REFINITIV

DELTA REPORT

10-Q

WRLD - WORLD ACCEPTANCE CORP

10-Q - DECEMBER 31, 2023 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	701
CHANGES	414
DELETIONS	154
ADDITIONS	133

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2023 December 31, 2023

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT of 1934

For the transition period from ______________ to ______________

Commission File Number: 000-19599

WORLD ACCEPTANCE CORPORATION

(Exact name of registrant as specified in its charter.)

South Carolina	57-0425114
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

104 S Main Street
Greenville, South Carolina 29601
(Address of principal executive offices)
(Zip Code)

(864) 298-9800
(registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, no par value	WRLD	The NASDAQ Stock Market LLC (NASDAQ Global Select Market)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for shorter period than the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated filer ☐	Accelerated filer ☒
Non-accelerated filer ☐	Smaller reporting company ☐
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No x

The number of outstanding shares of the issuer’s common stock, no par value, as of October 27, 2023 February 1, 2024 was 6,224,831. 6,080,276.

WORLD ACCEPTANCE CORPORATION
FORM 10-Q

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Introductory Note: As used herein, the "Company," "we," "our," "us," or similar formulations include World Acceptance Corporation and each of its subsidiaries, unless otherwise expressly noted or the context otherwise requires that it include only World Acceptance Corporation. All references in this report to "fiscal 2024" are to the Company's fiscal year ending March 31, 2024; all references in this report to "fiscal 2023" are to the Company's fiscal year ended March 31, 2023; all references in this report to "fiscal 2022" are to the Company's fiscal year ended March 31, 2022; and all references to "fiscal 2019" are to the Company's fiscal year ended March 31, 2019.

GLOSSARY OF DEFINED TERMS

The following terms may be used throughout this Report, including consolidated financial statements and related notes.

Term	Definition
2008 Plan	World Acceptance Corporation 2008 Stock Option Plan
2011 Plan	World Acceptance Corporation 2011 Stock Option Plan
2017 Plan	World Acceptance Corporation 2017 Stock Incentive Plan
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
CECL	Current Expected Credit Loss
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CFPB	U.S. Consumer Financial Protection Bureau
Compensation Committee	Compensation and Stock Option Committee
Customer Tenure	The number of years since a customer was first serviced by the Company
ERISA	Employee Retirement Income Security Act
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
FICO	The Fair Isaac Corporation
G&A	General and administrative
GAAP	U.S. generally accepted accounting principles
HTC	Historic Tax Credit
IRS	U.S. Internal Revenue Service
Notes	$300 million in aggregate principal amount of 7.0% unsecured senior notes due 2026 issued on September 27, 2021
Option Measurement Period	The 6.5 year performance period beginning on September 30, 2018 and ending on March 31, 2025 over which the Performance Options are eligible to vest, following certification by the Compensation Committee of achievement
PCD	Purchased Assets with Credit Deterioration
Performance Options	Performance-based stock options
Performance Share Measurement Period	The 6.5 year performance period beginning on September 30, 2018 and ending on March 31, 2025 over which the Performance Shares are eligible to vest, following certification by the Compensation Committee of achievement
Performance Shares	Service- and performance-based restricted stock awards
Rehab Rate	Percentage of 91 days or more delinquent that do not charge off
Restricted Stock	Service-based restricted stock awards
SEC	U.S. Securities and Exchange Commission
Service Options	Service-based stock options
SOFR	Secured Overnight Finance Rate
TAL	Tax Advance Loan

PART I. FINANCIAL INFORMATION

WORLD ACCEPTANCE CORPORATION
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

		September 30, 2023	March 31, 2023		December 31, 2023	March 31, 2023
ASSETS	**ASSETS**			**ASSETS**		

Cash and cash equivalents	Cash and cash equivalents	**$ 18,785,970**	$ 16,508,935	
Gross loans receivable	Gross loans receivable	**1,379,513,967**	1,390,015,568	
Less:	Less:			Less:
Unearned interest, insurance and fees	Unearned interest, insurance and fees	**(370,312,342)**	(376,674,349)	
Allowance for credit losses	Allowance for credit losses	**(128,892,192)**	(125,552,733)	
Loans receivable, net	Loans receivable, net	**880,309,433**	887,788,486	
Income taxes receivable				
Operating lease right-of-use assets, net	Operating lease right-of-use assets, net	**80,396,803**	81,289,240	
Property and equipment, net				
Property and equipment, net				
Property and equipment, net	Property and equipment, net	**23,695,862**	23,926,080	
Deferred income taxes, net	Deferred income taxes, net	**41,857,758**	41,722,361	
Other assets, net	Other assets, net	**40,125,544**	43,422,669	
Goodwill	Goodwill	**7,370,791**	7,370,791	
Intangible assets, net	Intangible assets, net	**13,157,700**	15,289,579	
Total assets	Total assets	**$1,105,699,861**	$1,117,318,141	
Total assets				
Total assets				
LIABILITIES & SHAREHOLDERS' EQUITY				
LIABILITIES & SHAREHOLDERS' EQUITY				
LIABILITIES & SHAREHOLDERS' EQUITY	**LIABILITIES & SHAREHOLDERS' EQUITY**			
Liabilities:				
Liabilities:				
Liabilities:	Liabilities:			
Senior notes payable	Senior notes payable	**$ 276,555,903**	$ 307,910,824	
Senior unsecured notes payable, net	Senior unsecured notes payable, net	**284,378,749**	287,352,892	
Income taxes payable	Income taxes payable	**1,946,851**	2,532,766	

Operating lease liability	Operating lease liability	**82,948,163**	83,735,002
Accounts payable and accrued expenses	Accounts payable and accrued expenses	**49,847,400**	50,559,920
Accounts payable and accrued expenses			
Accounts payable and accrued expenses			
Total liabilities			
Total liabilities			
Total liabilities	Total liabilities	**695,677,066**	732,091,404
Commitments and contingencies	Commitments and contingencies		
Commitments and contingencies			
Commitments and contingencies			
Shareholders' equity:	Shareholders' equity:		
Shareholders' equity:			
Shareholders' equity:			
Preferred stock, no par value Authorized 5,000,000, no shares issued or outstanding	Preferred stock, no par value Authorized 5,000,000, no shares issued or outstanding	**—**	—
Common stock, no par value Authorized 95,000,000 shares; issued and outstanding 6,246,818 and 6,231,082 shares at September 30, 2023 and March 31, 2023, respectively		**—**	—
Common stock, no par value Authorized 95,000,000 shares; issued and outstanding 6,073,299 and 6,231,082 shares at December 31, 2023 and March 31, 2023, respectively			
Additional paid-in capital	Additional paid-in capital	**287,246,730**	288,071,839
Retained earnings	Retained earnings	**122,776,065**	97,154,898
Total shareholders' equity	Total shareholders' equity	**410,022,795**	385,226,737
Total shareholders' equity			
Total shareholders' equity			

Total liabilities and shareholders' equity	**$1,105,699,861**	$1,117,318,141

Total liabilities and shareholders' equity

Total liabilities and shareholders' equity

See accompanying notes to consolidated financial statements.

WORLD ACCEPTANCE CORPORATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended September 30,		Six months ended September 30,	
	2023	2022	**2023**	2022
Revenues:				
Interest and fee income	**$116,953,114**	$130,461,548	**$233,572,028**	$260,666,938
Insurance and other income, net	**19,922,207**	20,796,630	**42,627,084**	48,509,528
Total revenues	**136,875,321**	151,258,178	**276,199,112**	309,176,466
Expenses:				
Provision for credit losses	**40,463,066**	68,620,146	**87,065,078**	154,442,413
General and administrative expenses:				
Personnel	**38,437,364**	45,294,668	**80,229,451**	90,473,013
Occupancy and equipment	**12,428,506**	13,490,914	**25,048,246**	26,725,611
Advertising	**2,241,707**	1,009,797	**4,991,251**	3,218,192

	Three months ended December 31,	Three months ended December 31,		Nine months ended December 31,	
	2023	**2023**	2022	**2023**	2022

Revenues:

Revenues:

Interest and fee income

Interest and fee income

Expenses:

Expenses:

General and administrative expenses:

Amortization of intangible assets	Amortization of intangible assets	**1,062,563**	1,106,050	**2,131,879**	2,238,154
Other	Other	**8,777,372**	8,792,876	**18,671,889**	18,689,730
Total general and administrative expenses	Total general and administrative expenses	**62,947,512**	69,694,305	**131,072,716**	141,344,700
Interest expense	Interest expense	**12,543,238**	13,032,418	**24,785,487**	24,206,765
Interest expense					
Interest expense					
Total expenses	Total expenses	**115,953,816**	151,346,869	**242,923,281**	319,993,878
Income (loss) before income taxes	Income (loss) before income taxes	**20,921,505**	(88,691)	**33,275,831**	(10,817,412)
Income (loss) before income taxes					
Income (loss) before income taxes					
Income tax expense (benefit)		**4,839,086**	548,888	**7,654,664**	(1,613,361)
Income tax expense					
Income tax expense					
Income tax expense					
Net income (loss)	Net income (loss)	**$ 16,082,419**	$ (637,579)	**$ 25,621,167**	$ (9,204,051)
Net income (loss)					
Net income (loss)					
Net income (loss) per common share:					
Net income (loss) per common share:					
Net income (loss) per common share:	Net income (loss) per common share:				
Basic	Basic	**$ 2.78**	$ (0.11)	**$ 4.44**	$ (1.61)
Diluted	Diluted	**$ 2.71**	$ (0.11)	**$ 4.33**	$ (1.61)
Weighted average common shares outstanding:	Weighted average common shares outstanding:				Weighted average common shares outstanding:
Basic	Basic	**5,780,061**	5,726,469	**5,776,417**	5,733,613
Diluted	Diluted	**5,938,705**	5,726,469	**5,915,023**	5,733,613

See accompanying notes to consolidated financial statements.

WORLD ACCEPTANCE CORPORATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited)

Three months ended September 30, 2023

	Common Stock			
	Shares	Additional Paid-in Capital	Retained Earnings	Total Shareholders' Equity
Balances at June 30, 2023	**6,240,497**	**$290,193,831**	**$106,693,646**	**$396,887,477**

Three months ended December 31, 2023

Three months ended December 31, 2023

Three months ended December 31, 2023

		Common Stock			
		Shares			
		Shares			
		Shares	Additional Paid-in Capital	Retained Earnings	Total Shareholders' Equity
Balances at September 30, 2023					
Proceeds from exercise of stock options	**Proceeds from exercise of stock options**	**4,203**	**360,676**	**—**	**360,676**
Stock-based compensation related to restricted stock, net of cancellations ($0)		**2,118**	**1,066,500**	**—**	**1,066,500**
Stock-based compensation (reversal) related to stock options		**—**	**(4,374,277)**	**—**	**(4,374,277)**
Common stock repurchases					
Stock-based compensation (reversal) related to restricted stock, net of cancellations ($2,823,774)					
Stock-based compensation related to stock options					
Net income	**Net income**	**—**	**—**	**16,082,419**	**16,082,419**
Balances at September 30, 2023		**6,246,818**	**$287,246,730**	**$122,776,065**	**$410,022,795**
Net income					
Net income					

Balances at December 31, 2023

	Three months ended September 30, 2022			
	Common Stock			
	Shares	Additional Paid-in Capital	Retained Earnings	Total Shareholders' Equity
Balances at June 30, 2022	6,280,721	$ 285,126,690	$ 67,356,437	$ 352,483,127
Stock-based compensation related to restricted stock, net of cancellations ($0)	1,000	3,143,874	—	3,143,874
Stock-based compensation related to stock options	—	676,704	—	676,704
Net loss	—	—	(637,579)	(637,579)
Balances at September 30, 2022	6,281,721	$ 288,947,268	$ 66,718,858	$ 355,666,126

	Three months ended December 31, 2022			
	Common Stock			
	Shares	Additional Paid-in Capital	Retained Earnings	Total Shareholders' Equity
Balances at September 30, 2022	6,281,721	$ 288,947,268	$ 66,718,858	$ 355,666,126
Proceeds from exercise of stock options	1,296	82,825	—	82,825
Stock-based compensation (reversal) related to restricted stock, net of cancellations ($2,543,001)	(54,408)	(3,222,444)	—	(3,222,444)
Stock-based compensation related to stock options	—	425,120	—	425,120
Net income	—	—	5,804,586	5,804,586
Balances at December 31, 2022	6,228,609	$ 286,232,769	$ 72,523,444	$ 358,756,213

	Six months ended September 30, 2023			
	Common Stock			
	Shares	Additional Paid-in Capital	Retained Earnings	Total Shareholders' Equity
Balances at March 31, 2023	**6,231,082**	**$ 288,071,839**	**$ 97,154,898**	**$ 385,226,737**
Proceeds from exercise of stock options	**11,743**	**1,069,970**	**—**	**1,069,970**
Stock-based compensation related to restricted stock, net of cancellations ($0)	**3,993**	**2,165,851**	**—**	**2,165,851**
Stock-based compensation (reversal) related to stock options	**—**	**(4,060,930)**	**—**	**(4,060,930)**
Net income	**—**	**—**	**25,621,167**	**25,621,167**
Balances at September 30, 2023	**6,246,818**	**$ 287,246,730**	**$ 122,776,065**	**$ 410,022,795**

	Six months ended September 30, 2022			
	Common Stock			

	Shares	Additional Paid-in Capital	Retained Earnings	Total Shareholders' Equity
Balances at March 31, 2022	6,348,314	$ 280,907,085	$ 92,117,343	$ 373,024,428
Proceeds from exercise of stock options	4,300	403,547	—	403,547
Common stock repurchases	(73,643)	—	(14,314,088)	(14,314,088)
Stock-based compensation related to restricted stock, net of cancellations ($0)	2,750	6,191,877	—	6,191,877
Stock-based compensation related to stock options	—	1,444,759	—	1,444,759
Cumulative effect of adoption of ASU 2023-02	—	—	(1,880,346)	(1,880,346)
Net loss	—	—	(9,204,051)	(9,204,051)
Balances at September 30, 2022	6,281,721	$ 288,947,268	$ 66,718,858	$ 355,666,126

	Nine months ended December 31, 2023			
	Common Stock			
	Shares	Additional Paid-in Capital	Retained Earnings	Total Shareholders' Equity
Balances at March 31, 2023	**6,231,082**	**$ 288,071,839**	**$ 97,154,898**	**$ 385,226,737**
Proceeds from exercise of stock options	**22,847**	**2,018,412**	**—**	**2,018,412**
Common stock repurchases	**(148,765)**		**(17,291,997)**	**(17,291,997)**
Stock-based compensation (reversal) related to restricted stock, net of cancellations ($2,823,774)	**(31,865)**	**(1,348,623)**	**—**	**(1,348,623)**
Stock-based compensation (reversal) related to stock options	**—**	**(3,871,348)**	**—**	**(3,871,348)**
Net income	**—**	**—**	**42,285,985**	**42,285,985**
Balances at December 31, 2023	**6,073,299**	**$ 284,870,280**	**$ 122,148,886**	**$ 407,019,166**

	Nine months ended December 31, 2022			
	Common Stock			
	Shares	Additional Paid-in Capital	Retained Earnings	Total Shareholders' Equity
Balances at March 31, 2022	6,348,314	$ 280,907,085	$ 92,117,343	$ 373,024,428
Proceeds from exercise of stock options	5,596	486,372	—	486,372
Common stock repurchases	(73,643)	—	(14,314,088)	(14,314,088)
Stock-based compensation related to restricted stock, net of cancellations ($2,543,001)	(51,658)	2,969,433	—	2,969,433
Stock-based compensation related to stock options	—	1,869,879	—	1,869,879
Cumulative effect of adoption of ASU 2023-02	—	—	(1,880,346)	(1,880,346)
Net loss	—	—	(3,399,465)	(3,399,465)
Balances at December 31, 2022	6,228,609	$ 286,232,769	$ 72,523,444	$ 358,756,213

See accompanying notes to consolidated financial statements.

