World Acceptance Corporation®

2016 ANNUAL REPORT

COMPANY PROFILE

WORLD ACCEPTANCE CORPORATION, founded in 1962, is one of the largest small-loan consumer finance companies in the United States and Mexico. It offers short-term small loans, medium-term larger loans, related credit insurance products, ancillary products and services to individuals who have limited access to other sources of consumer credit. It also offers income tax return preparation services to its customer base and to others.

World emphasizes quality customer service and the building of strong personal relationships with its customers. As a result, a substantial portion of the Company's business is repeat business from the renewal of loans to existing customers and the origination of new loans to former customers. During fiscal 2016, the Company loaned $2.6 billion in the aggregate in 1.9 million transactions. As of March 31, 2016, World had approximately 897,000 customers. The Company's loans generally are under $4,000 and have maturities of less than 42 months. World's average gross loan made in fiscal 2016 was $1,190, and the average contractual maturity was approximately thirteen months.

The company's computer software and related services subsidiary, ParaData Financial Systems, is currently used in the Company's 1,329 branch offices.

As of June 1, 2016, World operated 1,329 offices in South Carolina, Georgia, Texas, Oklahoma, Louisiana, Tennessee, Missouri, Illinois, New Mexico, Kentucky, Alabama, Wisconsin, Indiana, Mississippi, Idaho and Mexico.

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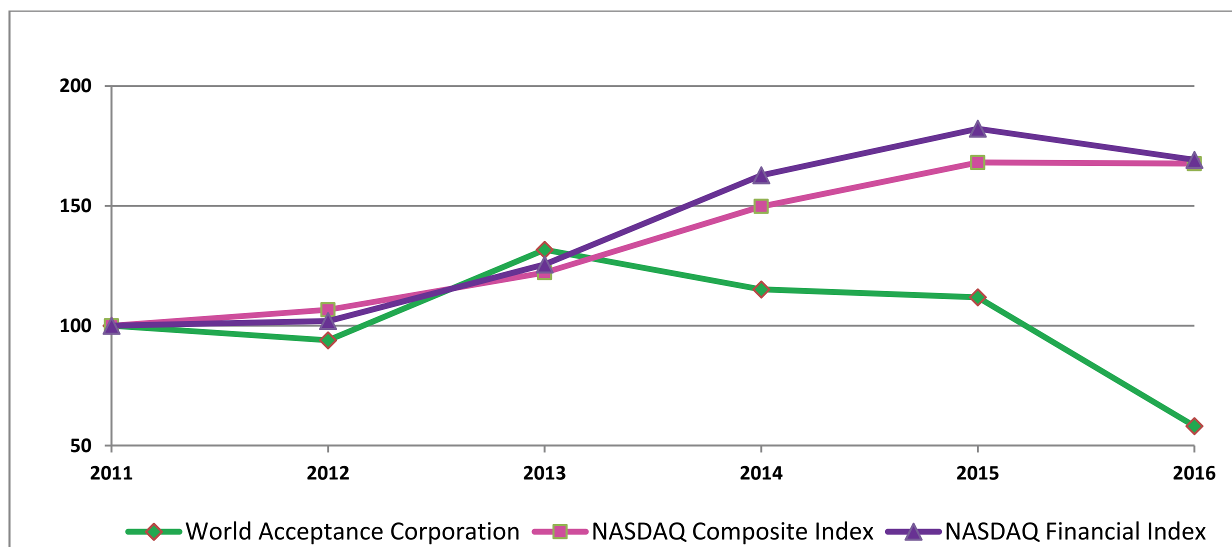
(Dollars in thousands, except per share data)

	Years Ended March 31,		
Select Statement of Operations Data:	**2016**	2015	Change (%)
Total revenues.	**557,475**	610,213	-8.6%
Net income	**87,395**	110,833	-21.1%
Diluted earnings per share	**10.05**	11.90	-15.5%
Selected Balance Sheet Data:			
Gross loans receivable	**1,066,964**	1,110,145	-3.9%
Total assets	**806,219**	866,131	-6.9%
Total debt	**374,685**	501,150	-25.2%
Total shareholders' equity	**391,902**	315,568	24.2%
Selected Ratios:			
Return on average assets	**10.1%**	12.5%	-19.2%
Return on average shareholders' equity	**24.0%**	36.5%	-34.2%
Shareholders' equity to assets	**48.6%**	36.4%	33.4%
Statistical Data:			
Number of customers at period end	**896,808**	942,113	-4.8%
Number of loans made	**1,905,149**	1,982,209	-3.9%
Number of offices	**1,339**	1,320	1.4%

Comparison of Cumulative total Return Between World Acceptance Corporation, NASDAQ Composite Index and NASDAQ Financial Index



	3-31-11	3-31-12	3-31-13	3-31-14	3-31-15	3-31-16
World Acceptance Corporation	100.00	93.94	131.70	115.15	111.84	58.16
NASDAQ Composite Index	100.00	106.68	122.15	149.77	168.09	167.62
NASDAQ Financial Index	100.00	101.96	125.55	162.79	182.19	169.20

Welcome to my first letter to you in my new role as Chief Executive Officer of our company. In this letter, I will lay out how our management team is evaluating the competitive marketplace and what we are doing to strengthen our position within it to achieve our overall goal of long-term sustainable profitability.

World Acceptance has experienced decades of strong loan growth and high profitability, which many of our long-standing shareholders have appreciated. During that timeframe, the focus was on expanding within the core business, that being traditional installment loans originated solely in our branches and for customers sourced solely via printed mail pieces (including flyers and local advertising) and word-of-mouth. In recent years, not only has regulatory scrutiny over our industry segment intensified, but also the marketplace has become more complex and sophisticated, with the advent of new technologies and data analytics to better source, underwrite and service customers.

Due to our considerable past success expanding our core business, the company may have been slow to react to changes in the market environment and competitive pressures in our industry. Our management team is fully focused on taking action to build on our strong foundation to create avenues for future growth and successes. I will discuss these in more detail in this letter.

Our performance in fiscal year 2016 did not meet our expectations and desires.

Fiscal year 2016 was the sixth consecutive year of slower year-over-year loan growth for World Acceptance Corporation. In fact, the rate of growth has been negative since fiscal year 2015. On a positive note, in fiscal year 2016, we were able to increase the number of loans made to new and former customers above our fiscal year 2015 levels. This is a solid achievement because the number of loans in both those categories declined in 2015 versus one year earlier, so we are pleased to have reversed that trend.

As a company grows, you would expect the growth percentage to reduce as the base level is so much larger. Our reduction in growth has been for reasons beyond our size. Unsurprisingly, this reduction in loan ledger has also led to a decrease in revenue, loan volume and net earnings. Many factors can cause a reduction in performance, such as increased competition in the retail space; the growth in online lenders attracting some of our potential customers; a more challenging regulatory environment; negative articles about the company in the press, which current or potential customers may read, and which can also affect internal morale; our decision to no longer proactively offer refinancing if the proceeds from the refinance (cash-out) are less than 10% of the refinanced loan amount; declining direct-mail response rates; the weak economy; and perhaps lower fuel prices weakening demand from our customer group. However, it is difficult to directly attribute a weighting to any of these factors.

From the market reports that we have reviewed, we believe that there is still a strong market with continued demand for our products. To grow our customer base, we will bring our focus more strongly to the key factors that drive customer acquisition and retention, such as improved marketing materials; better customer selection through the use of more sophisticated data analytics, and higher quality customer service.

New leadership brings a new focus on improvement and innovation.

When new leadership comes into an organization, it is normal for there to be new perspectives on areas for improvement and innovation. We are taking immediate and specific actions that we believe improve our position in our marketplace. Our company is in a state of defined and organized transition and transformation intended to get us back on the path to growth.

We may have been slow to begin the innovation journey that our industry segment has started, using information technology and data analytics to better identify potential customers and service them. However, we are now increasing our focus on customer service; IT infrastructure; innovation in products and services; data analytics; the utilization of newly available acquisition and distribution channels such as the online space; optimizing marketing and underwriting; capital allocation; and, just as important, the selection and management of our people. Our goal is to be world-class in every aspect of the company's business.

We began on the path to innovation and excellence two years ago, with the addition of texting services to our customers, such as for friendly payment reminders, to let them know their borrowing availability to refinance, and to market our tax preparation products during tax season. Concurrently, we created, for the first time in the company's history, a customer-focused website that makes our products and services clear, and allows the customer to begin the application process online, as well as to locate their nearest branch. And, again for the first time in the company's history, we began digital marketing online through Search Engine Optimization ("SEO"), Search Engine Marketing ("SEM") and banner ad placement. When we launched our new consumer-friendly website in August 2015, we recognized the importance of mobile access to our customers. We created a clean, crisp customer friendly focus that can be easily viewed on all devices including mobile, tablet and desktop. In fact, the majority of our customers visit us via their mobile device than via their computer. We will continue to improve our website content and capabilities as more tools become available to improve the customer experience online.

Furthermore, we updated our branch infrastructure so that customers can make their monthly payments by direct debit cards in all of our branches. We now offer this form of payment in both of our Collections Centers as well.

We created a data analytics department, hiring the head of that department in June 2014, and over the last two years, that department has grown in the number of people, and in the scope of its activities. We are using data analytics to inform many aspects of our business in ways that we have never used before. Data analytics supports our company with marketing and underwriting models, selection of branch locations, operational performance management, and reporting tools.

We are a company that is always asking and answering the fundamental question, "How can we do better?"

A more sophisticated marketplace requires a team that has experience in successfully moving a company forward to take advantage of the tools available to drive success. During this fiscal year, we have added new team leaders in the critical areas of IT, marketing and HR, who bring a breadth and depth of required skills, as do additional hires in our data analytics and marketing teams. We intend to continue to strengthen these departments during fiscal year 2017.

Excellence in our training is a high priority for us so that we achieve optimal operational performance and full compliance with the complex rules and requirements in our industry space. Therefore, we added a Director of Learning to manage our training department. We also added a Director of Project Management to oversee the launch of all our new products and services in a careful, thorough and complete manner. Both directors are off to an excellent start.

