Creating **opportunity**

ANNUAL REPORT **2024**

Credit Corp Group

CREDITCORPGROUP.COM.AU

Credit Corp Group

Creating opportunity

CREATING OPPORTUNITY IS THE BASIS OF OUR APPROACH TO GENERATING LONG-TERM VALUE. IT IS ABOUT A RELENTLESS FOCUS ON PROVIDING CONSUMERS 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.

Acknowledgement of Country

We acknowledge the Traditional Custodians of the land on which we work and live and their connection to land, sea and community. We pay respect to Elders past and present. Our registered office is located on the lands of the Gadigal Peoples.

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 systems 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.

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 ANNUAL REPORTS ONLINE

2024 HIGHLIGHTS

Financial Highlights

Revenue

$476.3M

↑ 1% VS PCP

Net Profit after Tax (NPAT)

$50.7M

↓ 44% VS PCP

Post-Tax Operating Cash Flow

$392.3M

↑ 2% VS PCP

Income Generating Assets

$1,139.2M

↑ 9% VS PCP

Earnings per share (EPS)

74.5c

↓ 44% VS PCP

Dividends per share (DPS)

38c

↓ 46% VS PCP

Our People

The diversity of our people is key to our success

2,231

EMPLOYEES

across the globe

72,000

HOURS

of training delivered

94%

OF LEADERSHIP

positions filled internally

62%

WOMEN

in frontline operational management roles

Customers

Our relationships are built on respect and collaboration

Maintained

LOWEST

EDR COMPLAINT RATE

in Australian industry

3.1M

CUSTOMERS GLOBALLY

$1.76B

IN FACE VALUE

of debts in ongoing repayment arrangements

$13B

IN FACE VALUE

of receivables globally

Community

We aim to provide a pathway to mainstream financial inclusion

100%

SMALL SUPPLIERS PAID

within 30 days of agreed arrangements[1]

#1 HIGHEST-RATED

CONSUMER HARDSHIP RESPONSE

by financial counsellors in the most recent *Rank the Banks* survey (December 2023)

9th year

GRANTING A SCHOLARSHIP

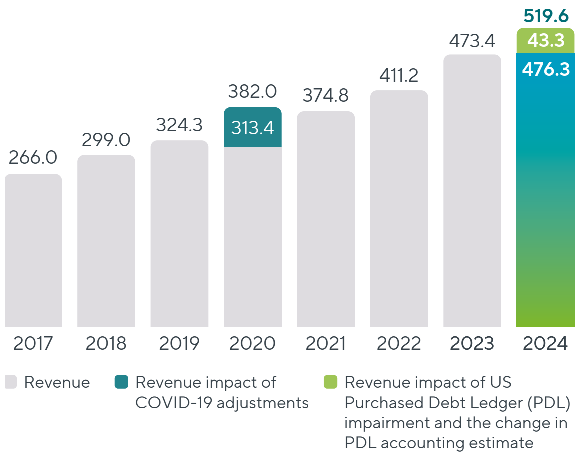
through the Jan Pentland Foundation

5,000KG

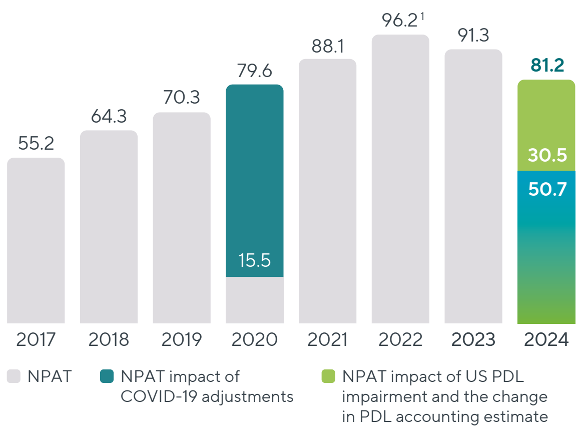
OF E-WASTE RECYCLED

from our Australian, NZ and US offices

REVENUE ($M)

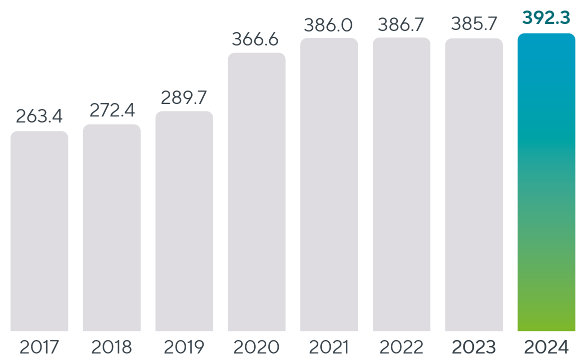


NPAT ($M)

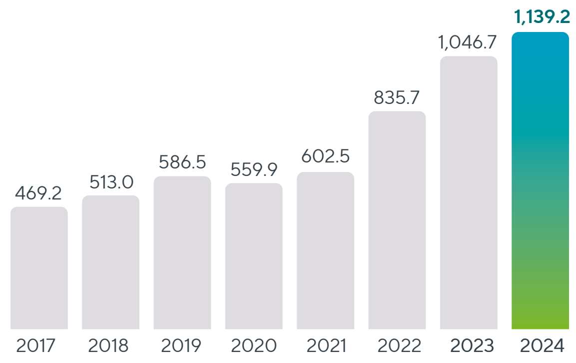


1. FY2022 excludes US Paycheck Protection Program receipt of an after-tax $4.5 million. FY2022 statutory NPAT was $100.7 million and EPS was 148.9 cents.

POST-TAX OPERATING CASH FLOW ($M)



INCOME GENERATING ASSETS ($M)



1. Payment times to small business suppliers as reported under the Australian Government Payment Times Reporting Scheme for the six months to 31 December 2023.

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.

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 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.

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 in August 2019 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 per cent, positioning the segment for growth

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

2024 Record closing loan book achieved and lending segment generates 50 per cent of underlying earnings

Our performance

This is what we have achieved

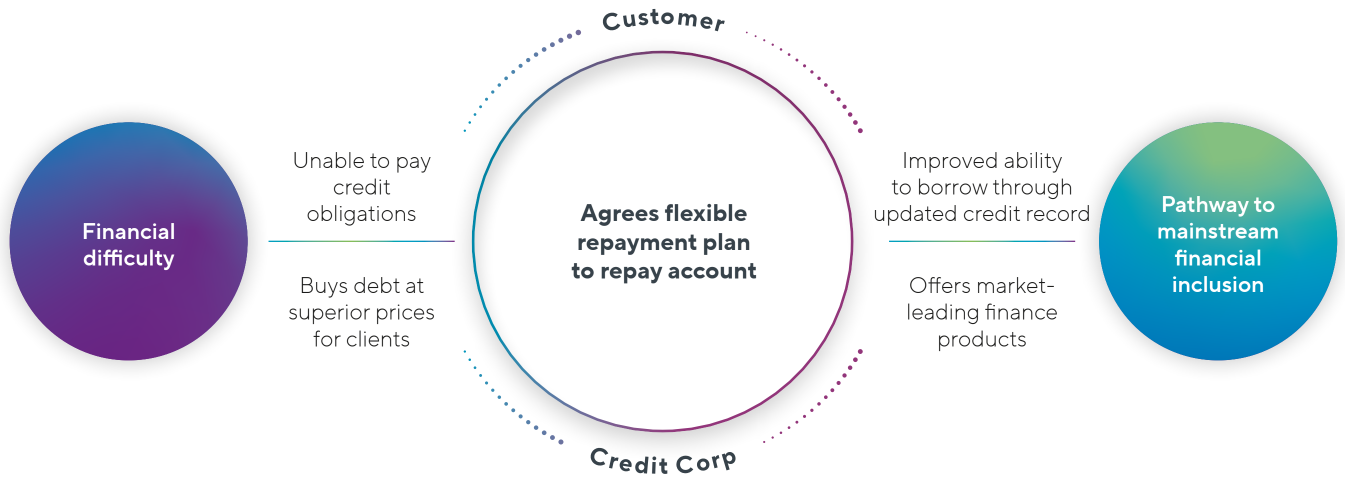
For information on our operational performance

READ OUR REVIEW OF OPERATIONS

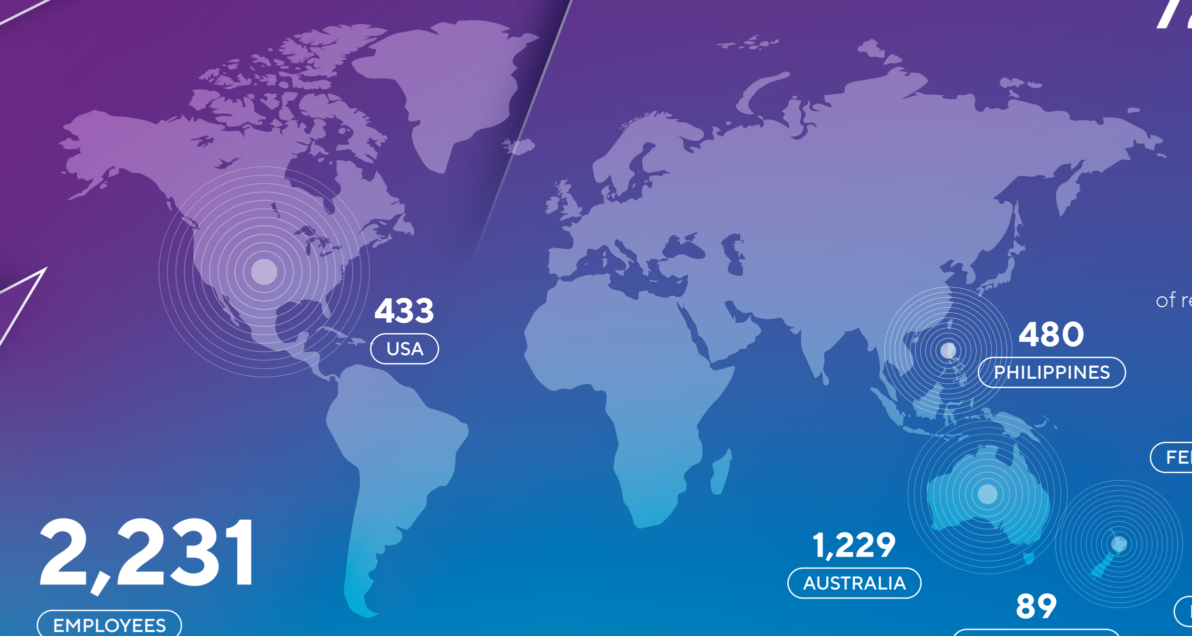
OUR BUSINESS

Credit Corp is Australia's largest provider of responsible financial services to the credit-impaired consumer segment.

We specialise in working with our customers to provide 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.



72,000 HOURS training delivered

$13B IN FACE VALUE of receivables globally

61% FEMALE EMPLOYEES

39% MALE EMPLOYEES

2,231 EMPLOYEES GLOBALLY

Credit corp has three key businesses

Debt Buying and 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 past 12 years, our US business has experienced substantial growth, positioning us as one of the top 10 debt buyers in the market. To support this increased investment, we have expanded our resources beyond our offices in Utah and Washington State, leveraging both domestic remote employees and an offshore workforce in 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 Collection House Limited.

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.

NCML

BAYCORP.

Collection House Group

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 337,000 consumers avoid higher-cost 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.

We continue to pilot new products, including our interest-free digital credit card with the option of a separate line of credit, aimed at meeting the needs of customers as they improve their credit standing.

CARSTART

Wallet Wizard

Credit Corp has helped

MORE THAN

337,000

consumers avoid higher-cost products through our market-leading alternatives.

CHAIR'S REPORT

CREATING OPPORTUNITY IS ABOUT POSITIONING CREDIT CORP TO GENERATE LONG-TERM VALUE REGARDLESS OF CHANGES IN THE EXTERNAL ENVIRONMENT.

Eric Dodd, Chair

This has involved preparing for a range of external outcomes, with the objective of developing the capacity and resilience to manage challenges and seize opportunities. This approach has delivered sustained performance and the strategies and flexibility to respond to changing circumstances while laying the foundations for new sources of growth. It has not, however, insulated Credit Corp from short-term periods of underperformance.

In the final analysis, FY2024 was a year of underperformance. While parts of the business performed well, our assessment of the impact of a deterioration in the position of the US consumer produced a 44 per cent fall in Net Profit after Tax to $50.7 million. Shareholders suffered a significantly reduced dividend and the Company's share price finished the year below where it started.

As a fellow investor, I share the disappointment felt by all shareholders. As Chairman, however, I am proud of Credit Corp's achievements, including solid performances across our Australian and New Zealand businesses and improved execution in the US over the final quarter of the year. We start FY2025 with a sound platform for a return to growth and a positive outlook across all businesses.

The backdrop to Credit Corp's improved outlook has been a program of strategic diversification led by the Board and management over many years. Each year Credit Corp's leadership has evaluated its strategic position, assessed the alternatives for growth and made commitments to develop and expand new businesses. Strategic resolve has combined with disciplined execution to create three businesses which are among the leaders in their respective markets.

Businesses in a strong position

While diversification has been critical to maintaining a growth outlook, the Board recognises the continued importance of the core business of Australian and New Zealand debt buying on which the foundations of Credit Corp have been built. The core business made a positive contribution to the Company's performance despite ongoing adverse market conditions.

Australian and New Zealand debt buying sale volumes remained low, producing a continued contraction in collections. The focus for this business has been on carefully managing costs to limit the impact of reduced collections on profits and maintaining standards to preserve the ability to expand should conditions recover. This has been achieved and the core business remains very competitive, recording the highest level of direct from issuer purchasing since 2020 and establishing a solid platform for the year ahead.

The core business also continued to serve as an excellent base for the development of resources critical to the growth of the Company as a whole. In FY2024, this comprised of the transfer of key talent and the development of common systems. During the year 81 people were transferred or seconded to other segments. Improved digital and dialling technologies were implemented and these have subsequently been deployed across lending and collection services operations.

Despite recent challenges, the US remains Credit Corp's most significant growth opportunity. Purchasing was moderated as the focus shifted to operational improvement. A local leadership team was established, and an intensive program of operational improvement was undertaken. While more work will be required the US concluded the year positively, reporting record quarterly collections over the three months to June 2024.

While the Company looks to capitalise on improved US buying conditions, ongoing uncertainty means that operational improvement will remain the priority. Purchased Debt Ledger (PDL) prices have fallen to levels not seen for several years, while leading indicators suggest that supply may continue to increase. Collection outcomes have, however, not been as strong they have been in the past, despite relatively solid macroeconomic statistics for the US. This has created the prospect that any rise in US unemployment may disproportionately impact collections. Sustained operational improvement will be necessary to address this uncertainty and facilitate more confident bidding for US PDLs.

The Australian lending business is poised to produce strong earnings growth. The category-leading Wallet Wizard cash loan product delivered record lending volume in FY2024, growing the total loan book by 24 per cent to $445 million. The expanded book will translate into significant revenue growth for the year ahead.

Board renewal

Over the past three to four years, we have undertaken a comprehensive board renewal process. The average tenure of non-executive directors, excluding myself, is now less than three years. I have informed my fellow Board members that I intend to step down as Chair at the 2025 AGM, allowing time for an orderly transition to my successor.

Enhanced reputation

Maintaining a positive reputation as a responsible and compliant provider has been critical to Credit Corp's success to date. It has underpinned strong and growing client relationships, while insulating the Company from the costs of adverse stakeholder scrutiny.

Important reputational milestones were achieved in FY2024. The Company maintained its industry leading external dispute resolution complaint rate in Australia. Consistent effort over many years was rewarded with Credit Corp's Australian debt buying business again being rated by important financial counselling stakeholders as having the best response to consumer hardship of any financial services provider in Australia. This recognition will be particularly significant over the coming year as elevated costs of living increasingly focus stakeholders on consumer hardship responses.

Positive culture

The resilience to learn from disappointments and secure an improved outlook is built by 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 and achieve 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.

I thank my fellow Directors, our CEO Thomas Beregi and his management team for leading through values and establishing a positive outlook for the future. On behalf of the Board and shareholders, I also thank all employees for their ongoing commitment and dedication to Credit Corp.

ERIC DODD
Chair

WE START 2025 WITH A SOUND PLATFORM FOR A RETURN TO GROWTH AND A POSITIVE OUTLOOK ACROSS ALL BUSINESSES.

CEO'S REPORT

AT CREDIT CORP, CREATING OPPORTUNITY IN THE CREDIT-IMPAIRED CONSUMER SEGMENT HAS DELIVERED A LONG PERIOD OF GROWTH AND SOLID RETURNS.

Thomas Beregi, CEO

Over the years, focusing on opportunity has also developed a platform for expansion into new markets and adjacent businesses, while preparing Credit Corp to seize opportunities as they arise. In 2024 we learnt that creating opportunity requires a resilient culture to address setbacks and build the capability necessary to respond to changes in circumstances.

In FY2024 Credit Corp experienced a change in circumstances. Credit Corp's US consumers altered their repayment behaviours. The impact of the change was brought to account promptly with a one-off $65 million impairment charge. Purposeful steps were undertaken to improve execution, with a view to ensuring the US business remained competitive and could take advantage of more attractive purchasing conditions which had begun to emerge.

Consequently, after early disappointment, Credit Corp finished the year with a positive outlook for FY2025 and the recovery of the Company's growth trajectory. The resilient culture underpinning this recovery reflects the consistent application of Credit Corp's values. These values are a useful prism through which the Company's performance in 2024 can be described.

Credit Corp's values are readily understood and translated into action. 'Being open and honest' means having the transparency to fairly appraise situations and readily confront issues in order to set a plan of action. 'Making it happen' requires embracing accountability to achieve challenging goals in accordance with the Company's plans. 'Doing the right thing' is following through with disciplined execution to ensure maintainable long-term outcomes.

Being open and honest

We started the year with a realistic appraisal of the conditions confronting each of Credit Corp's businesses.

It was clear that market sale volumes of Purchased Debt Ledgers in the core Australian and New Zealand debt buying business would not recover to pre-COVID levels. We recognised that costs would need to be managed to match a projected decline in collections. This would have to be undertaken carefully to ensure standards were not compromised and we preserved the ability to respond to any future recovery in sale volumes.

The heavy lifting required to offset the decline in earnings from the core debt buying business would need to be done by Credit Corp's other businesses. The lending segment would have to deliver solid earnings and loan book growth and we adjusted operational settings to align with this objective. The program of operational improvement in the US had begun to produce collections growth over the final quarter of FY2023, and to maintain this trajectory into FY2024 further initiatives were commenced.

By the end of the first quarter of FY2024, however, it had become clear that the repayment behaviour of our US customers had changed. Delinquency on established repayment plans had increased and remained persistently elevated. We disclosed the impact of the change on the value of our US Purchased Debt Ledger (PDL) assets and revised our earnings outlook for the year.

Transparently confronting the issue put us in a good position to respond to the change. In addition to adjusting the forecasts used for pricing decisions we accelerated our program of operational improvement. Operational improvement became critical to preserving our ability to take advantage of improved US buying conditions as PDL supply continued to increase and prices remained attractive. Despite near-term earnings challenges we made the long-term decision to upgrade local leadership, which culminated in the relocation of our Chief Operating Officer, Matt Angell, to take up the position of President, Credit Corp USA.

Making it happen

The investment in local US leadership was just one facet of our acceptance of accountability for achieving outcomes that will continue to create long-term opportunities for Credit Corp.

Despite the challenge of declining collections we continued to invest in developing the competitiveness of the core Australian and New Zealand debt buying business. Investments were made in upgrading data analytics, further expanding digital collection capabilities and rolling out a new dialling platform. Ongoing improvements were also made to our operational control framework to maintain our reputation for respectful and responsible practices.

These investments produced some impressive core business outcomes. Improved competitiveness delivered the largest direct from issuer outlay for PDLs since 2020 and further growth in our leading share of direct from issuer sale volume. We recorded the lowest external dispute resolution complaint rate per million dollars collected of any of the larger Australian debt buyers. Additionally, for the second successive time we were rated by Financial Counselling Australia as having the best response to consumer financial hardship of any financial services provider in Australia. These outcomes will help sustain solid returns from the Australian and New Zealand debt buying business over the years ahead.

In the US we made significant investments across all aspects of our operations. These included enhanced calling and scheduling automation, a significant uplift in digital activity and the deployment of revised models to better direct and target legal activity. In combination with improved training and feedback systems this ensured that enhanced automation and analytics were matched with improved skills.

These initiatives translated into collection outcomes late in the year. The final quarter produced record US collections and growth of 6 per cent over the same period in the prior year. Critical metrics, including the rate at which we convert customer contact into repayment outcomes and the proportion of delinquent repayment plans successfully cured showed sustained improvement. This improvement will provide a sound platform for ongoing collection growth and should enhance our ability to secure purchases in FY2025.

The lending business benefited from ongoing improvements. During the year a new credit modelling platform was implemented, enabling us to more rapidly move from model development to deployment. We also improved the timeliness of credit underwriting activity and our use of digital contact to support early-stage collection activity.

These enhancements facilitated our ability to service elevated demand for unsecured credit. We achieved record gross lending volume of $396 million, an increase of 13 per cent over the prior year. The loan book grew by 24 per cent over the year to $445 million, providing a strong platform for further lending segment revenue and earnings growth in FY2025.

Doing the right thing

Disciplined adherence to return criteria was a key feature of our investment decision-making in FY2024.

While Credit Corp has historically been the leading purchaser of secondary PDL portfolios in Australia and New Zealand we were not successful in securing any sizeable secondary purchases in FY2024. Prices for secondary portfolios were elevated and Credit Corp was consistently outbid. Credit Corp, however, found better returns in the direct from issuer market and was able to increase its share in that segment.

In the US, increased supply and more attractive pricing led the major US debt buyers to make record purchasing outlays. Credit Corp, however, reduced purchasing and prioritised its focus on operational improvement. While the US collection environment remained uncertain, we chose to refrain from committing to increased purchasing until we had the operational confidence to ensure that our minimum investment return criteria could be achieved in all likely conditions. We will continue to undertake this assessment as we look to build our pipeline of purchasing for FY2025.

Similarly, discipline was applied to credit settings for the Australian consumer lending business. While arrears and losses on the Wallet Wizard loan book remained below our pro-forma expectations we retained responsible credit settings throughout the year. This will ensure that loan book growth in FY2024 will readily translate into substantial segment earnings growth in FY2025.

Looking ahead

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

Unlike FY2024 we have started the new year without the need to offset another significant earnings decline from the core Australian and New Zealand debt buying business. The core business has stabilised and has been complemented with a profitable collection services operation. Improved collection performance will underpin US segment earnings growth while creating the opportunity to secure purchases at attractive prices. A strong starting loan book has produced a very strong outlook for lending segment earnings growth.

Our recent refinancing means we retain substantial headroom in our borrowing facility which can be applied to any sizeable opportunities for additional investment as they arise.

In closing my report for FY2024 I want to thank all of Credit Corp's 2,231 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 FUTURE

REVIEW OF OPERATIONS

Overview

Credit Corp's financial performance in FY2024 fell well short of initial expectations. Statutory Net Profit after Tax (NPAT) of $50.7 million was impacted by two non-cash adjustments:

- impairment of the US PDL book of $65 million (pre-tax) due to the deterioration in the collections environment first observed in late FY2023
- a gain of $21.6 million (pre-tax) that arose from increasing the collection life cycle assumption from six to eight years in accounting for PDLs. This change brings Credit Corp's practice more into line with that of domestic and global peers.

After adjusting for the impact of these two items, NPAT of $81.2 million was 11 per cent lower than in FY2023. This reflected:

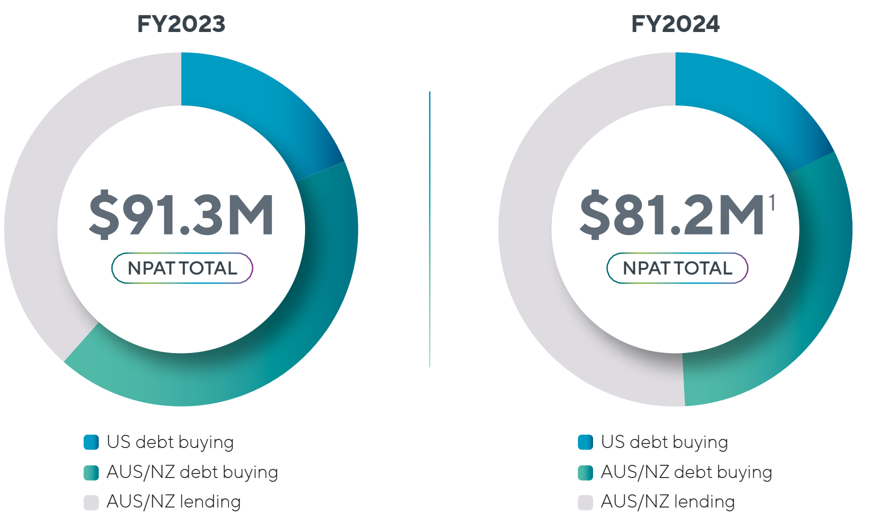
- the continued run-off of the AU/NZ debt buying book
- shortfalls in US operational performance over much of the year
- partly offset by an 18 per cent increase in NPAT from consumer lending.

AU/NZ debt buying and collection services

Earnings from the AU/NZ debt buying segment have been in decline for a number of years as total market sale volumes have reduced. This is line with a contraction in total unsecured credit and is reflected in a reduction of more than 30 per cent in aggregate interest-bearing credit card balances from the onset of COVID.

