



Credit Corp Group

Credit Corp Group Limited ABN 33 092 697 151

Appendix 4D and Consolidated Interim Financial Statements

For the period ended 31 December 2022

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These interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2022 and any public announcements made by Credit Corp Group Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

APPENDIX 4D HALF-YEAR REPORT

For the half-year ended 31 December 2022

1 Details of the reporting period and the prior corresponding period

Current period: 1 July 2022 to 31 December 2022

Prior corresponding period: 1 July 2021 to 31 December 2021

2 Results for announcement to the market

Key information	31 Dec 2022 \$'000	31 Dec 2021 \$'000	Change %
2.1 Revenue	220,508	203,879	8%
2.2 Profit from ordinary activities after tax attributable to members	31,828	50,183	(37%)
2.3 Profit attributable to members of the Group	31,828	50,183	(37%)

2.4 Dividends per ordinary share	Franked amount Amount per security	per security
2022 Final dividend	36.0 cents	100%
2023 Interim dividend (declared, not yet provided at 31 December 2022)	23.0 cents	100%

2.5 Dividends per ordinary share	
2022 Final dividend	12 Sep 2022
2023 Interim dividend	31 Mar 2023

2.6 Commentary

Please refer to the H1 of 2023 Media Release and the Interim Financial Statements for the half-year ended 31 December 2022 for further explanations of the figures presented at 2.1 – 2.4 above.

3 Net tangible assets per ordinary share

Security	31 Dec 2022 \$	31 Dec 2021 \$
Ordinary shares	10.65	9.84

4 Control gained or lost over entities during the period, for those having material effect

On 21 October 2022, the Group acquired Collection House Limited and its associated entities (collectively Collection House). Refer to Note 7 of the Interim Financial Statements for more information.

5 Dividend payments

	Cents per share	Total \$'000	Franked / unfranked	Payment date
Ordinary share capital				
2022 Interim dividend	38.0	25,762	Franked	11 Mar 2022
2022 Final dividend	36.0	24,407	Franked	12 Sep 2022
		50,169		
2021 Interim dividend	36.0	24,221	Franked	12 Mar 2021
2021 Final dividend	36.0	24,221	Franked	10 Sep 2021
		48,442		

After 31 December 2022 the following dividends were proposed by the directors. The dividends have not been provided for and there are no income tax consequences.

2023 Interim dividend	23.0	15,647	Franked	31 Mar 2023
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6 Dividend or distribution reinvestment plan details

The Dividend Reinvestment Plan (DRP) of Credit Corp Group Limited (the Group) will not apply to the interim dividend.

7 Investments in associates and joint ventures

No investments in associates and joint ventures are held by the Group.

8 Accounting standards used by foreign entities

Not applicable as the Group is not a foreign entity.

9 Audit dispute or qualification

The interim financial statements for the half-year ended 31 December 2022 have been subject to review and are not subject to dispute or qualification.

DIRECTORS' REPORT

The directors submit the financial statements of Credit Corp Group Limited and controlled entities (the Group) for the half-year ended 31 December 2022. Credit Corp Group Limited (the Company) is the parent entity of the Group.

DIRECTORS

The names of the Company's directors who held office during the reporting period and until the date of this report are:

Mr. Eric Dodd	Chairman (Non-Executive)
Mr. Phillip Aris	Director (Non-Executive)
Ms. Lyn McGrath	Director (Non-Executive, appointed 1 January 2023)
Ms. Leslie Martin	Director (Non-Executive)
Mr. James M. Millar AM	Director (Non-Executive)
Mr. Richard Thomas	Director (Non-Executive)
Ms. Trudy Vonhoff	Director (Non-Executive)

PRINCIPAL ACTIVITIES

The principal activities of the Group during the half-year were debt purchase and collection as well as consumer lending.

REVIEW OF OPERATIONS

OVERVIEW

The directors of the Group report a net profit after tax (NPAT) of \$31.8 million for the first half of the financial year. The highlights include the following:

- 32 per cent growth in the consumer loan book to \$331 million.
- On track for record full year consumer lending segment earnings.
- Continued recovery in charge-off volumes producing strong US investment.
- Significant step-up in US resourcing to meet the opportunity.

First half NPAT fell by 30 per cent over the prior corresponding period (adjusted for the US Paycheck Protection Program loan forgiveness) to \$31.8 million. This was due to:

- Up-front loss provisioning and marketing expense from rapid loan book growth;
- Costs arising from increased US resourcing; and
- Run-off in the core Australia / New Zealand debt buying segment.