WORLD ACCEPTANCE CORPORATION

AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(Unaudited)

		Six months ended September 30,				
	Nine months ended December 31,				Nine months ended December 31,	
		2023	2022		**2023**	2022
Cash flow from operating activities:	Cash flow from operating activities:			Cash flow from operating activities:		
Net income (loss)	Net income (loss)	**$ 25,621,167**	$ (9,204,051)			
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	Adjustments to reconcile net income (loss) to net cash provided by operating activities:			Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Amortization of intangible assets	Amortization of intangible assets	**2,131,879**	2,238,154			
Amortization of intangible assets						
Amortization of intangible assets						
Accrued unearned interest						
Accrued unearned interest						
Accrued unearned interest	Accrued unearned interest	**(1,861,155)**	(3,205,855)			
Amortization of deferred loan cost	Amortization of deferred loan cost	**6,613,208**	8,007,538			
Gain on extinguishment of senior unsecured notes payable	Gain on extinguishment of senior unsecured notes payable	**(621,776)**	—			
Amortization of debt issuance costs	Amortization of debt issuance costs	**995,155**	745,810			
Provision for credit losses	Provision for credit losses	**87,065,078**	154,442,413			
Depreciation	Depreciation	**3,230,062**	3,016,033			
Amortization of finance leases	Amortization of finance leases	**—**	204,552			

Gain on asset acquisitions, net of income tax	Gain on asset acquisitions, net of income tax	—	(3,708,344)	
Gain on sale of property and equipment		**(62,085)**	(29,962)	
Deferred income tax benefit		**(135,397)**	(8,579,264)	
Stock-based compensation (reversal) related to stock option and restricted stock plans, net of cancellations		**(1,895,079)**	7,636,636	
Loss (gain) on sale of property and equipment				
Loss (gain) on sale of property and equipment				
Loss (gain) on sale of property and equipment				
Deferred income tax expense (benefit)				
Stock-based compensation (reversal) related to equity classified awards				
Change in accounts:				
Change in accounts:				
Change in accounts:	Change in accounts:			
Other assets, net	Other assets, net	**3,303,326**	(6,307,587)	
Income taxes payable	Income taxes payable	**(585,915)**	(5,067,372)	
Accounts payable and accrued expenses	Accounts payable and accrued expenses	**(712,520)**	(3,531,037)	
Net cash provided by operating activities	Net cash provided by operating activities	**123,085,948**	136,657,664	
Cash flows from investing activities:	Cash flows from investing activities:			Cash flows from investing activities:
Increase in loans receivable, net	Increase in loans receivable, net	**(84,338,078)**	(149,437,154)	

Cash paid for acquisitions, primarily loans	Cash paid for acquisitions, primarily loans	—	(22,314,902)
Cash paid for acquisitions, primarily loans			
Cash paid for acquisitions, primarily loans			
Purchases of property and equipment	Purchases of property and equipment	**(3,198,907)**	(3,132,033)
Purchases of property and equipment			
Purchases of property and equipment			
Proceeds from the sale of property and equipment			
Proceeds from the sale of property and equipment			
Proceeds from the sale of property and equipment	Proceeds from the sale of property and equipment	**261,148**	283,927
Net cash used in investing activities	Net cash used in investing activities	**(87,275,837)**	(174,600,162)
Cash flow from financing activities:	Cash flow from financing activities:		Cash flow from financing activities:
Borrowings from senior notes payable	Borrowings from senior notes payable	**123,726,963**	182,426,096
Payments on senior notes payable	Payments on senior notes payable	**(155,081,884)**	(128,500,000)
Payments for extinguished senior unsecured notes payable	Payments for extinguished senior unsecured notes payable	**(2,829,375)**	—
Debt issuance costs associated with senior unsecured notes payable	Debt issuance costs associated with senior unsecured notes payable	—	(104,656)
Debt issuance costs associated with senior unsecured notes payable			
Debt issuance costs associated with senior unsecured notes payable			
Payments for debt extinguishment costs	Payments for debt extinguishment costs	**(8,750)**	—

Debt issuance costs associated with senior notes payable	Debt issuance costs associated with senior notes payable	**(410,000)**	(430,136)
Proceeds from exercise of stock options	Proceeds from exercise of stock options	**1,069,970**	403,547
Payments for taxes related to net share settlement of equity awards			
Repayment of finance lease	Repayment of finance lease	**—**	(80,067)
Repurchase of common stock	Repurchase of common stock	**—**	(14,314,088)
Net cash provided by (used in) financing activities	Net cash provided by (used in) financing activities	**(33,533,076)**	39,400,696
Net cash provided by (used in) financing activities			
Net cash provided by (used in) financing activities			
Net change in cash and cash equivalents			
Net change in cash and cash equivalents			
Net change in cash and cash equivalents	Net change in cash and cash equivalents	**2,277,035**	1,458,198
Cash and cash equivalents at beginning of period	Cash and cash equivalents at beginning of period	**16,508,935**	19,236,322
Cash and cash equivalents at end of period			
Cash and cash equivalents at end of period			
Cash and cash equivalents at end of period	Cash and cash equivalents at end of period	**$ 18,785,970**	$ 20,694,520
Supplemental Disclosures:	Supplemental Disclosures:		
Supplemental Disclosures:			
Supplemental Disclosures:			
Interest paid during the period			
Interest paid during the period			

Interest paid during the period	Interest paid during the period	**$ 24,526,424**	$ 24,513,429
Income taxes paid during the period	Income taxes paid during the period	**$ 7,171,889**	$ 10,772,869
Finance lease right-of-use assets, net transferred to property and equipment, net	Finance lease right-of-use assets, net transferred to property and equipment, net	**$ —**	$ 402,960

See accompanying notes to consolidated financial statements.

WORLD ACCEPTANCE CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 – BASIS OF PRESENTATION

The consolidated financial statements of the Company at September 30, 2023 December 31, 2023 and 2022 and for the three and six nine months then ended were prepared in accordance with the instructions for Form 10-Q and are unaudited; however, in the opinion of management, all adjustments (consisting only of items of a normal, recurring nature) necessary for a fair presentation of the financial position at September 30, 2023 December 31, 2023, and the results of operations and cash flows for the periods ended September 30, 2023 December 31, 2023 and 2022, have been included. The results for the interim periods are not necessarily indicative of the results that may be expected for the full year or any other interim period.

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.

The consolidated financial statements do not include all disclosures required by GAAP and should be read in conjunction with the Company's audited consolidated financial statements and related notes for the fiscal year ended March 31, 2023, included in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2023, as filed with the SEC. The Company applies the accounting policies contained in Note 1 to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended March 31, 2023. The Company believes that the disclosures are adequate to make the information presented not misleading.

NOTE 2 – SUMMARY OF SIGNIFICANT POLICIES

Nature of Operations

The Company is a small-loan consumer finance company headquartered in Greenville, South Carolina that offers short-term small loans, medium-term larger loans, related credit insurance products and ancillary products and services to individuals who have limited access to other sources of consumer credit. The Company offers income tax return preparation services to its loan customers and other individuals.

Seasonality

The Company's loan volume and corresponding loans receivable follow seasonal trends. The Company's highest loan demand generally occurs from October through December, its third fiscal quarter. Loan demand is generally lowest and loan repayment highest from January to March, its fourth fiscal quarter. Loan volume and average balances remain relatively level during the remainder of the year. Consequently, the Company experiences significant seasonal fluctuations in its operating results and cash needs. Operating results for the Company's third fiscal quarter are generally lower than in other quarters, and operating results for its fourth fiscal quarter are generally higher than in other quarters.

Loans receivable, net

Loans receivable are carried at the gross amount outstanding, reduced by unearned interest and insurance income, net of deferred origination fees and direct costs, and an allowance for credit losses. Fees received and direct costs incurred for the origination of loans are deferred and amortized to interest income over the contractual lives of the loans using the interest method. Unamortized amounts are recognized in income at the time that loans are refinanced or paid in full except for those refinancings that do not constitute a more than minor modification. Net unamortized deferred origination costs were $5.4 $5.6 million and $4.9 million as of September 30, 2023 December 31, 2023 and March 31, 2023, respectively.

From time to time, the Company may sell charged off loans receivable, which are accounted for as a sale in accordance with ASC 860, *Transfers and Servicing*.

Allowance for credit losses

Refer to Note 4, “Loans Receivable and Allowance for Credit Losses,” for information regarding the Company's CECL allowance model and a description of the methodology it utilizes.

Reclassification

Certain prior period amounts have been reclassified to conform to the current presentation. Such reclassifications had no impact on previously reported net income (loss) or shareholders' equity, with the exception of the following.

As a result of adopting ASU 2023-02, *Investments- Equity Method and Joint Venture (Topic 323)*, in March 2023 with an effective date of April 1, 2022, previously reported net income for the three months ended December 31, 2022, net loss for the three and six nine months ended September 30, 2022 December 31, 2022 and shareholders' equity as of September 30, 2022 December 31, 2022 were immaterially impacted to conform to the modified retrospective application of this newly adopted ASU.

Recently Adopted Accounting Standards

Troubled Debt Restructurings and Vintage Disclosures

In March 2022, the FASB issued ASU 2022-02, *Troubled Debt Restructurings and Vintage Disclosures*. The amendments in this update eliminated the accounting guidance for troubled debt restructurings by creditors in Subtopic 310-40, *Receivables—Troubled Debt Restructurings by Creditors*, while enhancing disclosure requirements for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty. Additionally, for public business entities, the amendments in this update require that an entity disclose current-period gross write-offs by year of origination for financing receivables and net investments in leases within the scope of Subtopic 326-20, *Financial Instruments—Credit Losses—Measured at Amortized Cost*. The adoption of ASU 2022-02 on April 1, 2023 expanded our write-off gross charge-off disclosures, but had no other impact on the Company’s Consolidated Financial Statements.

Recently Issued Accounting Standards Not Yet Adopted

Improvements to Reportable Segment Disclosures

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The amendments are effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments should be applied retrospectively to all prior periods presented in the financial statements. Management is currently evaluating this ASU to determine its impact on the Company's Consolidated Financial Statements and related disclosures.

Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures,* which modifies the rules on income tax disclosures to require entities to expand annual disclosures to 1) include specific categories in the rate reconciliation and additional information for reconciling items that meet a quantitative threshold and 2) disclose the amount of income taxes paid (net of refunds received) disaggregated by federal, state and foreign taxes. ASU 2023-09 also requires entities to disclose income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign, and income tax expense (or benefit) from continuing operations disaggregated by federal, state and foreign, among other changes. The amendments are effective for annual periods beginning after December 15, 2024. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. ASU 2023-09 should be applied on a prospective basis, but retrospective application is permitted. Management is currently evaluating this ASU to determine its impact on the Company's Consolidated Financial Statements and related disclosures.

We reviewed all other newly issued accounting pronouncements and concluded that they are either not applicable to our business or are not expected to have a material effect on the Consolidated Financial Statements and related disclosures as a result of future adoption.

NOTE 3 – FAIR VALUE

Fair Value Disclosures

The Company may carry certain financial instruments and derivative assets and liabilities at fair value measured on a recurring or nonrecurring basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Company measures the fair values of its financial instruments based on the fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Fair value measurements are grouped in three levels. The levels prioritize the inputs used to measure the fair value of the assets or liabilities. These levels are:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices that are observable for assets and liabilities, either directly or indirectly. These inputs include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are less active.
- Level 3 – Unobservable inputs for assets or liabilities reflecting the reporting entity's own assumptions.

The Company's financial instruments consist of cash and cash equivalents, loans receivable, net, senior notes payable, and senior unsecured notes payable. Loans receivable are originated at prevailing market rates and have an average life of approximately less than twelve months. Given the short-term nature of these loans, they are continually repriced at current market rates. The Company's senior notes payable, consisting of a senior revolving credit facility has a variable rate based on a margin over SOFR and reprices with any changes in SOFR. The fair value of the senior unsecured notes payable is estimated based on quoted prices in markets that are not active. The Company also considers its creditworthiness in its estimation of fair value.

The carrying amounts and estimated fair values of financial assets and liabilities disclosed but not carried at fair value and their level within the fair value hierarchy are summarized below.

		September 30, 2023		March 31, 2023	
	Input Level	**Carrying Value**	**Estimated Fair Value**	Carrying Value	Estimated Fair Value

	Input Level	**December 31, 2023**		March 31, 2023	
	Input Level	**Carrying Value**	**Estimated Fair Value**	Carrying Value	Estimated Fair Value
ASSETS					
ASSETS					
Cash and cash equivalents					

Cash and cash equivalents						
Cash and cash equivalents	Cash and cash equivalents	1	**$18,785,970**	**$18,785,970**	$16,508,935	$16,508,935
Loans receivable, net	Loans receivable, net	3	**880,309,433**	**880,309,433**	887,788,486	887,788,486
LIABILITIES	**LIABILITIES**					
LIABILITIES						
LIABILITIES						
Senior unsecured notes payable						
Senior unsecured notes payable						
Senior unsecured notes payable	Senior unsecured notes payable	2	**287,360,000**	**246,175,565**	290,860,000	218,127,548
Senior notes payable	Senior notes payable	3	**276,555,903**	**276,555,903**	307,910,824	307,910,824

There were no significant assets or liabilities measured at fair value on a non-recurring basis as of September 30, 2023 December 31, 2023 or March 31, 2023.

NOTE 4 – LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES

The following is a summary of gross loans receivable by Customer Tenure as of:

Customer Tenure	**September 30, 2023**	March 31, 2023
0 to 5 months	**$ 78,905,707**	$ 81,803,668
6 to 17 months	**98,860,782**	133,650,188
18 to 35 months	**151,877,424**	135,396,187
36 to 59 months	**226,824,412**	244,414,255
60+ months	**822,888,964**	792,189,216
Tax advance loans	**156,678**	2,562,054
Total gross loans	**$ 1,379,513,967**	$ 1,390,015,568

Customer Tenure	**December 31, 2023**	March 31, 2023
0 to 5 months	**$ 88,474,205**	$ 81,803,668
6 to 17 months	**83,641,505**	133,650,188
18 to 35 months	**154,272,047**	135,396,187
36 to 59 months	**212,663,970**	244,414,255
60+ months	**861,562,368**	792,189,216
Tax advance loans	**7,894**	2,562,054
Total gross loans	**$ 1,400,621,989**	$ 1,390,015,568

Current payment performance is used to assess the capability of the borrower to repay contractual obligations of the loan agreements as scheduled, which is monitored by management on a daily basis. On an as needed basis, qualitative information may be taken into consideration if new information arises related to the customer's ability to repay the loan. The Company's payment performance buckets are as follows: current, 30-60 days past due, 61-90 days past due, 91 days or more past due.

The following table provides a breakdown of the Company's gross loans receivable by current payment performance on a recency basis and year of origination at September 30, 2023 December 31, 2023:

		Term Loans By Origination						
		Term Loans By Origination						
		Term Loans By Origination						
		Term Loans By Origination						
Loans								
Loans								
Loans	Loans	Up to 1 Year Ago	Between 1 and 2 Years Ago	Between 2 and 3 Years Ago	Between 3 and 4 Years Ago	Between 4 and 5 Years Ago	More than 5 Years Ago	Total
Current	Current	$1,169,455,712	$72,966,809	$4,066,741	$113,411	$22,705	$ 6,064	$1,246,631,442
Current								
Current								
30 - 60 days past due								
30 - 60 days past due								
30 - 60 days past due	30 - 60 days past due	44,868,140	6,430,788	458,895	53,300	24,474	2,567	51,838,164
61 - 90 days past due	61 - 90 days past due	26,627,657	3,480,427	143,063	5,984	9,473	4,000	30,270,604
61 - 90 days past due								
61 - 90 days past due								
91 or more days past due								
91 or more days past due								

91 or more days past due	91 or more days past due	42,123,820	8,031,158	446,165	13,578	2,358	—	50,617,079
Total	Total	$1,283,075,329	$90,909,182	$5,114,864	$186,273	$59,010	$12,631	$1,379,357,289

Total

Total

Term Loans By Origination

Term Loans By Origination

Term Loans By Origination

Term Loans By Origination

Tax advance loans

Tax advance loans

Tax advance loans	Tax advance loans	Up to 1 Year Ago	Between 1 and 2 Years Ago	Between 2 and 3 Years Ago	Between 3 and 4 Years Ago	Between 4 and 5 Years Ago	More than 5 Years Ago	Total
Current	Current	$ 33,367	$ 1,850	$ —	$ —	$ —	$ —	$ 35,217
Current								
Current								
30 - 60 days past due								
30 - 60 days past due								
30 - 60 days past due	30 - 60 days past due	34,884	—	—	—	—	—	34,884
61 - 90 days past due	61 - 90 days past due	27,612	188	—	—	—	—	27,800
61 - 90 days past due								
61 - 90 days past due								
91 or more days past due								
91 or more days past due								
91 or more days past due	91 or more days past due	58,777	—	—	—	—	—	58,777
Total	Total	$ 154,640	$ 2,038	$ —	$ —	$ —	$ —	$ 156,678

Total		
Total		
Total gross loans	Total gross loans	$1,379,513,967
Total gross loans		
Total gross loans		

The following table provides a breakdown of the Company's gross loans receivable by current payment performance on a recency basis and year of origination at March 31, 2023:

Loans	Term Loans By Origination: Up to 1 Year Ago	Between 1 and 2 Years Ago	Between 2 and 3 Years Ago	Between 3 and 4 Years Ago	Between 4 and 5 Years Ago	More than 5 Years Ago	Total
Current	$ 1,200,504,088	$ 62,076,656	$ 1,998,218	$ 148,662	$ 23,046	$ 6,863	$ 1,264,757,533
30 - 60 days past due	40,791,746	4,689,867	160,956	42,700	8,504	2,988	45,696,761
61 - 90 days past due	26,319,250	2,572,733	92,088	40,281	884	—	29,025,236
91 or more days past due	41,832,821	5,944,645	160,361	29,494	4,430	2,233	47,973,984
Total	$ 1,309,447,905	$ 75,283,901	$ 2,411,623	$ 261,137	$ 36,864	$ 12,084	$ 1,387,453,514

Tax advance loans	Term Loans By Origination: Up to 1 Year Ago	Between 1 and 2 Years Ago	Between 2 and 3 Years Ago	Between 3 and 4 Years Ago	Between 4 and 5 Years Ago	More than 5 Years Ago	Total
Current	$ 1,932,607	$ 3,524	$ —	$ —	$ —	$ —	$ 1,936,131
30 - 60 days past due	609,844	736	—	—	—	—	610,580
61 - 90 days past due	—	4,845	—	—	—	—	4,845
91 or more days past due	409	10,089	—	—	—	—	10,498
Total	$ 2,542,860	$ 19,194	$ —	$ —	$ —	$ —	$ 2,562,054
Total gross loans							$ 1,390,015,568

The following table provides a breakdown of the Company's gross loans receivable by current payment performance on a contractual basis and year of origination at September 30, 2023 December 31, 2023:

Term Loans By Origination

Term Loans By Origination

Term Loans By Origination

Term Loans By Origination

Loans

Loans

Loans	Loans	Up to 1 Year Ago	Between 1 and 2 Years Ago	Between 2 and 3 Years Ago	Between 3 and 4 Years Ago	Between 4 and 5 Years Ago	More than 5 Years Ago	Total
Current	Current	$ 1,148,997,074	$ 63,198,145	$ 3,210,332	$ 36,714	$ 12,494	$ 296	$ 1,215,455,055

Current

Current

30 - 60 days past due

30 - 60 days past due

30 - 60 days past due	30 - 60 days past due	49,700,949	5,031,320	205,934	1,533	—	3,082	54,942,818
61 - 90 days past due	61 - 90 days past due	32,676,887	4,570,414	146,508	2,939	1,218	—	37,397,966

61 - 90 days past due

61 - 90 days past due

91 or more days past due

91 or more days past due

91 or more days past due	91 or more days past due	51,700,417	18,109,303	1,552,092	145,088	45,298	9,252	71,561,450
Total	Total	$ 1,283,075,327	$ 90,909,182	$ 5,114,866	$ 186,274	$ 59,010	$ 12,630	$ 1,379,357,289

Total

Total

Term Loans By Origination

Term Loans By Origination

Term Loans By Origination

Term Loans By Origination

Tax advance loans

Tax advance loans

Tax advance loans	Tax advance loans	Up to 1 Year Ago	Between 1 and 2 Years Ago	Between 2 and 3 Years Ago	Between 3 and 4 Years Ago	Between 4 and 5 Years Ago	More than 5 Years Ago	Total
Current	Current	$ 21,277	$ —	$ —	$ —	$ —	$ —	$ 21,277