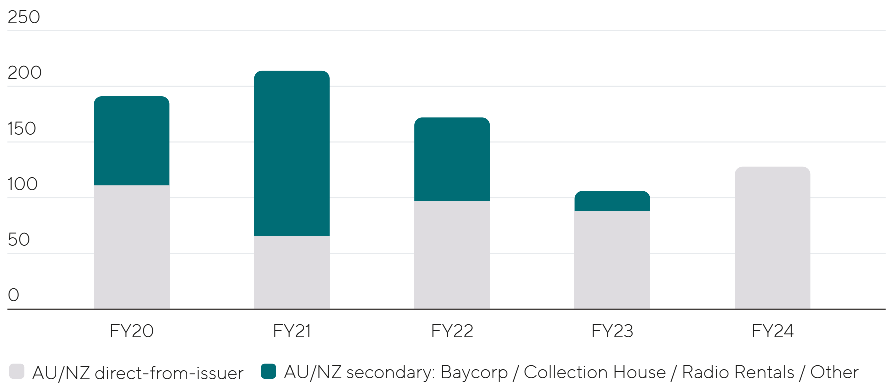
AU/NZ debt buying earnings started to stabilise by the end of FY2024. This was assisted by the highest level of direct-from-issuer purchasing since the onset of COVID.

Segment profit ($M)



RBA seasonally adjusted interest-bearing card balances by quarter December 2019 to March 2024 ($M)[2]

AU/NZ PDL investment volumes ($M)



1. FY2024 pre-US impairment and change in PDL life cycle assumption.
2. C1 Credit and Charge Cards (Seasonally Adjusted Series) data, Reserve Bank of Australia (https://www.rba.gov.au/statistics/tables/)

Allowing staff numbers to reduce, mostly through attrition, and closely managing other fixed costs has mitigated the loss of operating leverage as collections have stabilised.

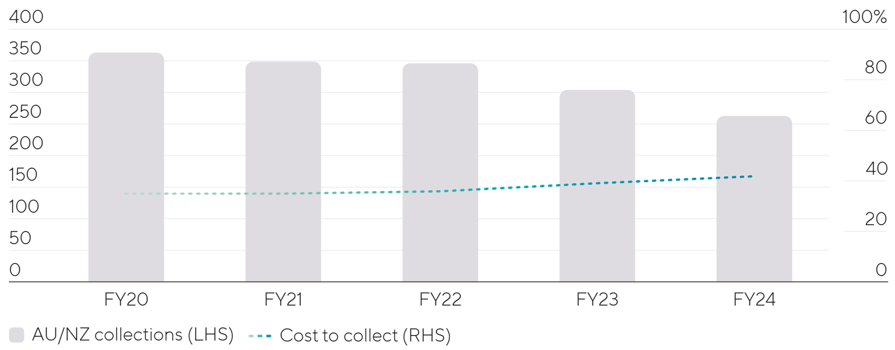
The Collection House agency acquisition during H1 of FY2023 significantly increased the revenue base of the collection services division and, combined with the previous Baycorp and NCML acquisitions, has created one of the largest collection services operations in AU/NZ. Collection services is a relatively low margin activity and did not contribute materially to Credit Corp's earnings in FY2024. Ongoing work integrating collection services platforms is improving margins and further work will be undertaken in FY2025.

US debt buying

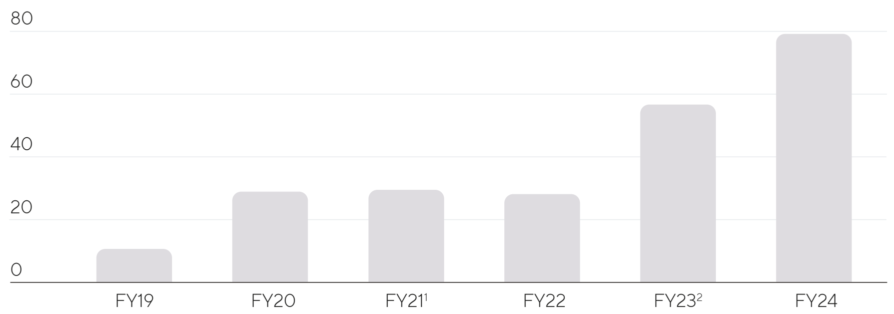
A deterioration in collection conditions commenced in late FY2023 and continued into FY2024, resulting in the decision to impair the opening US ledger book by A$65 million or 14 per cent of the balance. Although the deteriorated conditions have continued, the environment remained stable throughout FY2024. Collections since the first quarter of FY2024 have performed in line with the revised forecasts that underpinned the impairment.

Over the last 12 months, Credit Corp has pursued a comprehensive program of operational improvements. The program translated into improved performance in the final quarter of FY2024. Record quarterly collections were achieved in the June quarter, six per cent higher than the prior comparative period (pcp). Similarly, productivity improved over the course of the year.

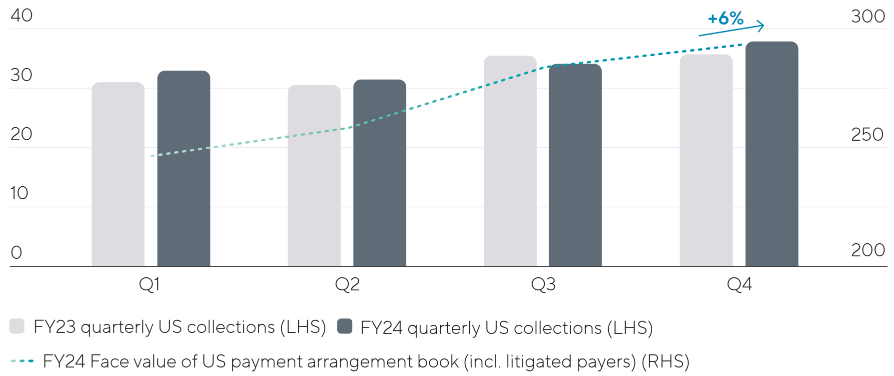
AU/NZ collections ($M) and cost to collect (%)



Collection Services revenue ($M)



US collections and arrangement book (US$M)



1. Baycorp acquisition in August 2019.
2. Collection House acquisition in October 2022.

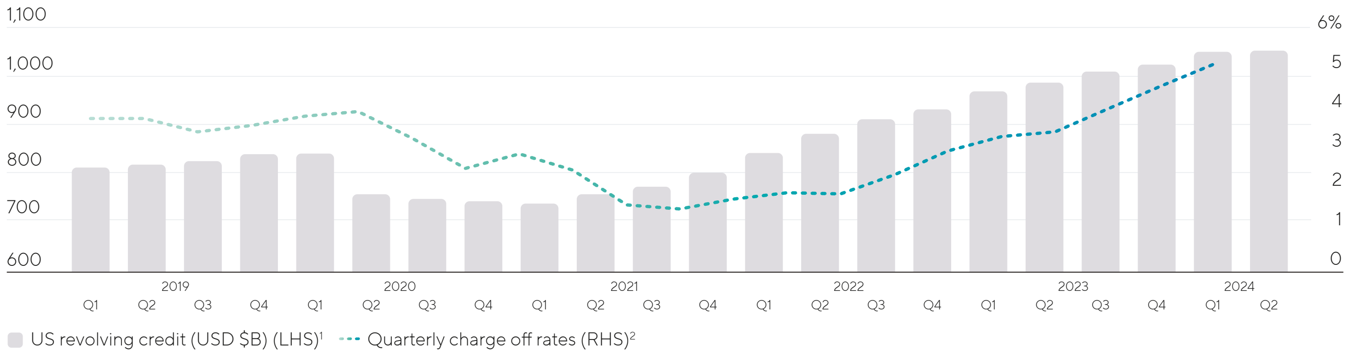
REVIEW OF OPERATIONS

CONTINUED

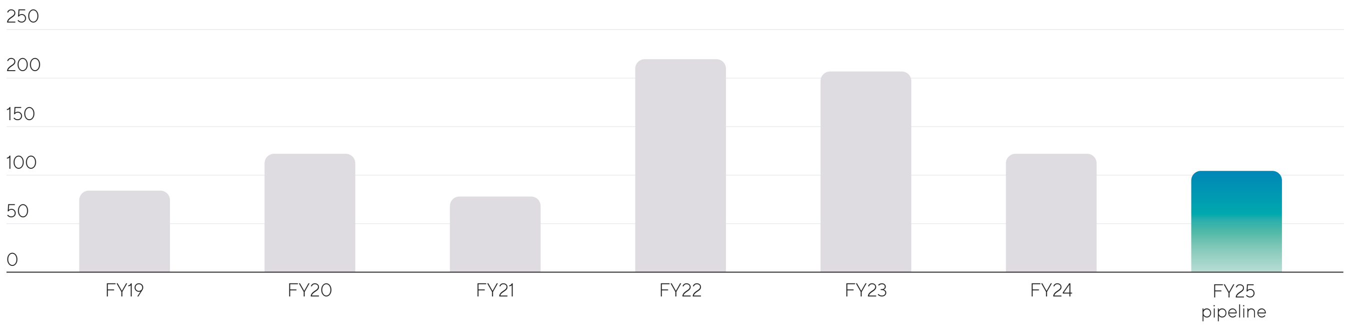
Despite deteriorated collection conditions and an uncertain outlook for the US consumer, purchased debt ledger supply conditions remain favourable. Aggregate volumes of unsecured credit significantly exceed pre-COVID levels, although recent growth has moderated and charge-off rates continue to rise.

Operational improvement manifested in the final quarter increased Credit Corp's purchasing competitiveness. This helped build a strong contracted purchasing pipeline for FY2025, accounting for more than 50 per cent of expected annual purchasing.

US revolving credit market (US$B) and Quarterly charge-off rates (%)



US PDL investment volumes ($M)



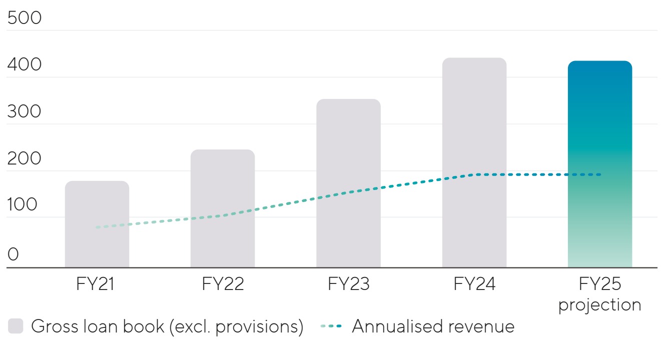
Consumer lending

Strong demand for Credit Corp's flagship unsecured cash loan product, Wallet Wizard, saw record loan volumes settled in FY2024 and a record ending loan book of $445 million as at June 2024.

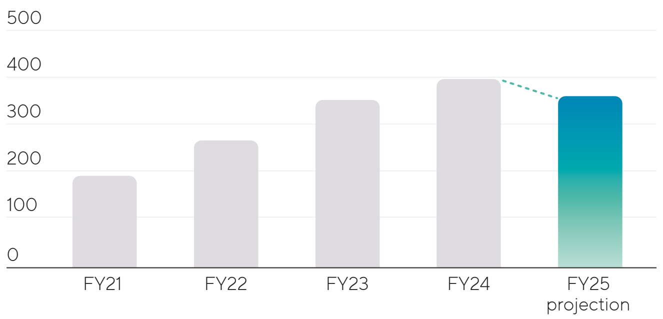
Arrears and losses remain within pro-forma levels and continue to be closely monitored for signs of deterioration. Volumes of auto loans remain rationed in order to mitigate the risk arising from elevated used car prices.

Some moderation in demand was observed in late FY2024 and the expectation is that the loan book balance will stabilise in FY2025. After earnings grew by 18 per cent in FY2024, the record starting loan book is projected to produce earnings growth in the range of 21 to 33 per cent in FY2025.

Consumer lending book and annualised revenue ($M)



Lending volumes ($M)



1. Total Revolving Debt Outstanding, Federal Reserve Economic Data (https://fred.stlouisfed.org/series/CCLACBW027SBOG).
2. Charge-off rate on credit card loans. All Commercial banks, Federal Reserve Economic Data (https://fred.stlouisfed.org/series/CORCCACBN).

Capital management

Credit Corp has finalised the increase and extension of its banking facilities, with available facilities now totalling $505 million, comprising:

- a consumer lending warehouse facility with a limit of $250 million, expiring in October 2028; and
- a syndicated corporate facility of $255 million, expiring in July 2029.

Although funding costs are higher, the increased facility provides medium-term certainty including a five-year tenor for the corporate facility. Planned investment in FY2025 will not result in additional utilisation of the facility and the undrawn lines provide headroom for any additional investment opportunities that may arise.

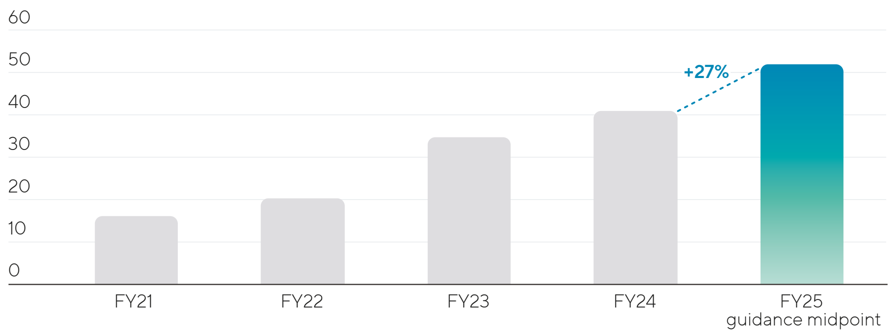
The 23 cent final dividend declared for FY2024 represents a payout ratio for the year of 51 per cent, in line with the practice of prior years.

Outlook

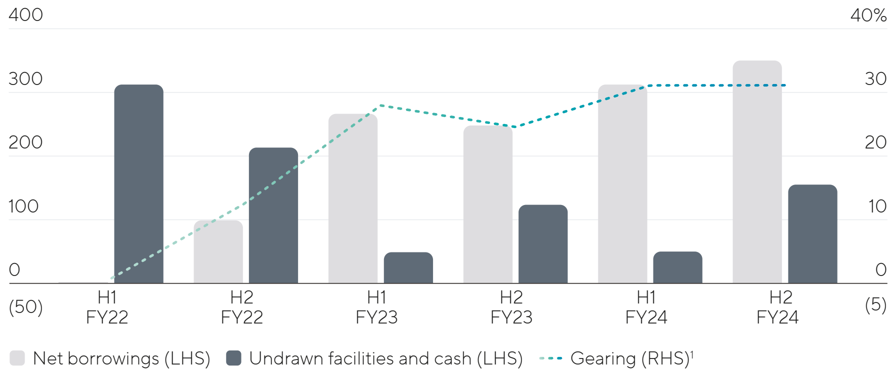
The record starting consumer loan book, improved US operational performance and increased investment, as well as the stabilisation of the AU/NZ debt buying book, will produce earnings growth of 17 per cent at the mid-point of the guided FY2025 NPAT range of $90 – 100 million.

Ledger investment in the US will be higher which reflects that more than 50 per cent of the guided investment range is already under contract.
Net lending will be substantially lower reflecting the expected steady loan book.

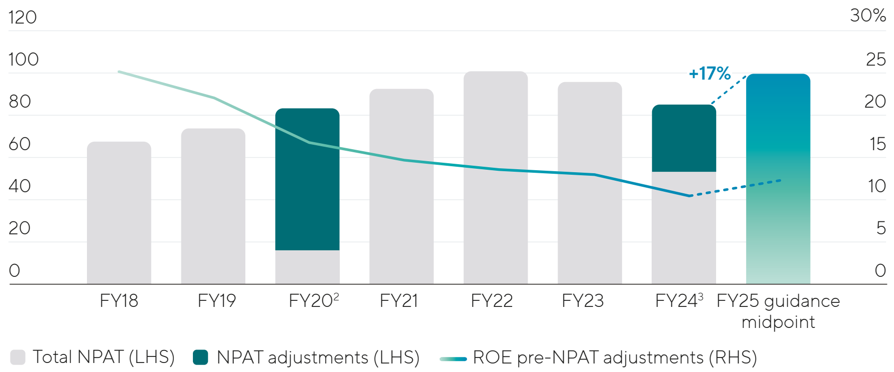
Consumer lending NPAT ($M)



Cash facilities ($M) and gearing (%)



NPAT ($M) and return on equity (%)



1. Calculated as net borrowings as a % of carrying value of financial assets.
2. COVID-19 adjustments for PDL and consumer loan book impairment.
3. FY2024 statutory NPAT of $50.7 million includes impairment of US PDL book of $65 million (pre-tax) and change in PDL life cycle gain of $21.6 million (pre-tax).

CUSTOMER STORIES

EVERY CUSTOMER HAS A STORY
CREDIT CORP LISTENS

Meet Meriam, AUS

Meriam was a small business owner who encountered financial difficulties when unforeseen circumstances forced her family to move out of their long-time home. During the moving process, Meriam missed several bill payments, and her accounts were transferred to Credit Corp.

Upon receiving a text message from Credit Corp, Meriam logged into our online self-service portal and communicated with Aman, a Customer Service Representative, via web chat with the intention of resolving her accounts. Together, they negotiated a split settlement to finalise the account and leave Meriam debt-free.

"Aman really made an effort to help me settle my accounts and give me peace of mind, which I am very grateful for. Thank you."

Meet Jules, AUS

Jules endured significant financial hardship for several years, including a period of homelessness while being the sole carer for a disabled child. Her situation left her unable to meet her financial obligations or even communicate with her creditors.

When Mark reached out to Jules, he listened compassionately as she shared her story. Jules explained that she had recently secured housing and was now able to address her account. Mark worked with Jules to develop a repayment solution tailored to her circumstances, empowering her to get back on her feet without the burden of debt.

"I wanted to get my debts settled so they weren't hanging over our heads when my son and I moved into our new home. Mark was very easy to talk to from the beginning of the call, and empathetic when I explained my situation.

Coming to a resolution was much simpler than I thought it would be. Thank you very much for all your help!"

Meet Marco, USA

Marco contacted Credit Corp to express frustration that his outstanding account with Credit Corp was negatively impacting his credit file while he was in a payment arrangement. Erica took the time to listen to Marco and answer his questions, explaining that closing the account would update his credit file and that they could work together to find a mutually agreeable solution tailored to his situation.

As they built rapport, Marco felt comfortable sharing details about his life, including that he was a disabled veteran hoping to improve his credit record to purchase a home. Before long, Erica and Marco reached an agreement to close the account. Marco's credit file was updated, allowing him to get back on track financially.

"I'm really thankful to Erica for listening to me and working with me. When I made the first call, I didn't think it would have such a positive outcome.

We've been wanting to buy a house for a while, and Erica helped us take a huge step forward with that."

*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 Teagan, AUS

Teagan joined Credit Corp in 2022 as a Customer Relationship Manager (CRM). Formerly a night-time traffic controller, she sought a career change to a role with regular hours that would enable her to spend more time with her young son. Her communication skills, attention to detail, and problem-solving abilities, honed in previous roles, provided a strong foundation for her success as a CRM.

Teagan's participation in the internal career pathways program, JUMP, further enhanced her skills, preparing her for a senior CRM position. When a customer care complaints investigator role was advertised, her manager recognised her potential and encouraged her to apply, guiding her through the process. Since then, Teagan has become an integral member of the customer care team.

Teagan attributes her career development to Credit Corp's supportive team environment.

"When I started at Credit Corp, I had very little knowledge of the financial industry. Through support from the Learning & Development team and my colleagues, I've developed a solid understanding of industry processes.

The team environment here is very uplifting. You're empowered to try new things and find what works for you.

When my manager suggested I apply for a role in customer care, it wasn't something I had considered, but after encouragement I applied, and now I couldn't be happier with the work I'm doing."

Meet Jamie, AUS

Jamie joined Credit Corp in 2018 as a Customer Relationship Manager after relocating to Sydney for a role in the banking industry. Since then, he has worked across Credit Corp offices in Brisbane, Sydney, and Melbourne.

Upon completing the Get Set induction program Jamie took advantage of the onsite training and support available to all staff by obtaining a nationally recognised Certificate III in Financial Services. After deciding to return to his hometown of Brisbane, Jamie continued to build on his qualification, completing a Certificate IV.

Encouraged by his peers and the Learning & Development team, Jamie also enrolled in the JUMP and RISE programs, Credit Corp's career pathway training initiatives, which paved the way for his next roles.

With his newly acquired skills, Jamie secured a promotion to Senior Customer Relationship Manager and subsequently undertook a short-term secondment as a Team Performance Manager in the Melbourne office. Jamie has since returned to Brisbane and believes Credit Corp's ability to offer mobility has played a significant role in his career progression.

"There is a lot I like about Credit Corp, and my tenure reflects how happy I am at the Company. I really appreciate the variety of work available and the opportunities to develop professional skills and progress your career.

Being in collections gives you the ability to drive your own success. With bonuses, the amount you earn is based on the effort you put in, and you actively play a role in that."

Meet Juan, USA

Juan joined Credit Corp in 2023 as a Customer Relationship Manager in our Seattle office, after working in talent management for an artist group. While studying for a degree in finance, Juan sought to gain practical experience in the industry.

Following his induction, Juan enrolled in the Launch Academy, a three-month in-house training course tailored to support new CRMs. His engagement and leadership potential were evident during the course, setting him up for success. Upon joining his colleagues on the floor, Juan quickly became a celebrated member of the team.

Recently promoted to Senior Customer Relationship Manager, Juan looks forward to advancing his career at Credit Corp, with a long-term goal of joining the Business Improvement team. He values Credit Corp's support and career opportunities.

"From the moment I started here, I've enjoyed working at Credit Corp. Everyone is very accepting, and there's no judgement when you're learning.

As long as you're willing to try, everyone is more than willing to help you out. There's plenty of opportunity for everyone to grow their career in the finance industry."

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

In FY2023 we established an Environment, Social and Governance (ESG) Working Group (ESG Working Group) to formalise our strategic approach to ESG matters and strengthen sustainability policies, principles and practices.

The ESG Working Group reports to the Board at least three times per year on a range of ESG matters, including progress and performance. It 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.

Materiality assessment

Earlier this year, the ESG Working Group updated the initial materiality assessment conducted in 2023 through a multi-step process to identify stakeholder priorities and refine our Sustainability Framework and material sustainability topics. These refined topics reflect Credit Corp's significant economic, environmental and social impacts. They will guide our strategic initiatives, focusing on areas most important to our stakeholders.

To identify our material topics we:

- conducted a desktop review, including analysis of industry peers, media, ESG ratings, benchmarking surveys and investor feedback
- reviewed employee feedback, including internal surveys, open forums such as employee roadshow Q&A sessions with the CEO and Leadership Team, and interviews with employees, particularly those experienced in customer care and hardship
- prioritised the list of material topics and grouped them into four key themes to form the Sustainability Framework
- validated the Sustainability Framework through discussions with members of the ESG Working Group, the Senior Management Team and external environmental consultants. The results were shared with the Board and approved as part of our annual financial reporting.

As this is an iterative process, the material themes and topics will be subject to annual review.

Our Sustainability Framework

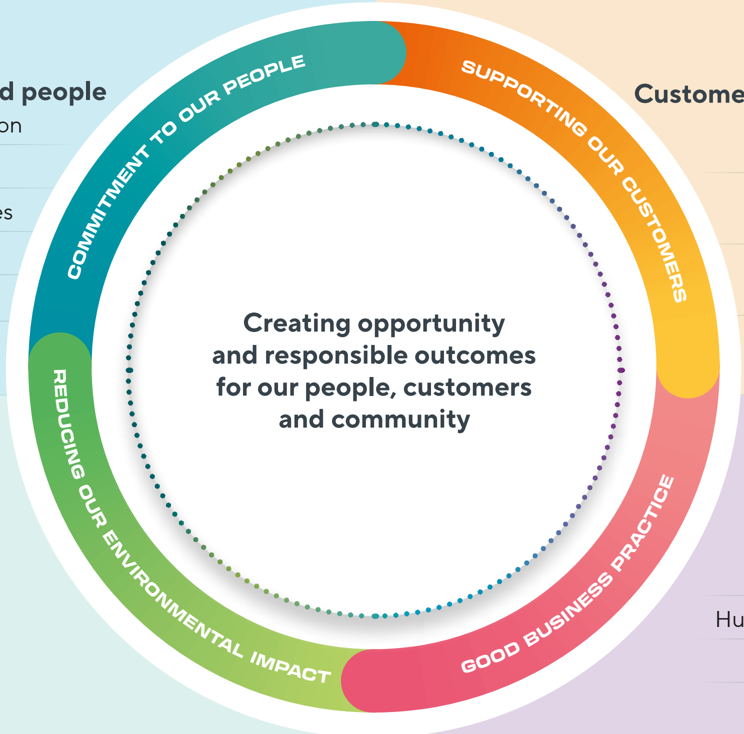
Our Sustainability Framework sets out our commitment to achieving responsible outcomes for our customers, people, clients, shareholders and the community across four themes. The Sustainability Framework is underpinned by our commitment to a high standard of corporate governance, responsible business conduct, effective risk management and our values, which are apparent in everything we do. It outlines the key themes and material topics identified for Credit Corp to address in this report.

The results of the materiality assessment are reflected in the revised Sustainability Framework below. Overall, the four key themes identified this year are consistent with those we reported in 2023. Key changes include refining the topics related to our people, culture, and customer experience to better align with external expectations and what is important to us.

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

Engaged and supported people
- Talent attraction and retention
- Training and development
- Workplace culture and values
- Employee engagement
- Health, safety and wellbeing
- Diversity, equity, inclusion and belonging

Customer support and experience
- Respectful and fair treatment of customers
- Tailored support for vulnerable customers
- Inclusive and accessible products
- Digital innovation and emerging technology



Reducing our environmental impact
- Environmental performance

Good business practice
- Risk management
- Human rights and modern slavery
- Ethics and business conduct
- Data privacy and cybersecurity

United Nations Sustainable Development Goals

Our materiality assessment enables us to better align with and positively deliver on the UN Sustainability Development Goals (SDGs), a set of 17 goals that define global sustainable development priorities and aspirations for 2030.