Loan book growth was attributable to the Wallet Wizard unsecured cash loan product. Strong consumer demand produced record gross lending of \$201 million during the half-year. Arrears and losses remained within pro-forma. The loan book growth was achieved while maintaining conservative credit standards and rationing the volume of longer-duration auto loans. The short duration of Wallet Wizard loans coupled with the relatively small loan sizes should mitigate risk in the event that economic conditions deteriorate.

Strong US purchased debt ledger (PDL) investment reflected growth in purchases under ongoing buying arrangements, or forward flows, as market sale volumes increased towards pre-pandemic levels. To service the increased investment, US resourcing expanded significantly during the half including growth across all three US operational sites and offshore resourcing from the Philippines and Australia. Purchasing will reduce over the balance of the year as forward flows expire.

Although increased US resourcing is yet to produce a commensurate increase in collections, it ensures the Company is in a strong position for further growth as PDL supply conditions improve. US charge-off volumes continue to grow and the increased resourcing will enable the Group to service recent and future purchases, growing collections and earnings over the medium-term.

Investment volumes in the Australia / New Zealand PDL market remain very low, with no signs of a significant recovery in unsecured credit balances and charge-off rates. While the Group maintained a strong share of the diminished market, collections and earnings declined against prior corresponding periods enhanced by one-off secondary purchases, including the Radio Rentals acquisition in FY2022.

The Collection House agency acquisition completed during the first half is on track to make a positive contribution over the full year after a significant initial cost restructuring. All key clients have been retained and the expanded collection services segment presents an opportunity to enhance client relationships and improve margins through ongoing integration.

The reduced interim dividend is in line with the lower first-half earnings and consistent with the Group's longstanding practice to pay out 50 per cent of earnings.

OUTLOOK

Earnings are expected to recover strongly over the second half of the financial year and the Company's full year NPAT guidance remains intact. Loan book growth will moderate over the second half, while the record starting book will drive increased interest revenue. US collections will improve as elevated resourcing is converted into collections.

Record net lending and elevated US purchasing in the first half have prompted an increase in investment guidance ranges. Investment will, however, moderate over the second half to produce free cash flow and reduced net borrowings.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is set out on page 5.

This report is made in accordance with a resolution of the Board of Directors.



Eric Dodd
Chairman

1 February 2023



James M. Millar AM
Non-Executive Director

1 February 2023



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 review of the financial report of Credit Corp Group Limited for the half-year ended 31 December 2022, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

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Partner
Dated: 1 February 2023

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CONSOLIDATED INCOME STATEMENT

For the half-year ended 31 December 2022

	Note	31 Dec 2022 \$'000	31 Dec 2021 \$'000
Revenue	3	220,508	203,879
Finance costs		(6,535)	(2,317)
Employee benefits expense		(86,396)	(70,967)
Depreciation and amortisation expense		(5,575)	(5,272)
Office facility expenses		(9,807)	(9,681)
Collection expenses		(19,480)	(15,105)
Consumer loans loss provision expense		(35,601)	(20,077)
Marketing expenses		(9,513)	(6,596)
Other expenses		(4,019)	(3,940)
Profit before income tax		43,582	69,924
Income tax expense	4	(11,754)	(19,741)
Profit for the period		31,828	50,183
Earnings per share for profit attributable to owners of the company			
Basic earnings per share (cents per share)		46.9	74.4
Diluted earnings per share (cents per share)		45.6	74.4

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half-year ended 31 December 2022

	31 Dec 2022 \$'000	31 Dec 2021 \$'000
Profit for the period	31,828	50,183
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit / (loss):</i>		
Exchange differences on translation of foreign operations	8,069	6,398
Other comprehensive income for the period, net of income tax	8,069	6,398
Total comprehensive income for the period	39,897	56,581