Current

Current

30 - 60 days past due

30 - 60 days past due

30 - 60 days past due	30 - 60 days past due	24,279	—	—	—	—	—	24,279
61 - 90 days past due	61 - 90 days past due	27,076	—	—	—	—	—	27,076
61 - 90 days past due								
61 - 90 days past due								
91 or more days past due								
91 or more days past due								
91 or more days past due	91 or more days past due	82,008	2,038	—	—	—	—	84,046
Total	Total	$ 154,640	$ 2,038	$ —	$ —	$ —	$ —	$ 156,678
Total								
Total								
Total gross loans	Total gross loans							$ 1,379,513,967
Total gross loans								
Total gross loans								

The following table provides a breakdown of the Company’s gross loans receivable by current payment performance on a contractual basis and year of origination at March 31, 2023:

	Term Loans By Origination						
Loans	Up to 1 Year Ago	Between 1 and 2 Years Ago	Between 2 and 3 Years Ago	Between 3 and 4 Years Ago	Between 4 and 5 Years Ago	More than 5 Years Ago	Total
Current	$ 1,174,237,761	$ 53,652,011	$ 1,554,144	$ 64,233	$ 5,142	$ 1,491	$ 1,229,514,782
30 - 60 days past due	47,346,331	3,661,493	77,857	6,714	—	—	51,092,395
61 - 90 days past due	33,012,804	3,030,052	44,129	7,643	—	—	36,094,628
91 or more days past due	54,851,010	14,940,345	735,493	182,547	31,721	10,593	70,751,709
Total	$ 1,309,447,906	$ 75,283,901	$ 2,411,623	$ 261,137	$ 36,863	$ 12,084	$ 1,387,453,514

	Term Loans By Origination						
Tax advance loans	Up to 1 Year Ago	Between 1 and 2 Years Ago	Between 2 and 3 Years Ago	Between 3 and 4 Years Ago	Between 4 and 5 Years Ago	More than 5 Years Ago	Total
Current	$ 1,932,607	$ —	$ —	$ —	$ —	$ —	$ 1,932,607

30 - 60 days past due	609,844	—	—	—	—	—	609,844
61 - 90 days past due	—	—	—	—	—	—	—
91 or more days past due	409	19,194	—	—	—	—	19,603
Total	$ 2,542,860	$ 19,194	$ —	$ —	$ —	$ —	$ 2,562,054
Total gross loans							$ 1,390,015,568

The following table provides a breakdown of the Company's gross charge-offs by year of origination for the three and six nine months ended September 30, 2023 December 31, 2023:

		Three months ended September 30,			Six months ended September 30,								
		Gross Charge-offs by Origination			Gross Charge-offs by Origination								
		Three months ended December 31,						Three months ended December 31,			Nine months ended December 31,		
		Gross Charge-offs by Origination											
Origination by Calendar Year													
Origination by Calendar Year													
Origination by Calendar Year	Origination by Calendar Year	Loans	Tax advance loans	Total	Loans	Tax advance loans	Total	Loans	Tax advance loans	Total	Loans	Tax advance loans	Total
2018 and prior	2018 and prior	$ 2,721	$ —	$ 2,721	$ 7,728	$ —	$ 7,728						
2019	2019	4,811	—	4,811	17,538	—	17,538						
2020	2020	40,176	—	40,176	144,463	—	144,463						
2021	2021	1,703,191	—	1,703,191	4,646,557	—	4,646,557						
2022	2022	33,423,002	621	33,423,623	80,819,818	5,248	80,825,066						
2023	2023	15,457,320	1,138,748	16,596,068	15,710,532	1,141,748	16,852,280						
Total	Total	$50,631,221	$1,139,369	$51,770,590	$101,346,636	$1,146,996	$102,493,632						

The following table provides a breakdown of the Company's gross charge-offs by year of origination for the three and six nine months ended September 30, 2022 December 31, 2022:

	Three months ended September 30,	Six months ended September 30,
	Gross Charge-offs by Origination	Gross Charge-offs by Origination
	Three months ended December 31,	
	Three months ended December 31,	
	Three months ended December 31,	

Origination by Calendar Year	Gross Charge-offs by Origination					
Origination by Calendar Year	Loans	Tax advance loans	Total	Loans	Tax advance loans	Total
2017 and prior	$ 3,783	$ —	$ 3,783	$ 9,446	$ —	$ 9,446
2018	6,739	—	6,739	20,594	—	20,594
2019	37,082	—	37,082	175,745	—	175,745
2020	640,303	—	640,303	2,150,295	—	2,150,295
2021	40,824,718	5,459	40,830,177	106,691,918	19,622	106,711,540
2022	29,602,144	1,962,912	31,565,056	31,251,886	2,030,016	33,281,902
Total	$ 71,114,769	$ 1,968,371	$ 73,083,140	$ 140,299,884	$ 2,049,638	$ 142,349,522

The allowance for credit losses is applied to amortized cost, which is defined as the amount at which a financing receivable is originated, and net of deferred fees and costs, collection of cash, and charge-offs. Amortized cost also includes interest earned but not collected.

Credit Risk is inherent in the business of extending loans to borrowers and is continuously monitored by management and reflected within the allowance for credit losses for loans. The allowance for credit losses is an estimate of expected losses inherent within the Company's gross loans receivable portfolio. In estimating the allowance for credit losses, loans with similar risk characteristics are aggregated into pools and collectively assessed. The Company's loan products have generally the same terms therefore the Company looked to borrower characteristics as a way to disaggregate loans into pools sharing similar risks.

In determining the allowance for credit losses, the Company examined four borrower risk metrics as noted below.

1. Borrower type
2. Active months
3. Prior loan performance
4. Customer Tenure

To determine how well each metric predicts default risk the Company uses loss rate data over an observation period of twelve months at the loan level.

The information value was then calculated for each metric. From this analysis management determined the metric that had the strongest predictor of default risk was Customer Tenure. The Customer Tenure buckets used in the allowance for credit loss calculation are:

1. 0 to 5 months
2. 6 to 17 months
3. 18 to 35 months
4. 36 to 59 months
5. 60+ months

Management will continue to monitor this credit metric on a quarterly basis.

Management estimates an allowance for each Customer Tenure bucket by performing a historical migration analysis of loans in that bucket for the twelve most recent historical twelve-month migration periods. All loans that are greater than 90 days past due on a recency basis and not written off as of the reporting date are reserved for at 100% of the outstanding balance, net of a calculated Rehab Rate. Loans are charged-off at the earlier of 120 days past due on a recency basis or when deemed uncollectible. Management considers whether current credit conditions might suggest a change is needed to the allowance for credit losses by monitoring trends in first pay success for new borrowers, 60-89 day delinquencies on a recency basis, FICO scores, percent of loan balances that are paying and percentage of gross loans that are acquired loans. From time to time, the Company will make changes, as deemed appropriate, to our new borrower underwriting guidance. As a result, management also considers whether a change in our new borrower underwriting might suggest a change is needed to the allowance for credit losses. If a change is determined necessary, then the Company has elected to immediately revert back to historical experience past the forecast period.

Due to the short term nature of the loan portfolio, forecasted changes in macroeconomic variables such as unemployment do not have a significant impact on loans outstanding at the end of a particular reporting period. Therefore, management develops a reasonable and supportable forecast of losses by comparing the most recent six-month loss curves as compared to historical loss curves to see if there are significant changes in borrower behavior that may indicate the historical migration rates should be adjusted. If management determines that historical migration rates should be adjusted to reflect expected credit losses, a qualitative adjustment is made to reflect management's judgment regarding observable changes in recent or expected economic trends and conditions, portfolio composition, or other significant events or conditions that affect the current estimate.

The following table presents a roll forward of the allowance for credit losses for the three and six nine months ended September 30, 2023 December 31, 2023 and 2022:

		Three months ended September 30,		Six months ended September 30,		Three months ended December 31,		Nine months ended December 31,	
		2023	2022	**2023**	2022				
	Three months ended December 31, **2023**					**2023**	2022	**2023**	2022
Beginning balance	Beginning balance	**$129,342,988**	$155,650,679	**$125,552,733**	$134,242,862				
Provision for credit losses									
Provision for credit losses									
Provision for credit losses	Provision for credit losses	**40,463,066**	68,620,146	**87,065,078**	154,442,413				
Charge-offs	Charge-offs	**(51,770,590)**	(73,083,140)	**(102,493,632)**	(142,349,522)				
Recoveries[1]	Recoveries[1]	**10,856,728**	4,704,415	**18,768,013**	9,556,347				
Net charge-offs	Net charge-offs	**(40,913,862)**	(68,378,725)	**(83,725,619)**	(132,793,175)				

Ending Balance	Ending Balance	**$128,892,192**	$155,892,100	**$128,892,192**	$155,892,100

The following table is an aging analysis on a recency basis at amortized cost of the Company’s gross loans receivable at September 30, 2023 December 31, 2023:

		Days Past Due - Recency Basis					
		Days Past Due - Recency Basis					
		Days Past Due - Recency Basis					
		Days Past Due - Recency Basis					
Customer Tenure							
Customer Tenure							
Customer Tenure	Customer Tenure	Current	30 - 60	61 - 90	Over 90	Total Past Due	Total Loans
0 to 5 months	0 to 5 months	$ 61,025,284	$ 5,443,334	$ 4,574,581	$ 7,862,508	$ 17,880,423	$ 78,905,707
0 to 5 months							
0 to 5 months							
6 to 17 months							
6 to 17 months							
6 to 17 months	6 to 17 months	83,064,106	5,500,634	3,587,259	6,708,783	15,796,676	98,860,782
18 to 35 months	18 to 35 months	133,577,220	6,989,457	4,294,465	7,016,282	18,300,204	151,877,424
18 to 35 months							
18 to 35 months							
36 to 59 months	36 to 59 months	203,744,178	9,098,337	5,316,135	8,665,762	23,080,234	226,824,412
36 to 59 months							
36 to 59 months							
60+ months							
60+ months							
60+ months	60+ months	765,220,654	24,806,402	12,498,164	20,363,744	57,668,310	822,888,964
Tax advance loans	Tax advance loans	35,217	34,884	27,800	58,777	121,461	156,678
Tax advance loans							
Tax advance loans							
Total gross loans							
Total gross loans							
Total gross loans	Total gross loans	1,246,666,659	51,873,048	30,298,404	50,675,856	132,847,308	1,379,513,967
Unearned interest, insurance and fees	Unearned interest, insurance and fees	(336,723,807)	(10,890,630)	(8,467,754)	(14,230,151)	(33,588,535)	(370,312,342)
Unearned interest, insurance and fees							
Unearned interest, insurance and fees							
Total net loans							

Total net loans												
Total net loans	Total net loans	$	909,942,852	$	40,982,418	$	21,830,650	$	36,445,705	$	99,258,773	$ 1,009,201,625
Percentage of period-end gross loans receivable	Percentage of period-end gross loans receivable				3.8%		2.2%		3.7%		9.6%	
Percentage of period-end gross loans receivable												
Percentage of period-end gross loans receivable												

The following table is an aging analysis on a recency basis at amortized cost of the Company's gross loans receivable at March 31, 2023:

1 Recoveries during the six three and nine months ended September 30, 2023 December 31, 2023 include $12.5 $3.7 million and $16.2 million, respectively, in proceeds related to from the sales of charge-offs, for which $4.9 charge-offs. For the three months ended December 31, 2023, $0.8 million relates to bulk sales of charge-offs from prior periods and $7.6 $2.9 million relates to recurring sales of charge-offs. This For the nine months ended December 31, 2023, $5.7 million relates to bulk sales of charge-offs from prior periods and $10.5 million relates to recurring sales of charge-offs. Recoveries during the three and nine months ended December 31, 2022 include $11.4 million in proceeds related to the sale of charge-offs, for which $8.4 million relates to bulk sales of charge-offs from prior periods and $3.0 million relates to recurring sales of charge-offs The gain on sale is included as a component of Provision for credit losses in the Consolidated Statements of Operations. There were no sales of charge-offs during the six months ended September 30, 2022.

		Days Past Due - Recency Basis				
Customer Tenure	Current	30 - 60	61 - 90	Over 90	Total Past Due	Total Loans
0 to 5 months	$ 64,615,314	$ 5,451,276	$ 4,407,751	$ 7,329,327	$ 17,188,354	$ 81,803,668
6 to 17 months	113,946,833	6,527,355	4,655,441	8,520,559	19,703,355	133,650,188
18 to 35 months	120,125,821	5,336,994	3,727,331	6,206,041	15,270,366	135,396,187
36 to 59 months	223,734,062	8,070,011	4,839,000	7,771,182	20,680,193	244,414,255
60+ months	742,335,503	20,311,125	11,395,713	18,146,875	49,853,713	792,189,216
Tax advance loans	1,936,131	610,580	4,845	10,498	625,923	2,562,054
Total gross loans	1,266,693,664	46,307,341	29,030,081	47,984,482	123,321,904	1,390,015,568
Unearned interest, insurance and fees	(343,255,876)	(12,548,627)	(7,866,737)	(13,003,109)	(33,418,473)	(376,674,349)
Total net loans	$ 923,437,788	$ 33,758,714	$ 21,163,344	$ 34,981,373	$ 89,903,431	$ 1,013,341,219
Percentage of period-end gross loans receivable		3.3 %	2.1 %	3.5 %	8.9 %	

The following table is an aging analysis on a contractual basis at amortized cost of the Company's gross loans receivable at September 30, 2023 December 31, 2023:

	Days Past Due - Contractual Basis
	Days Past Due - Contractual Basis
	Days Past Due - Contractual Basis
	Days Past Due - Contractual Basis
Customer Tenure	

Customer Tenure

Customer Tenure	Customer Tenure	Current	30 - 60	61 - 90	Over 90	Total Past Due	Total Loans
0 to 5 months	0 to 5 months	$ 59,438,082	$ 5,368,315	$ 4,770,167	$ 9,329,143	$ 19,467,625	$ 78,905,707
0 to 5 months							
0 to 5 months							
6 to 17 months							
6 to 17 months							
6 to 17 months	6 to 17 months	79,867,971	5,551,390	4,201,751	9,239,670	18,992,811	98,860,782
18 to 35 months	18 to 35 months	129,875,077	7,216,599	5,118,286	9,667,462	22,002,347	151,877,424
18 to 35 months							
18 to 35 months							
36 to 59 months	36 to 59 months	198,055,342	9,700,757	6,631,090	12,437,223	28,769,070	226,824,412
36 to 59 months							
36 to 59 months							
60+ months							
60+ months							
60+ months	60+ months	748,218,582	27,105,757	16,676,672	30,887,953	74,670,382	822,888,964
Tax advance loans	Tax advance loans	21,278	24,279	27,076	84,045	135,400	156,678
Tax advance loans							
Tax advance loans							
Total gross loans							
Total gross loans							
Total gross loans	Total gross loans	1,215,476,332	54,967,097	37,425,042	71,645,496	164,037,635	1,379,513,967
Unearned interest, insurance and fees	Unearned interest, insurance and fees	(329,722,233)	(10,789,771)	(10,392,242)	(19,408,096)	(40,590,109)	(370,312,342)
Unearned interest, insurance and fees							
Unearned interest, insurance and fees							
Total net loans							
Total net loans							
Total net loans	Total net loans	$ 885,754,099	$ 44,177,326	$ 27,032,800	$ 52,237,400	$ 123,447,526	$ 1,009,201,625
Percentage of period-end gross loans receivable	Percentage of period-end gross loans receivable		4.0%	2.7%	5.2%	11.9 %	
Percentage of period-end gross loans receivable							

Percentage of period-end gross loans receivable

The following table is an aging analysis on a contractual basis at amortized cost of the Company's gross loans receivable at March 31, 2023:

Customer Tenure	Current	Days Past Due - Contractual Basis: 30 - 60	61 - 90	Over 90	Total Past Due	Total Loans
0 to 5 months	$ 61,850,142	$ 5,320,659	$ 4,864,498	$ 9,768,369	$ 19,953,526	$ 81,803,668
6 to 17 months	109,694,389	6,892,610	5,613,468	11,449,721	23,955,799	133,650,188
18 to 35 months	115,711,782	5,721,694	4,499,010	9,463,701	19,684,405	135,396,187
36 to 59 months	217,821,239	8,991,995	6,078,488	11,522,533	26,593,016	244,414,255
60+ months	724,437,230	24,165,437	15,039,164	28,547,385	67,751,986	792,189,216
Tax advance loans	1,932,607	609,844	—	19,603	629,447	2,562,054
Total gross loans	1,231,447,389	51,702,239	36,094,628	70,771,312	158,568,179	1,390,015,568
Unearned interest, insurance and fees	(333,704,639)	(14,010,568)	(9,781,128)	(19,178,014)	(42,969,710)	(376,674,349)
Total net loans	$ 897,742,750	$ 37,691,671	$ 26,313,500	$ 51,593,298	$ 115,598,469	$ 1,013,341,219
Percentage of period-end gross loans receivable		3.7 %	2.6 %	5.1 %	11.4 %	

The Company elected not to record an allowance for credit losses for accrued interest as outlined in ASC 326-20-30-5A. Loans are placed on nonaccrual status when management determines that the full payment of principal and collection of interest according to contractual terms is no longer likely. The accrual of interest is discontinued when a loan is 61 days or more past the contractual due date. When the interest accrual is discontinued, all unpaid accrued interest is reversed against interest income. While a loan is on nonaccrual status, interest revenue is recognized only when a payment is received. Once a loan moves to nonaccrual status, it remains in nonaccrual status until it is paid out, charged off or refinanced. During the three months ended September 30, 2023 and September 30, 2022, the Company reversed a total of $7.1 million and $11.4 million, respectively, of

The following table presents unpaid accrued interest reversed against interest income. During income by Customer Tenure for the six three and nine months ended September 30, 2023 December 31, 2023 and December 31, 2022:

September 30, 2022, the Company reversed a total of $13.4 million and $20.4 million, respectively, of unpaid accrued interest against interest income.