The SDGs 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 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 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
- Women's Success Network and employee-led local Lean In Circles
- Initiatives of the Pride in Diversity 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 opportunities to reduce environmental impacts

COMMITMENT TO OUR PEOPLE

Our people are the key to our success. Engaged and energised employees, aligned with our values, deliver superior customer experiences and drive exceptional results.

Our workforce at a glance

Total employees (FTE)
2,231

Gender Diversity

61% Female — Male 39%

Women on the Board 29%

62% Frontline operational managers are female

Age Diversity

36% <30 years old

53% 30-50 years old

11% >50 years old

4 countries

10 cities

20 ethnicities

50+ languages spoken

151 internal promotions

94% 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. Depending on the nature, consequences of breaching the Code can include; the requirement to complete additional training, impacts on remuneration, and where appropriate, formal warnings or termination of employment.

We support our people to raise concerns when something does not feel right. 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 2024 financial year, zero matters went to an employment tribunal and 0.03 matters per 100 employees were lodged with an external regulator (Fair Work Commission or Human Rights Commission). All matters have since been resolved.

View our Employee Code of Conduct

View our Group Whistleblower Policy

Creating opportunity for our people

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

In-house learning and development opportunities

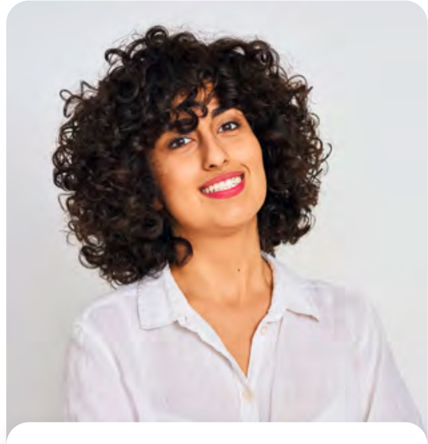
Our in-house training programs focus on developing a blend of technical and soft skills essential for operational success and career advancement in leadership roles. These programs cover key competencies such as resilience, decision-making, collaboration, coaching, negotiation, and investigative techniques.

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

In FY2024, a total of 577 employees completed one of the training programs on offer that form part of our career pathway model.

Our career pathway training programs are designed to support career progression and leadership development, catering to both frontline manager and other managerial roles.

This year we expanded our career pathway program, JUMP, previously exclusive to operational staff, to include members of our support functions for the first time. JUMP targets employees with at least nine months tenure who are looking to jump-start their career. Program sessions cover topics including communicating with impact, networking, resilience building and data driven decision making. To date, 30 support employees have embarked on this program.



"The JUMP program has been incredibly helpful in further developing the soft skills I utilise in my role every day. I found the sessions on networking and enhanced collaboration to be particularly insightful, and since attending I've found the confidence to expand my professional network and build connections with people I would otherwise have felt difficult to approach. What sets this program apart is that its core teachings are transferable to both my work and personal life."

Mary
Communications Co-ordinator, Sydney, on participating in the first JUMP Support program

We also introduced the Launch Academy program in the US, designed specifically for new Customer Relationship Managers to ensure immediate success following the two-week induction. Within smaller teams, CRMs participate in a structured upskilling program, focusing on completing a core competency every two weeks. This approach allows for continuous refinement and capacity building.

Throughout the four to six months duration of the program, the cohort remains together as a group, benefiting from weekly masterclasses and specialised side-by-side coaching designed to hone core competencies. Learning together over this extended period has proven effective in boosting confidence and accelerating skill development.

COMMITMENT TO OUR PEOPLE

Launch Academy sets employees up for success

Makenzie joined our US team in Salt Lake City seven months ago as a Customer Relationship Manager. Her learning journey started with a two-week induction, progressing to the Launch Academy where she continued to develop her core skills. Makenzie spoke of her experience with the Launch Academy program:

"I am a very determined person, so when I joined the Launch Academy, I was able to quickly grow my skills through the weekly masterclasses and coaching, and most importantly listen and take on board feedback. With support I learnt to set goals and, even better, achieve them!"

Since graduating, Makenzie's strong performance has seen her rewarded with a promotion and she was recently successful in applying for the JUMP career pathway training program.

Opportunities for external qualifications

We deliver nationally recognised and accredited Certificate III in Financial Services (FNS30122) and Certificate IV in Leadership and Development (BSB40520) qualifications through our subsidiary Collective Learning and Development Pty Ltd (RTO ID: 31566).

44 (2023:87) employees attained a Certificate III and 1 (2023:4) completed a Certificate IV qualification in 2024.

292 employees are presently on track to complete their Certificate III in Financial Services.

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.

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 FY2024 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

Our Group Volunteering Policy enables employees to access up to two paid days of volunteering leave per calendar year. 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

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

MatchWorks offers 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.

To date

71

CANDIDATES IN TOTAL

have successfully gained employment with Credit Corp. Over the eight programs run in the last 12 months, 20 candidates across NSW and QLD have joined the Company.

Culture and engagement

Employee engagement is an important focus, as is acting on feedback received. We survey our employees twice a year so they can share their views on how they feel about working at Credit Corp, what is working well and what could be working better. Following this, we create meaningful action plans at both the corporate and local levels. We use our biannual employee roadshows as a forum to communicate the improvements we've made in a segment titled 'You Said, We Did.' We also identify new focus areas based on feedback. An external provider, Culture Amp, administers the survey to ensure anonymity for our employees.

73 per cent of staff participated in our June 2024 survey. We saw engagement rise by two per cent compared to our May 2023 results, with a positive uplift in all our countries.

Our performance in certain categories such as Company Confidence, Leadership, Learning & Development and Feedback & Recognition outperforms benchmarks set by other organisations that use the same Culture Amp platform. It was pleasing to see the improvement in these areas, along with Diversity & Inclusion, as these are areas we have actively worked on during the year. Feedback indicates that our leaders are viewed as strong role models who genuinely care about their teams and they provide good support, and our employees know what they need to do to be successful in their roles.

Our actions for the coming year will focus on enhancing collaboration and communication between different functions.

What our employees are saying[1]

89% say that they know what they need to do to be successful in their role

88% say their manager genuinely cares about their wellbeing

87% say that they receive useful feedback on how well they are performing

84% believe their manager makes them feel valued

84% say we hold ourselves and our team members accountable for results

1. June 2024 Employee Engagement Survey.

Reward and recognition

Recognising that rising costs of living can be a source of stress, in May 2023 we launched Perkbox, a global reward and benefits platform.

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.

Over the last year, our employees acknowledged more than 8,000 moments where their colleagues were living Credit Corp values and behaviours via the Perkbox platform. Employees also saved around A$15,000 globally by taking advantage of the discounts or perks offered through the platform.

Affirming our ways of working

We continue to support many of our employees working in a hybrid work from home/work from office model. This approach gives employees the flexibility they value and allows time in the office to foster connection, innovation, learning, wellbeing and career development. Each location or business area has an established minimum number of days in the office per week to provide consistency and clarity for their teams.

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, religion, 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

In our June 2024 Employee Engagement Survey:

86% of employees believe that all genders have equal access to organisational programs and initiatives

84% believe that Credit Corp values diversity

85% believe they can be their authentic self at work

Each of these metrics have improved since our May 2023 Employee Engagement Survey.

We have recently published our annual Australian Workplace Gender Equality Report for 2023-24, as mandated by the *Workplace Gender Equality Act 2012* in Australia. The report focuses on our Australian employees only and details our policies, strategies, and actions regarding gender equality, along with our workforce profile.

We conduct an annual internal gender pay gap analysis. In February 2024, the Workplace Gender Equality Agency publicly released Australian employer gender pay gap data for the first time on its website.

View our 2023-2024 Australian Workplace Gender Equality Report

In FY2023 and FY2024, we launched and advanced several initiatives to enhance diversity and inclusion across the Group. These initiatives included the implementation of unconscious bias training, the expansion of the Women's Success Network and Pride in Diversity Network, and membership with Women in Banking and Finance (WiBF), providing employees with extensive training resources and networking opportunities.

Being mindful of unconscious bias

In FY2023, we hosted workshops led by a specialist in female development and unconscious bias for our Senior Management Teams. These sessions explored the significance of unconscious bias, its manifestations, and strategies to confront it, aiming to ensure an equitable playing field for all. Building on this initiative in FY2024, we expanded the training to include all frontline people managers and integrated it into our leadership programs.

To date, 294 people have completed unconscious bias training with their teams.

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 Chief People Officer and our CEO discussed progress since last year's IWD event and explored this year's theme, #InspireInclusion. They were joined by colleagues from our offices across the globe who each brought their unique perspectives to a panel discussion around how we can foster and inspire inclusion in the workplace.

COMMITMENT TO OUR PEOPLE

Our Women's Success Network

We launched our first-ever Women's Success Network (WSN) on IWD last year. The WSN is a voluntary network of Credit Corp's women and their allies, open to all employees regardless of role or gender. The WSN has grown to around 200 members, all excited by the opportunity for growth, empowerment, understanding, knowledge and building connections with peers.

Since its inception, local Lean In Circles have been established offering smaller, more intimate support groups for employees. Throughout the year, we hosted a series of webinars on topics deemed most relevant by WSN members. These included 'The Power of Networking', 'Getting your Voice Heard - Overcoming Unconscious Bias' and 'Women's Health Topics – Breaking the Taboo'.

"Inclusion isn't one-size-fits-all. It's crucial to understand each team member individually and foster an environment where everyone feels comfortable connecting with others. We value everyone's opinions and celebrate our differences, recognising that the best decisions come from collaboration. Recently, we've introduced 'diversity potlucks', where team members bring dishes that reflect their heritage, background, or tradition. Through these potlucks we've found people's walls come down and they are more open to sharing their stories and discovering commonalities."

Megan
Operations Manager, USA

Pride in diversity

We celebrate diversity in its many different forms across our offices, including World Pride, a global event that promotes and advocates for LGBTQIA+ human rights worldwide.

We support Pride because it is a cause important to many of our workforce. It provides us with the opportunity to open the conversation on LGBTQIA+ matters and build on the positive results received for diversity and inclusion in recent employee engagement surveys. Employees have shared practical, positive suggestions on how we can implement meaningful actions to improve the experience of working at Credit Corp and review our practices to ensure they are inclusive.

Following this, the Pride in Diversity Network (PIDN) was established, comprised of members of the LGBTQIA+ community and allies, with a vision to foster a culture where individuality is celebrated, and employees feel empowered to bring their authentic selves to work.

The PIDN has been actively engaged in developing initiatives to educate and embed inclusion at Credit Corp. A review to improve the inclusivity of the language used in our policies was completed. More recently, we expanded the options for gender selection during our onboarding processes and implemented the optional inclusion of pronouns in employee email signatures. This small yet impactful change demonstrates our commitment to recognising and affirming the diverse identities within our workplace and is a simple way to show respect to our peers.

Advancing reconciliation

We launched our second Reconciliation Action Plan (RAP), an Innovate RAP, in January 2023, building on the foundations laid by our Reflect RAP and formalising our commitment to increasing First Nations participation in the financial sector.

Our vision for reconciliation is an Australia where Aboriginal and Torres Strait Islander peoples have access to employment and responsible financial solutions equal to that of the wider Australian community.

Using our Innovate RAP as a roadmap, our RAP Working Group has focused on developing strategies that underpin all our RAP deliverables, and implementing practical actions to make tangible progress towards reconciliation. Through these actions of varying scope we aim to enhance cultural understanding and create opportunities for Aboriginal and Torres Strait Islander communities within our sphere of influence. We believe that genuine change can only occur 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.

View our Innovate Reconciliation Action Plan

1.2%

OF OUR AUSTRALIAN EMPLOYEES

have indicated that they most strongly identify with Aboriginal and/or Torres Strait Islander ancestry

Aboriginal and Torres Strait Islander scholarship

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

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

The 2024 recipient, Jayde, was announced at Financial Counselling Australia's (FCA) conference in May. Jayde, an Aboriginal and Torres Strait Islander, works as a Financial Capability Worker (FCW) in South Australia. She expressed her passion for supporting her community to navigate the financial pressures of everyday life:

"While I love my current role as an FCW and have experience in mentoring Aboriginal youths and vulnerable community members, I see the real difference that financial counsellors make and want to be a part of that. Being a young Indigenous female, I am proud of myself and what I have accomplished for the community so far. Gaining the qualification to be a financial counsellor will not only further my career but also enable me to support my community further."

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 30.

Artwork by Frazer Watson,
proudly on display in our Brisbane office

Celebrating National Reconciliation Week and NAIDOC Week

The RAP Working Group shared information about local events and initiatives that employees could participate in to support National Reconciliation Week (NRW) and NAIDOC week, encouraging them to learn something new with their colleagues, family and friends.

Members of the RAP Working Group attended a virtual event run by the University of Technology Sydney, themed 'Tokenist, Ally or Accomplice'. The panel explored the differences between these roles, offering practical tips on meaningfully engaging with First Nations issues and challenging participants with the question: how can non-Indigenous people step up, stand with, and act alongside First Nations peoples? This thought-provoking session provided invaluable insights that could continue to inform our RAP Working Group discussions.

Khirsty, RAP Working Group member, shared her thoughts on National Reconciliation Week:

"I joined the RAP Working Group with the intention of networking and expanding my knowledge of my own culture. Since joining the group, it has opened the door for me to discuss crucial topics relating to my own family's past and has inspired me to assist future generations.

NRW, to me, is a coming together of all people to acknowledge the past, learn, and unite to ensure a better future and prevent history from repeating itself.

I look forward to continuing my participation in the RAP Working Group and contributing to our reconciliation efforts. It has also been a pleasure getting to know the members on a more personal level and hearing their different perspectives."

Artwork by Amber Wombat Kerdel,
proudly on display in our Sydney head office

COMMITMENT TO OUR PEOPLE

Increasing cultural awareness

As part of our Cultural Learning Strategy, we launched Cultural Awareness training for our Australian employees during NRW. This training aims to increase employees' cultural awareness regarding Aboriginal and Torres Strait Islander peoples, knowledge, histories, languages, protocols, identities, and cultures. It is designed to equip employees with a better understanding of our collective history and foster a more respectful environment for Aboriginal and Torres Strait Islander peoples.

To date, over 700 employees have completed the Cultural Awareness training.

Our Customer Experience team recently participated in training developed by the Indigenous Consumer Assistance Network (ICAN) and conducted by Tracey, a Financial Counsellor and proud Gulidjan Woman. The session provided insights into how we can approach First Nations customers and their representatives and discuss financial matters in a culturally appropriate manner.

Joy, RAP Working Group member, spoke of the training session: "Tracey shared insights into First Nations peoples attitudes towards money, explained the importance of listening to their stories, and related the content well to our industry. This has generated a greater level of awareness and led to much discussion within the team about how we do things. Being challenged will help us improve how we deliver a culturally appropriate service. On reflection, I also felt that I could apply parts of what she shared on a personal level."

Practical initiatives underway to progress our reconciliation efforts

- Collaborating with local Elders in each of our Australian offices to translate the meaning of our meeting rooms to Traditional Aboriginal names.
- Reaching out to stakeholders within our sphere of influence, such as clients and local contacts, to develop guiding principles for future engagement with Aboriginal and Torres Strait Islander organisations and peoples. This will help us to determine how we can influence reconciliation externally.
- Formally updating our Procurement Strategy to include Indigenous businesses in our tender processes when procuring goods, systems, or services for Credit Corp.
- Fostering relationships with job network and employment services agencies to facilitate employment opportunities for Aboriginal and Torres Strait Islander peoples.
- Updating our websites to include an Acknowledgement of Country.
- Exploring ways to personalise and enhance the meaningfulness of Welcome to Country for our employees. A local Elder opened our Australian employee roadshow with a Welcome to Country, sharing his perspectives on the importance of this tradition and broader reconciliation efforts.
- Seeking opportunities to support local Indigenous organisations. For example, RAP Working Group member **Karen** co-ordinated the donation of more than 100 computer monitors and peripherals to the local Indigenous community. These were distributed to a school for Indigenous children, a youth centre supporting Indigenous communities, and organisations that teach computer literacy.

New Zealand's commitment to Te Tiriti O Waitangi

In alignment with efforts to advance reconciliation in Australia, our New Zealand team has 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 in September, recognised Te Wiki o te Reo Māori – Māori Language Week, a week encouraging New Zealanders both locally and abroad to recognise and practise the Māori language. Employee events and client meetings now open and close with a karakia - a Māori prayer - and an E-learning learning module covering Māori history, traditional culture and significant events was introduced for employees, as well as a library of Te Reo Māori terms.

Prioritising health, safety and wellbeing

The workplace health and safety 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 about this.

Recognising that everyone's wellbeing journey is unique, we offered a range of initiatives aimed at restoring balance and enhancing 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, which also offers financial coaches to help those experiencing or anticipating financial difficulty.

Throughout September, we ran a series of live webinars and activities covering all aspects of wellbeing - physical, emotional and mental. With something to appeal to everyone, employees were encouraged to participate in a 'Wellness Wednesday' session.

We partnered with external experts to host a series of personal wellbeing webinars with themes including 'managing stress' and 'fuel your body to success with good nutrition'. Bespoke financial wellbeing webinars designed to provide employees with helpful suggestions on making financial decisions, managing cash flow, and debt were well received given cost of living pressures. Many of our teams participated again in STEPtember.

We launched our new Lifestyle Leave Policy, giving people the option to purchase 10 days leave in addition to their existing entitlements. Lifestyle Leave allows employees to prioritise their wellbeing, while offering greater flexibility in managing their personal and professional lives.

Our Wellness Committee, comprised of passionate employees globally, continued to drive engagement in wellbeing initiatives.

We further supported mental health by training accredited Mental Health First Aiders in each location, complementing our existing First Aid support. Our Mental Health First Aiders, trained by external organisations, serve as the first point of contact for individuals experiencing mental health issues during emergencies.

Resilience training has become an integral part of our induction, Get Set and Launch Academy programs, equipping new starters with essential tools to manage stress effectively.

Since launch, over 1,000 employees have completed the updated training.

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 and 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 FY2023, we refreshed our Return-to-Work program to ensure we are minimising the amount of time lost for a work-related injury, and in FY2024 we reviewed our WHS policies and procedures in light of recent legislative changes around psychological safety. A training module on the prevention of psychosocial hazards in the workplace was rolled out to managers across the business in July 2024.

Our global HR team will be participating in a Responding to Disclosure workshop which will further equip them to support employees who disclose and discuss sensitive issues such as bullying, racism and sexual harassment. Over the next three months we will be launching training, including upstander training, to educate our Australian employees and prevent instances of harassment and discrimination.

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.

Our WHS performance	2024	2023	2022
Injuries per 100 employees	0.4	0.5	0.31

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 an affordable and realistic repayment solution. This year 85 per cent of collections were 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 to provide the best service to our customers.

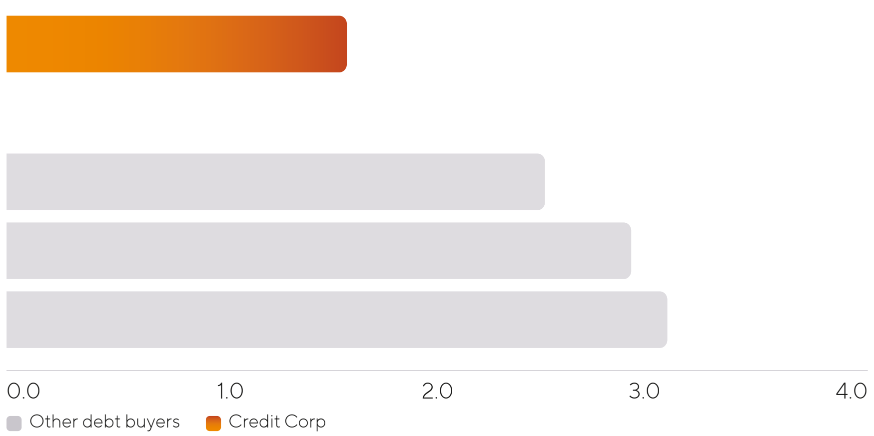
In addition to this, we have measures to identify and assist customers facing vulnerability. We reinforce contact points within our business with Financial Counselling Australia (FCA) for escalation of any cases their members may wish to discuss.

Lowest industry complaint rates

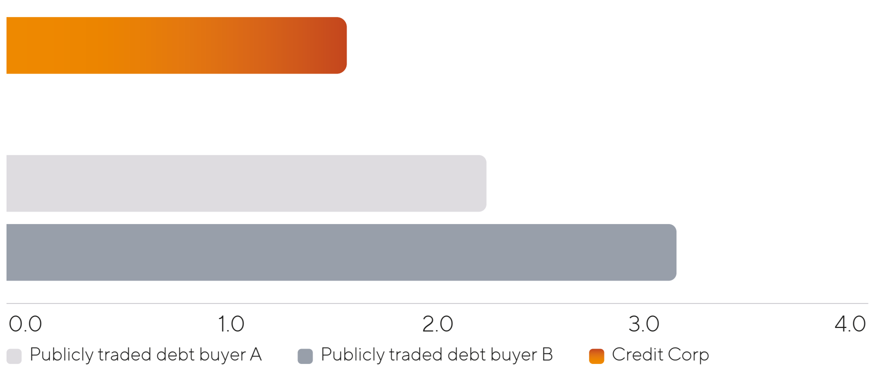
We maintain the lowest number of external dispute resolution (EDR) complaints per million dollars collected in our industry, as sourced from published results by our EDR provider. Our complaint rate is more than 30 per cent lower than our nearest major Australian debt buying competitor.

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 FY2024 Australian EDR rate[1]



12 months to March 2024 US dispute rate[2]



1. Number of complaints reported by External Dispute Resolution (EDR) provider (the Australian Financial Complaints Authority) for the 6-month period to Dec-23 divided by total PDL collections expressed in millions of dollars.
2. Complaint metrics from Consumer Financial Protection Bureau (CFPB) database for the 12 months to Mar-24 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 are continually enhancing our digital collection capabilities by integrating self-service technologies and digital customer engagement channels. Our self-service portal provides a positive customer experience, offering a range of functionalities that enable automated negotiations and the establishment of repayment arrangements 24/7.

Our digital capabilities are supported by advanced analytics to ensure our offerings and messaging are tailored to the individual circumstances of our customers. Rather than relying solely on one channel, we adopt a holistic approach to our collection strategy, combining advanced digital capabilities with the expertise of our highly trained collections teams.

We consistently monitor customer interactions using some of the latest technologies to improve the customer experience. We have deployed speech analytics, a tool that reviews calls for respectful engagement, conversation sentiment, and hardship, and identifies exceptions for targeted auditing and intervention. Incorporating machine learning models that leverage conversation data supports our quality assurance process, allows for timely interventions, and identifies areas for improvement and training in real time.

We are currently assessing the role of AI and the opportunities it offers for enhancing our processes and customer experiences. Central to this assessment is the consideration of the safe and secure deployment of AI across the organisation.

By continually leveraging innovative technology, we aim to make it easier for customers to receive 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, and have invested in technology to support communication with those who have specific accessibility needs.

This includes the provision of self-service options, where consumers can negotiate a repayment online, in their own time, without the need to speak to an operator. The Self-Service Area (SSA) is enabled with live online chat. These options offer practical solutions for consumers who are hearing impaired.

We have further embedded disability support functionality on our website and SSA. This functionality allows users to adjust the contrast, increase the font size, expand text size, and increase the size of the cursor. Pages can be switched to dyslexia-friendly font, while distractions, such as animations can be paused to support those with ADHD. Page readers support the visually impaired in over 50 languages. Users can select from accessibility profiles, including motor impaired, blind, colour blind, dyslexia, visually impaired, cognitive and learning impaired, seizure and epileptic, and ADHD.

SUPPORTING OUR CUSTOMERS

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 for many years have proudly sponsored financial counsellor conferences. This year we sponsored and participated in conferences in Tasmania, New South Wales, Victoria, Queensland, South Australia and Western Australia, as well as the national conference in Perth. In addition, we attended conferences and meetings in various regional and remote areas across Australia.

Engaging in face-to-face conversations with financial counsellors enhances our understanding of the external landscape and challenges specific to a local area, including impacts of the rising cost of living, employment issues, and extreme weather events. These insights are invaluable, allowing us to continually assess and refine our approach to addressing hardship and vulnerability.

We train all 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, which has assisted in the development of resilience training for employees.

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 to develop appropriate solutions to suit their individual situations.

Rank the Banks survey

In December 2023, Financial Counselling Australia released its bi-annual *Rank the Banks* survey. The survey asked over 400 members how well they felt the banking industry and other lenders were responding to customers in financial hardship.

For the second consecutive survey, Credit Corp was recognised as having the highest-ranked response to financial hardship among all financial services providers in Australia. Our score of 8.1 out of 10 marks an improvement from our 2019 score of 7.8 out of 10.

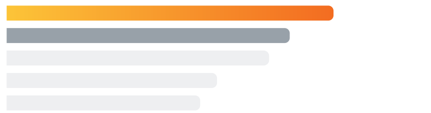
We remain committed to continually enhancing our hardship practices and consistently maintaining respectful interactions with customers each day.

The 2023 Financial Counselling Australia's

RANK THE BANKS SURVEY

ranked Credit Corp's consumer hardship response #1 with a score of 8/10. This was the highest score achieved by any financial services provider.

Rating of Banks and Debt Buyers by Financial Counsellors in 2023[1]



Jan Pentland scholarship

For the last nine 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 2024 scholarship winner was announced at the FCA National Conference in May. This year's recipient, Yvette, works as a Financial Capability Worker in Western Australia's remote Pilbara region. Once qualified as a financial counsellor she would like to continue making a difference for clients in her local community.

