credit Corp Group Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation legislation. The head entity, Credit Corp Group Limited, and its subsidiaries in the income tax consolidated group have entered a tax funding arrangement whereby each company in the income tax consolidated group contributes to the income tax payable in proportion to their contribution to the Group's taxable income. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement is recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

Components of the tax balances are detailed below:

	2023 $'000	2022 $'000
a) Income tax expense		
Current tax	**(32,473)**	(33,907)
Deferred tax	**(7,060)**	(8,280)
Over provision / (under provision) in respect of prior years	**2,425**	(112)
Total	**(37,108)**	(42,299)
b) Reconciliation between tax expense and pre-tax accounting profit		
Profit for the year	**128,359**	143,015
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2022: 30%)	**(38,508)**	(42,905)
Difference in overseas tax rate	**285**	200
Tax effect of amounts that are not taxable (deductible) in calculating taxable income:		
Other non-taxable (non-deductible) items	**(1,310)**	518
	(39,533)	(42,187)
Over provision / (under provision) in respect of prior years	**2,425**	(112)
Income tax expense	**(37,108)**	(42,299)
Applicable weighted average effective tax rates (%)	**29%**	30%
c) Tax assets and liabilities		
Current tax assets		
Tax receivable	**–**	–
Non-current tax assets		
Deferred tax assets	**66,973**	61,254
Total	**66,973**	61,254
Current tax liabilities		
Tax liabilities	**20,673**	8,451
Non-current tax liabilities		
Deferred tax liabilities	**8,735**	9,758
Total	**29,408**	18,209

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NOTE 5: INCOME TAX CONTINUED

	Assets		Liabilities		Net	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Deferred tax assets and liabilities are attributable to:						
Provision for employee benefits	**5,011**	4,272	**–**	–	**5,011**	4,272
ROU assets	**–**	–	**(7,456)**	(7,972)	**(7,456)**	(7,972)
Lease liabilities	**8,214**	8,780	**–**	–	**8,214**	8,780
Provision for impairment of trade receivables	**168**	17	**–**	–	**168**	17
Provision for expected credit losses	**21,932**	15,527	**–**	–	**21,932**	15,527
Accruals on wages and bonuses	**120**	100	**–**	–	**120**	100
Accruals on employee share plan	**1,379**	–	**–**	–	**1,379**	–
Difference between accounting and tax depreciation	**–**	1,125	**(515)**	(673)	**(515)**	452
US PDL change in lifetime ECL [1]	**–**	16,988	**–**	–	**–**	16,988
Tax losses carried forward [1]	**27,105**	4,971	**–**	–	**27,105**	4,971
Other accruals not tax deductible until expense incurred	**3,044**	9,474	**(764)**	(1,113)	**2,280**	8,361
Net tax assets	**66,973**	61,254	**(8,735)**	(9,758)	**58,238**	51,496

1. In 2022 tax year, the Credit Corp Solutions Inc., a US subsidiary of the Group, adopted a tax accounting method to align with the AASB 9 Financial Instruments accounting method. This resulted in a reclassification of deferred tax asset between PDL and carried forward tax losses.

	Opening balance $'000	Recognised in profit or loss $'000	Recognised in other comprehensive income $'000	Acquired in business combination $'000	Closing balance $'000
Movement in temporary differences during the year					
Year ended 30 June 2023					
Provision for employee benefits	**4,272**	**(420)**	**–**	**1,159**	**5,011**
ROU assets	**(7,972)**	**523**	**–**	**(7)**	**(7,456)**
Lease liabilities	**8,780**	**(681)**	**–**	**115**	**8,214**
Provision for impairment of trade receivables	**17**	**133**	**–**	**18**	**168**
Provision for expected credit losses	**15,527**	**6,405**	**–**	**–**	**21,932**
Accruals on wages and bonuses	**100**	**(27)**	**–**	**47**	**120**
Accruals on employee share plan	**–**	**1,379**	**–**	**–**	**1,379**
Difference between accounting and tax depreciation	**452**	**(967)**	**–**	**–**	**(515)**
US PDL change in lifetime ECL	**16,988**	**(16,988)**	**–**	**–**	**–**
Tax losses carried forward	**4,971**	**15,813**	**–**	**6,321**	**27,105**
Other accruals not tax deductible until expense incurred	**8,361**	**(9,426)**	**–**	**3,345**	**2,280**
Total	**51,496**	**(4,256)**	**–**	**10,998**	**58,238**
Movement in temporary differences during the year					
Year ended 30 June 2022					
Provision for employee benefits	3,211	1,061	–	–	4,272
ROU assets	(6,476)	(1,496)	–	–	(7,972)
Lease liabilities	7,336	1,444	–	–	8,780
Provision for impairment of trade receivables	29	(12)	–	–	17
Provision for expected credit losses	14,607	920	–	–	15,527
Accruals on wages and bonuses	118	(18)	–	–	100
Accruals on employee share plan	2,040	(2,040)	–	–	–
Difference between accounting and tax depreciation	904	(452)	–	–	452
Onerous forward purchasing contract provision	45	(45)	–	–	–
US PDL change in lifetime ECL	14,278	2,710	–	–	16,988
Tax losses carried forward	8,752	(3,781)	–	–	4,971
Other accruals not tax deductible until expense incurred	14,932	(6,571)	–	–	8,361
Total	59,776	(8,280)	–	–	51,496

NOTE 6: EARNINGS PER SHARE

	2023	2022
Basic earnings per share (cents)	**134.2**	148.9
Diluted earnings per share (cents)	**132.4**	148.5
Weighted average number of ordinary shares — basic ('000)	**67,986**	67,643
Add: Adjustment for calculation of diluted earnings per share (performance rights) ('000)	**946**	190
Weighted average number of ordinary shares at 30 June — diluted ('000)	**68,932**	67,833

Basic and diluted earnings per share are calculated by dividing profit for the year by the weighted average number of shares on issue over the year.

Performance rights

Performance rights granted under the Group's LTI plan are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share. The rights have not been included in the determination of basic earnings per share. Details relating to the rights are set out in the remuneration report and Note 32.

NOTE 7: DIVIDENDS PAID AND PROPOSED

	Cents per share	Total $'000	Franked / unfranked	Date of payment
The following dividends were declared and paid by the Group:				
Year ended 30 June 2023				
Interim 2023 ordinary	23.0	**15,647**	Franked	31 Mar 2023
Final 2022 ordinary	36.0	**24,407**	Franked	12 Sep 2022
Total		**40,054**		
Year ended 30 June 2022				
Interim 2022 ordinary	38.0	25,762	Franked	11 Mar 2022
Final 2021 ordinary	36.0	24,221	Franked	10 Sep 2021
Total		49,983		
After 30 June 2023 the following dividends were proposed by the directors. The dividends have not been provided for and there are no income tax consequences.				
Final 2023 ordinary	47.0	31,974	Franked	29 Sep 2023

	2023 $'000	2022 $'000
Franking account		
Balance of franking account at year-end adjusted for franking credits arising from payment of provision for income tax and franking debits arising from payment of dividends	**215,719**	175,023
Subsequent to year-end, the franking account would be reduced by the proposed dividend	**(13,703)**	(10,460)
Total	**202,016**	164,563

NOTE 8: CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise bank deposits with maturities of less than three months and cash on hand that are subject to an insignificant risk of change in their fair value, and are used by the Group in the management of its short-term commitments.

	2023 $'000	2022 $'000
Cash and cash equivalents	**65,820**	29,705

The cash and cash equivalents as at end of 30 June 2023 includes $7 million (2022: $6 million) of cash held on behalf of clients. The Group's exposure to interest rate risk and a sensitivity analysis of financial assets and liabilities is disclosed in Note 24.

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NOTE 9: TRADE AND OTHER RECEIVABLES

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less any provision for doubtful debts and impairment.

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

	2023 $'000	2022 $'000
Current		
Trade receivables	**13,780**	3,808
Less: Provision for impairment	**(563)**	(3)
	13,217	3,805
Other receivables	**4,640**	3,387
Less: Provision for impairment	**–**	–
	4,640	3,387
Total	**17,857**	7,192

The Group applies the AASB 9 simplified approach in measuring expected credit losses, which permits the use of the lifetime expected loss provision for all trade receivables.