Customer Tenure	Three months ended December 31, 2023	Three months ended December 31, 2022	Nine months ended December 31, 2023	Nine months ended December 31, 2022
0 to 5 months	**$ (1,358,755)**	$ (1,813,804)	**$ (3,904,031)**	$ (8,117,103)
6 to 17 months	**(777,293)**	(1,627,586)	**(2,651,226)**	(4,605,102)
18 to 35 months	**(946,820)**	(1,285,309)	**(2,609,760)**	(3,862,834)
36 to 59 months	**(1,065,935)**	(1,365,428)	**(3,211,393)**	(3,543,651)
60+ months	**(2,822,515)**	(3,352,265)	**(7,972,048)**	(9,724,169)
Total	**$ (6,971,318)**	$ (9,444,392)	**$ (20,348,458)**	$ (29,852,859)

The following table presents the amortized cost basis of loans on nonaccrual status as of the beginning of the reporting period and the end of the reporting period, as well as interest income recognized on nonaccrual loans for the three and six nine months ended September 30, 2023 December 31, 2023 and 2022:

	Nonaccrual Loans Receivable

Customer Tenure	As of September 30, 2023	As of March 31, 2023	Interest Income Recognized for the three months ended September 30, 2023	Interest Income Recognized for the three months ended September 30, 2022	Interest Income Recognized for the six months ended September 30, 2023	Interest Income Recognized for the six months ended September 30, 2022
0 to 5 months	**$ 14,589,794**	$ 15,781,494	**$ 245,175**	$ 537,625	**$ 571,948**	$ 1,041,588
6 to 17 months	**14,037,737**	18,288,714	**371,909**	386,764	**848,779**	765,214
18 to 35 months	**15,425,066**	15,551,806	**387,714**	568,310	**852,382**	1,197,091
36 to 59 months	**20,205,905**	19,745,397	**571,850**	548,019	**1,181,357**	1,051,381
60+ months	**50,445,844**	49,285,814	**1,550,214**	1,606,056	**3,288,085**	3,264,337
Tax advance loans	**152,773**	19,603	**—**	—	**—**	—
Unearned interest, insurance and fees	**(30,831,880)**	(32,158,640)	**—**	—	**—**	—
Total	**$ 84,025,239**	$ 86,514,188	**$ 3,126,862**	$ 3,646,774	**$ 6,742,551**	$ 7,319,611

Customer Tenure	Nonaccrual Loans Receivable					
	As of December 31, 2023	As of March 31, 2023	Interest Income Recognized for the three months ended December 31, 2023	Interest Income Recognized for the three months ended December 31, 2022	Interest Income Recognized for the nine months ended December 31, 2023	Interest Income Recognized for the nine months ended December 31, 2022
0 to 5 months	**$ 14,079,793**	$ 15,781,494	**$ 197,470**	$ 480,947	**$ 769,418**	$ 1,522,535
6 to 17 months	**11,853,469**	18,288,714	**319,474**	450,877	**1,168,253**	1,216,091
18 to 35 months	**15,380,814**	15,551,806	**396,720**	544,689	**1,249,102**	1,741,780
36 to 59 months	**19,379,244**	19,745,397	**547,608**	555,085	**1,728,965**	1,606,466
60+ months	**51,666,613**	49,285,814	**1,497,757**	1,711,201	**4,785,842**	4,975,538
Tax advance loans	**50,950**	19,603	**—**	—	**—**	—
Unearned interest, insurance and fees	**(29,880,847)**	(32,158,640)	**—**	—	**—**	—
Total	**$ 82,530,036**	$ 86,514,188	**$ 2,959,029**	$ 3,742,799	**$ 9,701,580**	$ 11,062,410

As of September 30, 2023 December 31, 2023 and March 31, 2023, there were no loans receivable 61 days or more past due, not on nonaccrual status, and no loans receivable on nonaccrual status with no related allowance for credit losses.

NOTE 5 – LEASES

Accounting Policies and Matters Requiring Management's Judgment

The Company uses its effective annual interest rate, adjusted for certain assumptions, as the discount rate when evaluating leases under Topic 842. Management applies the adjusted effective annual interest rate to leases entered for the entirety of the subsequent year.

Based on its historical practice, the Company believes it is reasonably certain to exercise a given option associated with a given office space lease. Therefore, the Company classifies all lease options for office space as “reasonably certain” unless it has specific knowledge to the contrary for a given lease. The Company generally does not believe it is reasonably certain to exercise any options associated with its office equipment leases.

Periodic Disclosures

The Company's operating leases consist of real estate leases for office space as well as office equipment. Both the branch real estate and office equipment lease terms generally range from three years to five years, and generally contain options to extend which mirror the original terms of the lease.

During the second quarter of fiscal 2023, the lease terms associated with the Company's finance leases expired and the Company exercised its purchase option to acquire the IT equipment. Because it was reasonably certain that the Company would obtain the assets at the end of their lease terms, the right-of-use assets have amortized over the useful life of the asset, rather than over the lease term. As of September 30, 2023 December 31, 2023, the Company had no finance leases.

The following table reports information about the Company's lease cost for the three and six nine months ended September 30, 2023 December 31, 2023 and 2022:

		Three months ended September 30,		Six months ended September 30,					
		Three months ended December 31,						Three months ended December 31,	Nine months ended December 31,
		2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
Lease Cost	*Lease Cost*								
Finance lease cost									
Finance lease cost									
Finance lease cost	Finance lease cost	**$ —**	$ 102,673	**$ —**	$ 205,975				
Amortization of right-of-use assets	Amortization of right-of-use assets	**—**	102,274	**—**	204,552				
Interest on lease liabilities	Interest on lease liabilities	**—**	399	**—**	1,423				
Operating lease cost	Operating lease cost	**$6,362,566**	$7,604,721	**$12,836,401**	$14,267,032				
Variable lease cost	Variable lease cost	**$ 890,051**	$ 920,545	**$ 1,920,726**	$ 1,851,629				
Variable lease cost									
Variable lease cost									
Total lease cost	Total lease cost	**$7,252,617**	$8,627,939	**$14,757,127**	$16,324,636				
Total lease cost									
Total lease cost									

The following table reports other information about the Company's leases for the three and six nine months ended September 30, 2023 December 31, 2023 and 2022:

	Three months ended September 30,	Six months ended September 30,

		Three months ended December 31,		Nine months ended December 31,	
		2023	2022	**2023**	2022
Other Lease Information	*Other Lease Information*				
Cash paid for amounts included in the measurement of lease liabilities					
Cash paid for amounts included in the measurement of lease liabilities					
Cash paid for amounts included in the measurement of lease liabilities	Cash paid for amounts included in the measurement of lease liabilities	**$6,329,622**	$6,723,622	**$12,699,941**	$13,448,214
Operating cash flows from finance leases	Operating cash flows from finance leases	**—**	399	**—**	1,423
Operating cash flows from operating leases	Operating cash flows from operating leases	**6,329,622**	6,677,299	**12,699,941**	13,366,724
Financing cash flows from finance leases	Financing cash flows from finance leases	**—**	45,924	**—**	80,067
Right-of-use assets obtained in exchange for new operating lease liabilities	Right-of-use assets obtained in exchange for new operating lease liabilities	**$5,946,228**	$5,112,689	**$ 8,992,479**	$10,465,379
Right-of-use assets obtained in exchange for new operating lease liabilities					
Right-of-use assets obtained in exchange for new operating lease liabilities					

Weighted-average remaining lease term — finance leases	Weighted-average remaining lease term — finance leases	**—**	—	**—**	—					
Weighted average remaining lease term — operating leases	Weighted average remaining lease term — operating leases	**7.0 years**	7.1 years	**7.0 years**	7.1 years	Weighted average remaining lease term — operating leases	**6.9 years**	7.1 years	**6.9 years**	7.1 years
Weighted-average discount rate — finance leases	Weighted-average discount rate — finance leases	**— %**	— %	**— %**	— %	Weighted-average discount rate — finance leases	**— %**	— %	**— %**	— %
Weighted-average discount rate — operating leases	Weighted-average discount rate — operating leases	**6.2 %**	6.1 %	**6.2 %**	6.1 %	Weighted-average discount rate — operating leases	**6.3 %**	6.1 %	**6.3 %**	6.1 %

The aggregate annual lease obligations as of September 30, 2023 December 31, 2023 are as follows:

			Operating Leases
			Operating Leases
			Operating Leases
			Operating Leases
Remainder of 2024			
Remainder of 2024			
Remainder of 2024	Remainder of 2024	$	11,910,201
2025	2025		20,523,579
2025			
2025			
2026			
2026			
2026	2026		17,022,023
2027	2027		12,939,221
2027			
2027			
2028			
2028			
2028	2028		10,324,644
Thereafter	Thereafter		30,418,206
Thereafter			
Thereafter			
Total undiscounted lease liability			
Total undiscounted lease liability			

Total undiscounted lease liability	Total undiscounted lease liability	$	103,137,874
Imputed interest	Imputed interest		20,189,711
Imputed interest			
Imputed interest			
Total discounted lease liability	Total discounted lease liability	$	82,948,163
Total discounted lease liability			
Total discounted lease liability			

The Company had no leases with related parties at September 30, 2023 December 31, 2023 or March 31, 2023.

NOTE 6 – AVERAGE SHARE INFORMATION

The following is a summary of the basic and diluted average common shares outstanding:

		Three months ended September 30,		Six months ended September 30,	
		2023	2022	**2023**	2022
	Three months ended December 31,			Three months ended December 31,	Nine months ended December 31,
	2023			**2023** 2022	**2023** 2022
Basic:	**Basic:**	**Basic:**			
Weighted average common shares outstanding (denominator)	Weighted average common shares outstanding (denominator)	**5,780,061**	5,726,469	**5,776,417**	5,733,613
Diluted:	**Diluted:**				
Diluted:					
Diluted:					
Weighted average common shares outstanding	Weighted average common shares outstanding	**5,780,061**	5,726,469	**5,776,417**	5,733,613
Dilutive potential common shares[2]	Dilutive potential common shares[2]	**158,644**	—	**138,606**	—
Weighted average diluted shares outstanding (denominator)	Weighted average diluted shares outstanding (denominator)	**5,938,705**	5,726,469	**5,915,023**	5,733,613

Options to purchase 298,954 291,826 and 340,236 332,275 shares of common stock at various prices were outstanding during the three months ended September 30, 2023 December 31, 2023 and 2022, respectively, but were not included in diluted shares outstanding because the option exercise price exceeded the market value of the shares.

Options to purchase 303,966 299,904 and 341,053 338,154 shares of common stock at various prices were outstanding during the six nine months ended September 30, 2023 December 31, 2023 and 2022, respectively, but were not included in diluted shares outstanding because the option exercise price exceeded the market value of the shares.

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2 Dilutive potential common shares have been excluded from the weighted average diluted shares outstanding calculation for the three and six nine months ended September 30, 2022 December 31, 2022. In accordance with ASC 260-10-45, shares which would otherwise be considered dilutive are deemed anti-dilutive when the entity incurs a loss from continuing operations in the period reported.

NOTE 7 – STOCK-BASED COMPENSATION

Stock Incentive Plans

The Company maintains a the 2008 Stock Option Plan, a the 2011 Stock Option Plan and a the 2017 Stock Incentive Plan for the benefit of certain non-employee directors, officers, and key employees. Under these plans, a total of 3,350,000 shares of authorized common stock have been reserved for issuance pursuant to grants approved by the Compensation Committee. Stock options granted under these plans have a maximum term of 10 years, may be subject to certain vesting requirements, which are generally three to six years for officers, non-employee directors, and key employees, and are priced at the market value of the Company's common stock on the option's grant date. At September 30, 2023 December 31, 2023, there were a total of 147,774 165,196 shares of common stock remaining available for grant under the plans. 2017 Plan.

Stock-based compensation is recognized as provided under FASB ASC Topic 718-10 and FASB ASC Topic 505-50. FASB ASC Topic 718-10 requires all share-based payments to employees, including grants of employee stock options, to be recognized as compensation expense over the requisite service period (generally the vesting period) in the Consolidated Financial Statements based on their grant date fair values. Stock-based compensation related to restricted stock is based on the number of shares expected to vest and the fair market value of the common stock on the grant date. The Company has applied the Black-Scholes valuation model in determining the grant date fair value of the stock option awards. Compensation expense is recognized only for those options awards expected to vest.

Long-term Incentive Program and Non-Employee Director Awards

On October 15, 2018, the Compensation Committee and Board approved and adopted a long-term incentive program that seeks to motivate and reward certain employees and to align management's interest with shareholders' interest by focusing executives on the achievement of long-term results. The program is comprised of four components: Service Options, Performance Options, Restricted Stock, and Performance Shares.

Pursuant to this program, in fiscal 2019, the Compensation Committee approved certain grants of Service Options, Performance Options, Restricted Stock and Performance Shares under the World Acceptance Corporation 2011 Stock Option Plan and the World Acceptance Corporation 2017 Stock Incentive Plan to certain employee directors, vice presidents of operations, vice presidents, senior vice presidents, and executive officers. Separately, the Compensation Committee approved certain grants of Service Options and Restricted Stock to certain of the Company's non-employee directors.

Under the long-term incentive program, up to 100% of the shares of restricted stock subject to the Performance Shares will vest, if at all, based on the achievement of two trailing earnings per share performance targets established by the Compensation Committee that are based on earnings per share (measured at the end of each calendar quarter, commencing with the calendar quarter ending September 30, 2019) for the previous four calendar quarters. The Performance Shares are eligible to vest over the Performance Share Measurement Period, subject to each respective employee's continued employment at the Company through the last day of the Performance Share Measurement Period (or as otherwise provided under the terms of the applicable award agreement or applicable employment agreement).

The Performance Share performance targets are set forth below.

Trailing 4-Quarter EPS Targets for September 30, 2018 through March 31, 2025	Restricted Stock Eligible for Vesting (Percentage of Award)
$16.35	40%
$20.45	60%

The Restricted Stock awards typically vest in six equal annual installments, beginning on the first anniversary of the grant date, subject to each respective employee's continued employment at the Company through each applicable vesting date or otherwise provided under the terms of the applicable award agreement or applicable employment agreement.

The Service Options typically vest in three equal annual installments, beginning on the first anniversary of the grant date, subject to each respective employee's continued employment at the Company through each applicable vesting date or otherwise provided under the terms of the applicable award agreement or applicable employment agreement. The option price is equal to the fair market value of the common stock on the grant date and the Service Options have a 10-year term.

The Performance Options will fully vest if the Company attains the trailing earnings per share target over four consecutive calendar quarters occurring between September 30, 2018 and March 31, 2025 described below. Such performance target was established by the Compensation Committee and will be measured at the end of each calendar quarter commencing on

September 30, 2019. September 30, 2019. The Performance Options are eligible to vest over the Option Measurement Period, subject to each respective employee's continued employment at the Company through the last day of the Option Measurement Period or as otherwise provided under the terms of the applicable award agreement or applicable employment agreement. The option price is equal to the fair market value of the common stock on the grant date and the Performance Options have a 10-year term. The Performance Option performance target is set forth below.

Trailing 4-Quarter EPS Targets for September 30, 2018 through March 31, 2025	**Options Eligible for Vesting (Percentage of Award)**
$25.30	100%

Stock Options

The weighted-average fair value at the grant date for options issued during the three months ended September 30, 2023 December 31, 2023 and 2022 was $73.07 $68.52 and $71.32, $44.23, respectively. The weighted-average fair value at the grant date for options issued during the six nine months ended September 30, 2023 December 31, 2023 and 2022 was $73.07 $69.00 and $72.56, $53.51, respectively.

Fair value was estimated at grant date using the weighted-average assumptions listed below:

		Three months ended December 31,					Three months ended December 31,		Nine months ended December 31,	
		2023					**2023**	2022	**2023**	2022
		Three months ended September 30,		Six months ended September 30,						
		2023	2022	**2023**	2022					
Dividend yield										
Dividend yield										
Dividend yield	Dividend yield	**—%**	—%	**—%**	—%		**—%**	—%	**—%**	—%
Expected volatility	Expected volatility	**62.67%**	56.37%	**62.67%**	56.32%	Expected volatility	**62.54%**	57.46%	**62.55%**	57.09%
Average risk-free rate	Average risk-free rate	**4.58%**	2.92%	**4.58%**	2.93%	Average risk-free rate	**4.70%**	3.91%	**4.69%**	3.59%
Expected life	Expected life	**4.6 years**	5.8 years	**4.6 years**	5.8 years	Expected life	**4.6 years**	5.8 years	**4.6 years**	5.8 years

The expected stock price volatility is based on the historical volatility of the Company's common stock for a period approximating the expected life. The expected life represents the period of time that options are expected to be outstanding after the grant date. The risk-free rate reflects the interest rate at grant date on zero coupon U.S. governmental bonds having a remaining life similar to the expected option term.

Option activity for the six nine months ended September 30, 2023 December 31, 2023 was as follows:

Options outstanding, beginning of period

Options outstanding, beginning of period

		Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value		Shares		Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Options outstanding, beginning of period	Options outstanding, beginning of period	314,742	$ 104.41				314,742	$	$104.41		
Granted during period	Granted during period	274	132.16			Granted during period	2,598	124.67	124.67		
Exercised during period	Exercised during period	(11,743)	91.12			Exercised during period	(22,847)	88.34	88.34		
Forfeited during period	Forfeited during period	(6,018)	120.31			Forfeited during period	(11,027)	122.25	122.25		
Expired during period	Expired during period	(992)	176.51			Expired during period	(2,682)	162.17	162.17		
Options outstanding, end of period	Options outstanding, end of period	296,263 [3]	$ 104.40	5.4 years	$7,894,384						
Options exercisable, end of period	Options exercisable, end of period	102,022	$ 100.53	4.7 years	$3,113,302						

The aggregate intrinsic value reflected in the table above represents the total pre-tax intrinsic value (the difference between the closing stock price on September 30, 2023 December 31, 2023 and the exercise price, multiplied by the number of in-the-money options that are currently exercisable) that would have been received by option holders had all option holders exercised their options as of September 30, 2023 December 31, 2023. This amount will change as the market price of the common stock changes. The total intrinsic value of options exercised during the periods ended September 30, 2023 December 31, 2023 and 2022 was as follows:

[3] Of the 296,263 280,784 options outstanding, 81,067 43,862 are not yet exercisable based solely on fulfilling a service condition and another 113,174 108,865 are not yet exercisable based solely on fulfilling the performance condition described further above.

