



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 2021

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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 2021 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 2021

1 Details of the reporting period and the prior corresponding period

Current period: 1 July 2021 to 31 December 2021
Prior corresponding period: 1 July 2020 to 31 December 2020

2 Results for announcement to the market

		31 Dec 2021 \$'000	31 Dec 2020 \$'000	Change %
Key information				
2.1	Revenue	203,879	187,994	8%
2.2	Profit from ordinary activities after tax attributable to members	50,183	42,277	19%
2.3	Profit attributable to members of the Group	50,183	42,277	19%

		Amount per security	Franked amount per security
2.4	Dividends per ordinary share		
	2021 Final dividend	36.0 cents	100%
	2022 Interim dividend (declared, not yet provided at 31 December 2021)	38.0 cents	100%
2.5	Dividends per ordinary share		
	2021 Final dividend		10 Sep 2021
	2022 Interim dividend		11 Mar 2022

2.6 Commentary
Please refer to the H1 of 2022 Media Release and the Interim Financial Statements for the half-year ended 31 December 2021 for further explanations of the figures presented at 2.1 – 2.4 above.

3 Net tangible assets per ordinary share

	31 Dec 2021 \$	31 Dec 2020 \$
Security		
Ordinary shares	9.84	9.44

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

No entities were acquired or disposed of during the period which have material effect.

5 Dividend payments

	Cents per share	Total \$'000	Franked / unfranked	Payment date
Ordinary share capital				
2021 Interim dividend	36.0	24,221	Franked	11 Mar 2021
2021 Final dividend	36.0	24,221	Franked	10 Sep 2021
		48,442		
2020 Interim dividend	36.0	19,758	Franked	13 Mar 2020
2020 Final dividend	–	–	N/A	N/A
		19,758		

After 31 December 2021 the following dividends were proposed by the directors. The dividends have not been provided for and there are no income tax consequences.

2022 Interim dividend	38.0	25,776	Franked	11 Mar 2022
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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 2021 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 2021. 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)	
Ms Leslie Martin	Director (Non-Executive)	
Mr Richard Thomas	Director (Non-Executive)	
Ms Trudy Vonhoff	Director (Non-Executive)	
Mr Phillip Aris	Director (Non-Executive)	(appointed 15 July 2021)
Mr James Millar	Director (Non-Executive)	(appointed 21 December 2021)
Mr Donald McLay	Director (Non-Executive)	(retired 18 November 2021)

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 \$50.2 million for the first half of the 2022 financial year. The highlights include the following:

- 8 per cent increase in NPAT to \$45.7 million.
- 9 per cent growth in the consumer loan book over the half to \$200 million.
- Record half-year investment driven by a step up in US purchased debt ledger (PDL) investment to \$150 million+ per annum and the Radio Rentals acquisition.
- On track for strong earnings growth across all segments over the full year.

Secondary purchases of the Collection House and Radio Rentals books grew the Australian/New Zealand debt buying segment collections by 6 per cent and NPAT by 5 per cent over the prior corresponding period (PCP). While market volume remains subdued organic purchasing continues to recover, reaching its highest level since the start of the pandemic.

The recently completed Radio Rentals acquisition is expected to sustain collections over the second half in advance of a recovery in organic purchasing. Credit Corp continues to enjoys strong purchasing relationships and is well-positioned as unsecured credit balances recover and charge-off volumes normalise.

In the US, Credit Corp has grown its market share to offset a contraction in PDL supply arising from the pandemic. The Company has secured a full year pipeline of more than \$150 million. The outlook is for a strong recovery in PDL supply over the medium term as US consumers rapidly increase their use of unsecured credit.

Australian/New Zealand consumer lending demand accelerated over the December quarter as key markets emerged from COVID lockdown. Record monthly originations were recorded in December.

High settlement volumes suppressed first-half segment earnings due to up-front expected life-of-loan loss provision expense but produced a \$200 million loan book at the close of the period. Higher interest revenue derived from the increased book will produce an improved second-half NPAT.

Several lending pilots commenced during the period including the Wizpay Buy Now, Pay Later product, the auto loan re-launch and the US instalment loan pilot. The acquisition of the Radio Rentals business assets has accelerated existing plans to enter the sale of goods by instalment market and adds to the suite of lending pilots already underway. All pilots utilise Credit Corp's leading technology platform including fast online decisioning and superior collections.

OUTLOOK

The Company is on track to grow earnings in all segments after record first-half investment. Credit Corp remains debt free with undrawn credit lines intact for any one-off opportunities and continued investment growth as market conditions allow.

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 2022



JAMES MILLAR

Non-Executive Director

1 February 2022

HALL CHADWICK  (NSW)

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**

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia
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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 2021, 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.