The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience, adjusted for macroeconomic factors affecting the ability of the customers to settle the receivables and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100 per cent against receivables over 120 days past due, excluding lease bonds and deposits, because historical experience has indicated that these receivables are generally not recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The following table details the loss allowance as at 30 June 2023 and 30 June 2022. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer bases.

Note 24 provides detail about the Group's exposure to credit risk.

	Current $'000	> 30 days past due $'000	> 60 days past due $'000	> 120 days past due $'000	Total $'000
Year ended 30 June 2023					
Expected loss rate	**0%**	**0%**	**0%**	**100%**	
Gross carrying amount	**16,532**	**804**	**521**	**563**	**18,420**
Provision for impairment	**–**	**–**	**–**	**(563)**	**(563)**
Net carrying amount	**16,532**	**804**	**521**	**–**	**17,857**
Year ended 30 June 2022					
Expected loss rate	0%	0%	0%	100%	
Gross carrying amount	6,807	358	27	3	7,195
Provision for impairment	–	–	–	(3)	(3)
Net carrying amount	6,807	358	27	–	7,192

The fair value of the trade and other receivables is $17.9 million (2022: $7.2 million).

NOTE 9: TRADE AND OTHER RECEIVABLES CONTINUED

The following table shows the movement in lifetime expected credit loss that has been recognised for trade and other receivables in accordance with the simplified approach set out in AASB 9.

	2023 $'000	2022 $'000
Lifetime expected credit loss		
Opening balance	**(3)**	(102)
(Increase) / decrease in loss allowance recognised in profit or loss during the year	**(560)**	99
Closing balance	**(563)**	(3)

No trade receivables are recognised at balance date that are past due and deemed impaired. The Group has provided a loss allowance of $0.563 million at reporting date (2022: $0.003 million).

NOTE 10: CONSUMER LOANS RECEIVABLES

Consumer loans are initially recognised at fair value of the loan written and subsequently measured at amortised cost using the effective interest rate method, less provision for expected credit losses. Given the nature of loans written, a lifetime expected credit loss provision is taken up upon initial recognition of a consumer loan receivable. The loan balance is categorised into current and non-current consumer loans according to the due date within the contracted loan terms. Amounts due within 12 months are classified as current assets, with the remainder classified as non-current assets.

Provision for expected credit losses is recognised based on expected life of loan loss rates derived from static pool analysis of the performance of loan products. These estimates are updated on an ongoing basis.

Note 24 provides more details in relation to carrying amounts and the Group's exposure to credit risk.

	2023 $'000	2022 $'000
Current		
Consumer loans receivables	**207,086**	156,291
Less: Provision for expected credit losses	**(40,121)**	(30,139)
	166,965	126,152
Non-current		
Consumer loans receivables	**150,787**	93,979
Less: Provision for expected credit losses	**(33,208)**	(21,744)
	117,579	72,235
Total	**284,544**	198,387
Provision for expected credit losses		
Movement in the provision for expected credit losses		
Opening balance	**(51,883)**	(48,748)
Net movement for the year	**(21,446)**	(3,135)
Closing balance	**(73,329)**	(51,883)

Loan book arrears performance management

The arrears composition of the loan products is monitored closely to determine whether there is any increased delinquency that may indicate that future losses could be greater than the pro-forma benchmark. The monitoring includes reporting on a daily and weekly basis to operational management and on a monthly basis to Executive management and the Board. Arrears have increased post-pandemic but remain within pro-forma levels.

Sensitivity analysis

The Group performed sensitivity analysis to assess the impact of changing the level of provision for expected credit losses compared to the carrying value of the provision in the financial statements. The differences implied by the sensitivity analysis were assessed to be immaterial.

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NOTE 11: PURCHASED DEBT LEDGERS (PDL)

PDLs are considered purchased or originated credit-impaired assets (POCI) under AASB 9 Financial Instruments. For POCIs, the fair value at initial recognition already takes into account lifetime expected credit losses and represents the consideration paid including statutory costs. PDLs are subsequently measured at amortised cost by applying the credit-adjusted effective interest rate, in accordance with AASB 9 Financial Instruments. This occurs at the level of individual tranches of PDLs by using a maximum six-year forecast of realisations or expected cash flows, which implies a level of expected credit losses. The credit-adjusted effective interest rate is derived in the period of acquisition of the tranche of PDLs and equates to the Internal Rate of Return (IRR) of the forecast cash flows without any consideration of collection costs.

This credit-adjusted effective interest rate is used over the collection life cycle to apportion cash collections between principal and interest components. Changes in expected realisations are determined at the level of each tranche of PDLs, which are then aggregated to generate either an impairment loss or gain.

The fair value of the PDLs is materially the same as the carrying value measured under amortised cost using the credit-adjusted effective interest rate, as the risk-adjusted discount rate used in applying fair value would be similar to the credit-adjusted effective interest rate used in amortised cost measurement.

Note 24 provides detail about the Group's exposure to credit risk.

	2023 $'000	2022 $'000
Current	**226,720**	240,343
Non-current	**535,421**	396,978
Total	**762,141**	637,321
Debt ledger balance movement		
Opening balance	**637,321**	467,321
PDL investments	**331,618**	394,999
Addition through business combination	**1,704**	–
Amortisation	**(223,810)**	(245,231)
Foreign currency revaluation	**15,308**	20,232
Total	**762,141**	637,321

Sensitivity analysis

The Group performed sensitivity analysis on the PDL carrying value by analysing the impact of increasing or decreasing the forecast realisations. The change in asset carrying value implied by the sensitivity analysis was assessed to be immaterial.

NOTE 12: OTHER ASSETS

	2023 $'000	2022 $'000
Prepayments	**4,333**	4,706
Inventory	**796**	622
Total	**5,129**	**5,328**

NOTE 13: PLANT AND EQUIPMENT

Plant and equipment are measured at historical cost less accumulated depreciation and accumulated impairment losses. In the event the carrying amount is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised. A formal assessment of the recoverable amount is made when impairment indicators are present. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of profit or loss and other comprehensive income.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Class of fixed asset	Years
Leasehold improvements	Period of the lease
Plant and equipment	2 to 5 years
Computer software	2.5 to 4 years

The residual values, useful lives and methods of depreciation of plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

	Plant and equipment $'000	Computer software $'000	Leasehold improvements $'000	Total $'000
a) Cost or valuation				
Year ended 30 June 2023				
Opening balance	**14,298**	**5,172**	**14,151**	**33,621**
Additions	**1,294**	**3**	**33**	**1,330**
Additions through business combination	**595**	**—**	**290**	**885**
Revaluation	**152**	**14**	**219**	**385**
Reclassification	**236**	**—**	**(236)**	**—**
Disposals	**(3,119)**	**(1,487)**	**(1,244)**	**(5,850)**
Closing balance	**13,456**	**3,702**	**13,213**	**30,371**
Year ended 30 June 2022				
Opening balance	13,382	5,120	11,199	29,701
Additions	987	94	2,739	3,820
Revaluation	127	(42)	212	297
Reclassification	(198)	—	1	(197)
Closing balance	14,298	5,172	14,151	33,621
b) Accumulated depreciation or amortisation				
Year ended 30 June 2023				
Opening balance	**(12,494)**	**(4,384)**	**(9,061)**	**(25,939)**
Revaluation	**(114)**	**(14)**	**(79)**	**(207)**
Depreciation / amortisation for the year	**(1,527)**	**(483)**	**(1,362)**	**(3,372)**
Disposal	**3,029**	**1,483**	**1,214**	**5,726**
Closing balance	**(11,106)**	**(3,398)**	**(9,288)**	**(23,792)**
Year ended 30 June 2022				
Opening balance	(11,406)	(3,788)	(8,005)	(23,199)
Revaluation	(80)	32	(39)	(87)
Depreciation / amortisation for the year	(1,206)	(628)	(1,016)	(2,850)
Disposal	198	—	(1)	197
Closing balance	(12,494)	(4,384)	(9,061)	(25,939)

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NOTE 13: PLANT AND EQUIPMENT CONTINUED

	Plant and equipment $'000	Computer software $'000	Leasehold improvements $'000	Total $'000
c) Carrying amounts				
At 1 July 2022	**1,804**	**788**	**5,090**	**7,682**
At 30 June 2023	**2,350**	**304**	**3,925**	**6,579**
At 1 July 2021	1,976	1,332	3,194	6,502
At 30 June 2022	1,804	788	5,090	7,682

NOTE 14: RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group leases various offices, showrooms, car parks and equipment. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The Group recognises leases as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use. Each lease payment is allocated between the liabilities and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

a) Right-of-use assets

Right-of-use assets are measured at cost, comprising the following:

- the amount of the initial measurement of lease liabilities
- initial direct costs incurred
- any lease payments made at or before the commencement date less any lease incentives received
- restoration costs.