	September 30, 2023	September 30, 2022

REFINITIV

December 31, 2023				December 31, 2023	December 31, 2022
Three months ended	Three months ended	**$ 226,175**	$ —		
Six months ended		**$ 441,310**	$ 430,466		
Three months ended					
Three months ended					
Nine months ended					

As of September 30, 2023 December 31, 2023, total unrecognized stock-based compensation expense related to non-vested stock options amounted to approximately $0.7 million $0.6 million, which is expected to be recognized over a weighted-average period of approximately 1.2 1.3 years.

Restricted Stock

During the first six nine months of fiscal 2024, the Company granted 3,993 shares of restricted stock (which are equity classified) to certain vice presidents and senior vice presidents with a grant date weighted average fair value of $120.12 per share.

During fiscal 2023, the Company granted 3,250 shares of restricted stock (which are equity classified) to certain vice presidents with a grant date weighted average fair value of $129.85 per share.

Compensation expense related to restricted stock is based on the number of shares expected to vest and the fair market value of the common stock on the grant date. The Company recognized compensation expense of $1.1 million and $3.1 million for the three months ended September 30, 2023 and 2022, respectively, which is included as a component of general and administrative expenses in the Company's Consolidated Statements of Operations.

As of September 30, 2023 December 31, 2023, there was approximately $2.7 million $1.9 million of unrecognized compensation cost related to unvested restricted stock awards, which is expected to be recognized over the next 1.1 0.9 years based on current estimates.

A summary of the status of the Company's restricted stock as of September 30, 2023 December 31, 2023, and changes during the six nine months ended September 30, 2023 December 31, 2023, are presented below:

		Shares	Weighted Average Fair Value at Grant Date	Shares	Weighted Average Fair Value at Grant Date
Outstanding at March 31, 2023	Outstanding at March 31, 2023	460,614	$ 101.82		
Outstanding at March 31, 2023					
Outstanding at March 31, 2023					
Granted during the period	Granted during the period	3,993	120.12		

Vested during the period	Vested during the period	—	—
Forfeited during the period	Forfeited during the period	—	—
Outstanding at September 30, 2023		464,607	$ 105.82
Outstanding at December 31, 2023			

Total Stock-Based Compensation

Total stock-based compensation included as a component of net income (loss) personnel expenses in the Company's Consolidated Statements of Operations during the three and six nine month periods ended September 30, 2023 December 31, 2023 and 2022 was as follows:

	Three months ended December 31,		Nine months ended December 31,	
	2023	2022	**2023**	2022
Stock-based compensation related to equity classified awards:				
Stock-based compensation (reversal) related to stock options[4]	**$ 189,582**	$ 425,120	**$ (3,871,348)**	$ 1,869,879
Stock-based compensation (reversal) related to restricted stock, net of adjustments and exclusive of cancellations[5]	**(690,699)**	(679,443)	**1,475,151**	5,512,434
Total stock-based compensation (reversal) related to equity classified awards	**$ (501,117)**	$ (254,323)	**$ (2,396,197)**	$ 7,382,313

	Three months ended September 30,		Six months ended September 30,	
	2023	2022	**2023**	2022
Stock-based compensation related to equity classified awards:				
Stock-based compensation (reversal) related to stock options[4]	**$ (4,374,277)**	$ 676,704	**$ (4,060,930)**	$ 1,444,759
Stock-based compensation related to restricted stock, net of adjustments and exclusive of cancellations	**1,066,500**	3,143,874	**2,165,851**	6,191,877
Total stock-based compensation (reversal) related to equity classified awards	**$ (3,307,777)**	$ 3,820,578	**$ (1,895,079)**	$ 7,636,636

[4] During the second quarter of fiscal 2024, it was determined that the Performance Option performance target is no longer probable of being achieved. In accordance with ASC 718, the Company reversed $4.9 million in previously recognized stock-based compensation related to these Performance Options during the second quarter of fiscal 2024.

[5] The $(690,699) for the three months ended December 31, 2023 represents $1.4 million in forfeiture credit, offset by $0.7 million in current period expense. The $(679,443) for the three months ended December 31, 2022 represents $2.8 million in forfeiture credit, offset by $2.1 million in current period expense.

NOTE 8 – ACQUISITIONS

The Company evaluates each set of assets and activities it acquires to determine if the set meets the definition of a business according to FASB ASC Topic 805-10-55. Acquisitions meeting the definition of a business are accounted for as a business combination while all other acquisitions are accounted for as asset purchases.

The following table sets forth the Company's acquisition activity for the six nine months ended September 30, 2023 December 31, 2023 and 2022. 2022:

		Six months ended September 30, / Nine months ended December 31,	
		2023	2022
Acquisitions:			
		2023	2022
Acquisitions:			
Number of loan portfolios acquired through asset purchases			
Number of loan portfolios acquired through asset purchases			
Number of loan portfolios acquired through asset purchases	Number of loan portfolios acquired through asset purchases	—	43
Total acquisitions	Total acquisitions	—	43
Purchase price	Purchase price	$ —	$22,314,902
Purchase price			
Purchase price			
Tangible assets:	Tangible assets:		
Tangible assets:			
Tangible assets:			
Loans receivable, net			
Loans receivable, net			
Loans receivable, net	Loans receivable, net	—	27,105,078
Purchase price amount below carrying value of net tangible assets[5]		$ —	$ (4,790,176)
Purchase price amount below carrying value of net tangible assets[6]			
Purchase price amount below carrying value of net tangible assets[6]			
Purchase price amount below carrying value of net tangible assets[6]			

Acquisitions that are accounted for as business combinations typically result in one or more new branches. In such cases, the Company typically retains the existing employees and the branch location from the acquisition. The purchase price is allocated to the tangible assets and intangible assets acquired based upon their estimated fair market values at the acquisition date. The remainder is allocated to goodwill.

Acquisitions that are accounted for as asset purchases are typically limited to acquisitions of loan portfolios. The purchase price is allocated to the tangible assets and intangible assets acquired based upon their estimated fair market values at the acquisition date. In an asset purchase, no goodwill is recorded.

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[4] During the second quarter of fiscal 2024, it was determined that the Performance Option performance target is no longer probable of being achieved. In accordance with ASC 718, the Company reversed $4.9 million in previously recognized stock-based compensation related to these Performance Options during the second quarter of fiscal 2024.

[5] As a result of asset purchases during the first six months of fiscal 2023, the Company recorded a $4.8 million gain, net of $1.1 million income tax, which is included as a component of Insurance and other income, net in the Consolidated Statements of Operations. The transaction resulted in a gain as the acquired loan portfolios were purchased at a discount. As an immediate gain would be recognized on the net loans acquired if the cost below fair value was allocated, it was not determined appropriate to reduce the basis of the net loans acquired.

The Company's acquisitions include tangible assets (generally loans and furniture and equipment) and intangible assets (generally non-compete agreements, customer lists, and goodwill), both of which are recorded at their fair values, which are estimated pursuant to the processes described below.

Acquired loans are valued at the net loan balance. Given the short-term nature of these loans, generally less than twelve months, and that these loans are priced at current rates, management believes the net loan balances approximate their fair value. Under CECL, acquired loans are included in the reserve calculations for all loan types (excluding TALs). Management includes recent acquisition activity compared to historical activity when considering reasonable and supportable forecasts as it relates to assessing the adequacy of the allowance for expected credit losses. The Company did not acquire any loans that would qualify as PCDs during the six nine months ended September 30, 2023 December 31, 2023 and 2022.

Furniture and equipment are valued at the specific purchase price as agreed to by both parties at the time of acquisition, which management believes approximates their fair values.

Non-compete agreements are valued at the stated amount paid to the other party for these agreements, which the Company believes approximates their fair values.

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[6] As a result of asset purchases during the first six months of fiscal 2023, the Company recorded a $4.8 million gain, net of $1.1 million income tax, which is included as a component of Insurance and other income, net in the Consolidated Statements of Operations. The transaction resulted in a gain as the acquired loan portfolios were purchased at a discount. As an immediate gain would be recognized on the net loans acquired if the cost below fair value was allocated, it was not determined appropriate to reduce the basis of the net loans acquired.

Customer lists are valued with a valuation model that utilizes the Company's historical data to estimate the value of any acquired customer lists. Customer lists are allocated at a branch level and are evaluated for impairment at a branch level when a triggering event occurs in accordance with FASB ASC Topic 360-10-05. If a triggering event occurs, the impairment loss to the customer list is generally the remaining unamortized customer list balance. In most acquisitions, the original fair value of the customer list allocated to a branch is less than $100,000, and management believes that in the event a triggering event were to occur, the impairment loss to an unamortized customer list would be immaterial.

The estimated results of all acquisitions have been included in the Company's Consolidated Financial Statements since the respective acquisition date. The pro forma impact of these branches as though they had been acquired at the beginning of the periods presented would not have a material effect on the results of operations as reported.

NOTE 9 – DEBT

Senior Notes Payable; Revolving Credit Facility

On July 18, 2023 November 9, 2023, the Company amended its revolving credit agreement ("Tenth Eleventh Amendment") to among other things, (i) reduce permit the total commitments under Company to repurchase up to $20 million of Company securities in its fiscal quarter ending December 31, 2023 and (ii) not require the facility from $685 million minimum fixed charges coverage ratio to $580 million; (ii) increase the amount available under the accordion feature from $100 million to $150 million (for a total commitment, if the full accordion is borrowed, of $730 million); (iii) extend the maturity from June 7, 2024 to June 7, 2026; (iv) change the ratio of Net Income Available for Fixed Charges to Fixed Charges from not less than 2.75 be at least 2.0 to 1.0 to not less than 2.25 to 1.0 starting with for the fiscal quarter ending March 31, 2024; and (v) replace certain lenders and amend the commitment levels of certain lenders. September 30, 2023 in order to make such repurchases.

At September 30, 2023 December 31, 2023, the Company's senior notes payable consisted of a $580.0 million senior revolving credit facility, which has an accordion feature permitting the maximum aggregate commitments to increase to $730.0 million provided that certain conditions are met.

At September 30, 2023 December 31, 2023, $276.6 million $305.1 million was outstanding under the Company's credit facility, not including a $524.0 thousand outstanding standby letter of credit related to workers compensation under a $1.5 million sub-facility. To the extent that the letter of credit is drawn upon, the disbursement will be funded by the credit facility. There are no amounts due related to the letter of credit as of September 30, 2023 December 31, 2023. The letter of credit expires on December 31, 2023; however, it December 31, 2024 and automatically extends for one year on the expiration date. Subject to a borrowing base formula, the Company may borrow at the rate of one month SOFR plus 0.10% and an applicable margin of 3.5% with a minimum rate of 4.5%. The revolving credit facility has a commitment fee of 0.50% per annum on the unused portion of the commitment. Commitment fees on the unused portion of the borrowing totaled $0.9 million $1.3 million and $0.6 million $0.9 million for the six nine months ended September 30, 2023 December 31, 2023 and 2022, respectively.

For the six nine months ended September 30, 2023 December 31, 2023 and fiscal year ended March 31, 2023, the Company's effective interest rate, including the commitment fee and amortization of debt issuance costs, was 9.8% annualized and 7.0%, respectively. At September 30, 2023 December 31, 2023, the unused amount available under the revolving credit facility was $302.9 million $274.4 million and borrowings under the revolving credit facility mature on June 7, 2026.

Substantially all of the Company's assets are pledged as collateral for borrowings under the revolving credit agreement.

Senior Unsecured Notes Payable

On September 27, 2021, we issued $300 million in aggregate principal amount of 7.0% senior notes due 2026. The Notes were sold in a private placement in reliance on Rule 144A and Regulation S under the Securities Act of 1933, as amended. The Notes are unconditionally guaranteed, jointly and severally, on a senior unsecured basis by all of the Company's existing and certain of its future subsidiaries that guarantee the revolving credit facility. Interest on the Notes is payable semi-annually in arrears on May 1 and November 1 of each year, commencing May 1, 2022. At any time prior to November 1, 2023, the Company may redeem could have redeemed the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount plus a make-whole premium, as described in the indenture, plus accrued and unpaid interest, if any, to, but not including, the date of redemption. At any time on or after November 1, 2023, the Company may redeem the Notes at redemption prices set forth in the indenture, plus accrued and unpaid interest, if any, to, but not including, the date of redemption. In addition, at any time prior to November 1, 2023, the Company may use could have used the proceeds of certain equity offerings to redeem up to 40.0% of the aggregate principal amount of the Notes issued under the indenture at a redemption price equal to 107.0% of the principal amount of Notes redeemed, plus accrued and unpaid interest, if any, to, but not including, the date of redemption.

We used the net proceeds from this offering to repay a portion of the outstanding indebtedness under our revolving credit facility and for general corporate purposes.

During the fourth quarter of fiscal 2023, the Company repurchased and extinguished $9.1 million of its Notes, net of $0.1 million unamortized debt issuance costs related to the extinguished debt, on the open market for a reacquisition price of $7.2 million.

During the first six nine months of fiscal 2024, the Company repurchased and extinguished $3.5 $8.25 million of its Notes, net of $40.1 $88.1 thousand unamortized debt issuance costs related to the extinguished debt, on the open market for a reacquisition price of $2.9 $7.0 million. For the three and nine months ended December 31, 2023, the Company recognized a $0.6 million and $1.2 million gain on extinguishment, respectively. In accordance with ASC 470, the Company recognized the $0.6 million gain on extinguishment as a component of interest expense in the Company's Consolidated Statements of Operations.

Debt Covenants

The agreement governing the Company's revolving credit facility contains affirmative and negative covenants, including covenants that generally restrict the ability of the Company and its subsidiaries to, among other things, incur or guarantee indebtedness, incur liens, pay dividends and repurchase or redeem capital stock, dispose of assets, engage in mergers and consolidations, make acquisitions or other investments, redeem or prepay subordinated debt, amend subordinated debt documents, make changes in the nature of its business, and engage in transactions with affiliates. The agreement allows the Company to incur subordinated debt that matures after the termination date for the revolving credit facility and that contains specified subordination terms, subject to limitations on amount imposed by the financial covenants under the agreement. The agreement's financial covenants include (i) a minimum consolidated net worth of $325.0 million on and after December 31, 2020; (ii) a maximum ratio of total debt to consolidated adjusted net worth of 2.5 to 1.0 (decreasing to 2.25 to 1.0 for the fiscal quarters ending March 31, 2023 and June 30, 2023, 2.0 to 1.0 for the fiscal quarter ending September 30, 2023, and 2.25 to 1.0 for the fiscal quarter ending December 31, 2023); (iii) a maximum collateral performance indicator of 26% as of the end of each calendar month (increasing to 28% for the calendar months ending October 31, 2022 through June 30, 2023); and (iv) a minimum fixed charges coverage ratio of 1.25 to 1.0 for the fiscal quarter ended December 31, 2022, 1.15 to 1.0 for the fiscal quarters ending March 31, 2023 and June 30, 2023, 1.50 to 1.0 for the fiscal quarter ending September 30, 2023, 2.0 to 1.0 for the fiscal quarter ending December 31, 2023, and 2.25 to 1.0 for each fiscal quarter thereafter, where the ratio for the most recent four consecutive fiscal quarters must be at least 2.0 to 1.0, other than for the fiscal quarter ending September 30, 2023, in order for the Company to declare dividends or purchase any class or series of its capital stock or other equity.

The collateral performance indicator is equal to the sum of (a) a three-month rolling average rate of receivables at least sixty days past due and (b) an eight-month rolling average net charge-off rate.

The Company was in compliance with these covenants at September 30, 2023 December 31, 2023 and does not believe that these covenants will materially limit its business and expansion strategy.

The agreement contains events of default including, without limitation, nonpayment of principal, interest or other obligations, violation of covenants, misrepresentation, cross-default to other debt, bankruptcy and other insolvency events, judgments, certain ERISA events, actual or asserted invalidity of loan documentation, invalidity of subordination provisions of subordinated debt, certain changes of control of the Company, and the occurrence of certain regulatory events, (including the entry of any stay, order, judgment, ruling or similar event related to the Company's or any of its subsidiaries' originating, holding, pledging, collecting or enforcing its eligible loans receivable that is material to the Company or any subsidiary) which remains unvacated, undischarged, unbonded or unstayed by appeal or otherwise for a period of 60 days from the date of its entry and is reasonably likely to cause a material adverse change.

The indenture governing the Notes contains certain covenants that, among other things, limit the Company's ability and the ability of its restricted subsidiaries to (i) incur additional indebtedness or issue certain disqualified stock and preferred stock; (ii) pay dividends or distributions or redeem or purchase capital stock; (iii) prepay subordinated debt or make certain investments; (iv) transfer and sell assets; (v) create or permit to exist liens; (vi) enter into agreements that restrict dividends, loans and other distributions from their subsidiaries; (vii) engage in a merger, consolidation or sell, transfer or otherwise dispose of all or substantially all of their assets; and (viii) engage in transactions with affiliates. However, these covenants are subject to a number of important detailed qualifications and exceptions.

Debt Maturities

The aggregate annual maturities of the Company's debt arrangements as of September 30, 2023 December 31, 2023 are as follows:

		Amount		
		Amount		Amount
Remainder of 2024	Remainder of 2024	$	—	
2025	2025		—	
2026	2026		—	
2027	2027		563,915,903	
2028	2028		—	

Total future debt payments	Total future debt payments	$	563,915,903

NOTE 10 – INCOME TAXES

As of September 30, 2023 December 31, 2023 and March 31, 2023, the Company had $1.2 million $1.0 million and $1.1 million, respectively, of total gross unrecognized tax benefits including interest. Approximately $0.9 million $0.8 million and $0.9 million, respectively, represent the amount of net unrecognized tax benefits that are permanent in nature and, if recognized, would affect the annual effective tax rate. At September 30, 2023 December 31, 2023, approximately $0.5 million $0.4 million of gross unrecognized tax benefits are expected to be resolved during the next twelve months through the expiration of the statute of limitations and settlement with taxing authorities. The Company's continuing practice is to recognize interest and penalties related to income tax matters in income tax expense. The Company had approximately $333.3 $296.8 thousand accrued for gross interest as of September 30, 2023 December 31, 2023, and accrued $40.5 $3.9 thousand during the six nine months ended September 30, 2023 December 31, 2023.