Yvette impressed us with her passion and determination to make a difference to her remote community:

"I really feel like I have found my passion in life. Being remote we deal with a lot of challenging cases, but I have owned businesses and houses, then lost it all and had to start again. If only I had known about the role of financial counsellors, this could have helped me, but the silver lining is that I can now help people through their financial abuse and trauma."

In addition, we granted a scholarship to an Aboriginal and Torres Strait Islander applicant in line with our RAP commitments (refer to page 25).

1. Financial Counselling Australia: Rank the Banks (and Other Lenders and Debt Collectors) Report 2023. See https://www.financialcounsellingaustralia.org.au/docs/rank-the-banks-and-other-lenders-report-2023/

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. Credit Corp holds an Australian Credit License and complies with relevant laws and regulations, including but not limited to responsible lending obligations and design and distribution obligations.

Our financial capacity assessment is supported by 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 continually seek customer feedback to help us improve customer experiences. We 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

(Consistent with 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

$1.76B
IN FACE VALUE
of receivables in ongoing payment arrangements

$13B
IN FACE VALUE
of receivables globally

210K
CUSTOMERS
Lending

GOOD BUSINESS PRACTICE

Good governance underpins our culture and is essential in achieving our strategic goals.

Risk governance

Effective risk management is an integral element in achieving our strategic objectives. Information on the Group's management of risk is provided in the Corporate Governance Statement, on pages 55-56.

Managing our supply chain

We work with over 1,400 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.

Through our Supplier Code of Conduct we share our values and commitments with our suppliers, and clearly articulate the standards of conduct we expect suppliers to adhere to within their operations and supply chains. It covers areas 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 more than, 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 fourth Modern Slavery and Human Trafficking Statement in December 2023.

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)

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 and employee privacy policies and continually strengthen our systems.

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. Our stored customer data is encrypted, and our external access 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.

Training and awareness

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 on data handling. Credit Corp adopts an Information Security Policy and maintains an information security incident response plan.

The Credit Corp Group Privacy Policy details the types of information we may collect, how we use it, who we may share it with, as well as how we store and secure personal information. We also have processes in place to enable individuals to exercise their privacy rights as set out in the Privacy Act.

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

Safeguarding our customers' personal information through strong cybersecurity has never been more important. We have an obligation to keep customer and sensitive information protected, and are dedicated to keeping our systems safe, sound and secure.

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

To keep up with the advancement of cyber threats, Credit Corp continues to invest in cybersecurity controls and monitor for cybersecurity threats that could potentially impact our infrastructure, data security and customer privacy.

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

In 2024, we conducted a cybersecurity desktop scenario exercise with the Senior Management Team, which was subsequently reviewed by the Board, to identify system and process improvements that will strengthen our cybersecurity capabilities and enhance our ability to manage cybersecurity-related risks.

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, to us help mitigate fraud risk for our customers.

Employee awareness

Throughout the year, we run a number of cybersecurity awareness campaigns for employees, including during Cybersecurity Awareness month, recognising the important role they play in keeping data safe. The campaigns focus on key trends in the industry, including phishing, business email compromise, and incident management, as well as best practice tips for employees to adopt.

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

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 and maintaining our reputation as a compliance leader within the industry.

Our Anti-Money Laundering and Counter-Terrorism Financing (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 FY2024, we did not participate in any such events and did not contribute to any political party in Australia.

WE HAVE HAD NO NOTIFIABLE PRIVACY BREACHES IN THE PAST 12 MONTHS

REDUCING OUR ENVIRONMENTAL IMPACT

As a services and technology-based business, we recognise the importance of understanding how environmental issues can impact our operations and how our activities can affect the environment. This awareness helps inform us on how we can make a positive change.

Our Group Environmental Policy states our commitment to reducing our environmental impact.

View our Group Environmental Policy

Progress and priorities

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

FY2023	FY2024	Priorities for FY2025
Completed: Completed a Business Environmental Sustainability Assessment and formalised an overarching Group Environmental Policy reaffirming our commitment	Completed: Completed a detailed review of ISSB's *IFRS S2 Climate-related Disclosure* requirements	Underway: Develop a Climate Strategy in FY2025, including emissions reduction targets to align the business with proposed climate-related disclosure requirements and stakeholder expectations
Completed: Calculated Scope 1, 2 and 3 greenhouse gas emissions for FY2022, where data allowed, to better understand our baseline position. Calculated Scope 1 and 2 for Australia which was disclosed in our FY2023 annual report	Completed: Completed a benchmarking assessment of our company position and climate risks and opportunities to inform a Climate Strategy in FY2025	Ongoing: Continue to improve our data collection systems for reporting of Scope 2 for our overseas sites and calculation of Scope 3 for all operations
Ongoing: Considered areas within our control to improve data collection and reduce emissions identified	Ongoing: Continued working to improve our data collection systems for reporting of Scope 2 for our overseas sites and calculation of Scope 3 for all operations	Underway: Finalise the update of our procurement and travel policies
	Ongoing: Looked at ways to improve recycling systems at our sites to reduce waste to landfill	Ongoing: Continue to improve recycling systems at our sites to reduce waste to landfill
	Underway: Reviewed our procurement policy to include principles around minimising environmental impact through sustainable procurement practices, as well as social aspects such as considering opportunities for Indigenous businesses	
	Underway: Reviewed our travel policy to identify opportunities to reduce our environmental impact	

Completed Ongoing Underway

Governance

In line with our sustainability governance outlined on page 18, environmental and climate-related risks can be raised with the CEO and Board as required and/or through regular updates by the ESG Working Group.

Strategic approach

In 2024, we conducted a comprehensive review of the International Sustainability Standards Board (ISSB) *IFRS S2 Climate-related Disclosures* and performed a benchmarking assessment against industry peers to evaluate our current position. This review underscored the necessity of aligning our annual reporting with the ISSB standards for climate-related disclosures and the development of a Climate Strategy for FY2025. This strategy will consolidate Credit Corp's climate-related actions, establish emission reduction targets, and identify climate change risks and opportunities for management within the business. These steps are aimed at meeting stakeholder expectations and the Australian Government's proposed mandatory climate-related disclosure requirements, anticipated to commence in 2025.

Risk management

As part of the benchmarking assessment, climate-related risks and opportunities common to the financial services industry were identified – such as operational risks related to site locations and energy costs, as well as opportunities to develop products in response to changes in energy demand or extreme weather events – for further consideration and integration into the Climate Strategy in FY2025.

REDUCING OUR ENVIRONMENTAL IMPACT

Metrics and targets

Greenhouse gas emissions

In 2024, we calculated our FY2024 Scope 1 and 2 greenhouse gas emissions in line with the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* (2004), using relevant jurisdictional emission factors from government sources.

Scope 1 and 2 emissions

Our Scope 1 emissions relate to fugitive emissions from refrigerants as well as purchased unleaded petrol and diesel fuel for the Radio Rentals fleet. Refrigerant emissions are based on gas type, global warming potential for those covered under the Kyoto Protocol and average leak rates for different equipment types. Fuel emissions are based on fuel type and quantity purchased in litres for different vehicle types.

Our Scope 2 emissions relate to electricity purchased in all our offices. Emissions are calculated based on kWh energy use, as stated in electricity invoices.

This year, we have calculated Scope 2 emissions using both the location and market-based approach for our Australian operations.

Australian Scope 1 emissions have decreased by 77 per cent in FY2024 due to:

- the phase out of the Radio Rentals fleet due to our changing business model, reducing fuel emissions
- the consolidation of our Sydney head office onto one floor. This reduced emissions from refrigerants in fridges, vending machines and air conditioning.

This year, electricity contractors have enhanced the accuracy of consumption data by using actual meter readings instead of estimates in their invoicing, particularly at our Parramatta office. Additionally, we have developed a more detailed methodology for calculating electricity consumption using weighted daily averages in the small number of cases where actual data was unavailable. These measurement improvements along with changes to emission factors compared to FY2023, have resulted in an increase in our Scope 2 emissions in FY2024.

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 each have a power usage effectiveness (PUE) rating of 1.45 and 1.64 and both have a 5-star NABERS rating.

We continue to implement energy and resource saving initiatives in some of our Australian offices. Installation of timers on air conditioning units, TVs and main display screens and LED / T5 lighting with proximity sensors were introduced in offices to minimise energy use.

We have one data centre in the United States, which has a PUE rating of 1.58. Our supplier, Databank, integrates energy efficiency measures and purchases 30 per cent of their energy from renewable sources.

We are working towards improved Scope 2 measurement for our overseas sites before including this data in our reporting. This includes practical considerations such as the use of submeters at our Washington State and Utah offices in the United States.

Scope 1 and 2 emissions for our Australian operations are below.

Greenhouse gas emissions (tonnes CO2-e)	FY2024	FY2023	FY2022
Scope 1 emissions			
Fleet fuels	36	195	135
Refrigerants	13	18	18
Total Scope 1 emissions	**49**	**213**	**153**
Scope 2 emissions			
Electricity – Location-based approach[1]	617	559	591
TOTAL EMISSIONS - SCOPE 1 AND 2 (Location-based)	**666**	**772**	**744**
Electricity – Market-based approach[2]	609	548	633
TOTAL EMISSIONS - SCOPE 1 AND 2 (Market-based)	**658**	**761**	**786**

Emission factors:

1. The location-based method reflects a company's electricity emissions in the context of its location. It calculates the emissions from a company's electricity consumption, reflecting the emissions intensity of electricity generation within the state or territory where it operates.
2. The market-based method reflects a company's electricity emissions in the context of its investments in different electricity products and markets. This includes from voluntary purchases of renewable electricity and mandatory schemes like the Large-scale Renewable Energy Target. The market-based method assigns an emissions factor of zero for a company's investments in renewable electricity and uses a national residual mix factor to calculate emissions from any remaining electricity consumption. Source: Australian National Greenhouse Accounts Factors (dcceew.gov.au).

Scope 3 emissions

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.

We continue to review Scope 3 emissions for our internal reference. This allows us to better understand risks and opportunities for emissions reduction within both our supply chain and through our financed emissions, for integration into our upcoming Climate Strategy. Measurement is conducted in line with the *Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)*, based on financial spend in various service categories, along with modelled data for aspects such as working from home, business travel, staff commute, waste and recycling.

Procurement

In FY2024, we commenced a review of our procurement policy with a view to including environmental and social considerations more specifically into our procurement practices. The policy update will be finalised in early FY2025.

Travel

Recognising the greenhouse gas impact of air travel and staff commuting, in FY2024 we reviewed our travel policy and travel provider to better leverage opportunities for reducing our impact. Practices include limiting the use of business class air travel (which has a larger carbon footprint than economy travel) and encouraging the use of web conferencing wherever practical. We also continued with hybrid working arrangements, with most teams working from home two to three days per week (varying between department and location), reducing greenhouse gas emissions from staff commuting as well as resource consumption within the office.

Waste

In FY2024, we further assessed the waste and recycling infrastructure at all our sites to identify opportunities to improve both recycling rates and waste data collection.

Our Sydney head office building provides best-practice recycling for food organics, paper and cardboard, toner cartridges, disposable coffee cups and commingled items. We conducted communication campaigns as needed to remind all head office staff to continue to separate recyclables into the correct bins.

Printers continue to default 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.

We are also committed to responsible e-waste management, with computer equipment, phones, network and infrastructure equipment collected to be recycled, repurposed or destroyed either by ShredX in Australia or through tenanted building e-waste recycling programs.

During FY2024 we arranged the safe reuse and disposal of approximately five tonnes of e-waste across our offices in Australia, New Zealand and the US.

OUR SUSTAINABILITY PERFORMANCE

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

Metric	Unit	2024	2023	2022
Commitment to our people				
Total employees per location (FTE)	#	**2,231**	**2,261**	**1,840**
AU		1,229	1,267	997
NZ		89	85	96
PHI		480	456	359
USA		433	453	388
Total headcount	#	**2,311**	**2,378**	**1,926**
AU		1,287	1,374	1,123
NZ		92	93	64
PHI		491	451	358
USA		441	460	381
Employment type (headcount)	%			
Full- time		91.4	91	92.7
Part-time		8.2	8.6	6.7
Casual		0.4	0.4	0.6
Safety and Wellbeing	#			
Injuries per 100 employees		0.4	0.5	0.31
Work-related fatalities		0	0	0
Parental leave	#			
Employees who have accessed parental leave:				
Female		28	35	29
Male		8	12	11
Employees still employed 12 months after returning from parental leave:				
Female		27	21	–
Male		16	7	–
Employee Training	hrs			
Total training hours:		**72,000**	**68,400**	**58,910**
Leadership levels		1,500	3,789	3,156
Frontline employees		70,500	64,611	55,754
Average hours per FTE		32	30	32
Gender Diversity	%			
Women in workforce		61	62	60
Women in all management roles		57	55	52
Women in frontline management roles		62	59	59
Women in top management roles		29	29	23
Women in management roles in revenue-generating functions		60	57	52
Women in STEM-related roles		31	33	33
Female non-executive Directors		29	38	33

Metric	Unit	2024	2023	2022
Commitment to our people				
Age diversity	%			
< 30 years old		36	35	34
30-50 years old		53	54	56
> 50 years old		11	11	10
Tenure Split	%			
0-5 years		63.0	61.6	59.1
6-10 years		22.5	24.1	26.5
11-15 years		9.8	9.4	10.4
16-20 years		3.2	3.4	3
21+ years		1.5	1.5	1
Hires and internal candidates				
Leadership positions filled by internal candidates	%	94	95	91
Internal promotions	#	151	253	176
Flexible working	#			
Employees working flexibly (approved arrangements)		377	258	–
Employees with caring responsibilities		200	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]		1.2	0.9	–

1. Disclosure is voluntary and indicative only.

Metric	Unit	2024	2023	2022
Supporting our customers				
Net Promoter Score - Wallet Wizard	#	21	21	20
Complaint rate[2]				
Australia – EDR		1.6	1.2	1.5
USA – Federal regulator		1.6	0.9	1.0

2. Refer to page 28 for information on the calculation of complaint rates.

Metric

Reducing our environmental impact

Scope 1 and 2 emissions data for our Australian operations is provided on page 36.

OUR SUSTAINABILITY PERFORMANCE

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 2023, 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.

THE USE BY CREDIT CORP GROUP OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF CREDIT CORP BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.

MSCI ESG RATINGS AA

CCC | B | BB | BBB | A | AA | AAA

Sustainalytics

In September 2023, Credit Corp Group received an ESG Risk Rating of 15.7 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 information contained or reflected herein is not directed to or intended for use or distribution to India-based clients or users and its distribution to Indian resident individuals or entities is not permitted and Morningstar/Sustainalytics accepts no responsibility or liability whatsoever for the actions of third parties in this respect.

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

Rated MORNINGSTAR 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 2024, and is current as at 30 July 2024. This statement has been approved by the Board.

THE BOARD

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.

Pictured above from Left to Right: Brad Cooper, James M Millar, Thomas Beregi, Eric Dodd, Trudy Vonhoff, Lyn McGrath and Phil Aris

Particulars of the skills, experience, expertise and responsibilities of the directors at the date of this report, including all directorships of other listed companies held by a director at any time in the three years immediately before 30 June 2024, and the period for which each directorship has been held, are set out in pages 42 to 43.

CORPORATE GOVERNANCE STATEMENT

CONTINUED

BOARD OF DIRECTORS

ERIC DODD

Chair and Independent 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

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 of listed entities over the past three years

- Nil

Other current external 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.

Interest in shares and options

6,927 ordinary shares of Credit Corp Group Limited.

THOMAS BEREGI

Managing Director, CEO and Company Secretary

Appointed

Appointed as Managing Director on 21 March 2023 and Company Secretary on 21 September 2007

Board Committees

- Nil

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 multinational consumer goods companies Diageo plc and PepsiCo Inc. Thomas was appointed as a Company Secretary in September 2007.

Directorships of listed entities over the past three years

- Nil

Other current external appointments

- Nil

Qualifications

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

Interest in shares and options

41,086 ordinary shares and 257,088 performance rights of Credit Corp Group Limited.

TRUDY VONHOFF

Independent Non-Executive Director

Appointed

19 September 2019

Board Committees

- Chair of the Remuneration & HR Committee

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. Previous board roles include Non-Executive Director of AMP Bank Limited, Cabcharge Australia (ASX: A2B), Ruralco Holdings (ASX: RHL) and Tennis NSW.

Directorships of listed entities over the past three years

Trudy has served as a Director and Chair of the Audit & Risk Committee of Iress Limited (ASX: IRE) since 1 February 2020.

Other current external appointments

Trudy is Director and Chair of the Risk Committee for Cuscal Limited and Director of Australian Cane Farms Limited.

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.

Interest in shares and options

16,175 ordinary shares of Credit Corp Group Limited.

PHILLIP ARIS

Independent Non-Executive Director

Appointed

15 July 2021

Board Committees

- Member of the Nomination Committee
- Member of the Remuneration & HR Committee

Experience

Phillip brings extensive senior executive and board experience across 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 Commonwealth Bank, Chief Executive Officer of CountPlus Limited, and Regional Head of Strategy and Business Development for Thorn-EMI Asia Pacific, working across Australia, the UK and Hong Kong.

Directorships of listed entities over the past three years

Phillip was Non-Executive Chair of XPON Technologies Group Limited from 16 December 2021 to 8 April 2024.

Other current external appointments

- Nil

Qualifications

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

Interest in shares and options

1,500 ordinary shares of Credit Corp Group Limited.

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.

JAMES M MILLAR AM

Independent Non-Executive Director

Appointed

21 December 2021

Board Committees

- Chair of the Audit & Risk Committee

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 Asia Pacific region for EY and serving the firm's global operations. James has served as Chair of Fantastic Furniture Ltd, Export Finance Australia, and Forestry Corporation of NSW. He is also a former Director of Fairfax Media Ltd, Macquarie Media Ltd, Helloworld Ltd and Slater & Gordon Ltd.

Directorships of listed entities over the past three years

James was a Director of Mirvac Group from 19 November 2019 to 31 December 2023.

Other current external appointments

- Nil

Qualifications

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

Interest in shares and options

9,000 ordinary shares of Credit Corp Group Limited.

LYN MCGRATH

Independent Non-Executive Director

Appointed

1 January 2023

Board Committees

- Member of the Audit & Risk Committee
- Member of the Nomination Committee

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 of listed entities over the past three years

Lyn has served as a Non-Executive Director of Auswide Bank Ltd (ASX: ABA) since 1 March 2023.

Other current external appointments

Lyn is currently a Non-Executive Director at Heartland Bank Australia Limited, where she is also Chair of the Risk Committee, and is Chair of the Australian Digital Health Agency.

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.

Interest in shares and options:

- Nil

BRAD COOPER

Independent Non-Executive Director

Appointed

18 April 2023

Board Committees

- Member of the Remuneration & HR Committee
- Member of the Audit & Risk Committee

Experience

Brad has had a long and 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 Capital Money and as Chair of GE Capital Bank in the UK.

Directorships of listed entities over the past three years

- Nil

Other current external appointments

- Nil

Qualifications

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

Interest in shares and options

- Nil

LESLIE MARTIN

Independent Non-Executive Director (retired 24 October 2023)

Appointed

20 March 2014

Board Committees

- Member of the Audit & Risk Committee

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 of listed entities over the past three years

- Nil

Other current external appointments

Leslie is a Director of IMA Asia, an independent economics advisory firm, and acts on the advisory boards of two technology start-up companies.

Qualifications

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

Interest in shares and options

11,063 ordinary shares of Credit Corp Group Limited as at her retirement date.

CORPORATE GOVERNANCE STATEMENT
CONTINUED

SENIOR MANAGEMENT TEAM

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.

MATT ANGELL
President, Credit Corp USA

Priorities
Matt is responsible for the performance of Credit Corp USA including achieving operational performance objectives, managing market and client interactions, overseeing all back office functions and delivering on business improvement initiatives. He is committed to growing the contribution of the US business to Credit Corp and achieving the Group's objectives for this key strategic priority.

Experience
Matt has over 25 years of management experience. He spent 17 years as Credit Corp's Chief Operating Officer before relocating to the USA in 2024. Prior to joining Credit Corp he led software development and consulting teams in Australia and the USA.

MITCH SYMES
Chief Operating Officer, ANZ

Priorities
Mitch is responsible for oversight of the revenue generating businesses of Credit Corp across Australia and New Zealand. 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
Mitch has over 18 years experience leading businesses in the credit-impaired consumer segment. He joined Credit Corp in 2019 as Head of Product and Digital Operations before being promoted to the role of Chief Operating Officer for Australia and New Zealand in 2023. Prior to joining Credit Corp, Mitch held executive positions in several high-growth financial services organisations.

MICHAEL EADIE
Chief Financial Officer and Company Secretary

Priorities
Michael is accountable for the financial management of Credit Corp, including ASX reporting, forecasting, taxation, treasury and capital management. Alongside the CEO, he is responsible for the strategic planning and execution that has underpinned the growth and diversification of Company earnings over the last decade. Michael is a qualified accountant and has served as Company Secretary since 17 March 2011.

Experience
Michael joined Credit Corp on 4 May 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

Priorities
Chris oversees key client relationships and drives business development for Credit Corp's debt buying operations in Australia and the US. His main focus is on maintaining strong connections with the current client base while actively pursuing new growth opportunities.

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

TIM CULLEN
Chief Information Officer

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

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 over 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

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

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 of 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.

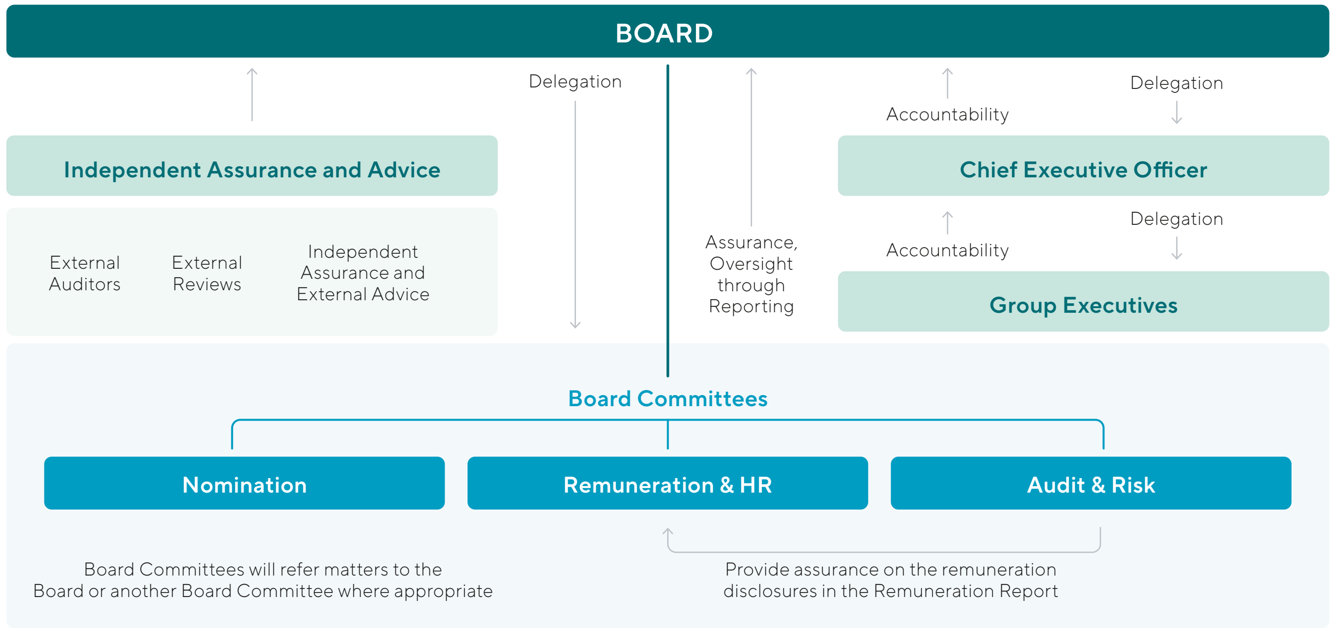
CORPORATE GOVERNANCE STATEMENT

CONTINUED

THE BOARD continued

Roles and responsibilities

Credit Corp's Board and Board Committee structure



The key focus areas of the Board during the 2024 financial year are set out below.

The Board's key governance activities in FY2024 included:

- continuing the process of Board and Chair succession and Sub-Committee composition
- meeting with shareholders and proxy advisors as part of the Group's ongoing engagement to discuss matters relating to the Group's business performance, governance and remuneration
- reviewing the resilience of the Group's systems and response to potential cyber incidents and data breaches
- reviewing the preparedness of the Group for reporting on mandatory climate disclosures required in future periods
- reviewing the Group's risk management framework and implementing recommended changes
- conducting its annual Board and Board Committee performance reviews
- considering the governance implications of artificial intelligence (AI)
- reviewing and refreshing the Group's strategic plan for the next five years
- reviewing business cases and the performance of pilots to diversify the product suite of the lending business
- reviewing credit risk settings and performance for consumer lending
- monitoring the Group's liquidity, financial position and key metrics, including financial covenants.

THE BOARD continued

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

CORPORATE GOVERNANCE STATEMENT

CONTINUED

THE BOARD continued

Induction of new Directors

New directors undergo an induction program that 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.

Board diversity

A diverse group of skilled directors makes the Group a stronger organisation that makes better decisions. The Group also has a specific objective of achieving gender diversity in the composition of the Board, which is to have not less than 30 per cent of each gender. The Group presently falls short of this target. As part of the ongoing Board renewal, the next Director to be appointed will be female. This role is presently being recruited for and an appointment is expected to be made in early FY2025.