	2023 $'000	2022 $'000
Opening balance	**26,619**	21,783
Additions	**5,592**	15,572
Addition through business combination	**24**	–
Depreciation charge	**(7,804)**	(7,687)
Lease modification	**110**	(617)
Effects of exchange rate changes	**403**	35
Disposals	**–**	(2,467)
Closing balance	**24,944**	26,619
Cost	**46,173**	40,464
Accumulated depreciation	**(21,229)**	(13,845)
Closing balance	**24,944**	26,619

NOTE 14: RIGHT-OF-USE ASSETS AND LEASE LIABILITIES CONTINUED

b) Lease liabilities

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option
- payments of penalties for terminating the lease, if early termination by the lessee is assumed.

Variable lease payments that do not depend on an index or a rate are recognised as expense in the period in which the event or condition that triggers the payment occurs.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to exercise, or less any periods foregone by exercising an option to terminate the lease, if it is reasonably certain that such an option will be exercised.

	2023 $'000	2022 $'000
Current lease liabilities	**6,917**	7,910
Non-current lease liabilities	**20,564**	21,463
Closing balance	**27,481**	29,373

Total cash outflow for leases and related interest paid are disclosed separately in Consolidated Statement of Cash Flows.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the income statement and statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets mainly comprise IT and office equipment.

NOTE 15: FINANCE LEASE RECEIVABLES

During 2022 the Group had lease arrangements as a sub-lessor. The Group leased a portion of an office building and, as the sub-lease transferred substantially all of the risks and rewards of ownership of the asset, it was classified as a finance lease. This finance lease has expired in December 2022.

Finance lease receivables are presented in the statement of financial position as follows:

	2023 $'000	2022 $'000
Current	**–**	325
Non-Current	**–**	–
Closing balance	**–**	325

The following table sets out a maturity analysis of finance lease receivables, showing the undiscounted lease payments comprising receivables as at the reporting date:

	2023 $'000	2022 $'000
Less than 1 year	**–**	331
1 to 2 years	**–**	–
2 to 3 years	**–**	–
Total undiscounted lease payment receivable	**–**	331
Unearned finance income	**–**	(6)
Net investment in the lease	**–**	325

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NOTE 16: INTANGIBLE ASSETS

Intangible assets recognised by the Group consist of goodwill arising from the historical acquisition of collection services businesses, including Collection House Limited. Goodwill represents the excess of the cost of the acquisition over the fair value of the Group's share of net identifiable assets of the acquired subsidiary at the date of acquisition.

Goodwill with an indefinite useful life is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it may be impaired. An impairment loss is recognised in the income statement for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

	2023 $'000	2022 $'000
a) Carrying amounts		
Opening balance	**800**	800
Addition through business combination	**14,000**	–
Closing balance	**14,800**	800

b) Impairment testing for cash-generating unit containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's collection services operating unit, which represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. The Group assesses for impairment at least annually.

For the 2023 and 2022 reporting periods, the recoverable amount of the collection services operating unit was determined based on value-in-use calculations, which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a three-year period. Revenue and expense projections beyond the three-year period have been extrapolated using an estimated growth rate of four per cent per annum. The cash flows are discounted using a pre-tax discount rate of 10 per cent per annum, reflecting a market estimate of the weighted average cost of capital adjusted to incorporate risks associated with the collection services operating unit. No impairment was recognised for the collection services operating unit during the year ended 30 June 2023 (2022: nil).

NOTE 17: TRADE AND OTHER PAYABLES

	2023 $'000	2022 $'000
Current		
Unsecured liabilities		
Trade payables	**7,827**	7,523
Employee-related accruals	**4,502**	4,303
Other payables and accruals	**25,768**	14,224
Total	**38,097**	26,050

The Group's exposure to liquidity risk related to trade and other payables is disclosed in Note 24.

NOTE 18: PROVISIONS

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The nature of the provision balances are outlined below.

Employee benefits

Short-term obligations

Liabilities for wages and salaries as well as incentive payments expected to be settled within 12 months represent present obligations resulting from employees' services provided to the end of the reporting period. These are presented as payables and measured at the amounts expected to be paid when the liabilities are settled, plus on-costs.

Long-term obligations

The liability for long service leave and annual leave is presented in employee benefits provisions and measured at the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Expected future payments are discounted using market yields on high quality corporate bonds at the end of the reporting period with terms to maturity and currency that match, as closely as possible, the estimated future payments.

NOTE 18: PROVISIONS CONTINUED

Restructuring provision

This provision represents the onerous portion of lease commitments taken on as part of the acquisition of Baycorp Holdings Pty Limited and its associated entities (collectively Baycorp) on 16 August 2019, as well as restructuring costs associated with the planned integration of Baycorp. As of 30 June 2023, the $15.8 million provision taken up on 16 August 2019 had been fully utilised.

	2023 $'000	2022 $'000
Current		
Employee benefits	**18,417**	19,100
Restructuring provision	**—**	2,968
Other provisions	**188**	1,553
	18,605	23,621
Non-current		
Employee benefits	**2,139**	2,922
Restructuring provision	**—**	2,246
Other provisions	**1,431**	2,962
	3,570	8,130
Total	**22,175**	31,751

	Employee benefits $'000	Onerous forward purchasing contract provision $'000	Restructuring provision $'000	Other provisions $'000	Total $'000
Year ended 30 June 2023					
Opening balance	**22,022**	**—**	**5,214**	**4,515**	**31,751**
Additional provisions	**52,671**	**—**	**—**	**—**	**52,671**
Provisions acquired from business combination	**3,877**	**—**	**7,000**	**89**	**10,966**
Amounts used	**(58,014)**	**—**	**(12,214)**	**(2,985)**	**(73,213)**
Closing balance	**20,556**	**—**	**—**	**1,619**	**22,175**
Year ended 30 June 2022					
Opening balance	21,960	160	6,916	1,902	30,938
Additional provisions	52,121	—	—	2,613	54,734
Amounts used	(52,059)	(160)	(1,702)	—	(53,921)
Closing balance	22,022	—	5,214	4,515	31,751

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NOTE 19: BORROWINGS

Financial liabilities mainly comprise loans and borrowings. Such liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are recognised at amortised cost, comprising the original debt less principal repayments.

	2023 Facility limit $'000	2023 Carrying amount $'000	2022 Facility limit $'000	2022 Carrying amount $'000
Bank loan facilities	**372,000**	**314,210**	312,000	128,589
Total	**372,000**	**314,210**	312,000	128,589

The Group has a corporate loan facility, which is secured by a fixed and floating charge over the assets of a number of entities in the Group. The Group also has a securitised consumer loan warehouse facility which has recourse to the securitised consumer loans.

The $212 million corporate loan facility consists of two tranches, $140 million maturing in June 2026 and $72 million maturing in March 2025.

The securitised consumer loan warehouse facility limit increased from $100 million to $160 million during the year. The securitised consumer loan warehouse facility expires in October 2024 following by a two-year repayment period.

The corporate loan facility requires compliance with various undertakings. These include compliance with minimum Tangible Net Worth (TNW) and maximum Loan to Valuation Ratio (LVR) requirements. The minimum TNW undertaking is set as the greater of $440 million and 85 per cent of the TNW at the end of the preceding financial year. The maximum LVR is 60 per cent of the carrying value of PDLs in the consolidated accounts.

All undertakings under the bank loan facilities, including the TNW and LVR requirements, were complied with during the year ended 30 June 2023.