We need to incentivize our associates (as we call our employees) in line with our desired performance results. Therefore, we have changed our bonus structure for our field personnel for fiscal year 2017, to better align their incentives with the company's performance targets. These incentives have been simplified to reward growth in accounts and profitability, as long as certain delinquency requirements are met.

New customer acquisition channels are critical to our future growth.

Our philosophy of offering products and services to our customers that meet their needs is now embedded in our culture. This means providing multiple acquisition channel, distribution channel (for disbursement of funds) and payment channel choices. However, our single highest current priority is to source new customers for our branches through all acquisition channels available in our marketplace.

We launched our first-ever live check offering in Tennessee with tremendous enthusiasm and support from our associates in that state. This has proved to be a great success, with response rates five times that of even our usual pre-approval mailings, and the credit score ranges of the responders have been in line with our expectations. We now intend to expand this program both in Tennessee and other states, while improving the modelling that supports our marketing decisions with each campaign. This live check product has been offered in the marketplace for many years by our competitors, so we are successfully "playing catch-up" in this marketing channel.

In the digital space, we have continued to improve our SEO, SEM and marketing capabilities. However, we recognize that there is still a significant gap between our current activities and where we want to be; our competitors use the online space more effectively than we do. This will be a focus for fiscal year 2017.

We know that a positive customer experience includes their time spent in the facility where their loan is closed and where they can make their monthly payments. To this end, we are remodeling our branches to be more modern in appearance, make a clearer identification with our company, and be more comfortable for the customer. Our new color scheme has been launched, along with guidelines for office layouts and furnishings, including new centrally approved marketing materials for both inside and outside the branch. This will give us a consistent look and feel and make it clear to the customer at all times that they are in a World branch, and so allows us to leverage our strong brand and reputation, developed over the last fifty-four years since our inception. We are carrying out this remodeling as branches move or open rather than across the board at one time. This is prudent as it allows cash costs associated with remodels to be spread over a period of years, rather than to occur in a short timeframe.

We must allow the customer to make payments in a manner that is convenient for them.

To provide world-class customer service, we must allow our customers to make their monthly payments via all available channels and at a time that suits their income payments. We expanded our payment extension program to Alabama and have found that customers appreciate this offering. We have long-offered this program, which allows customers to select a payment date that matches when they receive their income, effectively in Kentucky but in no other states. With the successful rollout in Alabama, we intend to expand this offering to all the states in which we operate.

Up until now we have required customers to either mail in checks or pay in person in our branches, thus limiting their choices. This year, however, we piloted a new payment method for our customers. We tested pay-by-phone in just one district (ten branches) in South Carolina, using our new central Branch Support Center to take the payments. Since we experienced high demand for pay-by-phone in this pilot, we have decided to implement a full rollout to all of our branches. Again, we recognize that compared to some competitors, we are behind in offering this service. We intend to have caught up by the end of fiscal year 2017.

Going forward, we will regularly test new customer acquisition channels and to explore new payment options for our customers.

We have been working on using data analytics to strengthen our underwriting, and will continue to do so.

For our customer segment, we believe the traditional installment loan is a valuable product. We are pleased to offer a lending product that helps meet our customers' needs, and therefore allows them to manage their lives more easily. Based on an analysis of each customer's current income and debt obligations, we only lend an amount that we believe makes sense for them, as measured by their ability to make monthly payments. Our focus on stability (in residence and employment), ability to pay (in having the available free cashflow to make monthly payments) and willingness to pay (shown by payments made on other debt obligations) is key to our successful underwriting.

However, the use of data analytics is helping us recognize when customer segments present a higher risk than we seek, as well as revealing segments of opportunity where we may have turned down customers in the past. As a result, we have implemented new underwriting guidelines, and intend to progress and advance these models, using them in conjunction with branch-based knowledge of the customer. We believe that customer knowledge and relationships created by our branch network combined with a strong risk-modeling functionality gives a competitive advantage in underwriting above and beyond a strong skill in only one of those areas.

Beyond what the customer directly experiences, we are making improvements "behind the scenes".

IT is a critical part of any modern company. In order to service our customers effectively, it is of paramount importance that we improve our IT system and capabilities. During fiscal year 2016, we began and completed the process of making every single terminal in every single branch internet-accessible. This means that our associates can now pull credit reports and prepare tax returns from the terminal where they are seated, rather than through one

terminal in the back of the branch, as it was previously. Further, it positions us to be able to use online portals, where associates can log in to different applications. This allows us to diversify our product offerings, underwriting, customer profitability tracking activities, and more. It is also the start to the realization of our "branch of the future" project, which envisages a paperless branch system. The full process to becoming paperless will be a multi-year journey; we have simply taken the first step.

Knowledge is power and more knowledge is more power. Therefore, we are increasing the data we share with our field Associates. We have monthly dashboards of state-by-state performance, showing trends in key metrics from the state to the branch level. This allows our state vice presidents and supervisors to spot areas with negative trends and take specific action steps to improve performance. For branch openings, closures and moves, we have put in place a detailed process, including multiple current and historic data points and information, to help us optimize these decisions. Shared knowledge is extra power, so we now have a buddy system in place for our vice presidents and for our supervisors, whereby they visit each other's locations and shadow their activities to learn best practices from each other and bring those practices back to their state or district.

We have been rationalizing our non-loan services to focus on those with the highest profit potential.

We have continued to run off our WCBC business line (offering electronic products to customers in-store and via catalogues) so that our associates can focus on strengthening our core business of making traditional installment loans. The WCBC ledger balance has become insignificant and will reduce to zero during fiscal year 2017.

Our tax preparation business had an excellent season, resulting in a record number of tax preps completed, which represented a 13% increase in fiscal year 2016 as compared to fiscal year 2015. This is particularly exciting when you consider that our 2015 tax prep business was up only 2% from the year before, and that some large bricks-and-mortar tax prep businesses reported reductions of more than 5% from a year earlier. We attribute this growth to an improved product and service offering to this customer segment, and it was achieved even though our marketing happened later than usual as we wanted to analyze the risks and rewards of the new offering in full before moving forward. Therefore, with more and earlier marketing next fiscal year, as well as the new ability to complete tax prep at any terminal in a branch (thus reducing customer wait and dropout times), we expect to see continued growth in this segment.

As we put ourselves on a path to growth, we will continually look at sensible means of cost reduction.

As with any well-run company, we are not only focused on innovation and growth, but also on reducing costs and creating efficiencies. With the elimination of field calls, we expect an improvement in branch efficiency such that the APE (accounts per employee) rises. We therefore do not expect an increase in our overall headcount, even as we open more branches and add skilled associates in our critical corporate departments.

We no longer require states or divisions to open a specific number of branches each year, but instead have a thorough process to verify optimal locations in which to open. We have opened fewer branches in this fiscal year versus a year earlier. We expect this trend to persist and, at the same time, expect an associated benefit in higher profitability per branch. We also made the decision to close and merge non-performing offices that appeared unlikely to achieve sustained profits. We will continue to evaluate each branch and determine the best individual solution for long-term profitability of our company. We do expect to add branches in our newer states as we expand the geographic areas we serve.

We have gained significant efficiencies in two major cost areas: the first being our recent focus on overtime metrics, which resulted in a reduction of $1.5 million in overtime pay this fiscal year versus fiscal year 2015; the second being our mileage reimbursement costs for branch personnel, which were down a very significant 48% from fiscal year 2015, gaining us $2.0 million in pre-tax income. Much of this can be attributed to the elimination of field calls, but even before that business decision was implemented, we had focused on mileage costs in branches and seen a reduction in this cost.

We have moved our marketing materials and office supplies to new vendors, who we believe will provide us with lower prices for the same or higher quality products with many more choices and with faster distribution capabilities.

We have also closed our internal print shop. Our improved outsourced print capabilities significantly reduce our costs, and allow us more options in color, size, content and volume of our printed materials in order to grab the attention of potential customers in their busy mailboxes. Additionally, we expect that this change will better allow us to meet seasonally higher demand with increased marketing volume.

Our Mexico business shows strong potential, particularly in our payroll-deductible products.

In Mexico, we have had a leadership transition. Javier Sauza, Senior Vice President of Mexico, who has worked for our company since the very beginning of our entry into Mexico in 2006, has retired. His planned successor, Ricardo Cavazos, has now assumed the position of Senior Vice President of Mexico. Ricardo joined our company six years ago, and was Managing Vice President of Operations of Mexico for the last few years. I am pleased to say that the transition has been very smooth.

Our Mexico operations have continued to grow our VIVA product (payroll-deductible loans to union members). For our Avance product (traditional installment loans), however, we did not achieve the expected growth in loans and profitability in fiscal year 2016, and so are taking steps to improve our training, employee efficiency, turnover metrics, financial incentives, and underwriting skills in order to improve performance. Mexico has reached almost 10% of our gross loans outstanding, becoming a significant part of our business. We have therefore been taking steps to better connect our management teams in the U.S. and Mexico. Our U.S. management team is visiting Mexico more often and building relationships with their counterparts (such as in the legal and HR departments). Ricardo is participating in many of our senior management meetings in the U.S., and both our U.S. and Mexican teams are benefiting from sharing their experiences and learnings.

The regulatory environment continues to create uncertainties.

Regulatory interest in our industry has increased dramatically in recent years and likely will intensify. To prepare for this, we have invested substantial effort and resources in strengthening our Compliance Department. Our focus has been on our internal policies and procedures for complying with federal and state laws and regulations and our compliance and complaint management processes. We believe that we have one of the strongest compliance management systems in our industry.

In December of this fiscal year, we eliminated all field calls. We no longer visit any customer's place of work or residence for collection purposes. The current regulatory environment made it prudent to take this action as a conservative measure, although we believe that our visits have always been in accordance with all state and federal regulations. We saw an increase in chargeoffs shortly after making this change, but current delinquency trends imply this effect is short term. We believe the gains in branch efficiency and effectiveness (such as significant reduction in mileage reimbursement costs, which we have already seen, and more time for our Associates to focus on sales and customer service in the branches) will outweigh any potential increase in chargeoffs.