Investment in HTC was $20.6 $19.4 million and $23.0 million as of September 30, 2023 December 31, 2023 and March 31, 2023, respectively, which is included as a component of Other assets, net in the Consolidated Balance Sheets. The Company recognized net amortization from these investments of $0.8 $1.2 million and $0.4 million during the three months ended September 30, 2023 December 31, 2023 and 2022, respectively, and $2.0 $3.2 million and $1.3 $1.7 million during the six nine months ended September 30, 2023 December 31, 2023 and 2022, respectively, in income tax expense. The Company recognized tax benefits from these investments of $0.9 $1.2 million and $0.5 million during the three months ended September 30, 2023 December 31, 2023 and 2022, respectively, and $2.4 $3.6 million and $1.0 $1.5 million during the six nine months ended September 30, 2023 December 31, 2023 and 2022, respectively, in income tax expense and in Income taxes payable in the Consolidated Statements of Cash Flows. The Company did not recognize any non-tax related activity or have any significant modifications in the investments during the current period.

The Company is subject to U.S. income taxes, as well as taxes in various other state and local jurisdictions. With the exception of a few states, the Company is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2018, 2019, although carryforward attributes that were generated prior to 2018 2019 may still be adjusted upon examination by the taxing authorities if they either have been or will be used in a future period.

The Company's effective income tax rate totaled 23.1% for the quarter ended September 30, 2023 compared to (618.9)% for the prior year quarter. The difference is primarily due to the effects of pretax book earnings relative to the effects of various permanent items including a decrease in the disallowed executive compensation under Section 162(m) and the recognition of additional HTCs when compared to the prior year quarter.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

General

In addition, from From time to time the Company is involved in litigation matters relating to claims arising out of its operations in the normal course of business.

Estimating an amount or range of possible losses resulting from litigation, government actions and other legal proceedings is inherently difficult and requires an extensive degree of judgment, particularly where the matters involve indeterminate claims for monetary damages, may involve fines, penalties or damages that are discretionary in amount, involve a large number of claimants or significant discretion by regulatory authorities, represent a change in regulatory policy or interpretation, present novel legal theories, are in the early stages of the proceedings, are subject to appeal or could result in a change in business practices. In addition, because most legal proceedings are resolved over extended periods of time, potential losses are subject to change due to, among other things, new developments, changes in legal strategy, the outcome of intermediate procedural and substantive rulings and other parties' settlement posture and their evaluation of the strength or weakness of their case against us. However, in light of the inherent uncertainties involved, an adverse outcome in one or more of these matters could materially and adversely affect the Company's financial condition, results of operations or cash flows in any particular reporting period.

NOTE 12 – SUBSEQUENT EVENTS

Management is not aware of any significant events occurring subsequent to the balance sheet date that would have a material effect on the financial statements thereby requiring adjustment or disclosure.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Cautionary Note Regarding Forward-Looking Information

This report on Form 10-Q, including "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains various "forward-looking statements," within the meaning of The Private Securities Litigation Reform Act of 1995, that are based on management's beliefs and assumptions, as well as information currently available to management. Statements other than those of historical fact, including those identified by words such as "anticipate," "estimate," "intend," "plan," "expect," "project," "believe," "may," "will," "should," "would," "could," "continue," "probable," "forecast," and any variation of the foregoing and similar expressions, are forward-looking statements. Although the Company believes that the expectations reflected in any such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. Any such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, the Company's actual financial results, performance or financial condition may vary materially from those anticipated, estimated or expected. Therefore, you should not rely on any of these forward-looking statements.

Among the key factors that could cause our actual financial results, performance or condition to differ from the expectations expressed or implied in such forward-looking statements are the following: recently enacted, proposed or future legislation and the manner in which it is implemented; changes in the U.S. tax code; the nature and scope of regulatory authority, particularly discretionary authority, that is or may be exercised by regulators, including, but not limited to, the U.S. Consumer Financial Protection Bureau, and individual state regulators having jurisdiction over the Company; the unpredictable nature of regulatory proceedings and litigation; employee misconduct or misconduct by third parties; uncertainties associated with management turnover and the effective succession of senior management; media and public characterization of consumer installment loans; labor unrest; the impact of changes in accounting rules and regulations, or their interpretation or application, which could materially and adversely affect the Company's reported consolidated financial statements or necessitate material delays or changes in the issuance of the Company's audited consolidated financial statements; the Company's assessment of its internal control over financial reporting; changes in interest rates; the impact of inflation; risks relating to the acquisition or sale of assets or businesses or other strategic initiatives, including increased loan delinquencies or net charge-offs, the loss of key personnel, integration or migration issues, the failure to achieve anticipated synergies, increased costs of servicing, incomplete records, and retention of customers; risks inherent in making loans, including repayment risks and value of collateral; cybersecurity threats or incidents, including the potential or actual misappropriation of assets or sensitive information, corruption of data or operational disruption and the costs of the associated response thereto; our dependence on debt and the potential impact of limitations in the Company's amended revolving credit facility or other impacts on the Company's ability to borrow money on favorable terms, or at all; the timing and amount of revenues that may be recognized by the Company; changes in current revenue and expense trends (including trends affecting delinquency and charge-offs); the impact of extreme weather events and natural disasters; changes in the Company's markets and general changes in the economy (particularly in the markets served by the Company).

These and other risks are discussed in more detail in Part I, Item 1A "Risk Factors" in the Company's most recent annual report on Form 10-K for the fiscal year ended March 31, 2023 filed with the SEC, and in the Company's other reports filed with, or furnished to, the SEC from time to time. The Company does not undertake any obligation to update any forward-looking statements it may make, except to the extent required by law.

Results of Operations

The following table sets forth certain information derived from the Company's Consolidated Statements of Operations and Consolidated Balance Sheets (unaudited), as well as operating data and ratios, for the periods indicated:

	Three months ended September 30,		Six months ended September 30,					
	Three months ended December 31,					Three months ended December 31,		Nine months ended December 31,
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022

		(Dollars in thousands)					(Dollars in thousands)			
Gross loans receivable	Gross loans receivable	**$1,379,514**	$1,598,361	**$1,379,514**	$1,598,361					
Average gross loans receivable (1)	Average gross loans receivable (1)	**1,394,395**	1,635,556	**1,390,609**	1,600,374					
Net loans receivable (2)	Net loans receivable (2)	**1,009,202**	1,158,705	**1,009,202**	1,158,705					
Average net loans receivable (3)	Average net loans receivable (3)	**1,017,773**	1,187,295	**1,015,017**	1,166,656					
Expenses as a percentage of total revenue:	Expenses as a percentage of total revenue:									
Expenses as a percentage of total revenue:										
Expenses as a percentage of total revenue:										
Provision for credit losses										
Provision for credit losses										
Provision for credit losses	Provision for credit losses	**29.6 %**	45.4 %	**31.5 %**	50.0 %		**29.5 %**	40.7 %	**30.8 %**	47.0 %
General and administrative	General and administrative	**46.0 %**	46.1 %	**47.5 %**	45.7 %	General and administrative	**47.8 %**	44.3 %	**47.6 %**	45.3 %
Interest expense	Interest expense	**9.2 %**	8.6 %	**9.0 %**	7.8 %	Interest expense	**8.5 %**	9.6 %	**8.8 %**	8.4 %
Operating income as a % of total revenue (4)	Operating income as a % of total revenue (4)	**24.4 %**	8.6 %	**21.0 %**	4.3 %	Operating income as a % of total revenue (4)	**22.7 %**	15.0 %	**21.6 %**	7.8 %
Loan volume (5)	Loan volume (5)	**668,215**	756,477	**1,389,449**	1,688,856					
Loan volume (5)										
Loan volume (5)										
Net charge-offs as percent of average net loans receivable on an annualized basis										
Net charge-offs as percent of average net loans receivable on an annualized basis										
Net charge-offs as percent of average net loans receivable on an annualized basis	Net charge-offs as percent of average net loans receivable on an annualized basis	**16.1 %**	23.0 %	**16.5 %**	22.8 %		**19.1 %**	25.1 %	**17.4 %**	23.6 %
Return on average assets (trailing 12 months)	Return on average assets (trailing 12 months)	**5.0 %**	1.3 %	**5.0 %**	1.3 %					

Return on average assets (trailing 12 months)									
Return on average assets (trailing 12 months)						**6.0 %**	1.2 %	**6.0 %**	1.2 %
Return on average equity (trailing 12 months)									
Return on average equity (trailing 12 months)									
Return on average equity (trailing 12 months)	Return on average equity (trailing 12 months)	**15.2 %**	4.1 %	**15.2 %**	4.1 %	**17.3 %**	4.1 %	**17.3 %**	4.1 %
Branches opened or acquired (merged or closed), net	Branches opened or acquired (merged or closed), net	**(2)**	(42)	**(20)**	(63)				
Branches opened or acquired (merged or closed), net									
Branches opened or acquired (merged or closed), net									
Branches open (at period end)	Branches open (at period end)	**1,053**	1,104	**1,053**	1,104				
Branches open (at period end)									
Branches open (at period end)									

(1) Average gross loans receivable has been determined by averaging month-end gross loans receivable over the indicated period, excluding tax advances.

(2) Net loans receivable is defined as gross loans receivable less unearned interest and deferred fees.

(3) Average net loans receivable has been determined by averaging month-end gross loans receivable less unearned interest and deferred fees over the indicated period, excluding tax advances.

(4) Operating income is computed as total revenue less provision for credit losses and general and administrative expenses.

(5) Loan volume includes all loan balances originated by the Company. It does not include loans purchased through acquisitions.

Comparison of three months ended September 30, 2023 December 31, 2023 versus three months ended September 30, 2022 December 31, 2022

Gross loans outstanding decreased to $1.38 billion $1.40 billion as of September 30, 2023 December 31, 2023, a 13.7% 9.9% decrease from the $1.60 billion $1.55 billion of gross loans outstanding as of September 30, 2022 December 31, 2022. During the most recent quarter, gross loans outstanding increased sequentially 1.5%, or $21.1 million, from $1.38 billion as of September 30, 2023, compared to a decrease of 2.8%, or $44.4 million, in the comparable quarter of the prior year. Additionally, we saw a decrease an increase in borrowing from new, former, and refinance customers compared to the same quarter of fiscal 2022 due 2023 as we took incremental steps to ease the tighter historically stringent underwriting standards implemented in prior quarters. We also continued to improve the gross yield to expected loss ratio for all new, former, and refinance customer originations. During the three months ended September 30, 2023 December 31, 2023 our unique borrowers increased by 1.0% 2.4% compared to a decrease of 5.1% 4.9% during the three months ended September 30, 2022 December 31, 2022.

Net income for the three months ended September 30, 2023 December 31, 2023 increased to $16.1 million $16.7 million, a 2,622.4% 187.1% increase from a net loss income of $0.6 million $5.8 million for the same period of the prior year. Operating income, which is revenue less provision for credit losses and general and administrative expenses, increased by $20.5 million $9.2 million, or 158.5% 42.0%, compared to the same period of the prior fiscal year.

Revenues for the three months ended September 30, 2023 December 31, 2023 decreased by $14.4 million $8.8 million, or 9.5% 6.0%, to $136.9 million $137.7 million from $151.3 million $146.5 million for the same period of the prior year. Interest and fee income for the three months ended September 30, 2023 December 31, 2023 decreased by $13.5 million $7.5 million, or 10.4% 6.0%, from the same period of the prior year due to a decrease in loans outstanding. The decrease was primarily due large loan portfolio decreased from 56.4% of the overall portfolio as of December 31, 2022, to an 11.6% decrease in average gross earning loans (total gross loans less gross loans 60 days or more contractually past due and tax advances) 55.2% as of December 31, 2023.

Insurance and other income for the three months ended September 30, 2023 December 31, 2023 decreased by $0.9 million $1.2 million, or 4.2% 6.1%, from the same period of the prior year. Insurance income decreased by approximately $1.3 million $2.7 million, or 7.8% 15.9%, during the three months ended September 30, 2023 December 31, 2023 when compared to the three months ended September 30, 2022 December 31, 2022. Insurance commissions decreased primarily due to a decrease in loans where our insurance products are available to our customer. Other income increased by $0.4 million $1.5 million.

The provision for credit losses decreased $28.1 million $19.0 million, or 41.0% 31.8%, to $40.5 million $40.6 million from $68.6 million $59.6 million when comparing the second third quarter of fiscal 2024 to the second third quarter of fiscal 2023. The table below itemizes the key components of the CECL allowance and provision impact during the quarter.

CECL Allowance and Provision (Dollars in millions)	**CECL Allowance and Provision (Dollars in millions)**	**FY 2024**	**FY 2023**	**Difference**	**Reconciliation**	**CECL Allowance and Provision (Dollars in millions)**	**FY 2024**	**FY 2023**	**Difference**	**Reconciliation**
Beginning Allowance - June 30		$129.3	$155.7	$(26.4)						
Beginning Allowance - September 30										
Change due to Growth										
Change due to Growth										
Change due to Growth	Change due to Growth	$(1.6)	$(4.1)	$2.5	$2.5		$2.0	$(4.3)	$6.3	$6.3
Change due to Expected Loss Rate on Performing Loans	Change due to Expected Loss Rate on Performing Loans	$(1.2)	$(3.6)	$2.4	$2.4	Change due to Expected Loss Rate on Performing Loans	$(10.0)	$(7.5)	$(2.5)	$(2.5)
Change due to 90 day past due	Change due to 90 day past due	$2.4	$7.9	$(5.5)	$(5.5)	Change due to 90 day past due	$0.2	$0.4	$(0.2)	$(0.2)
Ending Allowance - September 30		$128.9	$155.9	$(27.0)	$(0.6)					
Ending Allowance - December 31						Ending Allowance - December 31	$121.1	$144.5	$(23.4)	$3.6
Net Charge-offs	Net Charge-offs	$40.9	$68.4	$(27.5)	$(27.5)	Net Charge-offs	$48.4	$71.0	$(22.6)	$(22.6)
Provision	Provision	$40.5	$68.6	$(28.1)	$(28.1)	Provision	$40.6	$59.6	$(19.0)	$(19.0)

Note: The change in allowance for the quarter plus net charge-offs for the quarter equals the provision for the quarter (see above reconciliation).

The provision benefited from substantially lower charge-offs and smaller increases in loans 90 days past due.

Net charge-offs for the quarter decreased $27.5 million 22.6 million, from $68.4 $71.0 million in the second third quarter of fiscal 2023 to $40.9 $48.4 million in the second third quarter of fiscal 2024. Net charge-offs as a percentage of average net loan receivables on an annualized basis decreased from 23.0% 25.1% in the second third quarter of fiscal 2023 to 16.1% 19.1% in the second third quarter of fiscal 2024. Net charge-offs during the period include $8.1 million $3.7 million in proceeds related to the sale of charge-offs, for which $4.9 million $0.8 million relates to bulk sales of charge-offs from prior periods and $3.2 million $2.9 million relates to recurring sales of charge-offs.

The Company's allowance for credit losses as a percentage of net loans was 12.8% 11.8% at September 30, 2023 December 31, 2023 compared to 13.5% 12.9% at September 30, 2022 December 31, 2022. Accounts that were 61 days or more past due on a recency basis were 5.9% 5.8% of the portfolio at September 30, 2023 December 31, 2023 and 8.0% 7.4% of the portfolio at September 30, 2022 December 31, 2022.

We experienced significant improvement in recency delinquency on accounts at least 90 days past due, improving from 5.0% 4.9% at September 30, 2022 December 31, 2022, to 3.7% at September 30, 2023. Recency delinquency for accounts 0-89 days past due also improved from 23.5% at September 30, 2022, to 22.1% at September 30, 2023 December 31, 2023.

G&A expenses for the three months ended September 30, 2023 decreased December 31, 2023 increased by $6.7 million $1.0 million, or 9.7% 1.5%, from the corresponding period of the previous year. As a percentage of revenues, G&A expenses decreased increased from 46.1% 44.3% during the three months ended September 30, 2022 December 31, 2022 to 46.0% 47.8% during the three months ended September 30, 2023 December 31, 2023. G&A expenses per average open branch decreased increased by 3.3% 5.4% when comparing the two three-month periods. The change in G&A expense is explained in greater detail below.

Personnel expense totaled $38.4 million $39.9 million for the three months ended September 30, 2023 December 31, 2023, a $6.9 million $0.8 million, or 15.1% 2.0%, decrease over the three months ended September 30, 2022 December 31, 2022. Benefit expense increased approximately $1.2 million $0.6 million, or 15.0% 8.1%, when comparing the quarterly periods ended September 30, 2023 December 31, 2023 and 2022. Incentive expense decreased $7.3 million $1.0 million, or 93.9% 24.5%. Salary expense decreased $0.6 million, or 1.9%, totaled $32.0 million staying relatively flat, when comparing the two quarterly periods ended September 30, 2023 December 31, 2023 and 2022. The decrease in incentive expense is mostly due to a decrease in share-based compensation of $4.9 million related to the reversal of the expense associated with the third tranche of our performance-based share plan, since the Company determined it is no longer probable to achieve the target required for the third tranche to vest, which was set at earnings per share of $25.30 over four consecutive quarters. bonuses paid.

Occupancy and equipment expense totaled $12.4 million $12.1 million for the three months ended September 30, 2023 December 31, 2023, a $1.1 million $0.8 million, or 7.9% 6.5%, decrease over the three months ended September 30, 2022 December 31, 2022. Occupancy and equipment expense is generally a function of the number of branches the Company has open throughout the period. The prior year's second third quarter includes $0.7 million $0.4 million in expense related to the merger of branches during the quarter. For the three months ended September 30, 2023 December 31, 2023, the average open branches decreased 6.6% 3.8% compared to the three months ended September 30, 2022 December 31, 2022.

Advertising expense increased $1.2 $2.4 million, or 122.0% 181.1%, in the second third quarter of fiscal 2024 compared to the second third quarter of fiscal 2023 due to increased spending on customer acquisition programs.

Amortization of intangible assets totaled $1.1 million for the three months ended September 30, 2023 December 31, 2023, a $43.5 $63.6 thousand, or 3.9% 5.7%, decrease over the three months ended September 30, 2022 December 31, 2022.