NOTE 20: CASH FLOW INFORMATION

	2023 $'000	2022 $'000
a) Reconciliation of cash flow from operations with profit after income tax		
Cash flows from operating activities		
Profit for the year	**91,251**	100,716
Non-cash items in profit and loss		
• Foreign currency revaluation	**80**	(138)
• Depreciation and amortisation	**11,160**	10,510
• Share-based payments	**1,592**	4,322
• Amortisation of borrowing costs	**475**	463
• Consumer loan — expected credit losses	**61,710**	32,476
• Other	**3,233**	(4,735)
(Increase) / decrease in assets		
• Trade and other receivables	**(6,443)**	8,332
• Consumer loans receivables	**(147,580)**	(90,070)
• Purchased debt ledgers	**(107,808)**	(149,768)
• Finance lease receivables	**325**	734
• Other assets	**1,098**	(1,629)
• Deferred tax assets	**6,365**	8,420
Increase / (decrease) in liabilities		
• Trade and other payables	**5,409**	(20,031)
• Tax provision	**16,789**	(1,739)
• Provisions	**(9,444)**	208
• Provision arising from business combination	**(10,966)**	—
• Deferred tax liabilities	**(1,248)**	1,633
Net cash outflow from operating activities	**(84,002)**	(100,296)

NOTE 20: CASH FLOW INFORMATION CONTINUED

b) Non-cash investing and financing activities

The Group did not make a dividend reinvestment plan (DRP) offer in the current year (2022: nil) and therefore no dividends have been reinvested by shareholders and not paid out in cash.

Non-cash financing activity on the acquisition of right-of-use assets is disclosed in Note 14(a).

	Borrowings $'000	Leases $'000	Total $'000
Borrowings and lease liabilities as at 1 July 2022	**128,589**	**29,373**	**157,962**
Cash flows	**185,147**	**(8,445)**	**176,702**
Acquisition of leases	**—**	**5,592**	**5,592**
Acquisition of leases from business combination	**—**	**382**	**382**
Foreign exchange movements	**—**	**461**	**461**
Amortisation of borrowing costs	**474**	**—**	**474**
Other changes	**—**	**118**	**118**
Closing balance as at 30 June 2023	**314,210**	**27,481**	**341,691**
Borrowings and lease liabilities as at 1 July 2021	3,608	24,674	28,282
Cash flows	128,906	(7,385)	121,521
Acquisition of leases	—	15,572	15,572
Foreign exchange movements	347	67	414
Amortisation of borrowing costs	463	—	463
Other changes	(4,735)	(3,555)	(8,290)
Closing balance as at 30 June 2022	128,589	29,373	157,962

NOTE 21: ISSUED CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

	2023 $'000	2022 $'000
Issued capital		
Opening balance	**361,232**	346,738
Performance rights converted during the year	**4,375**	6,994
Performance rights converted in prior year	**9,534**	7,500
Total	**375,141**	361,232

The Group does not have a fixed authorised capital or par value for its issued shares. All issued shares are fully paid. Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares on issue.

	2023 $'000	2022 $'000
Number of fully paid ordinary shares		
On issue at 1 July	**67,832**	67,316
Shares issued during the year:		
Performance rights converted during the year	**235**	516
On issue at 30 June	**68,067**	67,832

Refer to Note 32 for further details on the LTI and the employee share scheme.

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NOTE 22: RESERVES

	2023 $'000	2022 $'000
Share-based payment reserve	**310**	8,167
Foreign currency translation reserve	**44,673**	25,147
Total	**44,983**	33,314

Share-based payment reserve

The share-based payment reserve is used to recognise:

- the fair value of performance rights granted to executives and senior management
- other share-based payment transactions.

Refer to the remuneration report on pages 58 to 73, and Note 32 for further details on the LTI and the employee share scheme.

Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of the controlled foreign subsidiaries.

NOTE 23: BUSINESS COMBINATION

In October 2022 the Group acquired 100 per cent of shares in the Collection House Limited (ASX: CLH) for a total consideration of $15.5 million, including $4.5 million paid for the cash and debtors acquired. Collection House operates in the collection services market. The acquisition complements the Group's existing operations and increased the Group's industry market share.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	$'000
Cash and cash equivalents	86
Trade and other receivables	4,467
Purchased debt ledgers	1,704
Plant and equipment	884
Right-of-use assets	24
Current tax receivables	106
Other assets	798
Deferred tax assets	10,998
Trade and other payables	(6,177)
Lease liabilities	(386)
Provisions	(10,966)
Total identifiable net assets acquired	**1,538**

a) Goodwill

Goodwill arising from the acquisition has been recognised as follows.

	$'000
Total Consideration transferred	15,538
Fair value of identifiable net assets	(1,538)
Goodwill	**14,000**

b) Accounting policy

The acquisition method of accounting is used to account for all business combinations. Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange.

Acquisition-related costs of $0.3 million are included in other expenses in the income statement and in operating cash flows in the statement of cash flows.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at their fair value at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of identifiable net assets acquired is recorded as goodwill.

NOTE 23: BUSINESS COMBINATION CONTINUED

c) Revenue and profit contribution

Revenue and profit contribution from the date of acquisition to period ended 30 June 2023:

	$'000
Revenue	28,666
Profit before tax	1,917

NOTE 24: FINANCIAL RISK MANAGEMENT

The Group's financial assets and liabilities consist mainly of PDLs, consumer loans receivables, deposits with banks, trade and other receivables, payables, lease liabilities and borrowings.

The Group does not engage in the trading of derivative instruments.

The main risks the Group is exposed to through its financial instruments are market risk (including foreign currency risk and interest rate risk), liquidity risk and credit risk.

The Board has established a policy for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk.

The Group holds the following financial assets and liabilities:

	Note	2023 $'000	2022 $'000
Financial assets			
Cash and cash equivalents	8	**65,820**	29,705
Trade and other receivables	9	**17,857**	7,192
Consumer loans receivables	10	**284,544**	198,387
Purchased debt ledgers	11	**762,141**	637,321
Total		**1,130,362**	872,605
Financial liabilities			
Trade and other payables	17	**38,097**	26,050
Current tax liabilities	5	**20,673**	8,451
Borrowings	19	**314,210**	128,589
Lease liabilities	14	**27,481**	29,373
Total		**400,461**	192,463

a) Market risk management

Currency risk

Overseas operations expose the Group to foreign exchange risk. This may result in the fair value of financial assets or liabilities fluctuating due to movements in Australian dollar foreign exchange rates of currencies in which the Group holds overseas financial assets and liabilities.

Fluctuations in the United States dollar, New Zealand dollar and the Philippines peso relative to the Australian dollar have the potential to impact the Group's financial results. The Group adopts a hedging strategy to hedge the revaluation of foreign currency denominated assets and liabilities to minimise the impact of these revaluations on earnings.

As a result, at balance date, had the Australian dollar weakened or strengthened by five per cent against any or all of the above currencies, the impact on both profit for the year and equity would have been immaterial. This assumes all other variables remain constant.

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NOTE 24: FINANCIAL RISK MANAGEMENT CONTINUED

Interest rate risk

The Group is exposed to interest rate risk as it borrows funds at floating interest rates.

Profile

At balance date, the interest rate profiles of the Group's interest-bearing and non-interest-bearing financial instruments were:

		Fixed interest rate		Floating interest rate		Non-interest bearing		Total	
	Note	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Financial assets									
Cash and cash equivalents	8	**–**	–	**65,820**	29,705	**–**	–	**65,820**	29,705
Trade and other receivables	9	**–**	–	**–**	–	**17,857**	7,192	**17,857**	7,192
Consumer loans receivables	10	**284,544**	198,387	**–**	–	**–**	–	**284,544**	198,387
Purchased debt ledgers	11	**762,141**	637,321	**–**	–	**–**	–	**762,141**	637,321
Total		**1,046,685**	835,708	**65,820**	29,705	**17,857**	7,192	**1,130,362**	872,605
Financial liabilities									
Trade and other payables	17	**–**	–	**–**	–	**38,097**	26,050	**38,097**	26,050
Current tax liabilities	5	**–**	–	**–**	–	**20,673**	8,451	**20,673**	8,451
Borrowings	19	**–**	–	**314,210**	128,589	**–**	–	**314,210**	128,589
Lease liabilities	14	**27,481**	29,373	**–**	–	**–**	–	**27,481**	29,373
Total		**27,481**	29,373	**314,210**	128,589	**58,770**	34,501	**400,461**	192,463

Sensitivity analysis for variable rate instruments

A change of two percentage points in interest rates at balance date would have increased or decreased the Group's equity and profit or loss over the ensuing 12 months as shown below. These sensitivities assume all other variables remain constant.