Regulatory risks relating to our industry segment create uncertainty as the Consumer Financial Protection Bureau (the "CFPB") develops its stance on the industry. Although the CFPB has issued proposed rules on small-dollar lending as of June 2, 2016, it is not yet fully clear how these proposed rules may impact the industry. We will therefore not comment further on this matter as the public debate and standard procedure on the progression and adaption of these rules continues. The CFPB has publicly stated that it does not wish to remove the availability of credit for the lower income / higher risk consumer, and so we maintain our belief that our industry has a sustainable future in the provision of lending products to this customer base.

Regarding our company specifically, as we have publicly disclosed, on March 12, 2014, we received a Civil Investigative Demand ("CID") from the CFPB. As we have also publicly disclosed, on August 7, 2015, we received a letter from the CFPB's Enforcement Office notifying the Company that, in accordance with the CFPB's discretionary Notice and Opportunity to Respond and Advise ("NORA") process, the staff of CFPB's Enforcement Office is considering recommending that the CFPB take legal action against our company. The NORA Letter confirmed that the company has the opportunity to make a NORA submission, which is a written statement setting forth any reasons of law or policy why the we believe the CFPB should not take legal action against it. We have made NORA submissions to the CFPB's Enforcement Office. We expect that there will be additional requests or

demands for information from the CFPB, and ongoing interactions between the CFPB, our company and our counsel as part of the investigation. We are currently unable to predict the ultimate timing or outcome of the CFPB investigation. We continue to believe that all of our business practices were and remain lawful, conforming to all regulatory and legislative requirements.

We need to improve ourselves beyond the current competitive environment.

Watching the competition ("only the paranoid survive", as Andy Grove famously said) is critical to ensuring we do not *get left behind* in the marketplace. However, understanding the needs and desires of our customers is critical to *taking the lead* in the marketplace (as Jeff Bezos of Amazon regularly declares). We are increasing our focus on customer satisfaction and on "putting the customer first", not only to maintain ethical practices, but also because we believe this is sound business management. In fact, we have commissioned market research to better understand how our customers view our industry segment, and our company in particular, on various dimensions. This information should better allow us to source and service our customers.

By offering the customer the optimal products that meet their needs through the distribution channels convenient to them, and providing them with high-quality customer service, we can best position ourselves to win in our marketplace.

In summary, we expect to continue to transform our company and get ourselves back on a trajectory of growth.

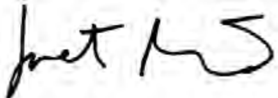
All of these improvements and innovations described above will take time to have an effect. We believe that some of the new products that have been piloted this year will have a noticeable impact as we roll them out companywide in fiscal year 2017. We plan always to innovate in a "test and learn" fashion, first making sure we fully understand the "risk versus reward" profile of any new product, before we expand it, in stages, to all of our branches. This is how we intend to protect our future and ensure wise investment decisions.

Our company has been successful and profitable, even without the positive changes that we have made this past fiscal year. So, by strengthening our marketing, by diversifying the ways we find our customers, by allowing our customers multiple ways to make their monthly payments, and by improving incentives for our Associates and aligning them better to our desired company results, we believe that we are positioning ourselves to build on that strong foundation.

We expect to progress further along our path of transition and transformation during the next fiscal year. Due to the activities and actions that I have delineated above, we are excited about how we are setting our company onto a path of future growth in loans and in long-term sustainable profitability.

Support from shareholders is very meaningful to us as we undergo this move towards excellence in every area. On behalf of the directors, management and all of our 4,400 committed and trusted Associates, I would like to thank you for the support and the interest that you have shown and continue to show in our company.

Kind regards,



Janet Lewis Matricciani
Chief Executive Officer

(Dollars in thousands, except per share amounts)

(Amounts in Thousands, except # of Branches)	Years Ended March 31,				
	2016	2015	2014	2013	2012
Statement of Operations Data:					
Interest and fee income	**$ 495,133**	$ 524,277	$ 523,770	$ 485,414	$ 447,189
Insurance commissions and other income[1]	**62,342**	85,936	75,493	78,222	73,681
Total revenues	**557,475**	610,213	599,263	563,636	520,870
Provision for loan losses	**123,598**	118,830	126,575	114,323	105,706
General and administrative expenses	**269,140**	292,052	281,248	265,629	241,392
Interest expense	**26,849**	23,301	21,195	17,394	13,899
Total expenses	**419,587**	434,183	429,018	397,346	360,997
Income before income taxes	**137,888**	176,030	170,245	166,290	159,873
Income taxes[1]	**50,493**	65,197	63,636	62,201	59,179
Net income[1]	**$ 87,395**	$ 110,833	$ 106,609	$ 104,089	$ 100,694
Net income per common share (diluted)[1]	**$ 10.05**	$ 11.90	$ 9.60	$ 8.00	$ 6.59
Diluted weighted average shares	**8,692**	9,317	11,106	13,003	15,289
Balance Sheet Data (end of period):					
Loans receivable, net of unearned interest, insurance and fees	**$ 776,305**	$ 812,743	$ 813,920	$ 782,096	$ 715,085
Allowance for loan losses	**(69,566)**	(70,438)	(63,255)	(59,981)	(54,507)
Loans receivable, net	**706,739**	742,305	750,665	722,115	660,578
Total assets	**806,219**	866,131	850,028	809,325	735,003
Total debt	**374,685**	501,150	505,500	400,250	279,250
Shareholders' equity[1]	**391,902**	315,568	307,355	366,396	418,875
Other Operating Data:					
As a percentage of average loans receivable, net:					
Provision for loan losses	**14.8%**	13.9%	15.1%	14.6%	14.9 %
Net charge-offs	**14.8%**	12.9%	14.7%	13.9%	14.0 %
Number of branches open at year-end	**1,339**	1,320	1,271	1,203	1,137

[1] We identified an immaterial error impacting fiscal 2016 net insurance income in our financial statements previously furnished as Exhibit 99.1 to our Form 8-K dated May 5, 2016. Fiscal 2016 net insurance income and total revenues in our previously furnished financial statements were understated by $1,888,493, causing net income to be understated by $1,209,698, and diluted weighted average shares outstanding to be understated by $0.13. Amounts in the Consolidated Statement of Operations above have been revised to reflect the correct amounts.

General

The Company's financial performance continues to be dependent in large part upon the growth in its outstanding loans receivable, the maintenance of loan quality and acceptable levels of operating expenses. Since March 31, 2015, gross loans receivable have decreased at a 0.8% annual compounded rate from $1.11 billion to $1.07 billion at March 31, 2016. The decrease over this period reflects the lower volume of loans generated through the Company's existing branches partially offset by the contribution of loans generated from new branches opened over the period. We believe that the lower volume of loans generated through the Company's existing branches is the result of increased competition in the small-loan consumer finance industry as well as the improving financial situation of our average customer's household due to lower gasoline prices and lower unemployment. During the five-year period beginning March 31, 2011, the Company has grown from 1,067 branches to 1,339 branches as of March 31, 2016. During fiscal 2017, the Company currently plans to open approximately 15 new branches in the United States, open 10 new branches in Mexico and also evaluate acquisitions as opportunities arise.

The Company offers an income tax return preparation and electronic filing program in all but a few of its U.S. branches. The Company prepared approximately 63,000, 56,000 and 55,000 returns in each of the fiscal years 2016, 2015 and 2014, respectively. Revenues from the Company’s tax preparation business amounted to approximately $11.9 million, a 20.5% increase over the $9.9 million earned during fiscal 2015.

The following table sets forth certain information derived from the Company's consolidated statements of operations and balance sheets, as well as operating data and ratios, for the periods indicated:

	Years Ended March 31,		
	2016	2015	2014
	(Dollars in thousands)		
Average gross loans receivable [(1)]	**$ 1,147,956**	$ 1,174,391	$ 1,151,713
Average net loans receivable [(2)]	**$ 834,964**	$ 856,712	$ 836,961
Expenses as a percentage of total revenues:			
Provision for loan losses	**22.2%**	19.5%	21.2%
General and administrative	**48.3%**	47.9%	46.9%
Total interest expense	**4.8%**	3.8%	3.5%
Operating margin [(3)]	**29.6%**	32.7%	31.9%
Return on average assets	**10.1%**	12.5%	12.3%
Branches opened and acquired, net	**19**	49	68
Total branches (at period end)	**1,339**	1,320	1,271

(1) Average gross loans receivable have been determined by averaging month-end gross loans receivable over the indicated period.

(2) Average net loans receivable have been determined by averaging month-end gross loans receivable less unearned interest and deferred fees over the indicated period.

(3) Operating margin is computed as total revenues less provision for loan losses and general and administrative expenses as a percentage of total revenues.

Comparison of Fiscal 2016 Versus Fiscal 2015

Net income was $87.4 million during fiscal 2016, a 21.1% decrease from the $110.8 million earned during fiscal 2015. The decrease in net income was significantly impacted by a $10.0 million after-tax gain realized during the prior year from the sale of previously charged-off accounts that was not repeated in the current year. Operating income (revenues less provision for loan losses and general and administrative expenses) excluding the impact of the charge-off sale decreased $18.6 million due to a $29.1 million decrease in interest and fee income and a $4.8 million increase in provision expense offset by a $22.9 million decrease in general and administrative expenses. Net income was also impacted by a $14.7 million decrease in income tax expense and a $3.5 million increase in interest expense.

Total revenues decreased to $557.5 million in fiscal 2016, a $52.7 million, or 8.6%, decrease from the $610.2 million in fiscal 2015. Revenues from the 1,233 branches open throughout both fiscal years decreased by 6.9%. At March 31, 2016, the Company had 1,339 branches in operation, an increase of 19 branches from March 31, 2015.

Interest and fee income during fiscal 2016 decreased by $29.1 million, or 5.6%, from fiscal 2015. We experienced a 3.3% decrease in our average net loans receivable less loans that are 60 days or more contractually past due when comparing two corresponding periods for our US and traditional Mexican loans. The accrual of interest is discontinued when a loan becomes 60 days or more past the contractual due date and all unpaid accrued interest is reversed against interest income. Interest and fee income for the year was also negatively impacted by a continued decrease in volumes. Revenues from our Mexican operations were negatively impacted by a move in the exchange rate year over year. The move in the exchange rate had a negative impact of approximately $8.9 million on the current year's revenue compared to the prior year. The percentage of loans outstanding that represent larger loans including sales finance loans has decreased from 40.5% at March 31, 2015 to 40.2% at March 31, 2016.