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	31 Dec 2022 \$'000	30 Jun 2022 \$'000
CURRENT ASSETS		
Cash and cash equivalents	53,674	29,705
Trade and other receivables	11,152	7,192
Consumer loans receivables	149,680	126,152
Purchased debt ledgers	215,760	240,343
Finance lease receivables	—	325
Other assets	13,229	5,328
Total current assets	443,495	409,045
NON-CURRENT ASSETS		
Consumer loans receivables	113,663	72,235
Purchased debt ledgers	503,203	396,978
Plant and equipment	7,655	7,682
Right-of-use assets	23,863	26,619
Deferred tax assets	75,199	61,254
Intangible assets	11,800	800
Total non-current assets	735,383	565,568
Total assets	1,178,878	974,613
CURRENT LIABILITIES		
Trade and other payables	31,420	26,050
Current tax liabilities	2,225	8,451
Lease liabilities	7,937	7,910
Provisions	22,055	23,621
Total current liabilities	63,637	66,032
NON-CURRENT LIABILITIES		
Borrowings	320,289	128,589
Deferred tax liabilities	10,342	9,758
Lease liabilities	19,484	21,463
Provisions	4,535	8,130
Total non-current liabilities	354,650	167,940
Total liabilities	418,287	233,972
Net assets	760,591	740,641
EQUITY		
Issued capital	375,141	361,232
Reserves	31,934	33,314
Retained earnings	353,516	346,095
Total equity	760,591	740,641

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2022

	Note	Issued Capital \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2022		361,232	33,314	346,095	740,641
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD					
Profit for the period		—	—	31,828	31,828
Other comprehensive income		—	8,069	—	8,069
Total Comprehensive Income for the period		—	8,069	31,828	39,897
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Transfer from reserve on vesting of performance rights net of tax		13,909	(9,449)	—	4,460
Dividends paid or provided for	5	—	—	(24,407)	(24,407)
Transactions with owners in their capacity as owners		13,909	(9,449)	(24,407)	(19,947)
Balance at 31 December 2022		375,141	31,934	353,516	760,591
Balance at 1 July 2021		346,738	24,963	295,362	667,063
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD					
Profit for the period		—	—	50,183	50,183
Other comprehensive income		—	6,398	—	6,398
Total Comprehensive Income for the period		—	6,398	50,183	56,581
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Transfer from reserve on vesting of performance rights		6,994	(6,994)	—	—
Dividends paid or provided for	5	—	—	(24,221)	(24,221)
Transactions with owners in their capacity as owners		6,994	(6,994)	(24,221)	(24,221)
Balance at 31 December 2021		353,732	24,367	321,324	699,423

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2022

	Note	31 Dec 2022 \$'000	31 Dec 2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and debtors		337,934	333,221
Payments to suppliers and employees		(153,853)	(109,405)
Interest received on bank deposits		285	9
Interest paid – leases		(402)	(424)
Interest paid – other		(5,886)	(1,656)
Income tax paid		(12,705)	(16,758)
Cash flows from operating activities before changes in operating assets		165,373	204,987
Changes in operating assets arising from cash flow movements			
Net funding of consumer loans		(100,327)	(27,330)
Acquisition of purchased debt ledgers		(188,024)	(208,692)
Changes in operating assets arising from cash flow movements		(288,351)	(236,022)
Net cash outflow from operating activities		(122,978)	(31,035)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of plant and equipment		(718)	(2,075)
Payment for acquisition of subsidiary, net of cash acquired		(15,452)	–
Net cash outflow from investing activities		(16,170)	(2,075)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		198,435	21,000
Repayment of borrowings		(6,981)	(34)
Repayment of lease payments (principal)		(4,238)	(3,796)
Dividends paid	5	(24,407)	(24,221)
Net cash inflow / (outflow) from financing activities		162,809	(7,051)
Net increase / (decrease) in cash and cash equivalents		23,661	(40,161)
Cash and cash equivalents at 1 July		29,705	61,677
Effect of exchange rate fluctuations on cash held		308	–
Cash and cash equivalents at end of period		53,674	21,516

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2022

These interim financial statements include the consolidated financial statements and notes of Credit Corp Group Limited and its subsidiaries (the Group) for the six months ended 31 December 2022.

Credit Corp Group Limited (the Company) is incorporated in Australia. The address of its registered office and principal place of business is Level 15, 201 Kent Street, Sydney NSW 2000.

Note 1: Summary of significant accounting policies

A) BASIS OF PREPARATION

a) Statement of compliance

These general purpose interim financial statements for the half-year reporting period ended 31 December 2022 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 *Interim Financial Reporting* ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Group. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2022, together with any public announcements made by the Group during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

These interim financial statements were authorised for issue on 1 February 2023.

b) Rounding of amounts

The Group 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.

c) Use of estimates and judgements

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 June 2022.

B) SIGNIFICANT ACCOUNTING POLICIES

The Group has considered the implications of new or amended Accounting Standards, and has determined that their application to the financial statements are either not relevant or not material.