Other expense totaled $8.8 million $9.2 million for the three months ended September 30, 2023 December 31, 2023, remaining relatively flat compared to a $0.3 million, or 3.1%, increase over the three months ended September 30, 2022 December 31, 2022.

Interest expense for the three months ended September 30, 2023 December 31, 2023 decreased by $0.5 million $2.4 million, or 3.8% 16.9%, from the corresponding three months of the previous year. The decrease in interest expense was due to a 25.2% 22.8% decrease in the average debt outstanding from $775.6 million $734.3 million to $580.4 million $567.1 million partially offset by a 30% 12.5% increase in the effective interest rate from 6.7% 7.6% to 8.7% 8.6%.

The Company's senior debt-to-equity ratio decreased from 2.1: 2.0:1 at September 30, 2022 December 31, 2022 to 1.4:1 at September 30, 2023 December 31, 2023. The Company repurchased and extinguished $1.5 million $4.75 million of its Notes, net of $16.0 $48.0 thousand unamortized debt issuance costs related to the extinguished debt, on the open market for a reacquisition price of $1.3 million $4.1 million.

Other key return ratios for the three months ended September 30, 2023 December 31, 2023 included a 5.0% 6.0% return on average assets and a return on average equity of 15.2% 17.3% (both on a trailing 12-month basis), as compared to a 1.3% 1.2% return on average assets and a return on average equity of 4.1% (both on a trailing 12-month basis) for the three months ended September 30, 2022 December 31, 2022.

The Company's effective income tax rate increased decreased to 23.1% 14.6% for the three months ended September 30, 2023 December 31, 2023 compared to (618.9)% 26.5% for the corresponding period of the previous year. The difference decrease is primarily due to the effects permanent tax benefit related to non-qualified stock option exercises and vesting of pretax book earnings relative restricted stock along with provision to the effects of various permanent return adjustments as discrete items including a decrease in the disallowed executive compensation under Section 162(m) and the recognition of additional HTCs when compared to the prior year current quarter.

Comparison of six nine months ended September 30, 2023 December 31, 2023 versus six nine months ended September 30, 2022 December 31, 2022

Gross loans outstanding decreased to $1.38 billion $1.40 billion as of September 30, 2023 December 31, 2023, a 13.7% 9.9% decrease from the $1.60 billion $1.55 billion of gross loans outstanding as of September 30, 2022 December 31, 2022. During the six twelve months ended September 30, 2023 December 31, 2023 our number of unique borrowers in the portfolio decreased by 9.4% 2.4% compared to a decrease of 2.3% 13.7% during the six twelve months ended September 30, 2022 December 31, 2022.

Net income for the six nine months ended September 30, 2023 December 31, 2023 increased to $25.6 million, a 378.4% increase $42.3 million from the $9.2 million $3.4 million loss reported for the same period of the prior year. Operating income (revenue less provision for credit losses and general and administrative expenses) increased by $44.7 million $53.9 million, or 333.6% 152.4%.

Revenues decreased by $33.0 million $41.8 million, or 10.7% 9.2%, to $276.2 million $413.9 million during the six nine months ended September 30, 2023 December 31, 2023 from $309.2 million $455.7 million for the same period of the prior year. The decrease was primarily due to a decrease in average net loans outstanding.

Interest and fee income for the six nine months ended September 30, 2023 December 31, 2023 decreased by $27.1 million $34.6 million, or 10.4% 9.0%, from the same period of the prior year. Net loans outstanding at September 30, 2023 December 31, 2023 decreased by 12.9% 8.4% over the balance at September 30, 2022 December 31, 2022. Average net loans outstanding decreased by 13.0% 12.0% for the six nine months ended September 30, 2023 December 31, 2023 compared to the six-month nine-month period ended September 30, 2022 December 31, 2022.

Insurance commissions and other income for the six nine months ended September 30, 2023 December 31, 2023 decreased by $5.9 million $7.1 million, or 12.1% 10.4%, from the same period of the prior year. Insurance commissions decreased by approximately $2.3 million $5.1 million, or 6.8% 9.9%, during the six nine months ended September 30, 2023 December 31, 2023 when compared to the six nine months ended September 30, 2022 December 31, 2022. Other income decreased by $3.6 million $2.1 million. Sales of our motor club product decreased by $1.5 million as sales opportunities decreased with lower originations.

The provision for credit losses decreased $67.3 million $86.4 million, or 43.6% 40.3%, to $87.1 million $127.7 million from $154.4 million $214.1 million when comparing the first two three quarters of fiscal 2024 to the first two three quarters of fiscal 2023. This decrease was primarily driven by a $49.1 million $71.6 million decrease in net charge-offs. Net charge-offs as a percentage of average net loans receivable on an annualized basis decreased from 22.8% 23.6% in the first two three quarters of fiscal 2023 to 16.5% 17.4% in the first two three quarters of fiscal 2024. Net charge-offs during the period include $12.5 million $16.2 million in proceeds related to the sales of charge-offs, for which $4.9 million $5.7 million relates to bulk sales of charge-offs from prior periods and $7.6 million $10.5 million relates to recurring sales of charge-offs.

G&A expenses for the six nine months ended September 30, 2023 December 31, 2023 decreased by $10.3 million $9.3 million, or 7.3% 4.5%, from the corresponding period of the previous year. As a percentage of revenues, G&A expenses increased from 45.7% 45.3% during the first six nine months of fiscal 2023 to 47.5% 47.6% during the first six nine months of fiscal 2024. G&A expenses per average open branch increased by 0.1% 1.8% when comparing the two six-month nine-month periods. The change in G&A expense is explained in greater detail below.

Personnel expense totaled $80.2 million $120.1 million for the six nine months ended September 30, 2023 December 31, 2023, a $10.2 million $11.1 million, or 11.3% 8.4%, decrease over the six nine months ended September 30, 2022 December 31, 2022. Salary expense decreased increased approximately $0.4 million, or 0.7% 0.4%, when comparing the two six nine month periods ended September 30, 2023 December 31, 2023 and 2022.

Our headcount as of September 30, 2023 December 31, 2023, decreased 6.2% 6.9% compared to September 30, 2022 December 31, 2022. Benefit expense decreased increased approximately $0.5 million $0.1 million, or 3.0% 0.4%, when comparing the six nine month periods ended September 30, 2023 December 31, 2023 and 2022. Incentive expense decreased $10.7 million $11.7 million, or 60.8% 53.9%, mostly due to the reversal of the expense associated with the third tranche of our performance-based share plan as discussed above. Performance Option performance target, and a decrease in stock-based compensation expense.

Occupancy and equipment expense totaled $25.0 million $37.1 million for the six nine months ended September 30, 2023 December 31, 2023, a $1.7 million $2.5 million, or 6.3% 6.4%, decrease over the six nine months ended September 30, 2022 December 31, 2022. Occupancy and equipment expense is generally a function of the number of branches the Company has open throughout the period. For the six nine months ended September 30, 2023 December 31, 2023, the average occupancy and equipment expense per branch increased totaled $35.2 thousand, staying relatively flat when compared to $23.7 thousand, up from $23.4 thousand for the six nine months ended September 30, 2022 December 31, 2022. The prior year period includes $1.1 million $1.5 million in expense related to the merger of branches during the period.

Advertising expense totaled $5.0 million $8.7 million for the six nine months ended September 30, 2023 December 31, 2023, a $1.8 million $4.2 million, or 55.1% 91.8%, increase over the six nine months ended September 30, 2022 December 31, 2022 due to increased spending on customer acquisition programs.

Amortization of intangible assets totaled $2.1 million $3.2 million for the six nine months ended September 30, 2023 December 31, 2023, a $106.3 thousand, $0.2 million, or 4.7% 5.1%, decrease over the six nine months ended September 30, 2022 December 31, 2022.

Other expense totaled $18.7 million $27.8 million for the six nine months ended September 30, 2023 December 31, 2023, remaining relatively flat compared to a $0.3 million, or 0.9% increase over the six nine months ended September 30, 2022 December 31, 2022.

Interest expense for the six nine months ended September 30, 2023 increased December 31, 2023 decreased by $0.6 million $1.8 million, or 2.4% 4.7%, from the corresponding six nine months of the previous year. The increase decrease in interest expense was due to a 35.2% 22.3% decrease in the average debt outstanding, from $747.4 million to $581.0 million, partially offset by a 26.5% increase in the effective interest rate from 6.4% 6.8% to 8.6%, offset by . The Company repurchased and extinguished $8.25 million of its Notes, net of $88.1 thousand unamortized debt issuance costs related to the extinguished debt, on the open market for a 22.4% decrease in the average debt outstanding, from $755.4 million to $586.5 million reacquisition price of $7.0 million.

Other key return ratios for the first six nine months of fiscal 2024 included a 5.0% 6.0% return on average assets and a return on average equity of 15.2% 17.3% (both on a trailing 12-month basis), as compared to a 1.3% 1.2% return on average assets and a return on average equity of 4.1% (both on a trailing 12-month basis) for the first six nine months of fiscal 2023.

The Company's effective income tax rate increased to 23.0% 19.9% for the six nine months ended September 30, 2023 December 31, 2023 compared to 14.9% (16.6)% for the corresponding period of the previous year. The increase difference is primarily due to the tax benefit related to the bargain purchase recorded as a discrete item in the prior year. This was partially offset by the effects permanent tax benefit related to non-qualified stock option exercises and vesting of pretax book earnings relative restricted stock along with provision to the effects of various permanent return adjustments as discrete items including a decrease in the disallowed executive compensation under Section 162(m) and the recognition of additional HTCs when compared to the prior current year.

Regulatory Matters

CFPB Rulemaking Initiatives

On October 5, 2017, the CFPB issued a final rule (the "Rule") imposing limitations on (i) short-term consumer loans, (ii) longer-term consumer installment loans with balloon payments, and (iii) higher-rate consumer installment loans repayable by a payment authorization. The Rule originally required lenders originating short-term loans and longer-term balloon payment loans to evaluate whether each consumer has the ability to repay the loan along with current obligations and expenses ("ability to repay requirements"); however, the ability to repay requirements were rescinded in July 2020. The Rule also curtails repeated unsuccessful attempts to debit consumers' accounts for short-term loans, balloon payment loans, and installment loans that involve a payment authorization and an annual percentage rate over 36% ("payment requirements"). However, on October 19, 2022, a three-judge panel of the Fifth Circuit Court of Appeals held in *Cmty. Fin.l Servs. Ass'n of Am., Ltd. v. Consumer Fin. Prot. Bureau*, ruled that the CFPB's funding structure violated the U.S. Constitution's

Appropriations Clause, which requires that all expenditures of federal funds be approved by Congress. On this ground, it vacated the Rule. The decision will be binding in the Fifth Circuit's jurisdiction, covering Louisiana, Texas and Mississippi, and persuasive in other circuits until there's a competing case to contradict it. The CFPB has filed a certiorari petition asking the U.S. Supreme Court to review the Fifth Circuit's panel decision. The Supreme Court heard oral arguments on October 3, 2023 and it is possible that a decision may not be issued until the end of the Court's term in June 2024. Implementation of the Rule's payment requirements is uncertain, but if it were to take effect it could require changes to the Company's practices and procedures for such loans, which could materially and adversely affect the Company's ability to make such loans, the cost of making such loans, the Company's ability to, or frequency with which it could, refinance any such loans, and the profitability of such loans.

Unless rescinded or otherwise amended, the Company will have to comply with the Rule's payment requirements if it continues to allow consumers to set up future recurring payments online for certain covered loans such that it meets the definition of having a "leveraged payment mechanism" under the Rule. If the payment provisions of the Rule apply, the Company will have to modify its loan payment procedures to comply with the required notices and mandated timeframes set forth in the final rule.

In its Fall 2015 rulemaking agenda, the CFPB stated that it expected to conduct a rulemaking to identify larger participants in the installment lending market for purposes of its supervision program. However, this initiative was classified as "inactive" on the CFPB's Spring 2018 rulemaking, and its Spring Fall 2023 rulemaking agenda showed no planned activity in this area. Though the likelihood and timing of any such rulemaking is uncertain, the Company believes that the implementation of such rules would likely bring the Company's business under the CFPB's supervisory authority which, among other things, would subject the Company to reporting obligations to, and on-site compliance examinations by, the CFPB. While the CFPB has not yet initiated rulemaking for defining larger participants in the installment lending market, its Spring Fall 2023 rulemaking agenda indicates that the CFPB is considering rules to define larger participants in markets for consumer payments, suggesting that the CFPB has renewed its focus on further identifying larger participants for purposes of its supervision program. Even in the absence of a larger participant rule, the CFPB has the power to order individual nonbank financial institutions to submit to supervision where the CFPB has reasonable cause to determine that the institution is engaged in "conduct that poses risks to consumers" under 12 USC 5514(a)(1)(C). On April 25, 2022, the CFPB announced that it has begun using this "dormant authority" to examine nonbank entities that pose risks to consumers. The CFPB has determined under its dormant authority that the Company is subject to its supervisory authority, and therefore is subject to reporting obligations to, and on-site examinations by, the CFPB. In light of this, we expect a supervisory review by the CFPB in the near future.

See Part I, Item 1, "Business - Government Regulation - Federal legislation," for a further discussion of these matters and the federal regulations to which the Company's operations are subject and Part I, Item 1A, "Risk Factors," in the Company's Form 10-K for the year ended March 31, 2023 for more information regarding these regulatory and related risks.

Liquidity and Capital Resources

The Company has historically financed and continues to finance its operations, acquisitions and branch expansion primarily through a combination of cash flows from operations and borrowings from its institutional lenders. As discussed below, the Company has also issued debt securities to finance its operations and repay a portion of its outstanding indebtedness. The Company has generally applied its cash flows from operations to fund its loan volume, fund acquisitions, repay long-term indebtedness, and repurchase its common stock. Net cash provided by operating activities for the six nine months ended September 30, 2023 December 31, 2023 was $123.1 million $182.0 million.

The Company believes that attractive opportunities to acquire new branches or receivables from its competitors or to acquire branches in communities not currently served by the Company will continue to become available as conditions in local economies and the financial circumstances of owners change.

On September 27, 2021, we issued a $300 million in aggregate principal amount of 7.0% senior notes due 2026. The Notes were sold in a private placement in reliance on Rule 144A and Regulation S under the Securities Act of 1933, as amended. The Notes are unconditionally guaranteed, jointly and severally, on a senior unsecured basis by all of the Company's existing and certain of its future subsidiaries that guarantee the revolving credit facility. Interest on the Notes is payable semi-annually in arrears on May 1 and November 1 of each year, commencing May 1, 2022. At any time prior to November 1, 2023, the

Company may redeem could have redeemed the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount plus a make-whole premium, as described in the indenture, plus accrued and unpaid interest, if any, to, but not including, the date of redemption. At any time on or after November 1, 2023, the Company may redeem the Notes at redemption prices set forth in the indenture, plus accrued and unpaid interest, if any, to, but not including, the date of redemption. In addition, at any time prior to November 1, 2023, the Company may use could have used the proceeds of certain equity offerings to redeem up to 40% of the aggregate principal amount of the Notes issued under the indenture at a redemption price equal to 107.0% of the principal amount of Notes redeemed, plus accrued and unpaid interest, if any, to, but not including, the date of redemption.

We used the net proceeds from this offering to repay a portion of the outstanding indebtedness under our revolving credit facility and for general corporate purposes.

During the fourth quarter of fiscal 2023, the Company repurchased and extinguished $9.1 million of its Notes, net of $0.1 million unamortized debt issuance costs related to the extinguished debt, on the open market for a reacquisition price of $7.2 million.

During the first six nine months of fiscal 2024, the Company repurchased and extinguished $3.5 million $8.25 million of its Notes, net of $40.1 $88.1 thousand unamortized debt issuance costs related to the extinguished debt, on the open market for a reacquisition price of $2.9 million $7.0 million. For the three and nine months ended December 31, 2023, the Company recognized a $0.6 million and $1.2 million gain on extinguishment, respectively. In accordance with ASC 470, the Company recognized the $0.6 million gain on extinguishment as a component of interest expense in the Company's Consolidated Statements of Operations.

The indenture governing the Notes contains certain covenants that, among other things, limit the Company's ability and the ability of its restricted subsidiaries to (i) incur additional indebtedness or issue certain disqualified stock and preferred stock; (ii) pay dividends or distributions or redeem or purchase capital stock; (iii) prepay subordinated debt or make certain investments; (iv) transfer and sell assets; (v) create or permit to exist liens; (vi) enter into agreements that restrict dividends, loans and other distributions from their subsidiaries; (vii) engage in a merger, consolidation or sell, transfer or otherwise dispose of all or substantially all of their assets; and (viii) engage in transactions with affiliates. However, these covenants are subject to a number of important detailed qualifications and exceptions.

The Company continues to believe stock repurchases are a viable component of the Company's long-term financial strategy and an excellent use of excess cash when the opportunity arises. However, our revolving credit facility and the Notes limit share repurchases to up to 50% of consolidated adjusted net income for the period commencing January 1, 2019. As of September 30, 2023 December 31, 2023, subject to further approval from our Board of Directors, we could repurchase approximately $42.0 $33.2 million of shares under the terms of our debt facilities. Additional share repurchases can be made subject to compliance with, among other things, applicable restricted payment covenants under the revolving credit facility and the Notes.

The Company has a revolving credit facility with a syndicate of banks. The revolving credit facility provides for revolving borrowings of up to the lesser of (a) the aggregate commitments under the facility and (b) a borrowing base, and it includes a $524.0 thousand letter of credit under a $1.5 million subfacility.

Subject to a borrowing base formula, the Company may borrow at the rate of one month SOFR plus 0.10% and an applicable margin of 3.5% with a minimum rate of 4.5%. At September 30, 2023 December 31, 2023, the aggregate commitments under the revolving credit facility were $580.0 million. The $524.0 thousand letter of credit outstanding under the subfacility expires on December 31, 2023; however, it December 31, 2024 and automatically extends for one year on the expiration date. The borrowing base limitation is equal to the product of (a) the Company's eligible finance receivables, less unearned finance charges, insurance premiums and insurance commissions applicable to such eligible finance receivables, and (b) an advance rate percentage that ranges from 70% to 80% based on a collateral performance indicator, as more completely described below. Further, under the amended and restated revolving credit agreement, the administrative agent has the right to set aside reasonable reserves against the available borrowing base in such amounts as it may deem appropriate, including, without limitation, reserves with respect to certain regulatory events or any increased operational, legal, or regulatory risk of the Company and its subsidiaries.