Insurance commissions and other income decreased by $23.6 million, or 27.5%, over the two fiscal years. Insurance commissions decreased by $4.5 million, or 9.4%, when comparing the two fiscal years due to the decrease in loan volume in states where our insurance product is available to our customers. Other income decreased by $19.1 million, or 50.2%, when comparing the two fiscal years. This decrease resulted primarily from the inclusion of income from the sale of approximately $16.0 million of charged off accounts that were sold in Fiscal 2015. The Company also repurchased a portion of the accounts sold in fiscal 2015 during fiscal 2016, resulting in a $1.6 million loss from the repurchase in fiscal 2016. Other income was also impacted by a decrease in World Class Buying Club ("WCBC") sales revenue of $2.4 million and a decrease in revenue from our motor club product of $1.2 million. The decreases were partially offset by an increase in tax preparation revenue of $2.0 million and an increase in revenue from Paradata of $1.0 million.

The provision for loan losses during fiscal 2016 increased by $4.8 million, or 4.0%, from the previous year. This increase resulted from an increase in the amount of loans charged off offset by a decrease in the general reserve associated with slower growth during the current fiscal year. Net charge-offs for fiscal 2016 amounted to $123.6 million, an 11.7% increase over the $110.6 million charged off during fiscal 2015. We believe that the increase in charge-offs is the result of ceasing all in-person visits to delinquent borrowers in December 2015. Accounts that were 60 days or more past due were 4.7% and 4.3% on a recency basis, and were 7.1% and 7.0% on a contractual basis at March 31, 2016 and March 31, 2015. When excluding the impact of payroll deduct loans in Mexico, the accounts contractually delinquent 60 days or more past due were 6.4% at March 31, 2016 compared to 6.1% at March 31, 2015. During the current fiscal year, the Company has also had an increase in year-over-year loan loss ratios. Net charge-offs as a percentage of average net loans increased from 12.9% during fiscal 2015 to 14.8% during fiscal 2016. The net charge-off ratio for fiscal 2015 benefited from a change in branch level incentives during the year. The change allows managers to continue collection efforts on accounts that are 91 days or more past due, without having their monthly bonus negatively impacted. As expected, this resulted in an increase in accounts 91 days or more past due and lower charge-offs during fiscal 2015. We estimate the net charge-off ratio would have been approximately 14.1% for fiscal 2015 excluding the impact of the change. The current year charge-off ratio of 14.8% and the estimated fiscal 2015 charge-off ratio of 14.1% are in line with historical levels. From fiscal 2002 to fiscal 2006, the charge-offs as a percent of average loans ranged from 14.6% to 14.8%. In fiscal 2007, the Company experienced a temporary decline to 13.3%, which was attributed to a change in the bankruptcy law but returned to 14.5% in fiscal 2008. In fiscal 2009 the ratio increased to 16.7%, the highest in the Company's history as a result of the difficult economic environment and higher energy costs that our customers faced. The ratio steadily declined from 15.5% in fiscal 2010 to 13.9% in fiscal 2013 and increased to 14.7% in fiscal 2014. The current year change-off rate did benefit from the sale of $3.2 million of previously charged off accounts. We do not currently plan to continue the sale of charged-off accounts; however, we may consider selling charged off accounts again at some point in the future.

General and administrative expenses during fiscal 2016 decreased by $22.9 million, or 7.8%, over the previous fiscal year. General and administrative expenses were impacted in the current period by the overall decrease in share based compensation as well as the release of expense previously accrued under the Group B performance based restricted stock

awards. The Company determined that the earnings per share targets associated with the Group B stock awards were not achievable during the measurement period which ends on March 31, 2017. During the fourth quarter, the Compensation Committee of the Board of Directors amended the awards allowing 25% of the Group B awards to vest for certain officers. The officers were required to forfeit their remaining Group B shares as a part of the amendment. The net release resulted in a decrease in personnel expense of approximately $7.7 million. G&A also decreased approximately $1.2 million due to the reversal of long-term equity incentive accruals resulting from the resignation of a former Senior Vice President during the year. This was partially offset by the accrual of approximately $400,000 of severance-related expenses. The Company also reversed approximately $2.5 million for certain long-term equity incentive accruals related to the retirement of the former CEO on September 30, 2015. The Company recorded an additional $1.2 million of expense related to a planned bond offering that was not completed and a $1.3 million loss taken as a result of the sale of the corporate jet. General and administrative expenses, when divided by average open branches, decreased 11.0% when comparing the two fiscal years and, overall, general and administrative expenses as a percent of total revenues increased to 48.3% in fiscal 2016 from 47.9% in fiscal 2015.

Interest expense increased by $3.5 million, or 15.2%, during fiscal 2016, as compared to the previous fiscal year as a result of a 31.6% increase in the effective rate, which was partially offset by a decrease in average debt outstanding of 12.0%.

Income tax expense decreased $14.7 million, or 22.6%, primarily from a decrease in pre-tax income. The effective tax rate decreased to 36.6% for fiscal 2016 compared to 37.0% for fiscal 2015. The decrease was primarily due to a cumulative adjustment in deferred state tax expense related to the Company's change to an automated tax provision system in the current year.

Comparison of Fiscal 2015 Versus Fiscal 2014

Net income was $110.8 million during fiscal 2015, a 4.0% increase over the $106.6 million million earned during fiscal 2014. The increase in net income was largely due to a $10.0 million after-tax gain realized during the year from the sale of previously charged-off accounts. Operating income (revenues less provision for loan losses and general and administrative expenses) excluding the impact of the charge-off sale decreased $7.6 million. Net income was also negatively impacted by a $2.1 million and $1.6 million increase in interest expense and income tax expense, respectively.

Total revenues increased to $610.2 million in fiscal 2015, a $10.9 million, or 1.8%, increase over the $599.3 million in fiscal 2014. Revenues from the 1,179 branches open throughout both fiscal years increased by 0.8%. At March 31, 2015, the Company had 1,320 branches in operation, an increase of 49 branches from March 31, 2014.

Interest and fee income during fiscal 2015 increased by $0.5 million, or 0.1%, over fiscal 2014. This increase resulted from an increase of $19.8 million, or 2.4%, in average net loans receivable between the two fiscal years. The revenue increase was partially offset by a reduction in loan volume in the year, which resulted from the implementation of a system change that ensured customers were not encouraged to refinance existing loans where the proceeds from the transaction were less than 10% of the loan being refinanced. The increase was also partially offset by a shift in the portfolio mix to larger loans and an increase in the amount of accounts 60 days or more past due, which are no longer accruing revenue. The percentage of loans outstanding that represent larger loans including sales finance loans increased from 39.2% at March 31, 2014 to 40.5% at March 31, 2015.

Insurance commissions and other income increased by $10.4 million, or 13.8%, over the two fiscal years. Insurance commissions decreased by $2.6 million, or 5.1%, when comparing the two fiscal periods due to the decrease in loan volume mentioned above. Other income increased by $13.0 million, or 51.8%, when comparing the two fiscal periods. This increase resulted primarily from the sale of approximately $16.0 million of charged off accounts, partially offset by a decrease in the sales of WCBC of $1.4 million, a decrease in the sales of motor club of $915,000, and decreased revenue from Paradata of $309,000. The Company decided in the second quarter of fiscal 2015 to wind down the WCBC product. As of March 31, 2015, the Company is no longer financing the purchase of products through the program. The Company will continue to service all outstanding retail installment sales contracts. The WCBC product contributed $2.4 million to other income during fiscal 2015 and $3.9 million for fiscal 2014. The WCBC loans contributed $2.0 million to interest and fees and resulted in net charge-offs of $3.2 million for the year ended March 31, 2015 and $2.3 million and $4.1 million, respectively, for the year ended March 31, 2014.

The provision for loan losses during fiscal 2015 decreased by $7.7 million, or 6.1%, from the previous year. This decrease resulted from a decrease in the amount of loans charged off and a decrease in the general reserve associated with slower growth during fiscal 2015 partially offset by an increase in accounts 91 days or more past due. Net charge-offs for fiscal 2015 amounted to $110.6 million, a 10.1% decrease from the $123.0 million charged off during fiscal 2014. Accounts that were 60 days or more past due were 4.3% and 3.0% on a recency basis, and were 7.0% and 5.3% on a contractual basis at March 31, 2015 and March 31, 2014. The increase in accounts contractually delinquent was primarily due to the change in branch level incentives discussed in the second quarter of fiscal 2015. When excluding the impact of payroll deduct loans in Mexico, the accounts

contractually delinquent 60 days or more past due were 6.1% at March 31, 2015. During fiscal 2015, the Company has also had a decrease in year-over-year loan loss ratios. Net charge-offs as a percentage of average net loans decreased from 14.7% during fiscal 2014 to 12.9% during fiscal 2015. The net charge-off ratio benefited from the change in branch level incentives mentioned above. We estimate the net charge-off ratio would have been approximately 14.1% for 2015 excluding the impact of the change. Fiscal 2014 charge-off ratio of 14.7% and the estimated fiscal 2015 charge-off ratio of 14.1% are in line with historical levels.

General and administrative expenses during fiscal 2015 increased by $10.8 million, or 3.8%, over fiscal 2014. Of the total increase, approximately $5.0 million related to personnel expense, the majority of which was attributable to the year-over-year increase in our branch network, normal merit increases to employees, increased health insurance costs, and incentive costs. General and administrative expenses, when divided by average open branches, decreased slightly when comparing the two fiscal years and, overall, general and administrative expenses as a percent of total revenues increased to 47.9% in fiscal 2015 from 46.9% in fiscal 2014, respectively.

Interest expense increased by $2.1 million, or 9.9%, during fiscal 2015, as compared to the previous fiscal year as a result of an increase in average debt outstanding of 12.0%.