Note 2: 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 Chief Executive Officer (CEO), to make strategic decisions. The Group has three main operating segments: debt ledger purchasing (Australia and New Zealand), debt ledger purchasing (United States) and consumer lending (Australia, New Zealand and the United States). All operating segments and results are reviewed regularly by the CEO of the Group, who reviews the operating segments' results on an ongoing basis to assess performance and allocate resources.

The reportable segments are as follows:

Debt ledger purchasing – Australia and New Zealand

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

Debt ledger purchasing – United States

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

Consumer lending – Australia, New Zealand and the United States

This business offers various market-leading sustainable financial products to credit-impaired consumers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2022

Note 2: Operating segments *continued*

A) FINANCIAL REPORTING BY SEGMENTS *CONTINUED*

Following is the information provided to the CEO:

	Debt ledger purchasing: Australia & New Zealand \$'000	Debt ledger purchasing: United States \$'000	Consumer lending: Australia, New Zealand & United States \$'000	Total for continuing operations \$'000
Half-year ended 31 December 2022				
Segment revenue				
External revenue	108,156	46,986	65,366	220,508
Segment result				
Segment profit	35,227	11,847	8,618	55,692
Finance costs				(6,535)
Depreciation and amortisation expense				(5,575)
Profit before income tax expense				43,582
Income tax expense				(11,754)
Profit after income tax expense				31,828
Half-year ended 31 December 2021				
Segment revenue				
External revenue	118,732	42,828	42,319	203,879
Segment result				
Segment profit	48,038	20,310	9,165	77,513
Finance costs				(2,317)
Depreciation and amortisation expense				(5,272)
Profit before income tax expense				69,924
Income tax expense				(19,741)
Profit after income tax expense				50,183

B) GEOGRAPHICAL INFORMATION

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

Note 3: Revenue

	31 Dec 2022 \$'000	31 Dec 2021 \$'000
PDL interest revenue	137,809	147,203
Interest and fee income from consumer lending	65,183	42,319
Other interest received	285	9
Other income	17,231	14,348
Total	220,508	203,879

Note 4: Income tax expense

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

The major components of income tax expense in the interim income statement at the end of the period are:

	31 Dec 2022 \$'000	31 Dec 2021 \$'000
Income tax expense		
Current tax	(13,501)	(16,562)
Deferred tax	(52)	(3,179)
Over provision / (Under provision) in respect of prior years	1,799	—
Total	(11,754)	(19,741)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2022

Note 5: Dividends paid and proposed

	Cents per share	Total \$'000	Franked / unfranked	Date of payment
The following dividends were declared and paid by the Group during the period:				
Final 2022 ordinary	36.0	24,407	Franked	12 Sep 2022
Total		24,407		

Franked dividends declared or paid during the period were franked at the tax rate of 30 per cent.

After 31 December 2022 the following dividends were proposed by the directors. The dividends have not been provided for and there are no income tax consequences.

Interim 2023 ordinary	23.0	15,647	Franked	31 Mar 2023
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Note 6: Issuances, repurchases and repayments of equity securities

	31 Dec 2022 \$'000	30 Jun 2022 \$'000
Issued capital		
Opening balance	361,232	346,738
Performance rights converted during the period	4,375	6,994
Performance rights converted in prior year	9,534	7,500
Total	375,141	361,232

	31 Dec 2022 '000	30 Jun 2022 '000
Number of fully paid ordinary shares		
On issue at 1 July	67,832	67,316
<i>Shares issued during the period:</i>		
Performance rights converted during the period	235	516
Total	68,067	67,832

Note 7: Business Combination

On 21 October 2022 the Group acquired 100 per cent of shares in the Collection House Limited (ASX: CLH) for a consideration of \$11 million on a cash and debtors free basis. Subsequently cash and debtors were acquired for a further payment of \$4.5 million. Collection House is primarily involved in collection services and debt ledger purchasing. The acquisition complements the Group's existing operations and increased the Group's industry market share.

As at 31 December 2022 accounting for the acquisition is provisional in nature due to the deferred tax balances being subject to finalisation.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	\$'000
Purchased debt ledgers	1,614
Plant and equipment	879
Right-of-use assets	27
Current tax receivables	107
Other assets	224
Deferred tax assets	11,368
Trade and other payables	(2,085)
Lease liabilities	(1,113)
Provision	(11,021)
Total identifiable net assets acquired	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2022

Note 7: Business Combination *continued*

A) GOODWILL

Goodwill arising from the acquisition has been recognised as follows.

	\$'000
Total Consideration transferred	11,000
Fair value of identifiable net assets	—
Goodwill	11,000

B) ACCOUNTING POLICY

The acquisition method of accounting is used to account for all business combinations. Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange.