	2023 $'000	2022 $'000
Change in Net Profit after Tax		
Increase in interest rates by two percentage points	**(4,399)**	(1,800)
Decrease in interest rates by two percentage points	**4,399**	1,800
Change in equity		
Increase in interest rates by two percentage points	**(4,399)**	(1,800)
Decrease in interest rates by two percentage points	**4,399**	1,800

b) Liquidity risk management

Liquidity risk arises from the possibility that the Group might encounter difficulties in settling its debts or otherwise meeting its obligations relating to financial liabilities. Ultimate responsibility for liquidity risk management resides with the Board, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities
- monitoring undrawn credit facilities
- maintaining a reputable credit profile
- managing credit risk related to its financial assets
- investing surplus cash only with major financial institutions
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

NOTE 24: FINANCIAL RISK MANAGEMENT CONTINUED

The following table reflects an undiscounted contractual maturity analysis for financial liabilities. The timing of cash flows represented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectation that banking facilities will be rolled forward.

		< 1 year		1 - 2 years		> 2 years		Total	
	Note	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Non-derivative financial liabilities									
Trade and other payables	17	**38,097**	26,050	**–**	–	**–**	–	**38,097**	26,050
Current tax liabilities	5	**20,673**	8,451	**–**	–	**–**	–	**20,673**	8,451
Borrowings	19	**–**	–	**–**	–	**314,210**	128,589	**314,210**	128,589
Lease liabilities	14	**7,454**	7,910	**7,265**	6,391	**15,207**	15,072	**29,926**	29,373
Total		**66,224**	42,411	**7,265**	6,391	**329,417**	143,661	**402,906**	192,463

c) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group.

The maximum exposure to credit risk, excluding the value of any collateral or other security at balance date, for recognised financial assets is the carrying amount net of any provisions for impairment or losses, as disclosed in the statement of financial position and notes to the financial statements.

The Group does not have any material credit risk exposure to any single debtor or group of debtors. Management has a Credit Policy in place and the exposure to credit risk is monitored on an ongoing basis.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure.

	Note	2023 $'000	2022 $'000
Cash and cash equivalents	8	**65,820**	29,705
Trade and other receivables	9	**17,857**	7,192
Consumer loans receivables	10	**284,544**	198,387
Purchased debt ledgers	11	**762,141**	637,321
Total		**1,130,362**	872,605
AA-rated counterparties		**68,575**	30,203
Counterparties not rated		**1,061,787**	842,402
Total		**1,130,362**	872,605

The Group's maximum exposure to credit risk on the above financial assets at balance date by type of counterparty was:

	2023 $'000	2022 $'000
Government	**63**	38
Bank	**68,512**	30,165
Other	**1,061,787**	842,402
Total	**1,130,362**	872,605

d) Fair value versus carrying amounts

For all assets and liabilities, the fair value approximates the carrying value.

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NOTE 25: CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balances. The Group's overall strategy for capital management, which is based on the following principles, remains unchanged from 2022:

- ensuring all capital is invested or reinvested to achieve the hurdle ROE
- ensuring sufficient capital is available to sustain the operations of the Group
- maintaining gearing at relatively modest levels in line with the risk of the business and to provide headroom to grow the business
- generally returning to shareholders any excess cash that accumulates and is unable to be reinvested at the hurdle return.

The Group's bank facilities require compliance with various undertakings. These are described in Note 19. By maintaining gearing at a relatively modest level, the Group generally maintains significant covenant headroom.

The composition of the capital of the Group and the gearing ratios for the years ended 30 June 2023 and 30 June 2022 are as follows:

	Note	2023 $'000	2022 $'000
Borrowings	19	**314,210**	128,589
Less: Cash and cash equivalents	8	**(65,820)**	(29,705)
Net debt / (cash)		**248,390**	98,884
Total consumer loans receivables and PDLs		**1,046,685**	835,708
Gearing ratio		**24%**	12%

NOTE 26: SUBSIDIARIES

Interests in subsidiaries are:

	Country of incorporation	Percentage owned 2023	Percentage owned 2022
Alpha Credit Pty Limited	Australia	**100**	100
Alupka Holdings Pty Limited	Australia	**100**	100
Alliance Factoring Pty Limited	Australia	**100**	100
Baycorp (Aust) Pty Limited	Australia	**100**	100
Baycorp (NZ) Limited	New Zealand	**100**	100
Baycorp (WA) Pty Limited	Australia	**100**	100
Baycorp Collection Services Pty Limited	Australia	**100**	100
Baycorp Collection Services (Aust) Pty Limited	Australia	**100**	100
Baycorp Group Finance Pty Limited	Australia	**100**	100
Baycorp Holdings Pty Limited	Australia	**100**	100
Baycorp Holdings (NZ) Limited	New Zealand	**100**	100
Baycorp Legal Pty Limited	Australia	**100**	100
Baycorp International Branch	Philippines	**100**	100
Baycorp International Pty Limited	Australia	**100**	100
BC Encore AU Pty Ltd	Australia	**100**	100
BC Holdings I Pty Limited	Australia	**100**	100
BC Holdings II Pty Limited	Australia	**100**	100
Car Start Pty Limited	Australia	**100**	100
Certus Partners Pty Limited	Australia	**100**	100
CLH Business Services Pty Ltd	Australia	**100**	–
CLH Legal Group Pty Ltd	Australia	**100**	–
Collection House Limited	Australia	**100**	–
Collection House (NZ) Limited	New Zealand	**100**	–
Collection House International BPO, Inc.	Philippines	**100**	–
Collective Learning and Development Pty Ltd	Australia	**100**	–
Creditcorp BPC Pty Limited	Australia	**100**	100
Credit Corp Acceptance Pty Limited	Australia	**100**	100
Credit Corp Australia Pty Limited	Australia	**100**	100
Credit Corp Baycorp Holdings I Pty Limited	Australia	**100**	100
Credit Corp Baycorp Holdings II Pty Limited	Australia	**100**	100
Credit Corp Brokering Services Pty Limited	Australia	**100**	100
Credit Corp Collections Pty Limited	Australia	**100**	100

NOTE 26: SUBSIDIARIES CONTINUED

	Country of incorporation	Percentage owned 2023	Percentage owned 2022
Credit Corp Collections Agency Inc.	United States	**100**	100
Credit Corp Collections Agency US Holdings Inc.	United States	**100**	100
Credit Corp Collections Agency US Inc.	United States	**100**	100
Credit Corp Collections US Holdings Inc.	United States	**100**	100
Credit Corp Employee Share Administration Pty Limited	Australia	**100**	100
Credit Corp Facilities Pty Limited	Australia	**100**	100
Credit Corp Financial Services Pty Limited	Australia	**100**	100
Credit Corp Financial Services Holdings Inc.	United States	**100**	100
Credit Corp Financial Services Inc.	United States	**100**	100
Credit Corp Financial Solutions Pty Limited	New Zealand	**100**	100
Credit Corp Group US Collections GP	United States	**100**	100
Credit Corp Leasing Pty Limited	Australia	**100**	100
Credit Corp Lending Pty Limited	Australia	**100**	100
Credit Corp Management Pty Limited	Australia	**100**	100
Credit Corp Management (NZ) Limited	New Zealand	**100**	100
Credit Corp New Zealand Pty Limited	Australia	**100**	100
Credit Corp Queensland Pty Limited	Australia	**100**	100
Credit Corp Receivables Pty Limited	Australia	**100**	100
Credit Corp Recoveries Pty Limited	Australia	**100**	100
Credit Corp Services (NH) Pty Limited	Australia	**100**	100
Credit Corp Services Pty Limited	Australia	**100**	100
Credit Corp Services Malaysia Pty Limited	Australia	**100**	100
Credit Corp Services US Collections Inc.	United States	**100**	100
Credit Corp Services US Holdings Inc.	United States	**100**	100
Credit Corp Solutions Inc.	United States	**100**	100
Credit Corp UK Debt Solutions Limited	United Kingdom	**100**	100
Credit Corp US Collections Pty Limited	Australia	**100**	100
Credit Corp US Holdings Inc.	United States	**100**	100
Credit Corp Western Australia Pty Limited	Australia	**100**	100
Credit Plan B Pty Limited	Australia	**100**	100
Customer Assist Pty Limited	Australia	**100**	100
Dayroma Pty Limited	Australia	**100**	100
Hudson Legal Pty Ltd	Australia	**100**	100
Lion Finance Pty Ltd	Australia	**100**	–
Lion Finance Limited	New Zealand	**100**	–
Malthiest Pty Limited	Australia	**100**	100
Midstate Creditcollect Pty Ltd	Australia	**100**	–
National Credit Management Limited	Australia	**100**	100
Personal Insolvency Management Pty Limited	Australia	**100**	100
PMG Collect Pty Limited	Australia	**100**	100
Receivables Finance Limited	New Zealand	**100**	–
Receivables Management (NZ) Limited	New Zealand	**100**	–
Receivables Management (International) Limited	New Zealand	**100**	–
Ruily Pty Limited	Australia	**100**	100
Safe Horizons Pty Ltd	Australia	**100**	–
Southern Receivables Limited	New Zealand	**100**	–
TFS Newco Pty Ltd	Australia	**100**	100
ThinkMe Finance Pty Ltd	Australia	**100**	–
Torbige Pty Limited	Australia	**100**	100
Tulovo Pty Limited	Australia	**100**	100
Valute Pty Limited	Australia	**100**	100
Vindelo Pty Limited	Australia	**100**	100
Votraint No. 1537 Pty Ltd	Australia	**100**	100