2 OF 7 BOARD MEMBERS ARE FEMALE = 29%

Board composition

The term held by each director in office as at the date of this report is as follows:

Name	Position	Term in office
Mr Eric Dodd (Chair)	Independent Director	15 years
Mr Thomas Beregi	Managing Director and CEO	1 year
Mr Phillip Aris	Independent Director	3 years
Mr Brad Cooper	Independent Director	1 year
Ms Lyn McGrath	Independent Director	1 year
Mr James M Millar AM	Independent Director	2 years
Ms Trudy Vonhoff	Independent Director	5 years

AVERAGE BOARD TENURE = ~4 years

THE BOARD continued

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 FY2024.

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 FY2024.

CORPORATE GOVERNANCE STATEMENT
CONTINUED

THE BOARD continued

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 Charters and is 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 that 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
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

CULTURE AND 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.

The Board oversees compliance with key policies that are intended to instil a culture of acting lawfully, ethically and responsibly. An overview of the key policies that apply to our staff, such as the Whistleblower Policy and Anti-bribery and Corruption Policy, is provided in the Group's Code of Conduct. Material incidents and breaches relating to those policies and the Code of Conduct are reported to the Board, typically through the relevant Board Committee.

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.

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.

Diversity

Diversity, Equity and Inclusion

The Group recognises that the diversity of its people is one of its greatest strengths and is fundamental to its success. An inclusive, equitable workplace enables the Group to embrace diversity to deliver more innovation and sustainable solutions for its people, clients, shareholders and other stakeholders.

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.

The Group's Diversity Policy defines its diversity commitment and the structures in place to promote:

- a diverse workforce that is reflective of the communities in which the Group operates
- equitable processes that enable staff to reach their full potential
- an inclusive environment where all staff can bring their full selves to work.

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

CORPORATE GOVERNANCE STATEMENT

CONTINUED

CULTURE AND VALUES continued

The table below sets out the Group's diversity objectives and the progress made towards achieving them in the 2024 financial year. The Board will review these objectives in the 2025 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, 16 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.

	2024	2023
Board	**29%**	38%
CEO and executive management[1]	**14%**	14%
Frontline management	**62%**	59%
The Group's workforce	**61%**	62%

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

Bullying and harassment

The Group believes that the working environment should be one where each individual is treated with respect and consideration, a place where bullying and harassment are known to be unacceptable and where individuals can bring complaints forward without fear of reprisal. Bullying and harassment are unacceptable and will not be tolerated by Credit Corp.

Credit Corp specifically encourages employees:

- to immediately raise a formal grievance through the Human Resources department if they are subject to sexual harassment of any form; and
- if they believe they are the subject of any workplace bullying, to raise the issue with their manager or follow the employee grievance procedure.

The Board receives reporting on each proven instance of sexual harassment, once investigated, and the disciplinary measures implemented. In addition, the Board reviews preventative strategies implemented by the Group including compulsory employee training in appropriate workplace behaviour, which covers sexual harassment.

CORPORATE REPORTING

Periodic corporate reports are verified internally by management prior to release to ASX and subject to external audit or review by Hall Chadwick as required. The verification process allocates disclosures within the relevant document to designated persons to substantiate the disclosures by reference to Company source documents or, if no source documents are available, by persons with the knowledge and expertise to confirm the accuracy and completeness of the disclosures.

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, 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 2024.

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 completeness 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.

CORPORATE GOVERNANCE STATEMENT

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FINANCIAL REPORTING AND AUDIT continued

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:

- 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 any significant findings in the conduct of their audits to ensure they are rectified by management in an appropriate and timely way
- management and the external auditor concerning the half year and full year financial statements.

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.

In addition, shareholders may communicate electronically 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 to the Board, management 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 GOVERNANCE

Effective risk management is integral to the achievement of the Group's strategic objectives.

Overseen by the Board and the Board Audit and Risk Committee, the Risk Management Framework underpins identification and management of enterprise-wide and emerging risks and allows for effective decision-making that is within the Board-approved risk appetite and specific limits.

The content and status of risk profiles and mitigation plans is considered and updated, in line with changes to the environment and operations, through regular reviews by management.

The Board reviews the Group's key risks and assesses the effectiveness of the risk management framework annually in accordance with the ASX Corporate Governance Principles and Recommendations.

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.

During the 2024 financial year, the Board and Management commissioned an external review of the Group's risk management framework. The main recommendations of this review were as follows:

- appointment of a Head of Risk role to be responsible for Board risk reporting
- establishment of a dedicated internal audit function, separate from the compliance function
- enhanced Board risk reporting and oversight of risk management.

The Group committed to adopt all the recommendations of the review during the 2025 financial year including enhancing its governance structure and processes in accordance with the 'three lines model'.

- **Management** is responsible for achieving the organisation's objectives through first-and second-line activities. Business operations are the 'first line' and are responsible for evaluating the risk environment, putting in place appropriate controls and ensuring that these controls are implemented effectively. The centralised risk function is the 'second line' and coordinates and reviews risk management processes and provides complementary expertise and continuous monitoring systems.
- **Internal audit function** is the 'third line' and undertakes assurance and activities to facilitate continuous improvement.

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 proven effective in producing strong compliance outcomes.

The Group's material business risks and how they are managed are summarised below.

Material risk area	How Credit Corp manages the risk
Credit	• Analytically based credit scorecard applied in a highly automated underwriting process • Scorecard calibrated to produce losses within a defined pro-forma • Regular review and update of scorecard based on ongoing monitoring • Detailed monitoring and reporting of arrears and losses to constantly verify book quality
Cybersecurity	• ISO 27001 (global information security standard) certified • Dedicated cyber security function with oversight and management of system of cyber security controls • Cybersecurity training • Phishing simulation exercises • Vulnerability and patch management • Risk and threat assessments • Third-party audits • Penetration testing • Incident and disaster recovery testing
Data security	• Compliance with Payment Card Industry Data Security Standard (PCI DSS) • Data protection framework including policies, standards and procedures • Use of incident management and responses plans • Physical and system controls to ensure information is secure and available only to approved personnel • Staff training on data and privacy requirements • Encryption and programmed deletion

CORPORATE GOVERNANCE STATEMENT

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RISK GOVERNANCE continued

Material risk area	How Credit Corp manages the risk
Market	• A diversified business model with options to deploy capital across debt buying in multiple markets as well as consumer lending in AU/NZ • Diverse client relationships in the AU/NZ and US debt buying markets providing broad market coverage • Experienced executive team with deep market knowledge, industry connections and reputation
Investment	• All purchased debt ledger (PDL) investment pricing undertaken by highly skilled data analytics team • Proposed PDL pricing is reviewed by an internal Executive pricing Committee and approved / ratified by the Board • Asset tracking and reporting to promptly assess accuracy of pricing analysis
Liquidity	• Daily, weekly, monthly and longer-term cash-flow forecasting utilised to ensure commitments can always be met as and when due • Medium-term cash forecast is reviewed by the Board monthly • Maintaining excess capital via cash flow and undrawn credit lines to provide for opportunistic investment
Operational	• Analytically directed operation subject to ongoing review and assessment • Incentive programs aligned with the creation of long-term value • Monitoring of activity levels and outcomes across a broad spectrum of operational metrics on a daily, weekly and monthly basis
People	• Access to diverse pools of labour across a range of operational locations in Australia, New Zealand, the Philippines and the US • Structured recruitment and induction process focused on aptitude and skills • Accredited training for entry level staff, most of whom have non-financial services backgrounds • Career progression through internal promotion for operational management positions • Low supervisory spans to enhance development • Hybrid work available for Australian and New Zealand staff
Regulatory and Compliance	• Compliance control framework – system of automated controls and exception reporting • Compliance function, including ongoing quality assurance testing • Automated review of customer interactions to prompt further investigation • Extensive training and supervision of operational staff • Consequences for non-conformance ranging from withholding of incentives through to termination of employment

Environmental, Social and Governance Risk

The Board and management recognise the importance of sound Environmental, Social and Governance (ESG) practices as part of their responsibility to shareholders, funders, clients, employees and other stakeholders.

The Group's ESG approach is structured around four focus areas considered to be material to our business and stakeholders. They are:

- commitment to our people
- supporting our customers
- reducing our environmental impact
- good business practice.

Building on values and the Code of Conduct, these focus areas reflect the risks and opportunities identified by the business and the issues of interest to our stakeholders.

These focus areas are also reflected in the material risk areas within the Group's risk management framework.

Information on the Group's management of environmental and social risks is provided within the ESG section of this annual report.

POLICIES

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 (other than in exceptional circumstances pursuant to approval):

- 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

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 three 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 2024.

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 statutory Net Profit after Tax (NPAT) of $50.7 million for FY2024. This reflects the previously reported impairment of the Company's US Purchased Debt Ledger (PDL) book, partly offset by the impact of the change of accounting estimate utilised for the PDL collection life cycle. Excluding the net $30.5 million impact on NPAT of these items, underlying NPAT for the period was $81.2 million which was 11 per cent lower than the FY2023 NPAT of $91.3 million. While lending segment earnings grew strongly, the impact was offset by continued run-off in the core AU/NZ debt buying business and degraded US collection conditions. The highlights include the following:

- 18 per cent growth in lending segment Net Profit after Tax (NPAT)
- 24 per cent growth in the consumer loan book to a record gross closing balance of $445 million
- improved US operational performance over the final quarter of FY2024
- strong FY2025 US investment pipeline secured.

Australian / New Zealand debt buying

The AU/NZ debt buying market has remained subdued, with sale volumes still substantially lower than pre-COVID levels. The Company has enjoyed strong market share in recent years and in FY2024 secured the highest direct-from-issuer investment volume in AU/NZ since FY2020. Run-off in the AU/NZ ledger book and the attendant loss of operating leverage stabilised late in FY2024. Segment earnings are not expected to fall significantly in FY2025. While a recovery in debt sale volumes is not expected, the Company is well-positioned for such a scenario with industry-leading compliance metrics, a very competitive operation and the ability to grow operational scale promptly.

US debt buying

US operational performance improved in the final quarter of FY2024 with record quarterly collections six per cent higher than the prior comparative period (pcp) despite reduced purchasing. This improvement reflected more than twelve months of investment in the US operation, with significant increases in customer contact and higher rates of conversion into paying outcomes. Enhanced management of the legal collection channel also delivered positive results.

Recent operational improvement meant that the Company was able to bid more competitively in the market. As a result, more than half of the expected annual US investment was secured during the month of July alone. Purchasing conditions in the US remain favourable, with steady pricing and supply expected to increase over the near-term. Collection conditions, which deteriorated late in FY2023, have remained static despite ongoing uncertainty as to the outlook for US credit-impaired consumers.

Consumer lending

The consumer lending book grew to a record gross closing balance of $445 million with significant growth throughout FY2024, while arrears and losses remained within pro-forma levels. While demand remained strong, settled volumes were below expectations for the final quarter. In line with this recent trend, more modest book growth is expected in FY2025. This will translate into an expected 27 per cent increase in lending segment NPAT as higher interest income is realised on the record starting loan book. Secured auto loan volumes remain deliberately constrained. Persistently elevated used car prices have extended loan durations, increasing the risk of default beyond pro-forma.

Financing facilities

Credit Corp extended and increased its banking facilities with limits increasing to $505 million consisting of a consumer lending warehouse of $250 million expiring in October 2028 and a $255 million syndicated corporate facility expiring in July 2029. Although funding costs have increased, the amended facility provides medium-term funding certainty including a five-year tenor for the syndicated corporate facility. Planned investment does not require drawing down the additional capacity available under the new facility. It does provide strategic benefits in allowing for opportunistic investment across Credit Corp's markets.

Outlook

The record starting consumer lending loan book, US operational improvement and a stabilised AU/NZ debt buying business should produce FY2025 NPAT of $90-100 million. At the midpoint of the range this is an increase of 17 per cent relative to FY2024. PDL investment is expected to remain in line with the amount outlaid in FY2024 and net lending will likely be substantially lower.

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.

DIVIDEND PAID OR RECOMMENDED

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

Declared and paid during the year 2024	Cents per share	Total amount $'000	Date of payment
Interim 2024 ordinary	15.0	10,205	29 Mar 2024
Final 2023 ordinary	47.0	31,974	29 Sep 2023
Total		**42,179**	

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 2024 ordinary	23.0	15,647	27 Sep 2024

The financial effect of this dividend has not been brought to account in the consolidated financial statements for the year ended 30 June 2024 and will be recognised in the 2025 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.

DIRECTORS' REPORT

CONTINUED

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	51,501
Taxation services	5,366
Total	**56,867**

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's Independence Declaration for the period ended 30 June 2024 has been received and can be found on page 83 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	11	11	6	6	5	4	4	4
Mr Thomas Beregi	11	11	–	–	–	–	–	–
Mr Phillip Aris	11	11	–	–	5	5	4	4
Mr Brad Cooper	11	11	6	6	5	5	–	–
Ms Lyn McGrath	11	11	6	6	–	–	4	4
Mr James M Millar AM	11	10	6	6	–	–	–	–
Ms Trudy Vonhoff	11	11	–	–	5	5	–	–
Ms Leslie Martin[1]	5	5	2	2	–	–	–	–

1. Ms Leslie Martin retired from the Board on 24 October 2023.

DIRECTORS' REPORT

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 2024 Remuneration Report. As set out in the report, we believe the current remuneration framework continues to be effective in aligning remuneration outcomes with performance.

FY2024 performance

Financial performance in FY2024 was below expectations. The impairment of the US purchased debt ledger (PDL) book and adjusting the PDL collection life cycle assumption resulted in statutory Net Profit after Tax (NPAT) of $50.7 million, a decline of 44 per cent. Excluding the non-cash PDL impairment and adjustment to the PDL collection life cycle assumption, NPAT of $81.2 million was 11 per cent lower than in FY2023.

More than half of FY2024 earnings were attributable to the consumer lending segment and the closing loan book of $445 million, gross of expected life of loan loss provisions, was a record. US operational performance showed signs of improvement in the final quarter of the year, after disappointing earlier outcomes. Supply conditions in the AU/NZ debt buying market continue to be constrained although book run-off and earnings are now stabilising.

Remuneration outcomes and link to performance

Due to the Group's financial performance in the FY2024 financial year, no Short-term incentive (STI) or Long-term incentive (LTI) is expected to be paid:

- the FY2024 NPAT hurdle set by the Board wasn't met, resulting in no eligibility for the STI
- the LTI for the triennium performance period from FY2022-24 was not eligible to vest due to below hurdle Return on Equity (ROE)
- 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 ingoing expectations, the absence of any STI or LTI award is an appropriate outcome.

Remuneration structure

There are no changes proposed for our remuneration structure.

Fixed remuneration

There are no changes proposed to fixed remuneration for existing executive roles and non-executive directors. The exception to this is in respect of the former Group Chief Operating Officer, Matt Angell, who assumed the new role of President, Credit Corp USA at the beginning of FY2025. The remuneration arrangements, including relocation benefits, for this new role are set out in the report. The new role reflects the importance of the US business in securing the Group's long-term success.

Report disclosures

In line with current market practice, there are some enhanced disclosures included in the report:

- the sources of benchmarking data for Executive and NED fixed remuneration
- the financial hurdles for STI and LTI eligibility.

Conclusion

Despite disappointing financial outcomes in FY2024, the remuneration structure has been effective in ensuring remuneration outcomes align with performance whilst focusing Executives on improving financial returns over the medium 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 2024 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 as set out below.

Name	Position	Term as KMP
Non-Executive Directors		
Mr Eric Dodd	Non-Executive Director, Chair	Full financial year
Mr Phillip Aris	Non-Executive Director	Full financial year
Mr Brad Cooper	Non-Executive Director	Full financial year
Ms Lyn McGrath	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
Ms Leslie Martin	Non-Executive Director	Until 24 October 2023
Executive KMP		
Mr Thomas Beregi	Managing Director and CEO	Full financial year
Mr Matthew Angell	Group 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 2024
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 2024

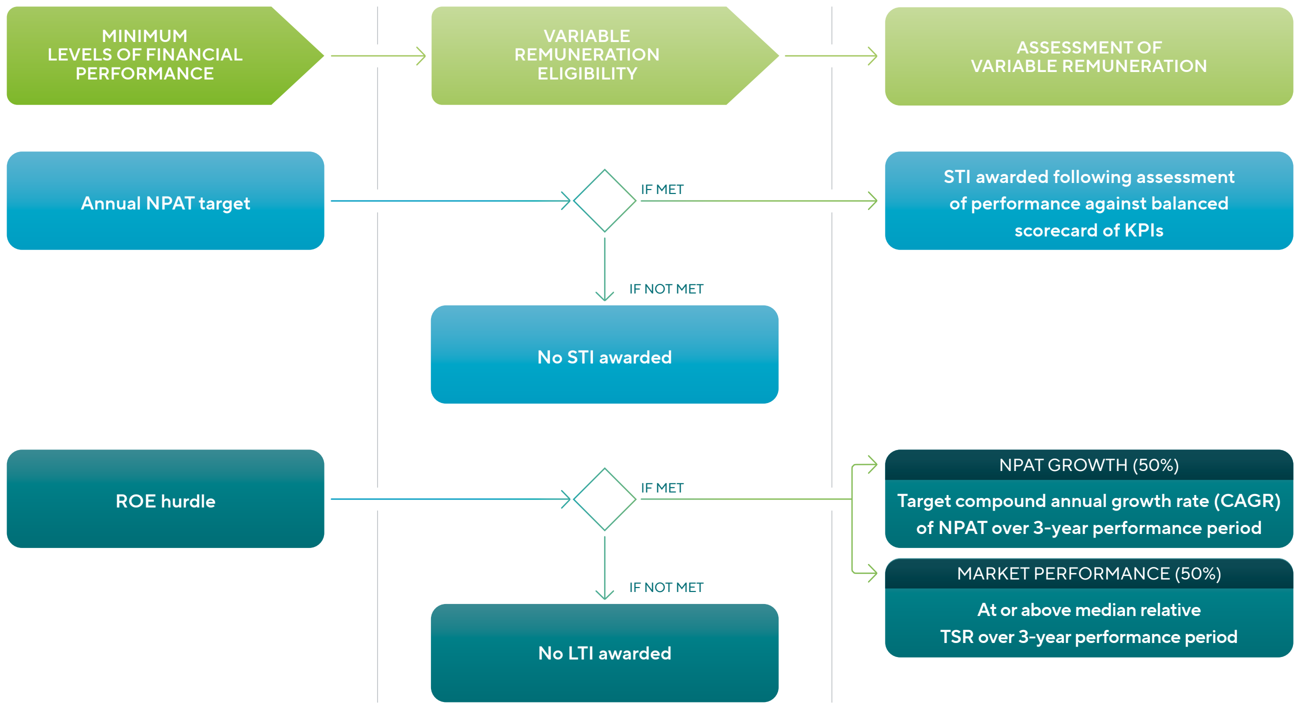
Remuneration principles

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 consistent 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

SECTION 1 GROUP EXECUTIVE REMUNERATION FRAMEWORK TO 30 JUNE 2024 continued

Financial performance is the cornerstone of Executive remuneration



How is remuneration structured?

Total remuneration

Total remuneration is designed to attract and retain capable and experienced executives, reward them for creating long-term, sustainable 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 a hurdle ROE gateway and 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 long-term shareholder value creation • Delivered in equity to align the interests of executives and shareholders • Supports retention

DIRECTORS' REPORT

AUDITED REMUNERATION REPORT

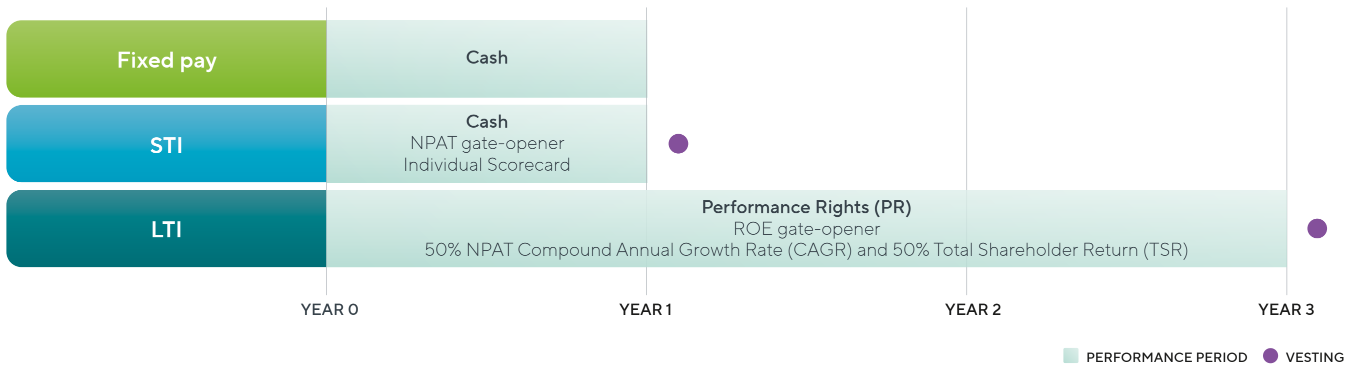
CONTINUED

SECTION 1 GROUP EXECUTIVE REMUNERATION FRAMEWORK TO 30 JUNE 2024 continued

Fixed remuneration	Short-term incentive (STI)	Long-term incentive (LTI)
Market positioning		
At or around market median fixed remuneration 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 and eligibility 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, accountabilities • Role and responsibilities	Gateway conditions: • Performance at or 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 • Compliance with banking facility covenants • Satisfactory performance against role accountabilities	Gateway condition: • Achievement of hurdle ROE (on a pro-forma gearing basis) Vesting conditions: *Sustained earnings growth (50 per cent of total)* • For the FY2022-24 and FY2023-25 LTI schemes, minimum 8 per cent (40 per cent vesting) and maximum 11 per cent (100 per cent vesting) NPAT CAGR over the three-year performance period • For the FY2024-26 LTI scheme, minimum 6 per cent (50 per cent vesting) and maximum 9 per cent (100 per cent vesting) NPAT over the three-year performance period *Market performance (50 per cent of total):* • For the FY2022-24 and FY2023-25 LTI schemes, minimum above-median (zero vesting at the 50th percentile) and maximum top quartile (100 per cent vesting at the 75th percentile) total shareholder return (TSR) performance relative to the ASX200 index excluding materials and energy stocks • For the FY2024-26 LTI scheme, minimum above-median (50 per cent vesting at the 50th percentile) and maximum top quartile (100 per cent vesting at the 75th percentile) TSR performance relative to the ASX200 index excluding materials and energy stocks

How and when is remuneration delivered?

The following diagram shows how remuneration is delivered to executives.



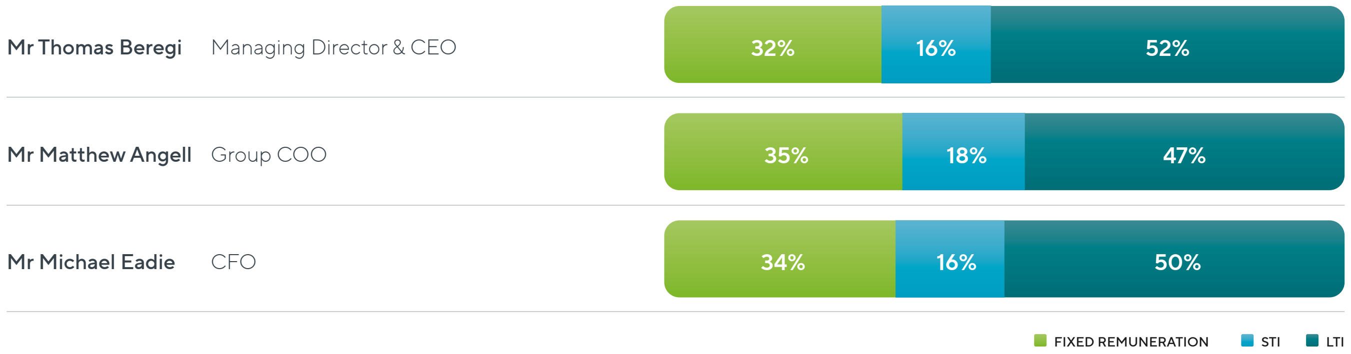
SECTION 1 GROUP EXECUTIVE REMUNERATION FRAMEWORK TO 30 JUNE 2024 continued

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 FY2024.



Proportions are based on the table below.

Executive KMP		Fixed remuneration	Non-monetary benefits [1]	Maximum STI	Maximum LTI [2]	Total remuneration at maximum
Mr Thomas Beregi	Managing Director & CEO	$1,100,000	$17,442	$550,000	$1,795,000	$3,462,442
Mr Matthew Angell [3]	Group COO	$700,000	$17,442	$350,000	$950,000	$2,017,442
Mr Michael Eadie	CFO	$470,000	$17,442	$225,000	$705,000	$1,417,442

1. Non-monetary benefits consist of car parking.
2. Maximum LTI on a face value basis referencing the FY2024-26 performance rights grant.
3. Mr Angell's role and associated remuneration was amended from 1 July 2024 with his appointment to a new role, President, Credit Corp USA.

Fixed remuneration benchmarking

Fixed Executive remuneration was last benchmarked in March 2023 using an Executive Remuneration Benchmarking report prepared by Aon. The primary peer group is comprised of similarly sized (1-year average market capitalisation between 50%-200% and 33%-300% of Credit Corp's) publicly listed companies from within the financial services sector that Credit Corp competes with for executive talent. This peer group was primarily used for benchmarking Credit Corp's Executive KMP roles, i.e. CEO, Group COO and CFO.

A secondary peer group consisting of a blend of publicly listed and privately owned companies from the financial services, consumer focused and professional services sectors which Credit Corp may compete against for executive talent. This peer group was primarily used for benchmarking non-KMP Executive roles.