Hall Chadwick

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

S. Kumar

SANDEEP KUMAR

Partner

Date: 1 February 2022

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CONSOLIDATED INCOME STATEMENT

For the half-year ended 31 December 2021

	Note	31 Dec 2021 \$'000	31 Dec 2020 \$'000
Revenue	3	203,879	187,994
Finance costs		(2,317)	(2,650)
Employee benefits expense		(70,967)	(70,643)
Depreciation and amortisation expense		(5,272)	(5,575)
Office facility expenses		(9,681)	(9,489)
Collection expenses		(15,105)	(15,107)
Consumer loans loss provision expense		(20,077)	(15,721)
Marketing expenses		(6,596)	(4,741)
Other expenses		(3,940)	(3,566)
Profit before income tax		69,924	60,502
Income tax expense	4	(19,741)	(18,225)
Profit for the period		50,183	42,277
Earnings per share for profit attributable to owners of the company			
Basic earnings per share (cents per share)		74.4	62.8
Diluted earnings per share (cents per share)		74.4	62.3

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 2021

	31 Dec 2021 \$'000	31 Dec 2020 \$'000
Profit for the period	50,183	42,277
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit / (loss):</i>		
Exchange differences on translation of foreign operations	6,398	—
Other comprehensive income for the period, net of income tax	6,398	—
Total comprehensive income for the period	56,581	42,277

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	31 Dec 2021 \$'000	30 Jun 2021 \$'000
CURRENT ASSETS		
Cash and cash equivalents	21,516	61,677
Trade and other receivables	7,041	15,531
Consumer loans receivables	97,720	95,814
Purchased debt ledgers	252,677	234,856
Finance lease receivables	699	756
Other assets	6,621	3,623
Total current assets	386,274	412,257
NON-CURRENT ASSETS		
Consumer loans receivables	48,901	39,358
Purchased debt ledgers	304,544	232,465
Plant and equipment	7,248	6,502
Right-of-use assets	31,327	21,783
Finance lease receivables	–	303
Deferred tax assets	68,426	67,782
Intangible assets	800	800
Total non-current assets	461,246	368,993
Total assets	847,520	781,250
CURRENT LIABILITIES		
Trade and other payables	39,681	39,027
Current tax liabilities	7,591	7,934
Lease liabilities	8,524	7,067
Provisions	22,445	19,512
Total current liabilities	78,241	73,540
NON-CURRENT LIABILITIES		
Borrowings	20,423	3,608
Deferred tax liabilities	11,001	8,006
Lease liabilities	25,746	17,607
Provisions	12,686	11,426
Total non-current liabilities	69,856	40,647
Total liabilities	148,097	114,187
Net assets	699,423	667,063
EQUITY		
Issued capital	353,732	346,738
Reserves	24,367	24,963
Retained earnings	321,324	295,362
Total equity	699,423	667,063

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 2021

	Note	Issued Capital \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
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					
Shares issued net of transaction costs and tax		—	—	—	—
Transfer from reserve on vesting of performance rights		6,994	(6,994)	—	—
Performance rights issued net of transaction costs		—	—	—	—
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
Balance at 1 July 2020		346,738	16,019	231,453	594,210
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD					
Profit for the period		—	—	42,277	42,277
Other comprehensive income		—	—	—	—
Total Comprehensive Income for the period		—	—	42,277	42,277
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Shares issued net of transaction costs and tax		—	—	—	—
Performance rights issued net of transaction costs		—	—	—	—
Dividends paid or provided for	5	—	—	—	—
Transactions with owners in their capacity as owners		—	—	—	—
Balance at 31 December 2020		346,738	16,019	273,730	636,487

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 2021

	Note	31 Dec 2021 \$'000	31 Dec 2020 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and debtors		333,221	302,055
Payments to suppliers and employees		(109,405)	(103,700)
Interest received on bank deposits		9	119
Interest paid – leases		(424)	(468)
Interest paid – other		(1,656)	(1,762)
Income tax paid		(16,758)	(5,125)
Cash flows from operating activities before changes in operating assets		204,987	191,119
Changes in operating assets arising from cash flow movements			
Net funding of consumer loans		(27,330)	(125)
Acquisition of purchased debt ledgers		(208,692)	(197,825)
Changes in operating assets arising from cash flow movements		(236,022)	(197,950)
Net cash outflow from operating activities		(31,035)	(6,831)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of plant and equipment		(2,075)	(412)
Net cash outflow from investing activities		(2,075)	(412)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		21,000	30,000
Repayment of borrowings		(34)	(19,034)
Repayment of lease payments (principal)		(3,796)	(2,944)
Dividends paid	5	(24,221)	—
Net cash (outflow) / inflow from financing activities		(7,051)	8,022
Net (decrease) / increase in cash and cash equivalents		(40,161)	779
Cash and cash equivalents at 1 July		61,677	48,660
Cash and cash equivalents at end of period		21,516	49,439

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 2021.

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 2021 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 2021, 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 2022.