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NOTE 27: CONTINGENT LIABILITIES

The Group had contingent liabilities in respect of:

	2023 $'000	2022 $'000
US collections agency licensure bonds [1]	**3,377**	2,037
Collection House out-performance participation (maximum amount payable) [2]	**–**	15,000
Total	**3,377**	17,037

1. Licensure bonds are issued in the normal course of business to the State Board of Collection Agencies in the United States to guarantee that collected funds are remitted to clients under contracts.
2. On 24 December 2020, Credit Corp entered into a binding agreement with Collection House to acquire its Australian PDL book. Under the terms of the transaction, Collection House is eligible to receive a proportion of cumulative collections, up to a maximum of $15 million, over an eight-year period, if the acquired assets produce returns well in excess of the Group's hurdle investment return. Upon the acquisition of Collection House in October 2022, this arrangement was eliminated on consolidation.

NOTE 28: CAPITAL COMMITMENTS

	2023 $'000	2022 $'000
Within one year	**97,000**	180,000

The Group is committed, through existing arrangements, to acquire PDLs that will become available in the coming months. The details of these arrangements are commercially confidential, however, the estimated investment is expected to be $97 million (2022: $180 million). These purchases will be funded by existing cash flows and bank facilities currently in place.

NOTE 29: SUBSEQUENT EVENTS

In the interval between the end of the financial year and the date of this report, there has not been any item, transaction or event of a material and unusual nature that is likely, in the opinion of the directors of the Group, to significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

NOTE 30: KEY MANAGEMENT PERSONNEL (KMP) COMPENSATION

The aggregate compensation made to directors and other members of the KMP of the Group is set out below.

	2023 $	2022 $
Short-term employee benefits	**2,386,532**	3,623,933
Post-employment benefits	**176,311**	161,290
Other long-term benefits	**21,997**	26,934
Equity-settled share-based payments	**2,011,898**	2,800,525
Total	**4,596,738**	6,612,682

NOTE 31: RELATED PARTY TRANSACTIONS

The immediate parent and ultimate controlling entity of the Group is Credit Corp Group Limited.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

There were no transactions between the KMP and the Group other than as disclosed in Note 30 and in the directors' report.

NOTE 32: SHARE-BASED PAYMENTS

The Group provides benefits to employees in the form of share-based payment transactions whereby employees render services in exchange for rights over shares.

The cost of employee remuneration in the form of equity-settled transactions in relation to the Group's LTI plan is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised in employee benefits expense, together with a corresponding increase in equity (reserve) over the period in which the service and, where applicable, the performance conditions are fulfilled. This estimate requires determination of the most appropriate inputs to the valuation model, including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about those inputs.

Performance rights are eligible for conversion and vesting based on achievement of performance hurdles. Refer to the remuneration report for further details on the Group's LTI plan.

NOTE 33: AUDITOR'S REMUNERATION

	2023 $	2022 $
Audit services		
Audit and review of financial reports	**400,845**	373,000
Services other than statutory audit		
Taxation compliance services	**44,622**	34,555
Taxation services	**35,192**	3,922
Total	**480,659**	411,477

NOTE 34: CROSS GUARANTEE

Pursuant to ASIC Class Instrument 2016/785 dated 10 October 2016, the wholly-owned subsidiaries listed below are relieved from the *Corporations Act 2001* requirements for the preparation, audit and lodgment of financial statements and a directors' report.

It is a condition of the Class Order that the Group and each of the participating subsidiaries enter into a Deed of Cross Guarantee.

The effect of the Deed is that the Group guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the *Corporations Act 2001*.

The subsidiaries subject to the Deed are:

Alpha Credit Pty Limited
Alupka Holdings Pty Limited
Car Start Pty Limited
Certus Partners Pty Limited
CLH Business Services Pty Ltd
CLH Legal Group Pty Ltd
Collection House Limited
Collective Learning and Development Pty Ltd
Credit Corp Acceptance Pty Limited
Credit Corp Australia Pty Limited
Credit Corp Brokering Services Pty Limited
Credit Corp Collections Pty Limited
Credit Corp Employee Share Administration Pty Limited
Credit Corp Facilities Pty Limited
Credit Corp Financial Services Pty Limited
Credit Corp Leasing Pty Limited
Credit Corp Lending Pty Limited
Credit Corp New Zealand Pty Limited
Credit Corp Queensland Pty Limited
Credit Corp Receivables Pty Limited
Credit Corp Recoveries Pty Limited
Credit Corp Services Pty Limited
Credit Corp Services (NH) Pty Limited
Credit Corp Services Malaysia Pty Limited
Credit Corp US Collections Pty Limited
Credit Corp Western Australia Pty Limited
Credit Plan B Pty Limited
Creditcorp BPC Pty Limited
Customer Assist Pty Limited
Dayroma Pty Limited
Hudson Legal Pty Limited
Lion Finance Pty Ltd
Malthiest Pty Limited
Midstate Creditcollect Pty Ltd
National Credit Management Limited
Personal Insolvency Management Pty Limited
Ruily Pty Limited
Safe Horizons Pty Ltd
TFS Newco Pty Ltd
ThinkMe Finance Pty Ltd
Torbige Pty Limited
Tulovo Pty Limited
Valute Pty Limited
Vindelo Pty Limited
Votraint No. 1537 Pty Limited
Credit Corp Baycorp Holdings I Pty Limited (previously known as Encore Australia Holdings I Pty Limited)
Credit Corp Baycorp Holdings II Pty Limited (previously known as Encore Australia Holdings II Pty Limited)
BC Holdings I Pty Limited
BC Holdings II Pty Limited
Baycorp Holdings Pty Limited
Baycorp Group Finance Pty Limited
Baycorp Collections PDL (Australia) Pty Ltd
Baycorp (Aust) Pty Limited
Alliance Factoring Pty Limited
PMG Collect Pty Limited
Baycorp Collection Services (Aust) Pty Limited
Baycorp Legal Pty Limited
Baycorp (WA) Pty Limited
Baycorp Collection Services Pty Limited
Baycorp International Pty Ltd

NOTES TO THE
CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

NOTE 34: CROSS GUARANTEE CONTINUED

Set out below is the statement of profit or loss and the statement of financial position comprising the Group and its subsidiaries that are parties to the Deed, after eliminating all transactions between these parties, at balance date.