The table below provides an overview of Credit Corp's relative positioning across 1-year average market capitalisation, total revenue and total assets against the constituents of the primary peer group for the March 2023 exercise.

Market Analysis	Market capitalisation (1-year average) AUD m	Total annual revenue AUD m	Total assets AUD m
25th Percentile	$904	$245	$1,075
50th Percentile	$1,592	$400	$2,027
75th Percentile	$1,985	$703	$5,514
Credit Corp percentile ranking	40%	48%	19%

DIRECTORS' REPORT

AUDITED REMUNERATION REPORT

CONTINUED

SECTION 2 REMUNERATION OUTCOMES AND ALIGNMENT TO PERFORMANCE

Summary of FY2024 remuneration outcomes

FIXED REMUNERATION		No change[1]
STI	Not awarded	NPAT hurdle not met
LTI	Not awarded	FY2022-24 ROE gate-opener not achieved

1. Other than new role assumed by Group COO Mr Matt Angell from 1 July 2024.

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 2020 to 30 June 2024.

	2024	2023	2022	2021	2020
Earnings					
Total revenue ($'000)[1,3]	**519,628**	473,369	411,200	374,786	381,979
NPAT ($'000)[1,2,3]	**81,163**	91,251	96,216	88,130	79,557
Change in NPAT	**(11%)**	(5%)	9%	11%	13%
3-year NPAT CAGR	**(3%)**	5%	11%	11%	13%
Shareholder value					
Share price at the end of the year ($)	**14.97**	19.80	20.28	29.73	17.17
Change in share price ($)	**(4.83)**	(0.48)	(9.45)	12.56	(9.35)
Total dividends paid per share (cents)	**38**	70	74	72	36
ROE[4]	**10%**	13%	17%	18%	17%

1. FY2020 Total revenue and NPAT excludes COVID-related impairment and loan provisioning.
2. FY2022 NPAT excludes US Paycheck Protection Program (PPP) loan forgiveness.
3. FY2024 Total revenue and NPAT excludes US PDL impairment and the gain that arose from adjusting the assumed collection life cycle from six to eight years in applying the PDL accounting policy.
4. FY2021, FY2022, FY2023, and FY2024 ROEs calculated assuming pro-forma (30 per cent) gearing.

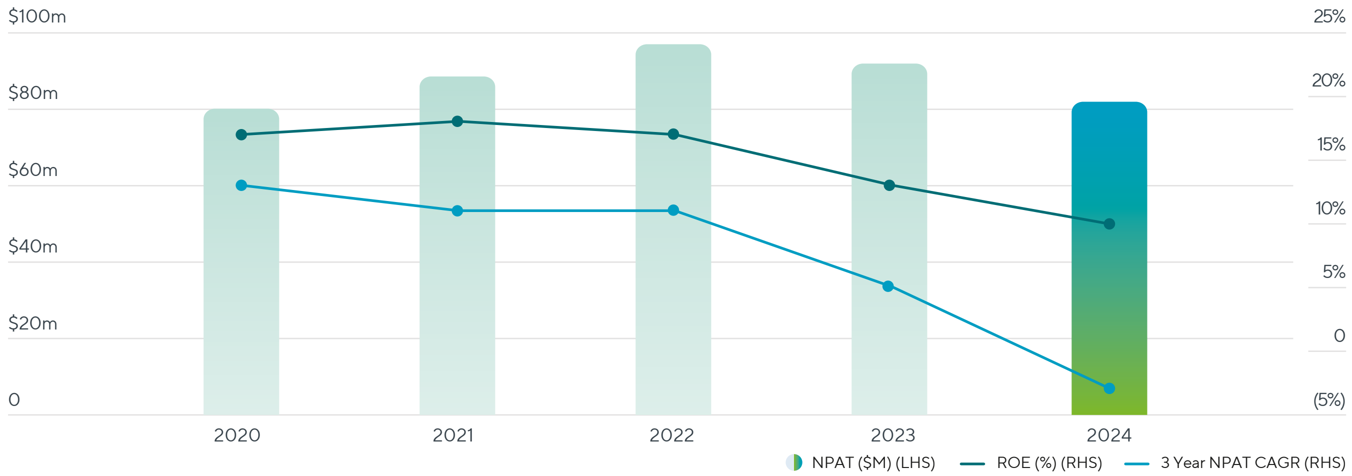
Change in accounting estimate

On 30 June 2024, the Group amended its collections life cycle assumption applied in its PDL accounting policy from six years to eight years to bring its practice more into line with domestic and global industry peers. As a result, a gain of $21.6 million (pre-tax) was booked in the FY2024 financial statements which represented a write-up of the PDL accounting carrying value. This gain has been subtracted in the presentation of reported earnings in the remuneration report. The increased PDL accounting carrying value will be amortised over future accounting periods and will have an immaterial impact on NPAT and remuneration outcomes.

SECTION 2 REMUNERATION OUTCOMES AND ALIGNMENT TO PERFORMANCE continued

The graph below shows the earnings, ROE and the three-year earnings growth CAGRs from FY2020-2024.

Earnings, ROE ($M) and the Three-year Earnings Growth CAGRs (%)



The graph below shows the Credit Corp share price movement relative to the ASX200 Index from July 2019 to June 2024.

Share Price movement relative to the ASX200 Index[1]

1. ASX200 index excluding materials and energy stocks.

Incentive remuneration outcomes for KMP executives

	2020	2021	2022	2023	2024
LTI	n/a[1]	100%	50%	nil	**nil**
STI	nil	100%	100%	nil	**nil**

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.

DIRECTORS' REPORT

AUDITED REMUNERATION REPORT

CONTINUED

SECTION 2 REMUNERATION OUTCOMES AND ALIGNMENT TO PERFORMANCE continued

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 consists of the following elements:

- 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 are 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. • Once the gate-opener is achieved, budgeted NPAT metric represents 30 per cent of the CEO's individual targets. The majority of the individual targets represent 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 FY2022-24 and FY2023-25 LTI schemes, and a CAGR of NPAT over three years of a minimum 6 and a maximum 9 per cent represents 50 per cent of the vesting conditions for performance rights granted under the FY2024-26 LTI scheme. • 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 FY2024 STI award (performance period 1 July 2023 – 30 June 2024)
- The FY2024 LTI grant (performance period 1 July 2021 – 30 June 2024).

SECTION 2 REMUNERATION OUTCOMES AND ALIGNMENT TO PERFORMANCE continued

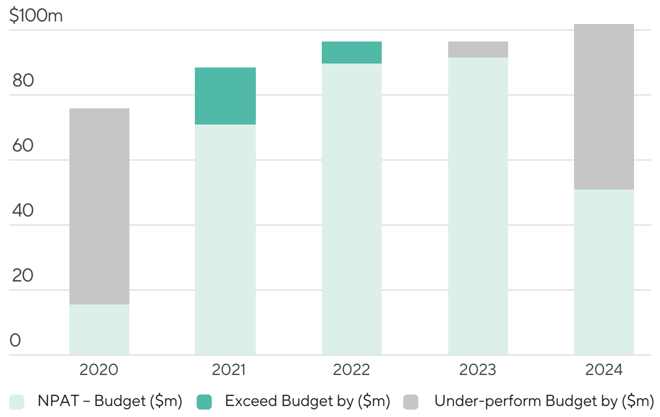
STI outcomes

Indicative FY2024 STI outcomes

The Group NPAT in 2024 of $50.7 million was 50 per cent below the NPAT hurdle of $101.5 million.

As financial performance was below the budget, the gateway conditions for funding the STI in respect of the 2024 year were not met.

As the STI pool in respect of FY2024 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 still be assessed on their individual performance against their KPIs and role accountabilities in the first quarter of FY2025 in order to meet the requirements of the performance management framework of the Group.



Scorecard measure	FY2024 outcome	Further detail
Gate-opener Company NPAT to exceed budgeted $101.5 million in order to fund the STI pool	NOT OPENED	Actual NPAT of $50.7 million was below the target of $101.5 million therefore the STI pool is not funded
CEO individual targets		
Financial performance (30 per cent weighting) Company NPAT Formal assessment of the performance of the CEO and other Executives against their FY2024 KPIs will occur in September 2024. Irrespective of the outcome of this process, no STI will be awarded to executive KMP in respect of FY2024 due to the NPAT gate-opener target not being achieved and the STI pool not being funded	100% 65%	Actual NPAT of $50.7 million was below the target of $101.5 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 FY2023 as a key indicator of workforce engagement	100% 65%	Employee engagement score improved by 2 per cent over the prior year
Investment objectives (5 per cent weighting) PDL investment in FY2024 and committed pipeline for FY2025 to sustain debt buying earnings	100% 100%	FY2024 PDL investment targets and FY2025 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 loan facilities • Achieving ingoing forecast returns on US PDL book • US operational improvement initiatives to achieve improved efficiency including roll-out of digital collections channels • Growth in consumer lending book within pro-forma economics including losses • Milestones in the credit card pilot	100% 65%	• Consumer lending warehouse extension completed • US returns and operational improvement initiatives only partly achieved • Consumer lending operational objectives including record loan book balance achieved • New product development objectives achieved

FY2023 STI outcomes

There were no STIs awarded to the executive KMP during the 2024 financial year in respect of the 2023 financial year, due to the NPAT gate-opener target not being achieved and the STI pool not being funded.

DIRECTORS' REPORT

AUDITED REMUNERATION REPORT

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SECTION 2 REMUNERATION OUTCOMES AND ALIGNMENT TO PERFORMANCE continued

LTI outcomes

Indicative FY2024 LTI outcomes

Following FY2024, performance under the FY2022-24 LTI scheme will be considered with FY2024 being the final year of the performance period triennium. The other two on-foot LTI schemes will be assessed after FY2025 (FY2023-25 scheme) and FY2026 (FY2024-26 scheme).

The following table summarises the FY2022-24 LTI scheme gateway, performance hurdles and expected outcomes.

ROE gate-opener

Performance condition	>16%
Outcome – not met[1]	10% – insufficient for gate-opener to be triggered

Performance outcome – NPAT CAGR (50% weighting)

Vesting condition	Credit Corp's three-year NPAT CAGR	Proportion of Performance rights that vest
	< 8%	0%
	8%	40%
	≥8% and ≤11%	Between 40% and 100% determined on a linear basis
	>11%	100%
Outcome - hurdle not met[1]		NPAT $'000
	FY2021 (base)	$88,130
	FY2022	$96,216
	FY2023	$91,251
	FY2024	$81,163
	Average % growth over the 3 years compared to the base period NPAT	(3%)

Performance outcome – relative TSR (50% weighting)

Vesting condition	Credit Corp's TSR ranking versus ASX200[2]	Proportion of Performance rights that vest
	≤ 50th percentile	0%
	Between the 51st and 75th percentile	Up to 100% determined on a linear basis
	≥ 76th percentile	100%
Outcome - hurdle not met[1,3]	Credit Corp's TSR was at the 13th percentile	

1. The LTI outcome will not be formally assessed until after 31 October 2024 including the assessment of the Return on Equity (ROE) gateway. The NPAT CAGR for the FY2022 – FY2024 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 2024. The percentile shown is measured to 30 June 2024 for illustrative purposes.

SECTION 2 REMUNERATION OUTCOMES AND ALIGNMENT TO PERFORMANCE continued

FY2023 LTI outcomes

Following FY2023, performance under the FY2021-23 LTI scheme was assessed with FY2023 being the final year of the performance period triennium.

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

ROE Gate-opener

Performance condition	>16%
Outcome – not met[1]	13% – insufficient for gate-opener to be triggered

Performance outcome – NPAT CAGR (50% weighting)

Vesting condition	Credit Corp's three-year NPAT CAGR	Proportion of Performance rights that vest
	< 8%	0%
	8%	40%
	≥8% and ≤11%	Between 40% and 100% determined on a linear basis
	>11%	100%
Outcome - hurdle not met		NPAT $'000
	FY2020 (base)	$79,557
	FY2021	$88,130
	FY2022	$96,216
	FY2023	$91,251
	Average % growth over the 3 years compared to the base period NPAT	5%

Performance outcome – relative TSR (50% weighting)

Vesting condition	Credit Corp's TSR ranking versus ASX200	Proportion of Performance rights that vest
	≤ 50th percentile	0%
	Between the 51st and 75th percentile	Up to 100% determined on a linear basis
	≥ 76th percentile	100%
Outcome - hurdle not met	Credit Corp's TSR was at the 38th percentile	

DIRECTORS' REPORT

AUDITED REMUNERATION REPORT

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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 2024 STI plan:

Features	Description
Performance period	1 July 2023 to 30 June 2024
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 FY2024 budget of $101.5 million 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 role 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 FY2024 for each executive KMP is summarised below.
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:

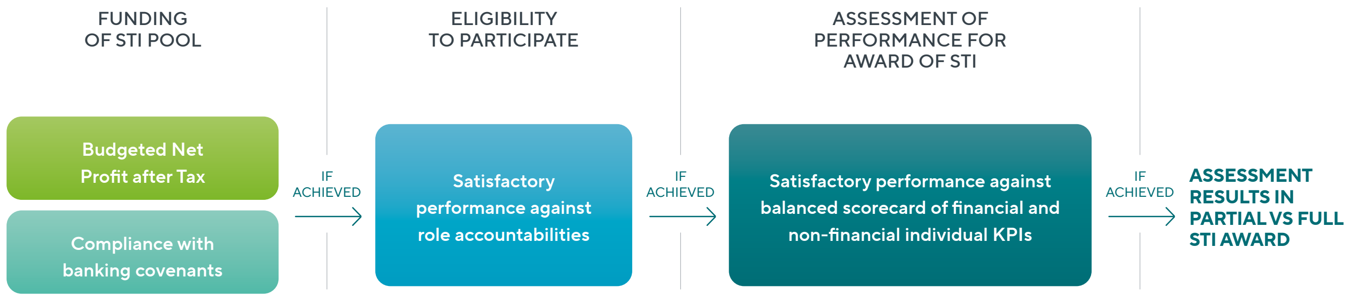
Executive KMP	Maximum FY2024 STI	% of fixed remuneration
Mr Thomas Beregi	$550,000	50%
Mr Matthew Angell	$350,000	50%
Mr Michael Eadie	$225,000	48%

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%

SECTION 3 STRUCTURE OF VARIABLE REMUNERATION continued

Features	Description
Approval	Post completion of the annual financial statement audit and performance review process in September 2024, 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 FY2024 as NPAT was below the gate-opener target required to fund the STI pool. The Board retains discretion over any STI award and will consider compliance, reputational or other issues that may arise before awarding STI. This is the case even if the financial gateway is met and prima facie STI eligibility exists in any given year.
Payment timing	September 2024
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.

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 FY2024 with each featuring annual grants of performance rights:

- a scheme with a performance period from FY2022-24
- a scheme with a performance period from FY2023-25
- a scheme with a performance period from FY2024-26.

DIRECTORS' REPORT

AUDITED REMUNERATION REPORT

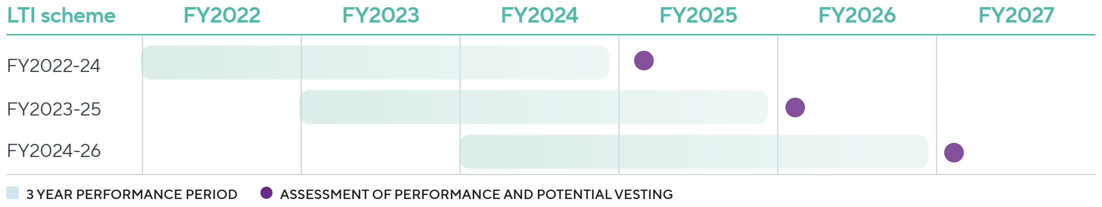
CONTINUED

SECTION 3 STRUCTURE OF VARIABLE REMUNERATION continued

Features | **Description**

Performance period

The performance period for the NPAT hurdle under the FY2022-24 and FY2023-25 LTI schemes is a three-year period with NPAT growth being assessed on a cumulative basis with a minimum CAGR hurdle of 8 per cent, and the performance period for the NPAT hurdle under the FY2024-2026 LTI scheme is a three-year period with NPAT growth being assessed on a cumulative basis with a minimum CAGR hurdle of 6 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.

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	Determination of valuation
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).
	Group 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).
	Group COO	$1,262,465	53,449	
	CFO	$634,268	26,853	
	Total		170,417	
FY2024-26	CEO	$1,795,000	101,355	Face value determined using the VWAP share price over 90 days up to grant date ($17.71).
	Group COO	$950,000[1]	53,642	
	CFO	$705,000	39,808	
	Total		194,805	

1. With Mr Angell's appointment to the role of President, Credit Corp USA, his maximum LTI face value allocation increased to $1,150,000. The increased face value allocation of $200,000 will be in the form of cash top-up if the FY2024-26 LTI becomes eligible to vest.

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.

SECTION 3 STRUCTURE OF VARIABLE REMUNERATION continued

Features | **Description**

Vesting

NPAT CAGR (50%)

Over the three-year performance periods for FY2022-24 and FY2023-25 LTI schemes, 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

Over the three-year performance period for FY2024-26 LTI scheme, the proportion of performance rights converting to shares and vesting is as follows:

6% cumulative CAGR of NPAT	50%
6% and 9% cumulative CAGR of NPAT	Pro-rata 50%-100%
9% 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 above compound annual NPAT growth ranges align with the financial objectives of the Group's strategic plan.

Relative TSR (50%)

Over the three-year performance periods for FY2022-24 and FY2023-25 LTI schemes, 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

Over the three-year performance period for FY2024-26 LTI scheme, the proportion of performance rights converting to shares and vesting is as follows:

50th percentile	50%
50th-75th percentile	Pro-rata 50% 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 ASX 200 (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.

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 initiatives e.g. returning capital to achieve an EPS hurdle or maximising gearing to achieve an ROE hurdle.

The Board retains discretion over any LTI award and will consider compliance, reputational or other issues that may arise before awarding LTI in respect of any three-year performance period. This is the case even if the financial gateway is met and prima facie LTI eligibility exists in respect of any three-year performance period.

DIRECTORS' REPORT

AUDITED REMUNERATION REPORT

CONTINUED

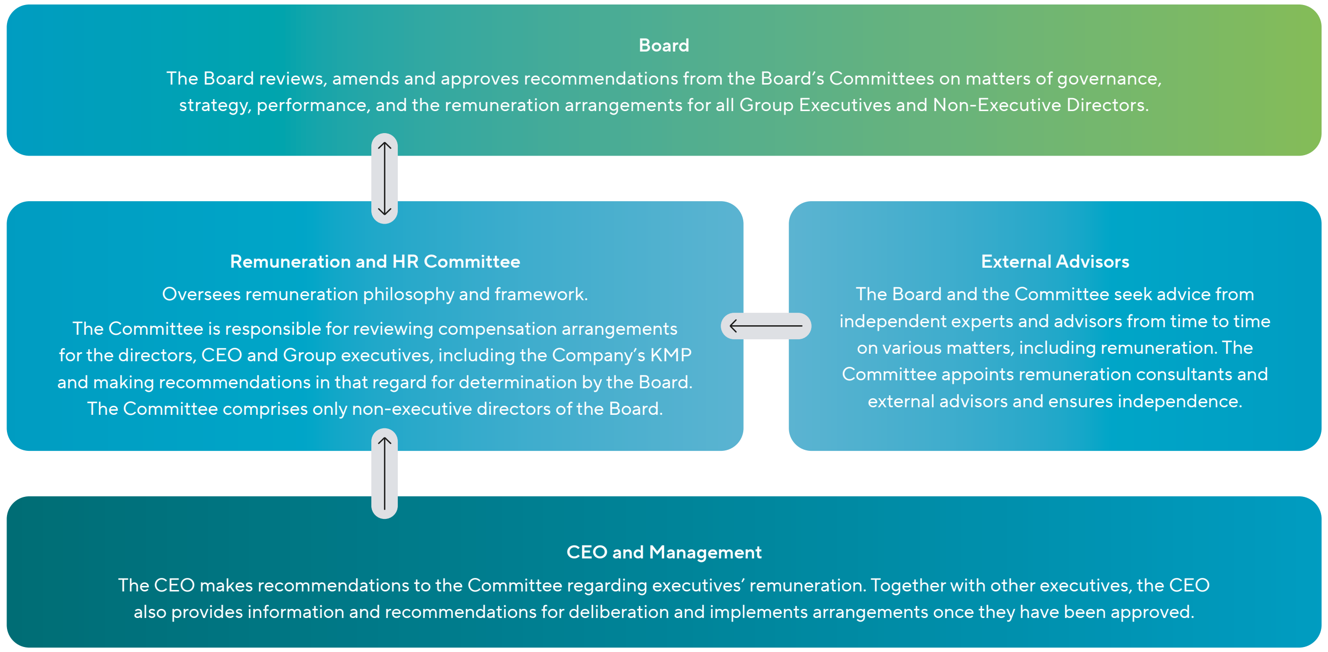
SECTION 3 STRUCTURE OF VARIABLE REMUNERATION continued

Features	Description
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 months notice period	Fixed salary package consisting of base salary and superannuation, reviewed annually by the Remuneration and HR Committee.
Mr Matthew Angell	President, Credit Corp USA	Ongoing, 3 months 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.

SECTION 4 REMUNERATION GOVERNANCE continued

Share trading policy

The Group's share trading policy states that all Group employees are only permitted to enter 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, the Group has 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 the 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.

The comparator group of Companies used for benchmarking purposes consists of a group of 16 ASX-listed entities of similar market capitalisation, total assets, revenue and operational scope. These entities are Steadfast Group, Link Administration Holdings, IRESS, Tyro Payments, EML Payments, AUB Group, HUB24, Omni Bridgeway, Helia (formerly Genworth Mortgage Insurance Australia), Australian Finance Group, Humm Group, FleetPartners (formerly Eclipx Group), Solvar (formerly Money3 Corp), Latitude, Judo Capital and Perpetual.

Remuneration of non-executive directors

The remuneration structure is set out below:

	From 1 July 2024 $	2024 $
Chair	275,000	275,000
Director and Committee Chair	145,000	145,000
Director and Committee member	135,000	135,000
Director	120,000	120,000

The above remuneration does not include the 11.0 per cent (2023: 10.5 per cent) statutory superannuation entitlement.

As set out above, there is no increase in non-executive directors' fees from 1 July 2024, nor is any proposal to increase the aggregate fee cap of $1.5 million being presented to the 2024 AGM.

DIRECTORS' REPORT

AUDITED REMUNERATION REPORT

CONTINUED

SECTION 6 CHANGES TO EXECUTIVE REMUNERATION

Restructure of Executive team and new role established

Recognising the critical importance of the US debt buying segment as a key driver of Group growth in future years, a new role of President, Credit Corp USA was established from 1 July 2024. This role has carriage over all aspects of the US debt buying segment including full P&L accountability as well as accountability for market relationships, business improvement initiatives and segment risk and compliance. As part of this restructure, a senior US-based leadership team reporting to the President, Credit Corp USA will be recruited.

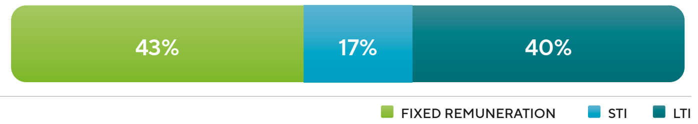
Previous Group COO, Mr Matt Angell, was appointed to this new role of President, Credit Corp USA from 1 July 2024. The details of the remuneration arrangements for the role are summarised below.

Executive KMP		Fixed remuneration	Non-monetary benefits [1]	Maximum STI	Maximum LTI [2]	Total remuneration at maximum
Mr Matthew Angell	President, Credit Corp USA	$950,000	$291,000	$500,000	$1,150,000	$2,891,000

1. Non-monetary benefits consist of allowances for living and travel costs.
2. Maximum LTI on a face value basis referencing the FY2024-26 performance rights grant.