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 2021.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 and New Zealand). 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 and New Zealand

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

There is an immaterial component of this segment representing consumer loans written to US consumers with this activity commencing during the half-year ended 31 December 2021.

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 \$'000	Total for continuing operations \$'000
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
Half-year ended 31 December 2020				
Segment revenue				
External revenue	113,263	37,325	37,406	187,994
Segment result				
Segment profit	47,413	11,717	9,597	68,727
Finance costs				(2,650)
Depreciation and amortisation expense				(5,575)
Profit before income tax expense				60,502
Income tax expense				(18,225)
Profit after income tax expense				42,277

B) GEOGRAPHICAL INFORMATION

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 3: Revenue

	31 Dec 2021 \$'000	31 Dec 2020 \$'000
PDL interest revenue	147,203	135,478
Interest and fee income from consumer lending	42,319	37,406
Other interest received	9	119
Other income	14,348	14,991
Total	203,879	187,994

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 2021 \$'000	31 Dec 2020 \$'000
Income tax expense		
Current tax	(16,562)	(18,216)
Deferred tax	(3,179)	11
(Under provision) / over provision in respect of prior years	—	(20)
Total	(19,741)	(18,225)

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:				
Half-year ended 31 December 2021				
Final 2021 ordinary	36.0	24,221	Franked	10 Sep 2021
Total		24,221		

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

After 31 December 2021 the following dividends were proposed by the directors. The dividends have not been provided for and there are no income tax consequences.

Interim 2022 ordinary	38.0	25,776	Franked	11 Mar 2022
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Note 6: Issuances, repurchases and repayments of equity securities

	31 Dec 2021 \$'000	30 Jun 2021 \$'000
Issued capital		
Opening balance	346,738	346,738
Performance rights converted during the period	6,994	—
Total	353,732	346,738

	31 Dec 2021 '000	30 Jun 2021 '000
Number of fully paid ordinary shares		
On issue at 1 July	67,316	67,316
Shares issued during the period:		
Performance rights converted during the period	517	—
Total	67,833	67,316

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 7: Significant business transaction

On 20 December 2021, the Group acquired the assets of Radio Rentals appliance leasing business from ASX listed Thorn Group Limited (Thorn; ASX:TGA) for a total consideration of approximately \$60 million. The acquisition has met the AASB 3 *Business Combinations* asset concentration test and the assets acquired have been accounted for as purchased debt ledgers.

Note 8: Contingent liabilities

The Group had contingent liabilities in respect of:

	31 Dec 2021 \$'000	30 Jun 2021 \$'000
US collections agency licensure bonds ¹	2,186	2,036
Collection House out-performance participation (maximum amount payable) ²	15,000	15,000
Total	17,186	17,036

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. Returns on this investment are so far not tracking to a level that would trigger any payment under this arrangement.

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 2021 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 2022



JAMES MILLAR

Non-Executive Director

1 February 2022

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

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

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 2 Park Street
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 Australia
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Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Credit Corp Group Limited, which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other 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 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 2021 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 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.

Directors' Responsibility for the Half-Year 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 2021 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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HALL CHADWICK  (NSW)

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.

Hall Chadwick

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

S. Kumar

SANDEEP KUMAR

Partner

Dated: 1 February 2022

HISTORICAL ANALYSIS OF PERFORMANCE

	31 Dec 2021 \$'000	31 Dec 2020 \$'000
INCOME AND PROFIT		
Purchased debt ledger collections	271,599	249,638
Less: Purchased debt ledger amortisation	(124,396)	(114,160)
Interest revenue from purchased debt ledgers	147,203	135,478
Interest and fee income from consumer lending	42,319	37,406
Other revenue	14,357	15,110
Total revenue	203,879	187,994
NPAT	50,183	42,277
FINANCIAL POSITION		
Current assets	386,274	367,900
Non-current assets, excluding intangible assets	460,446	411,918
Intangible assets	800	800
Total assets	847,520	780,618
Current liabilities	78,241	73,074
Non-current liabilities	69,856	71,057
Total liabilities	148,097	144,131
Net assets	699,423	636,487
Borrowings	20,423	33,284
Shares on issue ('000)	67,833	67,316
CASH FLOWS		
From operating activities	(31,035)	(6,831)
From investing activities	(2,075)	(412)
From financing activities	(7,051)	8,022
Net (decrease) / increase in cash	(40,161)	779
KEY STATISTICS		
Earnings per share		
– Basic (cents)	74.4	62.8
– Diluted (cents)	74.4	62.3
Dividends per share (cents)	36.0	—
NPAT / revenue	25%	22%
NTA backing per share (dollar)	9.84	9.44

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
Ms Leslie Martin
Mr Richard Thomas
Ms Trudy Vonhoff
Mr Phillip Aris
Mr James Millar

Company secretaries

Mr Thomas Beregi
Mr Michael Eadie

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Credit Corp Group