For the six nine months ended September 30, 2023 December 31, 2023 and fiscal year ended March 31, 2023, the Company's effective interest rate, including the commitment fee and amortization of debt issuance costs, as it relates to the revolving credit facility was 9.8% annualized and 7.0%, respectively. At September 30, 2023 December 31, 2023, the unused amount available under the revolving credit facility was $302.9 million $274.4 million and borrowings under the revolving credit facility mature on June 7, 2026.

The Company's obligations under the revolving credit facility, together with treasury management and hedging obligations owing to any lender under the revolving credit facility or any affiliate of any such lender, are required to be guaranteed by each of the Company's wholly-owned domestic subsidiaries. The obligations of the Company and the subsidiary guarantors under the revolving credit facility, together with such treasury management and hedging obligations, are secured by a first-priority security interest in substantially all assets of the Company and the subsidiary guarantors.

The agreement governing the Company's revolving credit facility contains affirmative and negative covenants, including covenants that restrict the ability of the Company and its subsidiaries to, among other things, incur or guarantee indebtedness, incur liens, pay dividends and repurchase or redeem capital stock, dispose of assets, engage in mergers and consolidations, make acquisitions or other investments, redeem or prepay subordinated debt, amend subordinated debt documents, make changes in the nature of its business, and engage in transactions with affiliates. The agreement allows the Company to incur subordinated debt that matures after the termination date for the revolving credit facility and that contains specified subordination terms, subject to limitations on amount imposed by the financial covenants under the agreement. The agreement's financial covenants include (i) a minimum consolidated net worth of $325 million on and after December 31, 2020; (ii) a maximum ratio of total debt to consolidated adjusted net worth of 2.5 to 1.0 (decreasing to 2.25 to 1.0 for the fiscal quarters ending March 31, 2023 and June 30, 2023, 2.0 to 1.0 for the fiscal quarter ending September 30, 2023, and 2.25 to 1.0 for the fiscal quarter ending December 31, 2023); (iii) a maximum collateral performance indicator of 26.0% as of the end of each calendar month (increasing to 28.0% for the calendar months ending October 31, 2022 through June 30, 2023); and (iv) a minimum fixed charges coverage ratio of 1.25 to 1.0 for the fiscal quarter ended December 31, 2022, 1.15 to 1.0 for the fiscal quarters ending March 31, 2023 and June 30, 2023, 1.50 to 1.0 for the fiscal quarter ending September 30, 2023, 2.0 to 1.0 for the fiscal quarter ending December 31, 2023, and 2.25 to 1.0 for each fiscal quarter thereafter, where the ratio for the most recent four consecutive fiscal quarters must be at least 2.0 to 1.0, other than for the fiscal quarter ending September 30, 2023, in order for the Company to declare dividends or purchase any class or series of its capital stock or other equity.

The collateral performance indicator is equal to the sum of (a) a three-month rolling average rate of receivables at least sixty days past due and (b) an eight-month rolling average net charge-off rate.

The Company was in compliance with these covenants at September 30, 2023 December 31, 2023 and does not believe that these covenants will materially limit its business and expansion strategy.

The agreement contains events of default including, without limitation, nonpayment of principal, interest or other obligations, violation of covenants, misrepresentation, cross-default to other debt, bankruptcy and other insolvency events, judgments, certain ERISA events, actual or asserted invalidity of loan documentation, invalidity of subordination provisions of subordinated debt, certain changes of control of the Company, and the occurrence of certain regulatory events, (including the entry of any stay, order, judgment, ruling or similar event related to the Company's or any of its subsidiaries' originating, holding, pledging, collecting or enforcing its eligible loans receivable that is material to the Company or any subsidiary) which remains unvacated, undischarged, unbonded or unstayed by appeal or otherwise for a period of 60 days from the date of its entry and is reasonably likely to cause a material adverse change.

As of September 30, 2023 December 31, 2023, the Company's debt outstanding was $560.9 million $585.0 million, net of $3.0 $2.7 million unamortized debt issuance costs related to the unsecured senior notes payable, and its shareholders' equity was $410.0 million $407.0 million resulting in a debt-to-equity ratio of 1.4:1.0. Management will continue to monitor the Company's debt-to-equity ratio and is committed to maintaining a debt level that will allow the Company to continue to execute its business objectives, while not putting undue stress on its consolidated balance sheet.

The Company believes that cash flow from operations and borrowings under its revolving credit facility or other sources will be adequate to fund the expected cost of opening or acquiring new branches, including funding initial operating losses of new branches and funding loans receivable originated by those branches and the Company's other branches (for the next 12 months and for the foreseeable future beyond that). Except as otherwise discussed in this report including, but not limited to, any discussions in Part 1, Item 1A, "Risk Factors" in this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K (as supplemented by any subsequent disclosures in information the Company files with or furnishes to the SEC from time to time), management is not currently aware of any trends, demands, commitments, events or uncertainties that it believes will or could result in, or are or could be reasonably likely to result in, any material adverse effect on the Company's liquidity.

Share Repurchase Program

On February 24, 2022 November 9, 2023, the Board of Directors authorized the Company to repurchase up to $30.0 million $20.0 million of the Company's outstanding common stock, inclusive of the amount that remained available for repurchase under prior repurchase authorizations. As of September 30, 2023 December 31, 2023, the Company had $1.1 million $2.8 million in aggregate remaining repurchase capacity under its current share repurchase program. The timing and actual number of shares repurchased will depend on a variety of factors, including the stock price, corporate and regulatory requirements, available funds, alternative uses of capital, restrictions under the revolving credit agreement, and other market and economic conditions. The Company's stock repurchase program may be suspended or discontinued at any time.

The Company continues to believe stock repurchases are a viable component of the Company's long-term financial strategy and an excellent use of excess cash when the opportunity arises. Additional share repurchases can be made subject to compliance with, among other things, applicable restricted payment covenants under the revolving credit facility and the Notes. Our first priority is to ensure we have enough capital to fund loan growth. As of September 30, 2023 December 31, 2023, subject to further approval from our Board of Directors, we could repurchase approximately $42.0 $33.2 million of shares under the terms of our debt facilities. To the extent we have excess capital, we may repurchase stock, if appropriate and as authorized by our Board of Directors.

Inflation

The Company does not believe that inflation, within reasonably anticipated rates, will have a material, adverse effect on its financial condition. Although inflation would increase the Company's operating costs in absolute terms, the Company expects that the same decrease in the value of money would result in an increase in the size of loans demanded by its customer base. It is reasonable to anticipate that such a change in customer preference would result in an increase in total loans receivable and an increase in absolute revenue to be generated from that larger amount of loans receivable. The Company believes that this increase in absolute revenue should offset any increase in operating costs. In addition, because the Company's loans have a relatively short contractual term and average life, it is unlikely that loans made at any given point in time will be repaid with significantly inflated dollars.

Quarterly Information and Seasonality

See Note 2 to the unaudited Consolidated Financial Statements.

Recently Adopted Accounting Pronouncements

See Note 2 to the unaudited Consolidated Financial Statements.

Critical Accounting Policies

The Company's accounting and reporting policies are in accordance with GAAP and conform to general practices within the finance company industry. Certain accounting policies involve significant judgment by the Company's management, including the use of estimates and assumptions which affect the reported amounts of assets, liabilities, revenue, and expenses. As a result, changes in these estimates and assumptions could significantly affect the Company's financial position and results of operations. The Company considers its policies regarding the allowance for credit losses, share-based compensation and income taxes to be its most critical accounting policies due to the significant degree of management judgment involved.

Allowance for Credit Losses

Accounting policies related to the allowance for credit losses are considered to be critical as these policies involve considerable subjective judgement and estimation by management. In the case of loans, the allowance for credit losses is a contra-asset valuation account, calculated in accordance with ASC 326 that is deducted from the amortized cost basis of loans to present the net amount expected to be collected. The amount of the allowance account represents management's best estimate of current expected credit losses on these financial instruments considering available information, from internal and external sources, relevant to assessing exposure to credit loss over the contractual term of the instrument. Relevant available information includes historical credit loss experience, current conditions, qualitative factors, and reasonable and supportable forecasts.

Share-Based Compensation

The Company measures compensation cost for share-based awards at fair value and recognizes compensation over the service period for awards expected to vest. The fair value of restricted stock is based on the number of shares granted and the quoted price of the Company's common stock at the time of grant, and the fair value of stock options is determined using the Black-Scholes valuation model. The Black-Scholes model requires the input of assumptions, including expected volatility, risk-free interest rate and expected life.

Income Taxes

Management uses certain assumptions and estimates in determining income taxes payable or refundable, deferred income tax liabilities and assets for events recognized differently in its financial statements and income tax returns, and income tax expense. Determining these amounts requires analysis of certain transactions and interpretation of tax laws and regulations. Management exercises considerable judgment in evaluating the amount and timing of recognition of the resulting income tax liabilities and assets. These judgments and estimates are re-evaluated on a periodic basis as regulatory and business factors change.

No assurance can be given that either the tax returns submitted by management or the income tax reported on the Consolidated Financial Statements will not be adjusted by either adverse rulings, changes in the tax code, or assessments made by the IRS, state, or foreign taxing authorities. The Company is subject to potential adverse adjustments, including but not limited to: an increase in the statutory federal or state income tax rates, the permanent non-deductibility of amounts currently considered deductible either now or in future periods, and the dependency on the generation of future taxable income in order to ultimately realize deferred income tax assets.

Under FASB ASC Topic 740, the Company will include the current and deferred tax impact of its tax positions in the financial statements when it is more likely than not (likelihood of greater than 50%) that such positions will be sustained by taxing authorities, with full knowledge of relevant information, based on the technical merits of the tax position. While the Company supports its tax positions by unambiguous tax law, prior experience with the taxing authority, and analysis of what it considers to be all relevant facts, circumstances and regulations, management must still rely on assumptions and estimates to determine the overall likelihood of success and proper quantification of a given tax position.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

The Company's outstanding debt under its revolving credit facility was $276.6 million $305.1 million at September 30, 2023 December 31, 2023. Interest on borrowing under this facility is based on the greater of 4.5% or one month SOFR plus 0.10% and an applicable margin of 3.5%. Based on the outstanding balance at September 30, 2023 December 31, 2023, a change of 1.0% in the interest rate would cause a change in interest expense of approximately $2.8 million $3.1 million on an annual basis.

Item 4. Controls and Procedures

Changes in Internal Control over Financial Reporting

There were no changes to our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Evaluation of Disclosure Controls and Procedures

Based on management's evaluation, with the participation of our CEO and CFO, as of the end of the period covered by this report, our CEO and CFO have concluded that our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, are effective to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and is accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Our management is responsible for establishing and maintaining adequate "internal control over financial reporting," as defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Our management, including the CEO and CFO do not expect that our internal controls will prevent all error errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

See Note 11 to the unaudited Consolidated Financial Statements included in this report for information regarding legal proceedings.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in Part I, Item 1A of the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds and Issuer Purchases of Equity Securities

The Company's credit agreements contain certain limits on share repurchases. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources."

On February 24, 2022 November 9, 2023, the Board of Directors authorized the Company to repurchase up to $30.0 million $20.0 million of the Company’s outstanding common stock, inclusive of the amount that remained available for repurchase under prior repurchase authorizations. As of September 30, 2023 December 31, 2023 the Company had $1.1 $2.8 million in aggregate remaining repurchase capacity under its current share repurchase program. The timing and actual number of shares repurchased will depend on a variety of factors, including the stock price, corporate and regulatory requirements, available funds, alternative uses of capital, restrictions under the revolving credit agreement, and other market and economic conditions. The Company's stock repurchase program may be suspended or discontinued at any time.

The repurchase authorization does not have a stated expiration date. The following table details purchases of the Company's common stock, if any, made by the Company during the three months ended September 30, 2023 December 31, 2023:

	(a) Total number of shares purchased	(b) Average price paid per share	(c) Total number of shares purchased as part of publicly announced plans or programs	(d) Approximate dollar value of shares that may yet be purchased under the plans or programs(1)
July 1 through July 31, 2023	—	$ —	—	$ 1,123,544
August 1 through August 31, 2023	—	—	—	1,123,544
September 1 through September 30, 2023	—	—	—	1,123,544
Total for the quarter	**—**	**$ —**	**—**	

	(a) Total number of shares purchased	(b) Average price paid per share	(c) Total number of shares purchased as part of publicly announced plans or programs	(d) Approximate dollar value of shares that may yet be purchased under the plans or programs(1)
October 1 through October 31, 2023	—	$ —	—	$ 1,123,544
November 1 through November 30, 2023	64,062	110.18	64,062	12,941,576
December 1 through December 31, 2023	84,703	119.38	84,703	2,829,485
Total for the quarter	**148,765**	**$ 115.42**	**148,765**	

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None of our officers and directors entered into, modified or terminated any “Rule 10b5-1 trading arrangements” or “non-Rule 10b5-1 trading arrangements” (each as defined in in Item 408(c) of Regulation S-K) during the quarter ended September 30, 2023 December 31, 2023.

Item 6. Exhibits

The exhibits listed in the accompanying exhibit index are filed as part of the Quarterly Report on Form 10-Q.

EXHIBIT INDEX

			Incorporated by Reference		
Exhibit Number	Exhibit Description	Filed Herewith	Form or Registration Number	Exhibit	Filing Date
3.01	Second Amended and Restated Articles of Incorporation of World Acceptance Corporation, as amended		S-8	3.1	07-29-03
3.02	Eighth Amended and Restated Bylaws of World Acceptance Corporation		10-Q	3.01	11-08-18
10.01	Tenth Amendment to Amended and Restated Revolving Credit Facility, dated July 18, 2023, including the Amended and Restated Revolving Credit Facility attached as Exhibit A thereto		8-K	10.1 10.2	07-18-23
31.01	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer	*			
31.02	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial and Strategy Officer	*			
32.01	Section 1350 Certification of Chief Executive Officer	*			
32.02	Section 1350 Certification of Chief Financial and Strategy Officer	*			
101.01	The following materials from the Company's Quarterly Report for the fiscal quarter ended September 30, 2023, formatted in Inline XBRL:	*			
	(i) Consolidated Balance Sheets as of September 30, 2023 and March 31, 2023;				
	(ii) Consolidated Statements of Operations for the three and six months ended September 30, 2023 and September 30, 2022;				
	(iii) Consolidated Statements of Shareholders' Equity for the three and six months ended September 30, 2023 and September 30, 2022;				
	(iv) Consolidated Statements of Cash Flows for the six months ended September 30, 2023 and September 30, 2022; and				
	(v) Notes to the Consolidated Financial Statements.				
104.01	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	*			

			Incorporated by Reference		
Exhibit Number	Exhibit Description	Filed Herewith	Form or Registration Number	Exhibit	Filing Date
3.01	Second Amended and Restated Articles of Incorporation of World Acceptance Corporation, as amended		S-8	3.1	07-29-03
3.02	Eighth Amended and Restated Bylaws of World Acceptance Corporation		10-Q	3.01	11-08-18
10.01	Tenth Amendment to Amended and Restated Revolving Credit Facility, dated July 18, 2023, including the Amended and Restated Revolving Credit Facility attached as Exhibit A thereto		8-K	10.1 10.2	07-18-23
10.02	Eleventh Amendment to Amended and Restated Revolving Credit Facility, dated November 9, 2023, including the Amended and Restated Revolving Credit Facility attached as Exhibit A thereto		8-K	10.1 10.2	11-09-23
31.01	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer	*			

31.02	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial and Strategy Officer	*
32.01	Section 1350 Certification of Chief Executive Officer	*
32.02	Section 1350 Certification of Chief Financial and Strategy Officer	*
101.01	The following materials from the Company's Quarterly Report for the fiscal quarter ended December 31, 2023, formatted in Inline XBRL:	*
	(i) Consolidated Balance Sheets as of December 31, 2023 and March 31, 2023;	
	(ii) Consolidated Statements of Operations for the three and nine months ended December 31, 2023 and December 31, 2022;	
	(iii) Consolidated Statements of Shareholders' Equity for the three and nine months ended December 31, 2023 and December 31, 2022;	
	(iv) Consolidated Statements of Cash Flows for the nine months ended December 31, 2023 and December 31, 2022; and	
	(v) Notes to the Consolidated Financial Statements.	
104.01	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	*

* Filed herewith.

\+ Management Contract or other compensatory plan required to be filed under Item 6 of this report and Item 601 of Regulation S-K of the Securities and Exchange Commission.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WORLD ACCEPTANCE CORPORATION

By: /s/ Scott McIntyre

Scott McIntyre

Senior Vice President of Accounting

Signing on behalf of the registrant and as principal accounting officer

Date: November 3, 2023 February 7, 2024

EXHIBIT 31.01

CERTIFICATION

I, R. Chad Prashad, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of World Acceptance Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 3, 2023 February 7, 2024

/s/ R. Chad Prashad

R. Chad Prashad

President and Chief Executive Officer

EXHIBIT 31.02

CERTIFICATION

I, John L. Calmes, Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of World Acceptance Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 3, 2023 February 7, 2024

/s/ John L. Calmes, Jr.

John L. Calmes, Jr.
Executive Vice President and Chief Financial and Strategy Officer

EXHIBIT 32.01

CERTIFICATION OF PERIODIC REPORT

I, R. Chad Prashad, President and Chief Executive Officer of World Acceptance Corporation (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to my knowledge:

(1) the Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2023 December 31, 2023, (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 3, 2023 February 7, 2024

/s/ R. Chad Prashad

R. Chad Prashad
President and Chief Executive Officer

EXHIBIT 32.02

CERTIFICATION OF PERIODIC REPORT

I, John L. Calmes, Jr., Executive Vice President and Chief Financial and Strategy Officer of World Acceptance Corporation (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to my knowledge:

(1) the Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2023 December 31, 2023, (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated:	November 3, 2023 February 7, 2024	/s/ John L. Calmes, Jr.
		John L. Calmes, Jr.
		Executive Vice President and Chief Financial and Strategy Officer

DISCLAIMER

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