Remuneration mix

Mr Matthew Angell President, Credit Corp USA



SECTION 7 STATUTORY REMUNERATION TABLES AND DATA

Compensation of directors and other key management personnel

Statutory Reporting Basis – period ending 30 June 2024

		Short-term benefits				Post-employment benefit	Long-term benefit			
		Salary and fees $	Short-term incentive [1] $	Non-monetary benefits [2] $	Total $	Superannuation $	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	**2024**	**275,000**	**–**	**17,442**	**292,442**	**27,500**	**–**	**–**	**319,942**	**–**
	2023	250,000	–	18,764	268,764	24,761	–	–	293,525	–
Mr Phillip Aris Non-Executive Director, Member of Nomination Committee and Remuneration and HR Committee	**2024**	**135,000**	**–**	**–**	**135,000**	**14,850**	**–**	**–**	**149,850**	**–**
	2023	125,000	–	–	125,000	13,125	–	–	138,125	–
Mr Brad Cooper [4] Non-Executive Director, Member of Audit and Risk Committee and Remuneration and HR Committee	**2024**	**135,000**	**–**	**–**	**135,000**	**14,850**	**–**	**–**	**149,850**	**–**
	2023	24,692	–	–	24,692	2,593	–	–	27,285	–
Ms Lyn McGrath [4] Non-Executive Director, Member of Audit and Risk Committee and Nomination Committee	**2024**	**135,000**	**–**	**–**	**135,000**	**14,850**	**–**	**–**	**149,850**	**–**
	2023	62,500	–	–	62,500	6,563	–	–	69,063	–
Mr James M Millar AM Non-Executive Director, Chairman of Audit and Risk Committee	**2024**	**145,000**	**–**	**–**	**145,000**	**15,950**	**–**	**–**	**160,950**	**–**
	2023	135,000	–	–	135,000	14,175	–	–	149,175	–
Ms Trudy Vonhoff Non-Executive Director, Chairman of Remuneration and HR Committee	**2024**	**156,656**	**–**	**–**	**156,656**	**4,294**	**–**	**–**	**160,950**	**–**
	2023	135,000	–	–	135,000	14,175	–	–	149,175	–
Ms Leslie Martin [5] Non-Executive Director, Member of Audit and Risk Committee	**2024**	**42,577**	**–**	**–**	**42,577**	**4,683**	**–**	**–**	**47,260**	**–**
	2023	127,923	–	–	127,923	13,432	–	–	141,355	–
Mr Richard Thomas [6] Non-Executive Director, Member of Nomination Committee	**2024**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2023	110,577	–	–	110,577	11,611	–	–	122,188	–
Executive KMP										
Mr Thomas Beregi [7] Managing Director, CEO, Company Secretary	**2024**	**1,072,500**	**–**	**17,442**	**1,089,942**	**27,500**	**167,744**	**17,726**	**1,303,112**	**13**
	2023	674,708	–	18,764	693,472	25,292	1,063,868	10,835	1,793,467	59
Mr Matthew Angell Group COO	**2024**	**672,500**	**–**	**17,442**	**689,942**	**27,500**	**88,778**	**11,241**	**817,461**	**11**
	2023	345,115	–	18,764	363,879	25,292	631,007	6,070	1,026,248	61
Mr Michael Eadie CFO, Company Secretary	**2024**	**442,500**	**–**	**17,442**	**459,942**	**27,500**	**65,882**	**7,397**	**560,721**	**12**
	2023	320,961	–	18,764	339,725	25,292	317,023	5,092	687,132	46
Total remuneration	**2024**	**3,211,733**	**–**	**69,767**	**3,281,500**	**179,477**	**322,404**	**36,564**	**3,819,945**	**8**
	2023	2,311,476	–	75,056	2,386,532	176,311	2,011,898	21,997	4,596,738	44

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 FY2024 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. Ms Martin retired from the Board on 24 October 2023.
6. Mr Thomas retired from the Board on 19 May 2023.
7. Mr Beregi was appointed Managing Director on 21 March 2023.

DIRECTORS' REPORT

AUDITED REMUNERATION REPORT

CONTINUED

SECTION 7 STATUTORY REMUNERATION TABLES AND DATA continued

Performance rights held, vested and granted as at 30 June 2024

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 2023 Number	PRs issued during the year Number	Vested during the year Number	Forfeited during the year Number	Closing balance at 30 June 2024 Number
Executive KMP						
Mr Thomas Beregi	LTI scheme 2021-23	148,000	–	–	(148,000)	–
	LTI scheme 2022-24	65,618	–	–	–	65,618
	LTI scheme 2023-25	90,115	–	–	–	90,115
	LTI scheme 2024-26	–	101,355	–	–	101,355
Mr Matthew Angell	LTI scheme 2021-23	88,000	–	–	(88,000)	–
	LTI scheme 2022-24	38,920	–	–	–	38,920
	LTI scheme 2023-25	53,449	–	–	–	53,449
	LTI scheme 2024-26	–	53,642	–	–	53,642
Mr Michael Eadie	LTI scheme 2021-23	44,000	–	–	(44,000)	–
	LTI scheme 2022-24	19,554	–	–	–	19,554
	LTI scheme 2023-25	26,853	–	–	–	26,853
	LTI scheme 2024-26	–	39,808	–	–	39,808

SECTION 7 STATUTORY REMUNERATION TABLES AND DATA continued

Shares held in Credit Corp Group Limited as at 30 June 2024

The movements during 2024 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 2023 Number	Shares vested during the year Number	Shares acquired during the year Number	Other changes during the year Number	Closing balance at 30 June 2024 Number
Non-Executive Directors					
Mr Eric Dodd	6,927	–	–	–	6,927
Mr Phillip Aris	1,500	–	–	–	1,500
Mr Brad Cooper	–	–	–	–	–
Ms Lyn McGrath	–	–	–	–	–
Mr James M Millar AM	–	–	9,000	–	9,000
Ms Trudy Vonhoff	12,150	–	4,025	–	16,175
Ms Leslie Martin	11,063	–	–	(11,063)	–
	31,640	**–**	**13,025**	**(11,063)**	**33,602**
Executive KMP					
Mr Thomas Beregi	41,086	–	–	–	41,086
Mr Matthew Angell	10,399	–	–	(10,000)	399
Mr Michael Eadie	–	–	–	–	–
	51,485	**–**	**–**	**(10,000)**	**41,485**
Total	**83,125**	**–**	**13,025**	**(21,063)**	**75,087**

1. Ms Martin retired on 24 October 2023 and her shareholding balance as at 30 June 2024 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, Remuneration and HR Committee

Eric Dodd
Chair of Board

30 July 2024

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 2024, 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: 30 July 2024

ADELAIDE	BRISBANE	DARWIN	MELBOURNE	PERTH	SYDNEY
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Liability limited by a scheme approved under Professional Standards Legislation. Hall Chadwick (NSW) Pty Ltd ABN: 32 103 221 352 www.hallchadwick.com.au

PrimeGlobal

CONSOLIDATED

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 $'000	2023 $'000
Purchased debt ledger (PDL) interest revenue	4	264,000	270,039
PDL change in lifetime expected credit losses	4	(64,982)	–
PDL change in accounting estimate	4	21,618	–
Consumer lending revenue	4	179,075	147,847
Other revenue	4	76,553	55,483
Finance costs		(25,929)	(16,988)
Employee benefits expense		(190,678)	(180,710)
Depreciation and amortisation expense		(9,803)	(11,160)
Office facility expenses		(28,955)	(22,990)
Collection expenses		(48,765)	(30,479)
Consumer loans loss provision expense		(72,551)	(61,710)
Marketing expenses		(13,928)	(12,338)
Other expenses		(12,863)	(8,635)
Profit before income tax		72,792	128,359
Income tax expense	5	(22,085)	(37,108)
Profit for the year		50,707	91,251
Earnings per share for profit attributable to owners of the Company			
Basic earnings per share (cents per share)	6	74.5	134.2
Diluted earnings per share (cents per share)	6	73.6	132.4

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

CONSOLIDATED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	2024 $'000	2023 $'000
Profit for the year	50,707	91,251
Other comprehensive income		
Items that may be reclassified subsequently to profit / (loss):		
Foreign currency translation reserve, net of income tax	435	19,526
Other comprehensive income for the year, net of income tax	435	19,526
Total comprehensive income for the year	51,142	110,777

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

CONSOLIDATED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	2024 $'000	2023 $'000
Current assets			
Cash and cash equivalents	8	**34,849**	65,820
Trade and other receivables	9	**12,865**	17,857
Consumer loans receivables	10	**188,098**	166,965
Purchased debt ledgers	11	**239,577**	226,720
Other assets	12	**12,745**	5,129
Total current assets		**488,134**	482,491
Non-current assets			
Consumer loans receivables	10	**170,413**	117,579
Purchased debt ledgers	11	**541,084**	535,421
Plant and equipment	13	**5,117**	6,579
Right-of-use assets	14	**24,927**	24,944
Deferred tax assets	5	**79,854**	66,973
Intangible assets	15	**14,800**	14,800
Total non-current assets		**836,195**	766,296
Total assets		**1,324,329**	1,248,787
Current liabilities			
Trade and other payables	16	**22,491**	38,097
Current tax liabilities	5	**34,487**	20,673
Lease liabilities	14	**5,286**	6,917
Provisions	17	**17,401**	18,605
Total current liabilities		**79,665**	84,292
Non-current liabilities			
Borrowings	18	**384,550**	314,210
Deferred tax liabilities	5	**8,525**	8,735
Lease liabilities	14	**22,060**	20,564
Provisions	17	**3,858**	3,570
Total non-current liabilities		**418,993**	347,079
Total liabilities		**498,658**	431,371
Net assets		**825,671**	817,416
Equity			
Issued capital	20	**375,141**	375,141
Reserves	21	**44,710**	44,983
Retained earnings		**405,820**	397,292
Total equity		**825,671**	817,416

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 2024

	Note	Issued capital $'000	Reserves $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2023		**375,141**	**44,983**	**397,292**	**817,416**
Total comprehensive income for the year					
Profit for the year		**–**	**–**	**50,707**	**50,707**
Foreign currency translation reserve	21	**–**	**435**	**–**	**435**
Total comprehensive income for the year		**–**	**435**	**50,707**	**51,142**
Transactions with owners in their capacity as owners					
Transfer from reserve on vesting of performance rights	20	**–**	**–**	**–**	**–**
Transfer to income statement for forfeited performance rights		**–**	**(708)**	**–**	**(708)**
Dividends paid or provided for	7	**–**	**–**	**(42,179)**	**(42,179)**
Transactions with owners in their capacity as owners		**–**	**(708)**	**(42,179)**	**(42,887)**
Balance at 30 June 2024		**375,141**	**44,710**	**405,820**	**825,671**
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	21	–	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	20	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

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

CONSOLIDATED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers and debtors		735,628	691,936
Payments to suppliers and employees		(296,271)	(278,040)
Interest received on bank deposits		1,009	866
Interest paid – leases		(580)	(745)
Interest paid – other		(24,327)	(15,769)
Income tax paid		(23,198)	(12,561)
Cash flows from operating activities before changes in operating assets		392,261	385,687
Changes in operating assets arising from cash flow movements			
Net funding of consumer loans		(160,003)	(149,496)
Acquisition of purchased debt ledgers		(280,841)	(320,193)
Changes in operating assets arising from cash flow movements		(440,844)	(469,689)
Net cash outflow from operating activities	19	(48,583)	(84,002)
Cash flows from investing activities			
Acquisition of plant and equipment	13	(1,465)	(1,330)
Payment for acquisition of subsidiaries, net of cash acquired		–	(15,452)
Net cash outflow from investing activities		(1,465)	(16,782)
Cash flows from financing activities			
Proceeds from borrowings		131,239	246,354
Repayment of borrowings		(61,922)	(61,207)
Repayment of lease principal		(7,118)	(8,445)
Dividends paid	7	(42,179)	(40,054)
Net cash inflow from financing activities		20,020	136,648
Net (decrease) / increase in cash and cash equivalents		(30,028)	35,864
Cash and cash equivalents at 1 July		65,820	29,705
Effect of exchange rate fluctuations on cash held		(943)	251
Cash and cash equivalents at 30 June	8	34,849	65,820

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 2024 were authorised for issue in accordance with a resolution of the directors on 30 July 2024.

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 24: Subsidiaries. Information on other related party relationships of the Group is provided in Note 29: 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 33: 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 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. 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	98
Impairment of financial assets	9, 10 & 11	96, 97 & 98
Provisions	9, 10 & 17	96, 97 & 103
Share based payments	30	112
Goodwill and impairment	15	102

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

NOTE 2: BASIS OF PREPARATION continued

e) Material accounting policies

The material accounting policies adopted in the presentation of these consolidated financial statements are set out below. Other material 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 2024.

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 income statement, 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 income statement.

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 income statement 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 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*
- AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- AASB 2022-5 *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback*
- AASB 2023-1 *Amendments to Australian Accounting Standards – Supplier Finance Arrangements*
- AASB 2023-5 *Amendments to Australian Accounting Standards – Lack of Exchangeability*

The adoption of these Accounting Standards and Interpretations did not have any material 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 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.

	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 2024				
Segment revenue				
External revenue	**249,978**	**47,211**	**179,075**	**476,264**
Segment result				
Segment profit/ (loss)	**69,963**	**(30,269)**	**68,830**	**108,524**
Finance costs				**(25,929)**
Depreciation and amortisation expense				**(9,803)**
Profit before income tax expense				**72,792**
Income tax expense				**(22,085)**
Profit after income tax expense				**50,707**
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

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.

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.

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

	2024 $'000	2023 $'000
PDL interest revenue	**264,000**	270,039
PDL change in lifetime expected credit losses[1]	**(64,982)**	–
PDL change in accounting estimate[2]	**21,618**	–
Interest and fee income from consumer lending	**179,075**	147,847
Other interest received	**1,009**	866
Other income	**75,544**	54,617
Total	**476,264**	473,369

1. As reported in the half-year financial statements in December 2023, the Company recorded an impairment of $65 million against the carrying value of its US PDL assets.
2. Refer to Note 11 for further details.

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.

NOTE 5: INCOME TAX continued

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.

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:

	2024 $'000	2023 $'000
a) Income tax expense		
Current tax	**(37,270)**	(32,473)
Deferred tax	**13,091**	(7,060)
Over provision / (under provision) in respect of prior years	**2,094**	2,425
Total	**(22,085)**	(37,108)
b) Reconciliation between tax expense and pre-tax accounting profit		
Profit for the year	**72,792**	128,359
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2023: 30%)	**(21,838)**	(38,508)
Difference in overseas tax rate	**317**	285
Tax effect of amounts that are not deductible in calculating taxable income:		
Other non-deductible items	**(2,658)**	(1,310)
	(24,179)	(39,533)
Overprovision in respect of prior years	**2,094**	2,425
Income tax expense	**(22,085)**	(37,108)
Applicable weighted average effective tax rates (%)	**30%**	29%
c) Tax assets and liabilities		
Current tax assets		
Tax receivable	**–**	–
Non-current tax assets		
Deferred tax assets	**79,854**	66,973
Total	**79,854**	66,973
Current tax liabilities		
Tax liabilities	**34,487**	20,673
Non-current tax liabilities		
Deferred tax liabilities	**8,525**	8,735
Total	**43,012**	29,408

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

NOTE 5: INCOME TAX continued

	Assets		Liabilities		Net	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Deferred tax assets and liabilities are attributable to:						
Provision for employee benefits	5,075	5,011	–	–	5,075	5,011
ROU assets	–	–	(7,457)	(7,456)	(7,457)	(7,456)
Lease liabilities	8,179	8,214	–	–	8,179	8,214
Provision for impairment of trade receivables	67	168	–	–	67	168
Provision for expected credit losses	25,933	21,932	–	–	25,933	21,932
Accruals on wages and bonuses	196	120	–	–	196	120
Accruals on employee share plan	–	1,379	–	–	–	1,379
Difference between accounting and tax depreciation	–	–	(323)	(515)	(323)	(515)
Tax losses carried forward	37,915	27,105	–	–	37,915	27,105
Other accruals not tax deductible until expense incurred	2,489	3,044	(745)	(764)	1,744	2,280
Net tax assets	79,854	66,973	(8,525)	(8,735)	71,329	58,238

	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 2024					
Provision for employee benefits	5,011	64	–	–	5,075
ROU assets	(7,456)	(1)	–	–	(7,457)
Lease liabilities	8,214	(35)	–	–	8,179
Provision for impairment of trade receivables	168	(101)	–	–	67
Provision for expected credit losses	21,932	4,001	–	–	25,933
Accruals on wages and bonuses	120	76	–	–	196
Accruals on employee share plan	1,379	(1,379)	–	–	–
Difference between accounting and tax depreciation	(515)	192	–	–	(323)
Tax losses carried forward	27,105	10,810	–	–	37,915
Other accruals not tax deductible until expense incurred	2,280	(536)	–	–	1,744
Total	58,238	13,091	–	–	71,329
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

NOTE 6: EARNINGS PER SHARE

	2024	2023
Basic earnings per share (cents)	74.5	134.2
Diluted earnings per share (cents)	73.6	132.4
Weighted average number of ordinary shares – basic ('000)	68,067	67,986
Add: Adjustment for calculation of diluted earnings per share (performance rights) ('000)	800	946
Weighted average number of ordinary shares at 30 June – diluted ('000)	68,867	68,932

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 30.

NOTE 7: DIVIDENDS PAID AND PROPOSED

The following dividends were declared and paid by the Group.

	Cents per share	Total $'000	Franked / unfranked	Date of payment
Year ended 30 June 2024				
Interim 2024 ordinary	15.0	10,205	Franked	29 Mar 2024
Final 2023 ordinary	47.0	31,974	Franked	29 Sep 2023
Total		42,179		
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		

After 30 June 2024 the following dividends were proposed by the directors.
The dividends have not been provided for and there are no income tax consequences.

	Cents per share	Total $'000	Franked / unfranked	Date of payment
Final 2024 ordinary	23.0	15,647	Franked	27 Sep 2024

	2024 $'000	2023 $'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	229,828	215,719
Subsequent to year-end, the franking account would be reduced by the proposed dividend	(6,706)	(13,703)
Total	223,122	202,016

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.

	2024 $'000	2023 $'000
Cash and cash equivalents	34,849	65,820

The cash and cash equivalents as at 30 June 2024 includes $7 million (2023: $7 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 22.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

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.

	2024 $'000	2023 $'000
Current		
Trade receivables	**10,521**	13,780
Less: Provision for impairment	**(227)**	(563)
	10,294	13,217
Other receivables	**2,571**	4,640
Less: Provision for impairment	**–**	–
	2,571	4,640
Total	**12,865**	17,857

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 2024 and 30 June 2023. 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 22 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 2024					
Expected loss rate	**0%**	**0%**	**0%**	**100%**	
Gross carrying amount	**12,066**	**430**	**369**	**227**	**13,092**
Provision for impairment	**–**	**–**	**–**	**(227)**	**(227)**
Net carrying amount	**12,066**	**430**	**369**	**–**	**12,865**
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

The fair value of the trade and other receivables is $12.9 million (2023: $17.9 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.

	2024 $'000	2023 $'000
Lifetime expected credit loss		
Opening balance	**(563)**	(3)
Decrease / (Increase) in loss allowance recognised in profit or loss during the year	**336**	(560)
Closing balance	**(227)**	(563)

No trade receivables are recognised at balance date that are past due and deemed impaired. The Group has provided a loss allowance of $0.227 million at reporting date (2023: $0.563 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 22 provides more details in relation to carrying amounts and the Group's exposure to credit risk.

	2024 $'000	2023 $'000
Current		
Consumer loans receivables	**231,441**	207,086
Less: Provision for expected credit losses	**(43,343)**	(40,121)
	188,098	166,965
Non-current		
Consumer loans receivables	**213,734**	150,787
Less: Provision for expected credit losses	**(43,321)**	(33,208)
	170,413	117,579
Total	**358,511**	284,544
Provision for expected credit losses		
Movement in the provision for expected credit losses		
Opening balance	**(73,329)**	(51,883)
Net movement for the year	**(13,335)**	(21,446)
Closing balance	**(86,664)**	(73,329)

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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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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 eight-year forecast of realisations or expected cash flows, which implies a level of expected credit losses. This 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 the 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.

PDL collection life cycle change

In June 2024 the Company amended the collection life cycle assumption from a six-year to an eight-year period for accounting purposes. This brings Company practice more in line with that of domestic and international peers. This change resulted in an increase of $21.6 million in the carrying value of PDL assets and a corresponding gain booked to revenue.

Note 22 provides detail about the Group's exposure to credit risk.

	2024 $'000	2023 $'000
Current	**239,577**	226,720
Non-current	**541,084**	535,421
Total	**780,661**	762,141
Debt ledger balance movement		
Opening balance	**762,141**	637,321
PDL investments	**259,005**	331,618
Addition through business combination	**–**	1,704
Amortisation	**(199,694)**	(223,810)
Impairment	**(64,982)**	–
Change in accounting estimate	**21,618**	–
Foreign currency revaluation	**2,573**	15,308
Total	**780,661**	762,141

Sensitivity analysis

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

NOTE 12: OTHER ASSETS

	2024 $'000	2023 $'000
Prepayments	**11,823**	4,333
Inventory	**922**	796
Total	**12,745**	5,129

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 income statement 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 income statement.

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 2024				
Opening balance	**13,456**	**3,702**	**13,213**	**30,371**
Additions	**1,284**	**133**	**48**	**1,465**
Revaluation	**(71)**	**(23)**	**(122)**	**(216)**
Disposals	**(115)**	**–**	**(259)**	**(374)**
Closing balance	**14,554**	**3,812**	**12,880**	**31,246**
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

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NOTE 13: PLANT AND EQUIPMENT continued

	Plant and equipment $'000	Computer software $'000	Leasehold improvements $'000	Total $'000
b) Accumulated depreciation or amortisation				
Year ended 30 June 2024				
Opening balance	**(11,106)**	**(3,398)**	**(9,288)**	**(23,792)**
Revaluation	**57**	**24**	**57**	**138**
Depreciation / amortisation for the year	**(1,402)**	**(150)**	**(1,197)**	**(2,749)**
Disposal	**115**	**–**	**159**	**274**
Closing balance	**(12,336)**	**(3,524)**	**(10,269)**	**(26,129)**
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)
c) Carrying amounts				
At 1 July 2023	**2,350**	**304**	**3,925**	**6,579**
At 30 June 2024	**2,218**	**288**	**2,611**	**5,117**
At 1 July 2022	1,804	788	5,090	7,682
At 30 June 2023	2,350	304	3,925	6,579

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.

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

	2024 $'000	2023 $'000
Opening balance	**24,944**	26,619
Additions	**12,288**	5,592
Addition through business combination	**–**	24
Depreciation charge	**(7,054)**	(7,804)
Lease modification	**(4,848)**	110
Effects of exchange rate changes	**(403)**	403
Closing balance	**24,927**	24,944
Cost	**36,086**	46,173
Accumulated depreciation	**(11,159)**	(21,229)
Closing balance	**24,927**	24,944

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 the lease term reflects the lessee exercising that option.

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

The 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 any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases, to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not exercise) the option to renew.

	2024 $'000	2023 $'000
Current lease liabilities	**5,286**	6,917
Non-current lease liabilities	**22,060**	20,564
Closing balance	**27,346**	27,481

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. Short-term leases are leases with a lease term of 12 months or less. Low-value assets mainly comprise IT and office equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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NOTE 15: 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.

	2024 $'000	2023 $'000
a) Carrying amounts		
Opening balance	14,800	800
Addition through business combination	–	14,000
Closing balance	14,800	14,800

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 2024 and 2023 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 projections beyond the three-year period have been kept stagnant, while expense projections have been extrapolated using an estimated growth rate of two 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 2024 (2023: nil).

NOTE 16: TRADE AND OTHER PAYABLES

	2024 $'000	2023 $'000
Current		
Unsecured liabilities		
Trade payables	4,658	7,827
Employee-related accruals	7,458	4,502
Other payables and accruals	10,375	25,768
Total	22,491	38,097

The Group's exposure to liquidity risk related to trade and other payables is disclosed in Note 22.

NOTE 17: 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.

	2024 $'000	2023 $'000
Current		
Employee benefits	17,401	18,417
Other provisions	–	188
	17,401	18,605
Non-current		
Employee benefits	2,401	2,139
Other provisions	1,457	1,431
	3,858	3,570
Total	21,259	22,175

	Employee benefits $'000	Restructuring provision $'000	Other provisions $'000	Total $'000
Year ended 30 June 2024				
Opening balance	20,556	–	1,619	22,175
Additional provisions	58,091	–	–	58,091
Amounts used	(58,845)	–	(162)	(59,007)
Closing balance	19,802	–	1,457	21,259
Year ended 30 June 2023				
Opening balance	22,022	5,214	4,515	31,751
Additional provisions	52,671	–	–	52,671
Provision 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

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NOTE 18: BORROWINGS

Financial liabilities mainly comprise loans and borrowings. Such liabilities are recognised initially 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.

	2024		2023	
	Facility limit $'000	Carrying amount $'000	Facility limit $'000	Carrying amount $'000
Bank loan facilities	505,000	384,550	372,000	314,210
Total	505,000	384,550	372,000	314,210

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 $255 million corporate loan facility matures in July 2029.

The securitised consumer loan warehouse has a facility limit of $250 million and expires in October 2028 following a two-year availability period and 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 $550 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 2024.

NOTE 19: CASH FLOW INFORMATION

	2024 $'000	2023 $'000
a) Reconciliation of cash flow from operations with profit after income tax		
Cash flows from operating activities		
Profit for the year	50,707	91,251
Non-cash items in profit and loss		
• Foreign currency revaluation	318	80
• Depreciation and amortisation	9,803	11,160
• Share based payments	(708)	1,592
• Amortisation of borrowing cost	1,022	475
• PDL change in lifetime expected credit losses	64,982	–
• PDL change in accounting estimate	(21,618)	–
• Consumer loan – expected credit losses	72,551	61,710
• Other	(629)	3,233
(Increase) / decrease in assets		
• Trade and other receivables	4,736	(6,443)
• Consumer loans receivables	(147,298)	(147,580)
• Purchased debt ledgers	(59,311)	(107,808)
• Finance lease receivables	–	325
• Other assets	(7,645)	1,098
• Deferred tax assets	(13,560)	6,365
Increase / (decrease) in liabilities		
• Trade and other payables	(14,618)	5,409
• Tax provision	13,772	16,789
• Provisions	(875)	(9,444)
• Provisions arising from business combination	–	(10,966)
• Deferred tax liabilities	(212)	(1,248)
Net cash outflow from operating activities	(45,583)	(84,002)

NOTE 19: 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 (2023: 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
Debt as at 1 July 2023	314,210	27,481	341,691
Cash flows	69,317	(7,118)	62,199
Acquisition of leases	–	12,288	12,288
Foreign exchange movements	–	(459)	(459)
Amortisation of borrowing costs	1,023	–	1,023
Other changes	–	(4,846)	(4,846)
Closing balance as at 30 June 2024	384,550	27,346	411,896
Debt 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

NOTE 20: 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.

	2024 $'000	2023 $'000
Issued capital		
Opening balance	375,141	361,232
Performance rights converted during the year	–	4,375
Performance rights converted in prior year	–	9,534
Total	375,141	375,141

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.

	2024 $'000	2023 $'000
Number of fully paid ordinary shares		
On issue at 1 July	68,067	67,832
Shares issued during the year:		
Performance rights converted during the year	–	235
On issue at 30 June	68,067	68,067

Refer to Note 30 for further details on the LTI and the employee share scheme.