Income tax expense increased $1.6 million, or 2.5%, primarily from an increase in pre-tax income. The effective tax rate decreased to 37.0% for fiscal 2015 compared to 37.4% for fiscal 2014. The decrease was primarily due the reduction of state taxes resulting from a change in the corporate structure.

Regulatory Matters

CFPB Investigation

As previously disclosed, on March 12, 2014, the Company received a Civil Investigative Demand ("CID") from the Consumer Financial Protection Bureau (the "CFPB"). The stated purpose of the CID is to determine whether the Company has been or is "engaging in unlawful acts or practices in connection with the marketing, offering, or extension of credit in violation of Sections 1031 and 1036 of the Consumer Financial Protection Act, 12 U.S.C. §§ 5531, 5536, the Truth in Lending Act, 15 U.S.C. §§ 1601, et seq., Regulation Z, 12 C.F.R. pt. 1026, or any other Federal consumer financial law" and "also to determine whether Bureau action to obtain legal or equitable relief would be in the public interest." The Company responded, within the deadlines specified in the CID, to broad requests for production of documents, answers to interrogatories and written reports related to loans made by the Company and numerous other aspects of the Company's business.

Also as previously disclosed, on August 7, 2015, the Company received a letter from the CFPB's Enforcement Office notifying the Company that, in accordance with the CFPB's discretionary Notice and Opportunity to Respond and Advise ("NORA") process, the staff of CFPB's Enforcement Office is considering recommending that the CFPB take legal action against the Company (the "NORA Letter"). The NORA Letter states that the staff of the CFPB's Enforcement Office expects to allege that the Company violated the Consumer Financial Protection Act of 2010, 12 U.S.C. §5536. The NORA Letter confirms that the Company has the opportunity to make a NORA submission, which is a written statement setting forth any reasons of law or policy why the Company believes the CFPB should not take legal action against it. The Company understands that a NORA Letter is intended to ensure that potential subjects of enforcement actions have the opportunity to present their positions to the CFPB before an enforcement action is recommended or commenced.

The Company has made NORA submissions to the CFPB's Enforcement Office. The Company expects that there will continue to be additional requests or demands for information from the CFPB and ongoing interactions between the CFPB, the Company and Company counsel as part of the investigation. We are currently unable to predict the ultimate timing or outcome of the CFPB investigation. While the Company believes its marketing and lending practices are lawful, there can be no assurance that the CFPB's ongoing investigation or future exercise of its enforcement, regulatory, discretionary or other powers will not result in findings or alleged violations of federal consumer financial protection laws that could lead to enforcement actions, proceedings or litigation and the imposition of damages, fines, penalties, restitution, other monetary liabilities, sanctions, settlements or changes to the Company's business practices or operations that could have a material adverse effect on the Company's business, financial condition or results of operations or eliminate altogether the Company's ability to operate its business profitably or on terms substantially similar to those on which it currently operates. See "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 "Risk Factors" for more information regarding these regulations and related risks.

CFPB Proposed Rulemaking Initiative

On March 26, 2015, the CFPB announced that it was considering proposing rules under its unfair, deceptive and abusive acts and practices rulemaking authority relating to payday, vehicle title, and similar loans. The proposal would cover short-term loans with a contractual term of 45 days or less, as well as "longer-term loans" with a term of longer than 45 days with an all-in annualized percentage rate of interest ("APR") in excess of 36% in which the lender has either a non-purchase money security interest in the consumer's vehicle or the right to collect repayment from the consumer's bank account or paycheck. We believe the CFPB's "longer-term" credit proposals seek to address a concern that consumers suffer harm if lenders fail to underwrite loans but take a security interest in the consumer's vehicle or access to repayment from a consumer's account or wages. Although the Company does not make loans with terms of 45 days or less or obtain access to a customer's bank account or paycheck for repayment of any of its loans, it does make some vehicle-secured loans with an APR within the scope of the proposal. The Company currently estimates that the amount of such vehicle-secured loans in its loan portfolio as of March 31, 2016 are approximately 13% of its total number of loans and approximately 20% of its portfolio by gross loan balance. The proposals would require a lender, as a condition of making a covered longer-term loan, to first make a good-faith reasonable determination that the consumer has the ability to repay the covered longer-term loan without reborrowing or defaulting. The proposals would require lenders to verify income, "major financial obligations" and borrowing history. Lenders would also be required determine that a consumer is able to make all projected payments under the covered longer-term loan as those payments are due, while still fulfilling other major financial obligations and meeting living expenses. This ability to repay assessment would apply to both the initial longer-term loan and to any subsequent refinancing. In addition, the proposals would include a rebuttable presumption that customers seeking to refinance a covered longer-term loan lack an "ability to repay" if at the time of refinancing the borrower: (i) was delinquent or had recently been delinquent on an outstanding loan; (ii) stated or indicated an inability to make a scheduled payment or that the loan was causing financial distress; (iii) is allowed to skip a payment or pays a smaller amount than a payment that would have been due on the loan, unless the refinancing provides a substantial amount of cash to the consumer; or (iv) is in default on the outstanding loan. To overcome this presumption of inability to repay, the lender would have to verify a change in the borrower's circumstances to indicate an ability to repay the additional extension of credit. These proposals are subject to several procedural requirements and to possible change before any final rules would be issued and implemented and we cannot predict what the ultimate rulemaking will provide. The Company does not believe that these proposals as currently described by the CFPB would have a material impact on the Company's existing lending procedures, because the Company currently underwrites all its loans (including those secured by a vehicle title that would fall within the scope of these proposals) by reviewing the customer's ability to repay based on the Company's standards. However, there can be no assurance that these proposals for longer-term loans, if and when implemented in final rulemaking, would not require changes to the Company's practices and procedures for such loans that 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. Any final rulemaking also could have effects beyond those contemplated in the initial proposal that could further materially and adversely impact our business and operations.

As part of the CFPB's outline of the proposed rulemaking initiative described above, the CFPB also stated that it expects to conduct separate rulemaking to identify larger participants in the installment lending market for purposes of its supervision program. Though the 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. 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," for more information regarding these regulatory and related risks.

Military Lending Act

In July 2015, the Department of Defense (the "DoD") amended its existing regulation that implements the Military Lending Act (the "MLA"). The final rule prohibits creditors from extending consumer credit if the Military Annual Percentage Rate or MAPR exceeds 36%. The rule covers both members of the armed forces and their dependents ("covered borrowers"). In addition, creditors must check a database maintained by the DoD before entering into an agreement with a covered borrower, provide both oral and written disclosures, including the MAPR, and must not require arbitration in agreements with covered borrowers. See Part I, Item 1A"Risk Factors," for more information regarding this regulatory and related risks. The Company is considering the impact of the MLA requirements to decide if military lending is feasible and profitable to continue in the future.

New Mexico Rate Cap Bills

On February 4, 2015, Members of the New Mexico House Regulatory and Public Affairs subcommittee tabled measures that would have led to the introduction of House Bill 36 and House Bill 24, which were to propose a 36% rate cap on all financial lending products. The Company, through its state and federal trade associations, is working in opposition to this pending legislation; however, it is uncertain whether these efforts will be successful in preventing the passage of the legislation. As discussed elsewhere in this report, the Company's operations are subject to extensive state and federal laws and regulations, and changes in those laws or regulations or their application could have a material adverse effect on the Company's business, results of operations, prospects or ability to continue operations in the jurisdictions affected by these changes. See Part I, Item 1, "Business - Government Regulation - State Legislation" and "- Federal Legislation," and Part I, Item 1A,"Risk Factors," for more information regarding this legislation and related risks.

Critical Accounting Policies

The Company's accounting and reporting policies are in accordance with U.S. generally accepted accounting principles and conform to general practices within the finance company industry. The significant accounting policies used in the preparation of the Consolidated Financial Statements are discussed in Note 1 to the Consolidated Financial Statements. Certain critical 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, revenues, 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 loan 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 Loan Losses

The Company has developed policies and procedures for assessing the adequacy of the allowance for loan losses that take into consideration various assumptions and estimates with respect to the loan portfolio. The Company's assumptions and estimates may be affected in the future by changes in economic conditions, among other factors. For additional discussion concerning the allowance for loan losses, see "Credit Quality" below.

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 our 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 highly subjective assumptions, including expected volatility, risk-free interest rate and expected life, changes to which can materially affect the fair value estimate. In addition, the estimation of share-based awards that will ultimately vest requires judgment, and to the extent actual results or updated estimates differ from our current estimates, such amounts will be recorded as a cumulative adjustment in the period that the estimates are revised. The Company considers many factors when estimating expected forfeitures, including types of awards, employee class, and historical experience. Actual results, and future changes in estimates, may differ substantially from our current estimates.

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 Internal Revenue Service or by 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 740, the Company includes 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 that considers 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.

Credit Quality

The Company's delinquency and net charge-off ratios reflect, among other factors, changes in the mix of loans in the portfolio, the quality of receivables, the success of collection efforts, bankruptcy trends and general economic conditions.
Delinquency is computed on the basis of the date of the last full contractual payment on a loan (known as the recency method) and on the basis of the amount past due in accordance with original payment terms of a loan (known as the contractual method). Upon refinancings, the contractual delinquency of a loan is measured based upon the terms of the new agreement, and is not impacted by the refinanced loan's classification as a new loan or modification of the existing loan. Management closely monitors portfolio delinquency using both methods to measure the quality of the Company's loan portfolio and the probability of credit losses.

The following table classifies the gross loans receivable of the Company that were delinquent on a contractual basis for at least 61 days at March 31, 2016, 2015, and 2014:

	At March 31,		
	2016	2015	2014
	(Dollars in thousands)		
Contractual basis:			
61-90 days past due	**$ 27,082**	$ 26,028	$ 30,607
91 days or more past due	**48,495**	51,133	28,663
Total	**$ 75,577**	$ 77,161	$ 59,270
Percentage of period-end gross loans receivable	**7.1%**	7.0%	5.3%

When excluding the impact of payroll deduct loans in Mexico, the accounts contractually delinquent 60 days or more were 6.4% at March 31, 2016. Our payroll deduct loans in Mexico are installment loans to union members where we have an agreement with the union to deduct the loan payment from the member's payroll and remit it on the members behalf to the Company. The additional administrative process, which is unique to the payroll deduct product, often results in a higher level of contractual delinquencies. However, the historical net charge-offs to average net loans are lower than the overall Company ratio. The payroll deduct loans have increased from 44.8% of our Mexican portfolio at March 31, 2015 to 54.0% at March 31, 2016.