Acquisition-related costs of \$0.3 million are included in other expenses in the consolidated income statement and in operating cash flows in the consolidated statement of cash flows.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of identifiable net assets acquired is recorded as goodwill.

C) REVENUE AND PROFIT CONTRIBUTION

Revenue and profit contribution from the date of acquisition to period ended 31 December 2022:

	\$'000
Revenue	3,919
Loss before tax	(1,907)

Note 8: Contingent liabilities

The Group had contingent liabilities in respect of:

	31 Dec 2022 \$'000	30 Jun 2022 \$'000
US collections agency licensure bonds ¹	2,722	2,037
Collection House out-performance participation (maximum amount payable) ²	—	15,000
Total	2,722	17,037

1) Licensure bonds are issued in the normal course of business to the State Boards having oversight of Collection Agencies in the United States to guarantee collected funds are remitted to clients under contracts.

2) On 24 December 2020, Credit Corp entered into a binding agreement with Collection House to acquire their Australian PDL book. Under the terms of the transaction, Collection House is eligible to receive a proportion of cumulative collections, up to a maximum of \$15 million, over an eight year period, if the acquired assets produce returns well in excess of the Group's hurdle investment return. Upon the acquisition of Collection House in October 2022, this arrangement became obsolete and the contingent liability no longer exist.

Note 9: Events subsequent to reporting date

In the interval between the end of the half-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 10: Fair value measurement

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.

The carrying amounts of cash and cash equivalents, trade and other receivables, consumer loans and trade and other payables approximate their fair values.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Credit Corp Group Limited, the directors of the Company declare that:

- A) The financial statements and notes, as set out on pages 6 to 14 are in accordance with the *Corporations Act 2001*, and:
 - a) Give a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the period 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.
- B) 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.
- C) 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.



Eric Dodd
Chairman
1 February 2023



James M. Millar AM
Non-Executive Director
1 February 2023



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

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
CREDIT CORP GROUP LIMITED**

Report on the Half-year Financial Report

Conclusion

We have reviewed the half-year financial report of Credit Corp Group Limited, which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes to the financial statements including a summary of significant accounting policies, other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Credit Corp Group Limited does not comply with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of Credit Corp Group Limited's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual 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 Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of Credit Corp Group Limited are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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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 ENTITIES

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in black ink, appearing to read 'Drew Townsend'. The signature is fluid and cursive.

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

A handwritten signature in black ink, appearing to read 'Drew Townsend'. The signature is fluid and cursive.

DREW TOWNSEND
Partner
Dated: 1 February 2023

HISTORICAL ANALYSIS OF PERFORMANCE

	31 Dec 2022 \$'000	31 Dec 2021 \$'000
INCOME AND PROFIT		
Purchased debt ledger collections	251,661	271,599
Less: Purchased debt ledger amortisation	(113,852)	(124,396)
Interest revenue from purchased debt ledgers	137,809	147,203
Interest and fee income from consumer lending	65,183	42,319
Other revenue	17,516	14,357
Total revenue	220,508	203,879
NPAT	31,828	50,183
FINANCIAL POSITION		
Current assets	443,495	386,274
Non-current assets, excluding intangible assets	723,583	460,446
Intangible assets	11,800	800
Total assets	1,178,878	847,520
Current liabilities	63,637	78,241
Non-current liabilities	354,650	69,856
Total liabilities	418,287	148,097
Net assets	760,591	699,423
Borrowings	320,289	20,423
Shares on issue ('000)	68,067	67,833
CASH FLOWS		
From operating activities	(122,978)	(31,035)
From investing activities	(16,170)	(2,075)
From financing activities	162,809	(7,051)
Net increase / (decrease) in cash	23,661	(40,161)
KEY STATISTICS		
Earnings per share		
– Basic (cents)	46.9	74.4
– Diluted (cents)	45.6	74.4
Dividends per share (cents)	23.0	36.0
NPAT / revenue	14%	25%
NTA backing per share (dollar)	10.65	9.84

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. Phillip Aris

Ms. Lyn McGrath

Ms. Leslie Martin

Mr. James M. Millar AM

Mr. Richard Thomas

Ms. Trudy Vonhoff

Company secretaries

Mr. Thomas Beregi

Mr. Michael Eadie

Head office and registered office

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Sydney NSW 2001 Australia

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Fax 1300 483 012

Email investorinfo@creditcorp.com.au

Website www.creditcorpgroup.com.au

Share registry

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Auditor

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Credit Corp Group