	2023 $'000	2022 $'000
a) Statement of comprehensive income		
Revenue	**362,219**	321,648
Finance costs	**(10,291)**	(4,973)
Employee benefits expense	**(134,084)**	(114,902)
Depreciation and amortisation expenses	**(8,012)**	(7,466)
Office facility expenses	**(16,211)**	(12,931)
Collection expenses	**(10,270)**	(10,883)
Consumer loans loss provision expense	**(59,706)**	(30,833)
Marketing expenses	**(11,746)**	(11,965)
Other expenses	**(5,420)**	(5,576)
Profit before income tax expense	**106,479**	122,119
Income tax expense	**(27,239)**	(39,012)
Profit for the year	**79,240**	83,107
b) Other comprehensive income		
Profit for the year	**79,240**	83,107
Other comprehensive income net of income tax	**–**	–
Total comprehensive income for the year	**79,240**	83,107
c) Movements in retained earnings		
Opening balance	**351,121**	317,997
Dividends recognised during the year	**(40,054)**	(49,983)
Net profit attributable to parties in the Deed of Cross Guarantee	**79,240**	83,107
Closing balance	**390,307**	351,121
d) Statement of financial position		
Current assets		
Cash and cash equivalents	**41,527**	18,190
Trade and other receivables	**269,756**	136,244
Consumer loans receivables	**158,832**	119,171
Purchased debt ledgers	**95,362**	124,766
Finance lease receivables	**–**	325
Other assets	**4,405**	4,237
Total current assets	**569,882**	402,933
Non-current assets		
Consumer loans receivables	**116,462**	72,235
Purchased debt ledgers	**155,731**	152,155
Plant and equipment	**3,385**	4,000
Deferred tax assets	**41,875**	36,510
Intangible assets	**14,800**	800
Investment in subsidiaries	**255,497**	252,686
ROU assets	**17,350**	22,090
Total non-current assets	**605,100**	540,476
Total assets	**1,174,982**	943,409

NOTE 34: CROSS GUARANTEE CONTINUED

	2023 $'000	2022 $'000
Current liabilities		
Trade and other payables	**20,988**	17,496
Current tax liabilities	**18,273**	6,493
Provisions	**16,600**	21,427
Lease liabilities	**5,449**	6,012
Total current liabilities	**61,310**	51,428
Non-current liabilities		
Borrowings	**314,210**	128,589
Provisions	**3,120**	7,748
Deferred tax liabilities	**5,222**	7,739
Lease liabilities	**13,559**	17,947
Total non-current liabilities	**336,111**	162,023
Total liabilities	**397,421**	213,451
Net assets	**777,561**	729,958
Equity		
Issued capital	**375,141**	361,232
Reserves	**12,113**	17,605
Retained earnings	**390,307**	351,121
Total equity	**777,561**	729,958

NOTE 35: PARENT ENTITY INFORMATION

	2023 $'000	2022 $'000
a) Statement of comprehensive income		
Profit for the year	**24,657**	30,245
Other comprehensive income net of income tax	**–**	–
Total comprehensive income for the year	**24,657**	30,245
b) Statement of financial position		
Assets		
Current assets	**754,815**	500,823
Non-current assets	**245,166**	237,589
Total assets	**999,981**	738,412
Liabilities		
Current liabilities	**42,254**	30,242
Non-current liabilities	**447,664**	188,763
Total liabilities	**489,918**	219,005
Net assets	**510,063**	519,407
Equity		
Issued capital	**375,141**	361,232
Reserves	**2,557**	10,414
Retained earnings	**132,365**	147,761
Total equity	**510,063**	519,407

c) Contractual commitments

At balance date, the parent entity has not entered into any material contractual agreements for the acquisition of plant or equipment other than as separately noted in the financial statements (2022: nil).

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Credit Corp Group Limited, the directors of the Company declare that:

1) The financial statements and notes, as set out on pages 74 to 107 are in accordance with the *Corporations Act 2001*, and:
   a) Give a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
   b) Comply with Australian Accounting Standards, which, as stated in the notes to the financial statements, constitute compliance with International Financial Reporting Standards.
2) In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3) The directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.

At the date of this declaration, the Company is within the class of companies affected by ASIC Class Instrument 2016/785. The nature of the Deed of Cross Guarantee is such that each company party to the Deed guarantees to each creditor payment in full of any debt in accordance with the Deed of Cross Guarantee.

In the directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Class Order applies, as detailed in Note 34 to the financial statements, will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee.

Eric Dodd
Chair

1 August 2023

James M Millar AM
Non-Executive Director

AUDITOR'S REPORT

HALL CHADWICK
Chartered Accountants & Business Advisors

CREDIT CORP GROUP LIMITED
ABN 33 092 697 151
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREDIT CORP GROUP LIMITED AND CONTROLLED ENTITITES

Report on the Financial Report

Opinion

We have audited the financial report of Credit Corp Group Limited (the company) and controlled entities (the group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the group is in accordance with the *Corporations Act 2001*, including:

a. giving a true and fair view of the group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the group, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2023. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

AUDITOR'S REPORT

HALL CHADWICK
Chartered Accountants & Business Advisors

CREDIT CORP GROUP LIMITED
ABN 33 092 697 151
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREDIT CORP GROUP LIMITED AND CONTROLLED ENTITITES

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
1. Carrying value of purchased debt ledgers ($762,141k) Refer to Note 11 Purchased Debt Ledgers	
The carrying value of purchased debt ledgers is mainly dependent on the forecast collections and the internal rate of return and any impairment charge that determines the net realisable value of the debt ledgers. We focused on this area as a key audit matter due to amounts involved being material and the inherent estimates and judgements involved in assessing the key assumptions and the difficulty to reliably measure these assumptions including the estimated internal rate of return and forecast cash collections including the consideration of the impact of macroeconomic factors.	Our audit procedures included but were not limited to: • We assessed and performed appropriate procedures on the valuation models used to determine the PDL carrying value including reviewing the relevant data and calculations that produce the associated journals and also tested the mathematical accuracy of the models. • We tested the mathematical accuracy of the excel model used to recognise the carrying value of purchased debt ledgers. • Furthermore, we checked and validated that the determined internal rate of return remains unchanged over the life of the debt. • We assessed, challenged and compared with historical actuals, key forward looking assumptions including forecast cash collections. • We assessed sensitivity analysis in relation to the key forward looking assumptions.
2. Provision for expected losses on the consumer loans ($73,329k) Refer to Note 10 Consumer Loans Receivables	
The net carrying value of consumer loans receivable is subsequently measured at amortised cost after providing for expected losses. Past arrears and write-offs are analysed to determine an expected loss curve by product which is used to determine the estimated life of loan expected loss levels to be provided against each product. Levels of provisions are reviewed and updated for the most recent expected life of loan loss estimates at each reporting date. We focussed on this area as a key audit matter due to amounts involved being material and the inherent subjectivity and difficulty to reliably measure the key forward looking assumptions being a deterioration in credit risk and future loan defaults including the consideration of the impact of macroeconomic factors.	Our audit procedures included but were not limited to: • We have tested the mathematical accuracy of the arrears model. • We have assessed the application of the group's model for impairment that considers the past arrears and write-offs and the expected life of loan loss estimates. • We have assessed, compared to historical actuals and challenged management's view of credit risk that impacts the recognition of expected losses upon initial recognition over the life of the loans. • We have assessed sensitivity analysis in relation to the key forward looking assumptions.

AUDITOR'S REPORT

HALL CHADWICK
Chartered Accountants & Business Advisors

CREDIT CORP GROUP LIMITED
ABN 33 092 697 151
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREDIT CORP GROUP LIMITED AND CONTROLLED ENTITITES

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

– Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

AUDITOR'S REPORT

HALL CHADWICK
Chartered Accountants & Business Advisors

CREDIT CORP GROUP LIMITED
ABN 33 092 697 151
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREDIT CORP GROUP LIMITED AND CONTROLLED ENTITITES

– Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

– Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the remuneration report included in pages 59 to 73 of the directors' report for the year ended 30 June 2023.