In fiscal 2016 approximately 81.5% of the Company's loans, based on accounts, were generated through refinancings of outstanding loans and the origination of new loans to previous customers. A refinancing represents a new loan transaction with a present customer in which a portion of the new loan proceeds is used to repay the balance of an existing loan and the remaining portion is advanced to the customer. For fiscal 2016, 2015, and 2014, the percentages of the Company's loan originations that were refinancings of existing loans were 69.4%, 71.5%, and 73.5%, respectively. The Company's refinancing policies, while limited by state regulations, in all cases consider the customer's payment history and require that the customer has made multiple payments on the loan being considered for refinancing. A refinancing is considered a current refinancing if the customer is no more than 45 days delinquent on a contractual basis. Delinquent refinancings may be extended to customers who are more than 45 days past due on a contractual basis if the customer completes a new application and the manager believes that the customer's ability and intent to repay has improved. It is the Company's policy to not refinance delinquent loans in amounts greater than the original amounts financed. In all cases, a customer must complete a new application every two years. During fiscal 2016 and 2015, delinquent refinancings represented 1.4% and 1.6%, respectively, of the Company's total loan volume.

Charge-offs, as a percentage of loans made by category, are greatest on loans made to new borrowers and less on loans made to former borrowers and refinancings. As a percentage of total loans charged off, refinancings represent the greatest percentage due to the volume of loans made in this category. The following table depicts the charge-offs as a percent of loans made by category and as a percent of total charge-offs during fiscal 2016:

	Loan Volume by Category (by No. of Accounts)	Percent of Total Charge-offs (by No. of Accounts)	Charge-off as a Percent of Total Loans Made by Category (by No. of Accounts)
Refinancing	69.4%	69.3%	6.5%
Former borrowers	12.1%	8.2%	5.4%
New borrowers	18.5%	22.5%	13.7%
	100.0%	100.0%	

The Company maintains an allowance for loan losses in an amount that, in management's opinion, is adequate to provide for losses inherent in the existing loan portfolio. The Company charges against current earnings, as a provision for loan losses, amounts added to the allowance to maintain it at levels expected to cover probable losses of principal. When establishing the allowance for loan losses, the Company takes into consideration the growth of the loan portfolio, current levels of charge-offs, current levels of delinquencies, and current economic factors.

The Company uses a mathematical calculation to determine the initial allowance at the end of each reporting period. The calculation originated as management's estimate of future charge-offs and is used to allocate expenses to the branch level. There are two components when calculating the allowance for loan losses, which the Company refers to as the general reserve and the specific reserve. This calculation is a starting point and over time, and as needed, additional provisions have been added as determined by management to ensure the allowance is adequate.

The general reserve is 4.25% of the gross loan portfolio. The specific reserve generally represents 100% of all loans 91 days or more past due on a recency basis, including bankrupt accounts in that category. This methodology is based on historical data showing that the collection of loans 91 days or more past due and bankrupt loans is remote.

A process is then performed to determine the adequacy of the allowance for loan losses, as well as considering trends in current levels of delinquencies, charge-off levels, and economic trends (such as energy and food prices). The primary tool used is the movement model (on a contractual and recency basis) which considers the rolling twelve months of delinquency to determine expected charge-offs. The sum of expected charge-offs, determined from the movement model (on a contractual and recency basis) plus an amount related to delinquent refinancings are compared to the allowance resulting from the mathematical calculation to determine if any adjustments are required to make the allowance adequate. Management would also determine if any adjustments are needed if the consolidated annual provision for loan losses is less than total charge-offs. Management uses a precision level of 5% of the allowance for loan losses compared to the aforementioned movement model, when determining if any adjustments are needed.

The Company's policy is to charge off at the earlier of when such loans are deemed to be uncollectible or when six months have elapsed since the date of the last full contractual payment. The Company's charge-off policy has been consistently applied and no changes have been made during the periods reported. The Company's delinquencies and net charge-off ratios were significantly impacted during fiscal 2015 by a change to the branch level incentive plan that became effective July 1, 2014. The change allows managers to continue collection efforts on accounts that are 91 days or more past due, without having their monthly bonus negatively impacted. As expected, this resulted in an increase in accounts 91 days or more past due and lower charge-offs during fiscal 2016. Also, we believe charge-offs during fiscal 2016 were negatively impacted by ceasing all in-person visits to delinquent borrowers in December 2015. The Company's historical annual charge-off rate for the past 10 years has ranged from 12.9% to 16.7% of net loans. Management considers the charge-off policy when evaluating the appropriateness of the allowance for loan losses.

To estimate the losses, the Company uses historical information for net charge-offs and average loan life. This method is based on the fact that many customers refinance their loans prior to the contractual maturity. Average contractual loan terms are approximately 13 months and the average loan life is approximately 8 months. The Company had an allowance for loan losses that approximated 8 months of average net charge-offs at March 31, 2016. Management believes that the allowance is sufficient to cover estimated losses for its existing loans based on historical charge-offs and average loan life.

A large percentage of loans that are charged off during any fiscal year are not on the Company's books at the beginning of the fiscal year. The Company believes that it is not appropriate to provide for losses on loans that have not been originated, that twelve months of net charge-offs are not needed in the allowance due to the average life of the loan portfolio being less than twelve months, and that the method employed is in accordance with generally accepted accounting principles.

The following is a summary of the changes in the allowance for loan losses for the years ended March 31, 2016, 2015, and 2014:

	2016	2015	2014
Balance at beginning of period	**$ 70,437,988**	$ 63,254,940	$ 59,980,842
Provision for loan losses	**123,598,318**	118,829,863	126,575,392
Loan losses	**(141,758,366)**	(126,093,332)	(137,307,358)
Recoveries	**18,196,110**	15,467,059	14,287,889
Translation adjustment	**(908,246)**	(1,020,542)	(281,825)
Balance at end of period	**$ 69,565,804**	$ 70,437,988	$ 63,254,940
Allowance as a percentage of loans receivable, net of unearned and deferred fees	**9.0%**	8.7%	7.8%
Net charge-offs as a percentage of average loans receivable [1]	**14.8%**	12.9%	14.7%

(1) Average loans receivable have been determined by averaging month-end gross loans receivable less unearned interest and deferred fees over the indicated period.

Quarterly Information and Seasonality

The Company's loan volume and corresponding loans receivable follow seasonal trends. The Company's highest loan demand typically occurs from October through December, its third fiscal quarter. Loan demand has generally been the lowest and loan repayment highest from January to March, its fourth fiscal quarter. Loan volume and average balances typically remain relatively level during the remainder of the year. This seasonal trend affects quarterly operating performance through corresponding fluctuations in interest and fee income and insurance commissions earned and the provision for loan losses recorded, as well as fluctuations in the Company's cash needs. Consequently, operating results for the Company's third fiscal quarter generally are significantly lower than in other quarters and operating results for its fourth fiscal quarter are significantly higher than in other quarters.

The following table sets forth, on a quarterly basis, certain items included in the Company's unaudited Consolidated Financial Statements and shows the number of branches open during fiscal years 2016 and 2015.

	At or for the Three Months Ended							
	2016				2015			
	June 30,	**September 30,**	**December 31,**	**March 31,**	June 30,	September 30,	December 31,	March 31,
	(Dollars in thousands)							
Total revenues	**$ 137,225**	**$ 136,412**	**$ 139,696**	**$ 144,143**	$ 145,926	$ 148,185	$ 148,704	$ 167,398
Provision for loan losses	**$ 26,228**	**$ 37,557**	**$ 35,441**	**$ 24,373**	$ 30,893	$ 36,161	$ 38,293	$ 13,483
General and administrative expenses	**$ 67,568**	**$ 63,436**	**$ 71,580**	**$ 66,555**	$ 73,325	$ 71,677	$ 75,639	$ 71,410
Net income	**$ 23,632**	**$ 19,187**	**$ 14,751**	**$ 29,826**	$ 22,556	$ 21,274	$ 18,489	$ 48,515
Gross loans receivable	**$1,150,669**	**$ 1,162,836**	**$ 1,219,209**	**$1,066,964**	$1,164,368	$ 1,194,040	$ 1,262,618	$1,110,145
Number of branches open	**1,331**	**1,346**	**1,350**	**1,339**	1,271	1,293	1,314	1,320

Recently Issued Accounting Pronouncements

See Part II, Item 8, Financial Statements and Supplementary Data. Note 1- Summary of Significant Accounting Policies in the Consolidated Financial Statements for the impact of new accounting pronouncements.

Liquidity and Capital Resources

The Company has financed and continues to finance its operations, acquisitions and branch expansion through a combination of cash flows from operations and borrowings from its institutional lenders. 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. As the Company's gross loans receivable increased from $875.0 million at March 31, 2011 to $1,067.0 million at March 31, 2016, net cash provided by operating activities for fiscal years 2016, 2015 and 2014 was $206.1 million, $241.9 million and $246.0 million, respectively.

The Company continues to believe stock repurchases to be a viable component of the Company's long-term financial strategy and an excellent use of excess cash when the opportunity arises. However, our amended credit facility now requires the Company to obtain prior written consent from our lenders holding at least 66-2/3% of the aggregate commitments before repurchasing additional shares.

The Company plans to open or acquire at least 15 branches in the United States and 10 branches in Mexico during fiscal 2017. Expenditures by the Company to open and furnish new branches averaged approximately $27,000 per branch during fiscal 2016. New branches have also required from $100,000 to $400,000 to fund outstanding loans receivable originated during their first 12 months of operation. During fiscal 2016 the Company opened 37 new branches and merged 18 branches into existing ones.

The Company completed one acquisition of receivables during fiscal 2016. 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.