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NOTE 21: RESERVES

	2024 $'000	2023 $'000
Share-based payment reserve	(398)	310
Foreign currency translation reserve	45,108	44,673
Total	**44,710**	44,983

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 61 and 81, and Note 30 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 22: 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 written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. They are managed and measured consistently year-on-year.

The Group holds the following financial assets and liabilities.

	Note	2024 $'000	2023 $'000
Financial assets			
Cash and cash equivalents	8	34,849	65,820
Trade and other receivables	9	12,865	17,857
Consumer loans receivables	10	358,511	284,544
Purchased debt ledgers	11	780,661	762,141
Total		**1,186,886**	1,130,362
Financial liabilities			
Trade and other payables	16	22,491	38,097
Current tax liabilities	5	34,487	20,673
Borrowings	18	384,550	314,210
Lease liabilities	14	27,346	27,481
Total		**468,874**	400,461

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.

NOTE 22: 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	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Financial assets									
Cash and cash equivalents	8	–	–	34,849	65,820	–	–	34,849	65,820
Trade and other receivables	9	–	–	–	–	12,865	17,857	12,865	17,857
Consumer loans receivables	10	358,511	284,544	–	–	–	–	358,511	284,544
Purchased debt ledgers	11	780,661	762,141	–	–	–	–	780,661	762,141
Total		**1,139,172**	1,046,685	**34,849**	65,820	**12,865**	17,857	**1,186,886**	1,130,362
Financial liabilities									
Trade and other payables	16	–	–	–	–	22,491	38,097	22,491	38,097
Current tax liabilities	5	–	–	–	–	34,487	20,673	34,487	20,673
Borrowings	18	–	–	384,550	314,210	–	–	384,550	314,210
Lease liabilities	14	27,346	27,481	–	–	–	–	27,346	27,481
Total		**27,346**	27,481	**384,550**	314,210	**56,978**	58,770	**468,874**	400,461

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.

	2024 $'000	2023 $'000
Change in Net Profit after Tax		
Increase in interest rates by two percentage points	(5,384)	(4,399)
Decrease in interest rates by two percentage points	5,384	4,399
Change in equity		
Increase in interest rates by two percentage points	(5,384)	(4,399)
Decrease in interest rates by two percentage points	5,384	4,399

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.

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NOTE 22: 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	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Non-derivative financial liabilities									
Trade and other payables	16	**22,491**	38,097	**–**	–	**–**	–	**22,491**	38,097
Current tax liabilities	5	**34,487**	20,673	**–**	–	**–**	–	**34,487**	20,673
Borrowings	18	**–**	–	**–**	–	**384,550**	314,210	**384,550**	314,210
Lease liabilities	14	**5,286**	7,454	**22,060**	7,265	**6,248**	15,207	**33,594**	29,926
Total		**62,264**	66,224	**22,060**	7,265	**390,798**	329,417	**475,122**	402,906

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	2024 $'000	2023 $'000
Cash and cash equivalents	8	**34,849**	65,820
Trade and other receivables	9	**12,865**	17,857
Consumer loans receivables	10	**358,511**	284,544
Purchased debt ledgers	11	**780,661**	762,141
Total		**1,186,886**	1,130,362
AA-rated counterparties		**35,693**	68,575
Counterparties not rated		**1,151,193**	1,061,787
Total		**1,186,886**	1,130,362

The Group's maximum exposure to credit risk on the above financial assets at balance date by type of counterparty was:

	2024 $'000	2023 $'000
Government	**316**	63
Bank	**35,377**	68,512
Other	**1,151,193**	1,061,787
Total	**1,186,886**	1,130,362

d) Fair value versus carrying amounts

For all assets and liabilities, the fair value approximates the carrying value.

NOTE 23: 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 2023:

- 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 summarised in Note 18. By targeting relatively modest gearing, 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 2024 and 30 June 2023 are as follows.

	Note	2024 $'000	2023 $'000
Borrowings	18	**384,550**	314,210
Less: Cash and cash equivalents	8	**(34,849)**	(65,820)
Net debt / (cash)		**349,701**	248,390
Total consumer loans receivables and PDLs		**1,139,172**	1,046,685
Gearing ratio		**31%**	24%

NOTE 24: SUBSIDIARIES

Interests in subsidiaries are:

	Country of incorporation	Percentage owned 2024	2023
Alpha Credit Pty Limited	Australia	**100**	100
Alupka Holdings Pty Limited	Australia	**100**	100
Alliance Factoring Pty Limited	Australia	**100**	100
BC Holdings I Pty Limited	Australia	**100**	100
BC Holdings II 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 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**	100
CLH Legal Group Pty Ltd	Australia	**100**	100
Collection House Limited	Australia	**100**	100
Collection House (NZ) Limited	New Zealand	**100**	100
Collection House International BPO, Inc.	Philippines	**100**	100
Collective Learning and Development Pty Ltd	Australia	**100**	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 BC AU Pty Ltd	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

NOTE 24: SUBSIDIARIES continued

	Country of incorporation	Percentage owned 2024	Percentage owned 2023
Credit Corp Collections Pty Limited	Australia	**100**	100
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 LLC[1]	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**	100
Lion Finance Limited	New Zealand	**100**	100
Malthiest Pty Limited	Australia	**100**	100
Midstate Creditcollect Pty Ltd	Australia	**100**	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**	100
Receivables Management (NZ) Limited	New Zealand	**100**	100
Receivables Management (International) Limited	New Zealand	**100**	100
Ruily Pty Limited	Australia	**100**	100
Safe Horizons Pty Ltd	Australia	**100**	100
Southern Receivables Limited	New Zealand	**100**	100
TFS Newco Pty Ltd	Australia	**100**	100
ThinkMe Finance Pty Ltd	Australia	**100**	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

1. The Credit Corp Group US Collections GP changed to a limited liability company at 30 June 2024.

NOTE 25: CONTINGENT LIABILITIES

The Group had contingent liabilities in respect of:

	2024 $'000	2023 $'000
US collections agency licensure bonds[1]	**3,508**	3,377
Total	**3,508**	3,377

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.

NOTE 26: CAPITAL COMMITMENTS

	2024 $'000	2023 $'000
Within one year	**144,000**	97,000

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 $144 million (2023: $97 million). These purchases will be funded by existing cash flows and bank facilities currently in place.

NOTE 27: 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 28: KEY MANAGEMENT PERSONNEL (KMP) COMPENSATION

The aggregate compensation made to directors and other members of the KMP of the Group is set out below.

	2024 $	2023 $
Short-term employee benefits	**3,281,500**	2,386,532
Post-employment benefits	**179,477**	176,311
Other long-term benefits	**36,564**	21,997
Equity-settled share based payments	**322,404**	2,011,898
Total	**3,819,945**	4,596,738

NOTE 29: 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 28 and in the directors' report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

NOTE 30: 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 31: AUDITOR'S REMUNERATION

	2024 $	2023 $
Audit services		
Audit and review of financial reports	489,604	400,845
Services other than statutory audit		
Taxation compliance services	51,501	44,622
Taxation services	5,366	35,192
Total	546,471	480,659

NOTE 32: 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 lodgement 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
- Credit Corp Baycorp 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

NOTE 32: CROSS GUARANTEE continued

Set out below is the statement of comprehensive income 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.

	2024 $'000	2023 $'000
a) Statement of comprehensive income		
Revenue	406,216	362,219
Finance costs	(32,234)	(10,291)
Employee benefits expense	(139,919)	(134,084)
Depreciation and amortisation expenses	(6,862)	(8,012)
Office facility expenses	(20,017)	(16,211)
Collection expenses	(14,581)	(10,270)
Consumer loans loss provision expense	(67,690)	(59,706)
Marketing expenses	(13,258)	(11,746)
Other expenses	(9,271)	(5,420)
Profit before income tax expense	102,384	106,479
Income tax expense	(32,472)	(27,239)
Profit for the year	69,912	79,240
b) Other comprehensive income		
Profit for the year	69,912	79,240
Other comprehensive income net of income tax	–	–
Total comprehensive income for the year	69,912	79,240
c) Movements in retained earnings		
Opening balance	390,307	351,121
Dividends recognised during the year	(42,179)	(40,054)
Net profit attributable to parties in the Deed of Cross Guarantee	69,912	79,240
Closing balance	418,040	390,307

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

NOTE 32: CROSS GUARANTEE continued

	2024 $'000	2023 $'000
d) Statement of financial position		
Current assets		
Cash and cash equivalents	20,773	41,527
Trade and other receivables	284,511	269,756
Consumer loans receivables	183,023	158,832
Purchased debt ledgers	102,335	95,362
Other assets	5,221	4,405
Total current assets	595,863	569,882
Non-current assets		
Consumer loans receivables	167,914	116,462
Purchased debt ledgers	181,391	155,731
Plant and equipment	2,852	3,385
Deferred tax assets	42,618	41,875
Intangible assets	14,800	14,800
Investment in subsidiaries	255,497	255,497
ROU assets	19,022	17,350
Total non-current assets	684,094	605,100
Total assets	1,279,957	1,174,982
Current liabilities		
Trade and other payables	14,413	20,988
Current tax liabilities	33,647	18,273
Provisions	15,627	16,600
Lease liabilities	3,676	5,449
Total current liabilities	67,363	61,310
Non-current liabilities		
Borrowings	384,550	314,210
Provisions	3,423	3,120
Deferred tax liabilities	5,707	5,222
Lease liabilities	16,729	13,559
Total non-current liabilities	410,409	336,111
Total liabilities	477,772	397,421
Net assets	802,185	777,561
Equity		
Issued capital	375,141	375,141
Reserves	9,004	12,113
Retained earnings	418,040	390,307
Total equity	802,185	777,561

NOTE 33: PARENT ENTITY INFORMATION

	2024 $'000	2023 $'000
a) Statement of comprehensive income		
Profit for the year	51,867	24,657
Other comprehensive income net of income tax	–	–
Total comprehensive income for the year	51,867	24,657
b) Statement of financial position		
Assets		
Current assets	365,038	754,815
Non-current assets	249,250	245,166
Total assets	614,288	999,981
Liabilities		
Current liabilities	53,560	42,254
Non-current liabilities	41,685	447,664
Total liabilities	95,245	489,918
Net assets	519,043	510,063
Equity		
Issued capital	375,141	375,141
Reserves	1,849	2,557
Retained earnings	142,053	132,365
Total equity	519,043	510,063

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 (2023: nil).

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

The below list relates to entities that are consolidated in the consolidated financial statements at 30 June 2024, as required by the *Corporations Act 2001* (s.295(3A)(a).

Name of entity	Body corporate, of partnership or trust	Percentage share capital held by the Company	Country of incorporation	Australian resident or foreign tax resident	Jurisdiction of foreign tax resident
Alpha Credit Pty Limited	Body corporate	100	Australia	Australia	N/A
Alupka Holdings Pty Limited	Body corporate	100	Australia	Australia	N/A
Alliance Factoring Pty Limited	Body corporate	100	Australia	Australia	N/A
BC Holdings I Pty Limited	Body corporate	100	Australia	Australia	N/A
BC Holdings II Pty Limited	Body corporate	100	Australia	Australia	N/A
Baycorp (Aust) Pty Limited	Body corporate	100	Australia	Australia	N/A
Baycorp (NZ) Limited	Body corporate	100	New Zealand	Foreign	New Zealand
Baycorp (WA) Pty Limited	Body corporate	100	Australia	Australia	N/A
Baycorp Collection Services Pty Limited	Body corporate	100	Australia	Australia	N/A
Baycorp Collection Services (Aust) Pty Limited	Body corporate	100	Australia	Australia	N/A
Baycorp Group Finance Pty Limited	Body corporate	100	Australia	Australia	N/A
Baycorp Holdings Pty Limited	Body corporate	100	Australia	Australia	N/A
Baycorp Holdings (NZ) Limited	Body corporate	100	New Zealand	Foreign	New Zealand
Baycorp Legal Pty Limited	Body corporate	100	Australia	Australia	N/A
Baycorp International Pty Limited[1]	Body corporate	100	Australia	Australia	N/A
Car Start Pty Limited	Body corporate	100	Australia	Australia	N/A
Certus Partners Pty Limited	Body corporate	100	Australia	Australia	N/A
CLH Business Services Pty Ltd	Body corporate	100	Australia	Australia	N/A
CLH Legal Group Pty Ltd	Body corporate	100	Australia	Australia	N/A
Collection House Limited	Body corporate	100	Australia	Australia	N/A
Collection House (NZ) Limited	Body corporate	100	New Zealand	Foreign	New Zealand
Collection House International BPO, Inc.	Body corporate	100	Philippines	Foreign	Philippines
Collective Learning and Development Pty Ltd	Body corporate	100	Australia	Australia	N/A
Creditcorp BPC Pty Limited[2]	Body corporate	100	Australia	Australia	N/A
Credit Corp Acceptance Pty Limited	Body corporate	100	Australia	Australia	N/A
Credit Corp Australia Pty Limited	Body corporate	100	Australia	Australia	N/A
Credit Corp BC AU Pty Ltd	Body corporate	100	Australia	Australia	N/A
Credit Corp Baycorp Holdings I Pty Limited	Body corporate	100	Australia	Australia	N/A
Credit Corp Baycorp Holdings II Pty Limited	Body corporate	100	Australia	Australia	N/A
Credit Corp Brokering Services Pty Limited	Body corporate	100	Australia	Australia	N/A
Credit Corp Collections Pty Limited	Body corporate	100	Australia	Australia	N/A
Credit Corp Collections Agency Inc.	Body corporate	100	United States	Foreign	United States
Credit Corp Collections Agency US Holdings Inc.	Body corporate	100	United States	Foreign	United States
Credit Corp Collections Agency US Inc.	Body corporate	100	United States	Foreign	United States
Credit Corp Collections US Holdings Inc.	Body corporate	100	United States	Foreign	United States
Credit Corp Employee Share Administration Pty Limited	Body corporate	100	Australia	Australia	N/A
Credit Corp Facilities Pty Limited	Body corporate	100	Australia	Australia	N/A
Credit Corp Financial Services Pty Limited	Body corporate	100	Australia	Australia	N/A
Credit Corp Financial Services Holdings Inc.	Body corporate	100	United States	Foreign	United States
Credit Corp Financial Services Inc.	Body corporate	100	United States	Foreign	United States
Credit Corp Financial Solutions Pty Limited	Body corporate	100	New Zealand	Foreign	New Zealand
Credit Corp Group US Collections LLC	Body corporate	100	United States	Foreign	United States
Credit Corp Leasing Pty Limited	Body corporate	100	Australia	Australia	N/A
Credit Corp Lending Pty Limited	Body corporate	100	Australia	Australia	N/A
Credit Corp Management Pty Limited	Body corporate	100	Australia	Australia	N/A
Credit Corp Management (NZ) Limited	Body corporate	100	New Zealand	Foreign	New Zealand

1. Baycorp International Pty Ltd is incorporated in and operates in Australia and has a registered branch in the Philippines. The branch operations have tax obligations in the Philippines under the Philippines' tax laws.
2. Creditcorp BPC Pty Ltd is incorporated in and operates in Australia and has a registered branch in the Philippines. The branch operations have tax obligations in the Philippines under the Philippines' tax laws.

Name of entity	Body corporate, of partnership or trust	Percentage share capital held by the Company	Country of incorporation	Australian resident or foreign tax resident	Jurisdiction of foreign tax resident
Credit Corp New Zealand Pty Limited	Body corporate	100	Australia	Australia	N/A
Credit Corp Queensland Pty Limited	Body corporate	100	Australia	Australia	N/A
Credit Corp Receivables Pty Limited	Body corporate	100	Australia	Australia	N/A
Credit Corp Recoveries Pty Limited	Body corporate	100	Australia	Australia	N/A
Credit Corp Services (NH) Pty Limited	Body corporate	100	Australia	Australia	N/A
Credit Corp Services Pty Limited	Body corporate	100	Australia	Australia	N/A
Credit Corp Services Malaysia Pty Limited	Body corporate	100	Australia	Australia	N/A
Credit Corp Services US Collections Inc.	Body corporate	100	United States	Foreign	United States
Credit Corp Services US Holdings Inc.	Body corporate	100	United States	Foreign	United States
Credit Corp Solutions Inc.	Body corporate	100	United States	Foreign	United States
Credit Corp UK Debt Solutions Limited	Body corporate	100	United Kingdom	Foreign	United Kingdom
Credit Corp US Collections Pty Limited	Body corporate	100	Australia	Australia	N/A
Credit Corp US Holdings Inc.	Body corporate	100	United States	Foreign	United States
Credit Corp Western Australia Pty Limited	Body corporate	100	Australia	Australia	N/A
Credit Plan B Pty Limited	Body corporate	100	Australia	Australia	N/A
Customer Assist Pty Limited	Body corporate	100	Australia	Australia	N/A
Dayroma Pty Limited	Body corporate	100	Australia	Australia	N/A
Hudson Legal Pty Ltd	Body corporate	100	Australia	Australia	N/A
Lion Finance Pty Ltd	Body corporate	100	Australia	Australia	N/A
Lion Finance Limited	Body corporate	100	New Zealand	Foreign	New Zealand
Malthiest Pty Limited	Body corporate	100	Australia	Australia	N/A
Midstate Creditcollect Pty Ltd	Body corporate	100	Australia	Australia	N/A
National Credit Management Limited	Body corporate	100	Australia	Australia	N/A
Personal Insolvency Management Pty Limited	Body corporate	100	Australia	Australia	N/A
PMG Collect Pty Limited	Body corporate	100	Australia	Australia	N/A
Receivables Finance Limited	Body corporate	100	New Zealand	Foreign	New Zealand
Receivables Management (NZ) Limited	Body corporate	100	New Zealand	Foreign	New Zealand
Receivables Management (International) Limited	Body corporate	100	New Zealand	Foreign	New Zealand
Ruily Pty Limited	Body corporate	100	Australia	Australia	N/A
Safe Horizons Pty Ltd	Body corporate	100	Australia	Australia	N/A
Southern Receivables Limited	Body corporate	100	New Zealand	Foreign	New Zealand
TFS Newco Pty Ltd	Body corporate	100	Australia	Australia	N/A
ThinkMe Finance Pty Ltd	Body corporate	100	Australia	Australia	N/A
Torbige Pty Limited	Body corporate	100	Australia	Australia	N/A
Tulovo Pty Limited	Body corporate	100	Australia	Australia	N/A
Valute Pty Limited	Body corporate	100	Australia	Australia	N/A
Vindelo Pty Limited	Body corporate	100	Australia	Australia	N/A
Votraint No. 1537 Pty Ltd	Body corporate	100	Australia	Australia	N/A

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 82 to 115, 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 2024 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) The consolidated entity disclosure statement, as set out on pages 116 to 117, is in accordance with the Corporations Act 2001, and is true and correct as at 30 June 2024.
3) 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.
4) 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 32 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
30 July 2024

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 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, notes to the consolidated financial statements, including a summary of significant accounting policies, the consolidated entity disclosure statement 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 2024 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 2024. 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.

ADELAIDE	BRISBANE	DARWIN	MELBOURNE	PERTH	SYDNEY
Level 9 50 Pirie Street Adelaide SA 5000 +61 8 7093 8283	Level 4 240 Queen Street Brisbane QLD 4000 +61 7 2111 7000	Level 1 48-50 Smith Street Darwin NT 0800 +61 8 8943 0645	Level 14 440 Collins Street Melbourne VIC 3000 +61 3 9820 6400	Level 11 77 St Georges Tce Perth WA 6000 +61 8 6557 6200	Level 40 2 Park Street Sydney NSW 2000 +61 2 9263 2600

AUDITOR'S REPORT

CONTINUED

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 ($780,661k) Refer to Note 11 Purchased Debt Ledgers	
The carrying value of purchased debt ledgers (PDLs) is 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 PDLs. • 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. • We assessed the reasonableness of assumptions used, such as continuing elevated delinquency of liquidations of PDLs used in the cash collections re-forecasting. • We reviewed the impairment calculations based on the downward reforecast of the cash collections for US PDLs.
2. Provision for expected losses on the consumer loans ($86,664k) 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 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 focused on this area as a key audit matter due to the amounts involved being material and the inherent subjectivity and difficulty to reliably measure the key forward looking assumptions being increased 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 life of loan losses upon initial recognition of each loan. • We have assessed sensitivity analysis in relation to the key forward looking assumptions.

AUDITOR'S REPORT

CONTINUED

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 2024, 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

CONTINUED

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 61 to 81 of the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of Credit Corp Group Limited for the year ended 30 June 2024 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: 30 July 2024

FIVE-YEAR FINANCIAL SUMMARY

	2024 $'000	2023 $'000	2022 $'000	2021 $'000	2020 $'000
Income and profit					
Purchased debt ledger collections	**463,694**	493,849	535,227	492,138	488,340
Less: Purchased debt ledger amortisation	**(199,694)**	(223,810)	(245,231)	(225,295)	(233,020)
PDL change in lifetime expected credit losses	**(64,982)**	–	–	–	(68,576)
PDL change in accounting estimate	**21,618**	–	–	–	–
Interest revenue from purchased debt ledgers	**220,636**	270,039	289,996	266,843	186,744
Interest and fee income from consumer lending	**179,075**	147,847	93,737	78,886	99,445
Other revenue	**76,553**	55,483	27,467	29,057	27,214
Total revenue	**476,264**	473,369	411,200	374,786	313,403
NPAT	**50,707**	91,251	100,716	88,130	15,454
Financial position					
Current assets	**488,134**	482,491	409,045	412,257	331,129
Non-current assets	**821,395**	751,496	564,768	368,193	390,721
Intangible assets	**14,800**	14,800	800	800	800
Total assets	**1,324,329**	1,248,787	974,613	781,250	722,650
Current liabilities	**79,665**	84,292	66,032	73,540	66,528
Non-current liabilities	**418,993**	347,079	167,940	40,647	61,912
Total liabilities	**498,658**	431,371	233,972	114,187	128,440
Net assets	**825,671**	817,416	740,641	667,063	594,210
Borrowings	**384,550**	314,210	128,589	3,608	22,420
Shares on issue ('000)	**68,067**	68,067	67,832	67,316	67,316
Cash flows					
From operating activities	**(48,583)**	(84,002)	(100,296)	67,726	115,646
From investing activities	**(1,465)**	(16,782)	(3,820)	(2,783)	(70,860)
From financing activities	**20,020**	136,648	71,538	(52,072)	(18,835)
Net increase / (decrease) in cash	**(30,028)**	35,864	(32,578)	12,871	25,951
Key statistics					
Earnings per share:					
• Basic (cents)	**74.5**	134.2	148.9	130.9	25.5
• Diluted (cents)	**73.6**	132.4	148.5	129.9	25.5
Dividends per share (cents)	**38.0**	70.0	74.0	72.0	36.0
NPAT / revenue	**11%**	19%	24%	24%	5%
ROE (on pro-forma gearing basis)	**10%**	13%	17%	18%	17%
NTA backing per share (dollar)	**11.55**	11.43	10.51	9.57	8.40

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 2024	Ordinary shares Number	%
Citicorp Nominees Pty Ltd	20,162,259	29.6
J.P. Morgan Nominees Australia Limited	12,941,766	19.0
HSBC Custody Nominees (Australia) Limited	10,096,399	14.8
BNP Paribas Nominees Pty Limited	4,171,857	6.1
National Nominees Limited	1,992,385	2.9
Dixson Trust Pty Ltd	854,688	1.3
Netwealth Investments Limited	524,707	0.8
152 Pty Ltd	492,572	0.7
Uptons Salvage Trading Pty Ltd	305,977	0.5
Ioof Investment Services Ltd	235,684	0.3
Torres Industries Pty Limited	227,527	0.3
UBS Nominees Pty Ltd	197,050	0.3
Sheffield Management Pty Ltd	131,221	0.2
Mr Donald Evan McLay	130,000	0.2
Mr Peter Upton	120,390	0.2
Bond Street Custodians Limited	118,221	0.2
Invia Custodian Pty Limited	116,287	0.2
Mrs Lilian Jeanette Warmbrand	107,030	0.2
DB18 Pty Limited	105,000	0.2
Nagarit Pty Ltd	104,028	0.2
Total	**53,135,048**	**78.1**

Substantial shareholders

At 30 June 2024 the following shareholders were registered by the Company as a substantial holder, 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	17.4	3 April 2020
Fisher Funds Management Limited	4,780,457	7.0	18 October 2023
State Street Corporation and Subsidiaries	3,559,444	5.2	19 June 2024
Superannuation and Investments HoldCo Pty Ltd	3,532,984	5.2	21 May 2024
Vanguard Group	3,413,319	5.0	21 June 2024
Commonwealth Bank of Australia	3,411,656	5.0	20 May 2024

Details of ordinary shareholdings

Details of the spread of ordinary shareholdings at 30 June 2024 are:

Category	Number of shareholders	Number of shares	%
1 – 1,000	6,294	1,844,706	2.71
1,001 – 5,000	1,958	4,462,935	6.56
5,001 – 10,000	353	2,523,585	3.71
10,001 – 100,000	279	6,100,582	8.96
100,001 and over	20	53,135,048	78.06
Total	**8,904**	**68,066,856**	**100.00**

749 shareholders (representing 13,746 fully paid ordinary shares) held less than a marketable parcel.

SHAREHOLDER INFORMATION
CONTINUED

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

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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 principal 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, Group Chief Operating Officer and Chief Financial Officer
LTI	Long-Term Incentive awards. These are performance rights which 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 ASX 200 (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
PDLs	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 AASB 16
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
Mr James M Millar AM
Ms Trudy Vonhoff

Company Secretaries
Mr Thomas Beregi
Mr Michael Eadie

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Credit Corp Group