In our opinion, the remuneration report of Credit Corp Group Limited for the year ended 30 June 2023 complies with s 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the group are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Hall Chadwick

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

DREW TOWNSEND
Partner
Dated: 1 August 2023

FIVE-YEAR FINANCIAL SUMMARY

	2023 $'000	2022 $'000	2021 $'000	2020 $'000	2019 $'000
Income and profit					
Purchased debt ledger collections	**493,849**	535,227	492,138	488,340	403,794
Less: Purchased debt ledger amortisation	**(223,810)**	(245,231)	(225,295)	(233,020)	(183,789)
PDL change in lifetime expected credit losses	**—**	—	—	(68,576)	—
Interest revenue from purchased debt ledgers	**270,039**	289,996	266,843	186,744	220,005
Interest and fee income from consumer lending	**147,847**	93,737	78,886	99,445	93,839
Other revenue	**55,483**	27,467	29,057	27,214	10,410
Total revenue	**473,369**	411,200	374,786	313,403	324,254
NPAT	**91,251**	100,716	88,130	15,454	70,285
Financial position					
Current assets	**482,491**	409,045	412,257	331,129	304,375
Non-current assets	**751,496**	564,768	368,193	390,721	344,296
Intangible assets	**14,800**	800	800	800	800
Total assets	**1,248,787**	974,613	781,250	722,650	649,471
Current liabilities	**84,292**	66,032	73,540	66,528	40,573
Non-current liabilities	**347,079**	167,940	40,647	61,912	145,296
Total liabilities	**431,371**	233,972	114,187	128,440	185,869
Net assets	**817,416**	740,641	667,063	594,210	463,602
Borrowings	**314,210**	128,589	3,608	22,420	142,702
Shares on issue ('000)	**68,067**	67,832	67,316	67,316	54,918
Cash flows					
From operating activities	**(84,002)**	(100,296)	67,726	115,646	(3,083)
From investing activities	**(16,782)**	(3,820)	(2,783)	(70,860)	(1,894)
From financing activities	**136,648**	71,538	(52,072)	(18,835)	11,670
Net increase / (decrease) in cash	**35,864**	(32,578)	12,871	25,951	6,693
Key statistics					
Earnings per share					
• Basic (cents)	**134.2**	148.9	130.9	25.5	141.9
• Diluted (cents)	**132.4**	148.5	129.9	25.5	141.2
Dividends per share (cents)	**70.0**	74.0	72.0	36.0	72.0
NPAT / revenue	**19%**	24%	24%	5%	22%
ROE (on pro-forma gearing basis)	**13%**	17%	18%	17%	21%
NTA backing per share (dollar)	**11.43**	10.51	9.57	8.40	8.43

SHAREHOLDER INFORMATION

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below:

Twenty largest shareholders as at 30 June 2023	Ordinary shares Number	%
Citicorp Nominees Pty Ltd	18,918,054	27.8
J.P. Morgan Nominees Australia Limited	13,710,485	20.1
HSBC Custody Nominees (Australia) Limited	8,011,528	11.8
National Nominees Limited	3,388,834	5.0
BNP Paribas Nominees Pty Limited	3,281,366	4.8
Dixson Trust Pty Ltd	854,688	1.3
Netwealth Investments Limited	594,389	0.9
152 Pty Ltd	492,572	0.7
Uptons Salvage Trading Pty Ltd	305,977	0.5
Bond Street Custodians Limited	255,966	0.4
Torres Industries Pty Limited	227,527	0.3
UBS Nominees Pty Ltd	174,699	0.3
Mrs Lilian Jeanette Warmbrand	142,930	0.2
Mr Donald Evan McLay	140,289	0.2
Broadgate Investments Pty Ltd	135,000	0.2
DB18 Pty Limited	130,000	0.2
Mr Peter Upton	120,390	0.2
Nagarit Pty Ltd	104,028	0.2
Invia Custodian Pty Limited	102,383	0.2
DB19 Pty Limited	90,000	0.1
Total	**51,181,105**	**75.3**

Substantial shareholders

At 30 June 2023 the following shareholders were registered by the Company as substantial holders, having declared a relevant interest in accordance with the *Corporations Act 2001*, in the voting shares below:

Holder	Ordinary shares	%	Date of last change
Bennelong Australian Equity Partners Limited	9,550,942	14.0	3 April 2020
AustralianSuper Pty Limited	5,176,666	7.6	30 June 2023

Details of ordinary shareholdings

Details of the spread of ordinary shareholdings at 30 June 2023 are:

Category	Number of shareholders	Number of shares	%
1 — 1,000	7,149	2,278,804	3.35
1,001 — 5,000	2,343	5,185,699	7.62
5,001 — 10,000	363	2,579,419	3.79
10,001 — 100,000	300	6,931,829	10.18
100,001 and over	19	51,091,105	75.06
Total	**10,444**	**68,066,856**	**100.00**

448 shareholders (representing 4,320 fully paid ordinary shares) held less than a marketable parcel.

Other information

The Group does not have a current on-market buy-back program.

Dividend reinvestment plan

The dividend reinvestment plan is currently suspended.

Voting rights

Each person who is a voting shareholder and who is present at a general meeting or by proxy, attorney or official representative is entitled:

- On a show of hands — to one vote; and
- On a poll — to one vote for each share held or represented.

If a shareholder is entitled to cast two or more votes at the general meeting, the shareholder may appoint not more than two proxies to attend and vote on the shareholder's behalf.

If a shareholder appoints two proxies, each proxy should be appointed to represent a specified proportion or number of the shareholder's votes.

Enquiries

Boardroom Pty Limited

Level 8, 210 George Street Sydney NSW 2000 Australia

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GLOSSARY AND ABBREVIATIONS

AASB	The Australian Accounting Standards Board is an Australian Government agency that develops and maintains financial reporting standards applicable to entities in the private and public sectors of the Australian economy
AGM	Annual General Meeting of shareholders, typically held in early November of each year
Amortised cost	Amortised cost accounting method applied under accounting standard AASB 9 Financial Instruments used to measure the carrying values of PDLs post their acquisition by applying the credit-adjusted effective interest rate
ASIC	Australian Securities and Investments Commission. The principle regulator for all Australian lending and debt collection activities on financial services debts
ATO	Australian Taxation Office
CAGR	Compound annual growth rate
CCP	Credit Corp Group Limited's stock ticker or abbreviation on the Australian Securities Exchange (ASX)
COVID-19	A viral disease, declared as a pandemic by the World Health Organization on 11 March 2020
DPS	Dividends per share
ECL	Expected credit losses. Provision for expected credit losses is recognised based on expected life of loan loss rates derived from static pool analysis of the performance of loan products
EDR	External Dispute Resolution. The EDR body in Australia is the Australian Financial Complaints Authority (AFCA)
EIR	The credit-adjusted effective interest rate derived in applying the amortised cost account method in measuring PDLs. The EIR is the rate that discounts the forecast cash flows for a PDL over the assumed collection life cycle to the cost of that PDL
EPS	Earnings per share
ESG	Environmental, social and governance
FTE	Full-time equivalent. A calculation based on number of hours worked by full and part-time employees as part of their normal duties
FWC	Fair Work Commission
IFRS	International Financial Reporting Standards. Australian Generally Accepted Accounting Principles (AGAAP) closely follow IFRS, but are not identical
KMP	Key management personnel as set out in the Company's Remuneration Report. KMP consist of the Board of Directors as well as the Chief Executive Officer, Chief Operating Officer and Chief Financial Officer
LTI	Long-Term Incentive awards. These are performance rights that convert and vest based on performance over a three-year time horizon for executive KPI against NPAT growth hurdles (with an ROE qualifier) as well as relative TSR over the same period against the ASX200 (excluding materials and energy shares)
NPAT	Net Profit after Tax
NPS	Net Promoter Score
NTA	Net tangible assets. (Total equity less goodwill and other intangible assets less minority interests) divided by the number of ordinary shares on issue (reported)
PCP	Prior corresponding period
PDL	Purchased debt ledgers or books of charged-off receivables acquired by debt buyers such as Credit Corp, usually direct from credit issuers including banks, finance companies as well as telco and utility providers
PUE	Power usage effectiveness
ROE	Return on equity. Net profit attributable to the owners of CCP divided by average ordinary equity
ROU assets	Right-of-use assets as defined in AASB16
STI	Short-Term Incentive awards
TSR	Total Shareholder Return

CORPORATE DIRECTORY

Credit Corp Group Limited
ABN 33 092 697 151

The shares of Credit Corp Group Limited are listed on the Australian Securities Exchange under the trade symbol **CCP**, with Sydney being the home exchange.

Directors

Mr Eric Dodd
Mr Thomas Beregi
Mr Phillip Aris
Mr Brad Cooper
Ms Lyn McGrath
Ms Leslie Martin
Mr James M Millar AM
Ms Trudy Vonhoff

Company Secretaries

Mr Thomas Beregi
Mr Michael Eadie

Head office and registered office

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Sydney NSW 2000 Australia

GPO Box 4475
Sydney NSW 2001 Australia

Telephone	+61 2 8651 5000
Fax	1300 483 012
Email	investorinfo@creditcorp.com.au
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Share registry

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Email	enquiries@boardroomlimited.com.au
Website	www.boardroomlimited.com.au

Auditor

Hall Chadwick
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Telephone	+61 2 9263 2600
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Credit Corp Group