The Company currently has a $500.0 million revolving credit facility with a syndicate of banks. The revolving credit facility provides for revolving borrowings of up to the lesser of (1) the aggregate commitments under the facility and (2) a borrowing base, and includes a $1.5 million letter of credit subfacility. The credit facility was amended in June of 2015 to extend its term through June 15, 2017. As amended, the current aggregate commitments will reduce from $500 million to $400 million on March 31, 2017. 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, and (b) an advance rate percentage that ranges from 79% to 85% based on a collateral performance indicator, as more completely described below. Further, the administrative agent under the revolving credit facility has the right at any time, and from time to time, in its permitted discretion (but without any obligation), to set aside reasonable reserves against the borrowing base in such amounts as it may deem appropriate, including, without limitation, reserves with respect to regulatory events or any increased operational, legal or regulatory risk.

Funds borrowed under the revolving credit facility bear interest at the LIBOR rate plus 4.0% per annum, with a minimum rate of 5.0%. For the year ended March 31, 2016, the effective interest rate, including the commitment fee, on borrowings under the revolving credit facility was 5.6%. The Company pays a commitment fee equal to 0.50% per annum of the daily unused portion of the commitments. On March 31, 2016, $374.7 million was outstanding under this facility, and there was $123.8 million of unused borrowing availability under the borrowing base limitations.

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 also contains financial covenants, including a minimum consolidated net worth of $265.0 million, a minimum fixed charge coverage ratio of 2.5 to 1.0, a maximum ratio of total debt to consolidated adjusted net worth of 2.75 to 1.0, and a maximum ratio of subordinated debt to consolidated adjusted net worth of 1.0 to 1.0. 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.

In addition, the agreement establishes a maximum specified level for the collateral performance indicator.

The collateral performance indicator is equal to the sum of (1) a three-month rolling average rate of receivables at least sixty days past due and (2) an eight-month rolling average net charge-off rate. The Company was in compliance with these covenants at March 31, 2016 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 finance receivables 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 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" (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.

The following table summarizes the Company's contractual cash obligations by period (in thousands):

	Fiscal Year Ended March 31,						
	2017	2018	2019	2020	2021	Thereafter	Total
Maturities of notes payable	$ —	$ 374,685	$ —	$ —	$ —	$ —	$ 374,685
Interest payments	18,734	3,903	—	—	—	—	22,637
Minimum lease payments	23,765	15,210	7,556	2,202	699	421	49,853
Total	$ 42,499	$ 393,798	$ 7,556	$ 2,202	$ 699	$ 421	$ 447,175

Share Repurchase Program

The Company's historical long-term profitability has demonstrated over many years our ability to grow our loan portfolio (the Company's only earning asset) and generate excess cash flow. We have and intend to continue to use our cash flow and excess capital to repurchase shares, assuming we are able to obtain the required consent of our lenders and that the repurchased shares are accretive to earnings per share.

Since 1996, the Company has repurchased approximately 18.1 million shares for an aggregate purchase price of approximately $849.2 million. As of March 31, 2016, the Company had $11.5 million in aggregate board-approved outstanding stock repurchase authorizations. As of March 31, 2016 our debt outstanding was $374.7 million and our shareholders' equity was $391.9 million resulting in a debt-to-equity ratio of 1.0:1.0. Our first priority is to ensure we have enough capital to fund loan growth. To the extent we have excess capital and our lenders under the revolving credit facility provide consent, we intend to continue repurchasing stock, as authorized by our Board of Directors, which is consistent with our past practice. We will continue to monitor our debt-to-equity ratio and are committed to maintaining a debt level that will allow us to continue to execute our business objectives, while not putting undue stress on our consolidated balance sheet.

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 loan receivables and an increase in absolute revenues to be generated from that larger amount of loans receivable. The Company believes that this increase in absolute revenues 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.

Legal Matters

From time to time the Company is involved in routine litigation relating to claims arising out of its operations in the normal course of business. See Part I, Item 3, "Legal Proceedings" and Note 16 to our audited Consolidated Financial Statements for further discussion of legal matters.

Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

As of March 31, 2016, the Company's financial instruments consisted of the following: cash and cash equivalents, loans receivable, and senior notes payable. Fair value approximates carrying value for all of these instruments. Loans receivable are originated at prevailing market rates and have an average life of approximately 8 months. Given the short-term nature of these loans, they are continually repriced at current market rates. The Company's outstanding debt under its revolving credit facility was $374.7 million at March 31, 2016. Interest on borrowings under this facility is based on the rate of LIBOR plus 4.0% with a minimum rate of 5.0%

Based on the outstanding balance at March 31, 2016, a change of 1% in the LIBOR interest rate would cause a change in interest expense of approximately $1.6 million on an annual basis.

Foreign Currency Exchange Rate Risk

The Company has operated branches in Mexico since September 2005, where its local businesses utilize the Mexican peso as their functional currency. The Consolidated Financial Statements of the Company are denominated in U.S. dollars and are, therefore, subject to fluctuation as the U.S. dollar and Mexican peso foreign exchange rates change. Revenues from our non-U.S. operations accounted for approximately 7.6% and 8.6% of total revenues during the twelve month periods ended March 31, 2016 and 2015, respectively. There have been, and there may continue to be, period-to-period fluctuations in the relative portions of our international revenues to total consolidated revenues.

Our international operations are subject to risks, including but not limited to differing economic conditions, changes in political climate, differing tax structures, other regulations and restrictions, and foreign exchange rate volatility when compared to the United States. Accordingly, our future consolidated financial position as well as our consolidated results of operations results could be adversely affected by changes in these or other factors. Foreign exchange rate fluctuations may adversely impact our financial position as the assets and liabilities of our foreign operations are translated into U.S. dollars in preparing our consolidated balance sheet. Our exposure to foreign exchange rate fluctuations arises in part from balances in our intercompany accounts included on our subsidiary balance sheets. These intercompany accounts are denominated in the functional currency of the foreign subsidiaries and are translated to U.S. dollars at each reporting period end. Additionally, foreign exchange rate fluctuations may impact our consolidated results from operations as exchange rate fluctuations will impact the amounts reported in our consolidated statement of income. The effect of foreign exchange rate fluctuations on our consolidated financial position is recognized within shareholders' equity through accumulated other comprehensive income (loss). The net translation adjustment for the twelve months ended March 31, 2016 was a loss of approximately $8.0 million. The Company's foreign currency exchange rate exposures may change over time as business practices evolve and could have a material effect on the Company's financial results. The Company will continue to monitor and assess the effect of foreign currency fluctuations and may institute hedging strategies.

The Company performs a foreign exchange sensitivity analysis on a quarterly basis which assumes a hypothetical 10% increase and decrease in the value of the U.S. dollar relative to the Mexican peso. The foreign exchange risk sensitivity of both net loans receivable and consolidated net income is assessed using hypothetical scenarios and assumes that earnings in Mexican pesos are recognized evenly throughout a period. The actual results may differ from the results noted in the tables below particularly due to assumptions utilized or if events occur that were not included in the method used.

The foreign exchange risk sensitivity of net loans denominated in Mexican pesos and translated into U.S. dollars, which were approximately $51.3 million and $56.4 million at March 31, 2016 and 2015, respectively, on the reported net loans receivable amount is summarized in the following table:

Foreign Exchange Sensitivity Analysis of Loans Receivable, Net of Unearned Amounts

	As of March 31, 2016		
Foreign exchange spot rate, US Dollars to Mexican Pesos	**(10)%**	**0%**	**10%**
Loans receivable, net of unearned	**$ 771,643,968**	**$ 776,305,180**	**$ 782,002,237**
% change from base amount	**(0.60)%**	**—**	**0.73%**
$ change from base amount	**$ (4,661,212)**	**$ —**	**$ 5,697,057**

	As of March 31, 2015		
Foreign exchange spot rate, US Dollars to Mexican Pesos	(10)%	0 %	10 %
Loans receivable, net of unearned	$ 807,613,770	$ 812,742,678	$ 819,011,335
% change from base amount	(0.63)%	—	0.77 %
$ change from base amount	$ (5,128,908)	$ —	$ 6,268,657

The following table summarizes the results of the foreign exchange risk sensitivity analysis on reported net income as of the dates indicated below:

Foreign Exchange Sensitivity Analysis of Net Income

	As of March 31, 2016		
Foreign exchange spot rate, US Dollars to Mexican Pesos	**(10)%**	**0%**	**10%**
Net Income	**$ 87,027,224**	**$ 87,395,557**	**$ 87,845,742**
% change from base amount	**(0.42)%**	**—**	**0.52%**
$ change from base amount	**$ (368,333)**	**$ —**	**$ 450,185**

	As of March 31, 2015		
Foreign exchange spot rate, US Dollars to Mexican Pesos	(10)%	0 %	10 %
Net Income	$ 110,113,519	$ 110,833,458	$ 111,713,385
% change from base amount	(0.65)%	—	0.79 %
$ change from base amount	$ (719,939)	$ —	$ 879,927

CONSOLIDATED BALANCE SHEETS

	March 31,	
	2016	2015
ASSETS		
Cash and cash equivalents	**$ 12,377,024**	38,338,935
Gross loans receivable	**1,066,964,342**	1,110,145,082
Less:		
Unearned interest, insurance and fees	**(290,659,162)**	(297,402,404)
Allowance for loan losses	**(69,565,804)**	(70,437,988)
Loans receivable, net	**706,739,376**	742,304,690
Property and equipment, net	**25,296,913**	25,906,507
Deferred income taxes, net	**38,130,982**	37,345,605
Other assets, net	**14,636,573**	12,749,771
Goodwill	**6,121,458**	6,121,458
Intangible assets, net	**2,916,537**	3,363,753
Total assets	**$ 806,218,863**	866,130,719
LIABILITIES & SHAREHOLDERS' EQUITY		
Liabilities:		
Senior notes payable	**374,685,000**	501,150,000
Income taxes payable	**8,258,642**	18,204,186
Accounts payable and accrued expenses	**31,373,640**	31,208,814
Total liabilities	**414,317,282**	**550,563,000**
Shareholders' equity:		
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 8,812,250 and 8,969,948 shares at March 31, 2016 and March 31, 2015, respectively	**—**	—
Additional paid-in capital	**138,835,064**	141,864,764
Retained earnings	**276,000,862**	188,605,305
Accumulated other comprehensive loss	**(22,934,345)**	(14,902,350)
Total shareholders' equity	**391,901,581**	315,567,719
Commitments and contingencies		
Total liabilities and shareholders' equity	**$ 806,218,863**	866,130,719

See accompanying notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended March 31,		
	2016	2015	2014
Revenues:			
Interest and fee income	**$ 495,133,436**	524,277,341	523,770,049
Insurance income, net and other income	**62,342,271**	85,935,535	75,493,350
Total revenues	**557,475,707**	610,212,876	599,263,399
Expenses:			
Provision for loan losses	**123,598,318**	118,829,863	126,575,392
General and administrative expenses:			
Personnel	**169,573,039**	192,419,147	187,444,744
Occupancy and equipment	**44,460,905**	41,716,893	38,879,460
Advertising	**16,863,076**	17,299,665	16,062,076
Amortization of intangible assets	**528,747**	723,071	1,057,620
Other	**37,713,908**	39,892,743	37,804,532
Total general and administrative expenses	**269,139,675**	292,051,519	281,248,432
Interest expense	**26,849,250**	23,301,156	21,195,370
Total expenses	**419,587,243**	434,182,538	429,019,194
Income before income taxes	**137,888,464**	176,030,338	170,244,205
Income taxes	**50,492,907**	65,196,880	63,636,273
Net income	**$ 87,395,557**	110,833,458	106,607,932
Net income per common share:			
Basic	**$ 10.12**	12.12	9.80
Diluted	**$ 10.05**	11.90	9.60
Weighted average common shares outstanding:			
Basic	**8,636,269**	9,146,003	10,876,557
Diluted	**8,692,191**	9,316,629	11,105,710

See accompanying notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended March 31,		
	2016	2015	2014
Net income	**$ 87,395,557**	110,833,458	106,607,932
Foreign currency translation adjustments	**(8,031,995)**	(10,796,224)	(3,687,809)
Comprehensive income	**$ 79,363,562**	100,037,234	102,920,123

See accompanying notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (loss), net	Total Shareholders' Equity
Balances at March 31, 2013	$ 89,789,789	277,024,787	(418,317)	366,396,259
Proceeds from exercise of stock options (265,365 shares), including tax benefits of $2,867,621	13,662,510	—	—	13,662,510
Common stock repurchases (2,091,699 shares)	—	(190,536,775)	—	(190,536,775)
Restricted common stock expense under stock option plan, net of cancellations ($792,073)	5,234,480	—	—	5,234,480
Stock option expense	9,678,724	—		9,678,724
Other comprehensive loss	—	—	(3,687,809)	(3,687,809)
Net income	—	106,607,932	—	106,607,932
Balances at March 31, 2014	$ 118,365,503	193,095,944	(4,106,126)	307,355,321
Proceeds from exercise of stock options (159,348 shares), including tax benefits of $989,776	7,530,624	—	—	7,530,624
Common stock repurchases (1,432,058 shares)	—	(115,324,097)	—	(115,324,097)
Restricted common stock expense under stock option plan, net of cancellations ($303,818)	7,834,825	—	—	7,834,825
Stock option expense	8,133,812	—	—	8,133,812
Other comprehensive loss	—	—	(10,796,224)	(10,796,224)
Net income	—	110,833,458	—	110,833,458
Balances at March 31, 2015	$ 141,864,764	188,605,305	(14,902,350)	315,567,719
Proceeds from exercise of stock options (89,403 shares), including tax benefits of $78,382	**3,327,067**	**—**	**—**	**3,327,067**
Restricted common stock expense under stock option plan, net of cancellations ($2,289,017)	**(10,322,230)**	**—**	**—**	**(10,322,230)**
Stock option expense	**3,965,463**	**—**		**3,965,463**
Other comprehensive loss	**—**	—	**(8,031,995)**	**(8,031,995)**
Net income	**—**	**87,395,557**	**—**	**87,395,557**
Balances at March 31, 2016	**$ 138,835,064**	**276,000,862**	**(22,934,345)**	**391,901,581**

See accompanying notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended March 31,		
	2016	2015	2014
Cash flow from operating activities:			
Net income	$ **87,395,557**	110,833,458	106,607,932
Adjustments to reconcile net income to net cash provided by operating			
Amortization of intangible assets	**528,747**	723,071	1,057,620
Amortization of debt issuance costs	**2,769,596**	418,847	373,441
Provision for loan losses	**123,598,318**	118,829,863	126,575,392
Depreciation	**6,503,561**	6,538,638	6,282,255
Loss (gain) on sale of property and equipment	**1,401,391**	(42,506)	—
Deferred income tax benefit	**(785,377)**	(3,831,417)	(4,098,193)
Compensation related to stock option and restricted stock plans, net of taxes and adjustments	**(6,356,767)**	15,968,637	14,913,204
Gain on sale of finance receivables, net of buybacks	**(1,474,182)**	(16,027,999)	—
Change in accounts:			
Other assets, net	**1,923,196**	(1,060,038)	(360,471)
Income taxes payable	**(9,945,544)**	8,494,879	(4,420,347)
Accounts payable and accrued expenses	**511,863**	1,041,341	(967,249)
Net cash provided by operating activities	**206,070,359**	241,886,774	245,963,584
Cash flows from investing activities:			
Increase in loans receivable, net	**(93,980,511)**	(116,921,675)	(157,149,864)
Net assets acquired from branch acquisitions, primarily loans	**(92,097)**	(1,516,149)	(774,549)
Increase in intangible assets from acquisitions	**(81,531)**	(463,345)	(281,436)
Purchases of property and equipment	**(8,654,804)**	(8,586,963)	(7,432,535)
Proceeds from sale of property and equipment	**889,946**	399,306	48,476
Proceeds from sale of loan receivable, net of buybacks	**26,218**	18,880,496	—
Net cash used in investing activities	**(101,892,779)**	(108,208,330)	(165,589,908)
Cash flow from financing activities:			
Borrowings from senior notes payable	**295,095,000**	310,721,600	425,640,000
Payments on senior notes payable	**(421,560,000)**	(315,071,600)	(320,390,000)
Debt issuance costs associated with senior notes payable	**(5,500,000)**	(337,500)	(204,000)
Proceeds from exercise of stock options	**3,248,685**	6,540,848	10,794,889
Repurchase of common stock	—	(115,324,097)	(190,536,775)
Excess tax benefit from exercise of stock options	**78,382**	989,776	2,867,621
Net cash used in financing activities	**(128,637,933)**	(112,480,973)	(71,828,265)
Effects of foreign currency fluctuations on cash and cash equivalents	**(1,501,558)**	(2,428,219)	(601,093)
Net change in cash and cash equivalents	**(25,961,911)**	18,769,252	7,944,318
Cash and cash equivalents at beginning of year	**38,338,935**	19,569,683	11,625,365
Cash and cash equivalents at end of year	$ **12,377,024**	38,338,935	19,569,683
Supplemental Disclosures:			
Interest paid during the year	$ **23,811,210**	22,714,147	19,922,148
Income taxes paid during the year	$ **62,530,594**	61,027,849	67,404,899

See accompanying notes to Consolidated Financial Statements.

(1) Summary of Significant Accounting Policies

The Company's accounting and reporting policies are in accordance with U.S. generally accepted accounting principles ("GAAP") and conform to general practices within the finance company industry. The following is a description of the more significant of these policies used in preparing the Consolidated Financial Statements.

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. It also offers income tax return preparation services to its customer base and to others.

As of March 31, 2016, the Company operated 1,186 branches in Alabama, Georgia, Idaho, Illinois, Indiana, Kentucky, Louisiana, Mississippi, Missouri, New Mexico, Oklahoma, South Carolina, Tennessee, Texas, and Wisconsin. Branches in the aforementioned states operate under one of the following names: Amicable Finance, Capitol Loans, Colonial Finance, Freeman Finance, General Credit, Local Loans, Midwestern Financial, Midwestern Loans, Personal Credit, People's Finance, World Acceptance, or World Finance. The Company also operated 153 branches in Mexico. Branches in Mexico operate under the name Préstamos Avance or Préstamos Viva. The Company is subject to numerous lending regulations that vary by jurisdiction.

Principles of Consolidation

The Consolidated Financial Statements include the accounts of World Acceptance Corporation and its wholly-owned subsidiaries (the “Company”). Subsidiaries consist of operating entities in various states and Mexico, ParaData (a software company acquired during fiscal 1994), WAC Insurance Company, Ltd. (a captive reinsurance company established in fiscal 1994) and Servicios World Acceptance Corporation de Mexico (a service company established in fiscal 2006). All significant inter-company balances and transactions have been eliminated in consolidation.

The financial statements of the Company’s foreign subsidiaries in Mexico are prepared using the local currency as the functional currency. Assets and liabilities of these subsidiaries are translated into U.S. dollars at the current exchange rate while income and expense are translated at an average exchange rate for the period. The resulting translation gains and losses are recognized as a component of equity in “Accumulated other comprehensive (loss)/income.”

Use of Estimates in the Preparation of Consolidated Financial Statements

The preparation of 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 financial statements and the reported amounts of revenue and expenses during the reporting period. The most significant item subject to such estimates and assumptions that could materially change in the near term is the allowance for loan losses. Actual results could differ from those estimates.

Reclassification

Certain prior period amounts have been reclassified to conform to current presentation. Such reclassifications had no impact on previously reported net income or shareholders' equity.

Business Segments

The Company reports operating segments in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 280. Operating segments are components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and assess performance. FASB ASC Topic 280 requires that a public enterprise report a measure of segment profit or loss, certain specific revenue and expense items, segment assets, information about the way that the operating segments were determined and other items.

The Company has one reportable segment, which is the consumer finance company. The other revenue generating activities of the Company, including the sale of insurance products, income tax preparation, world class buying club and the automobile club, are done in the existing branch network in conjunction with or as a complement to the lending operation. There is no discrete financial information available for these activities and they do not meet the criteria under FASB ASC Topic 280 to be

reported separately. At March 31, 2016 and 2015, the Company's Mexico operations accounted for approximately 8.2% and 8.1% of total consolidated assets. Total revenues for the years ended March 31, 2016, 2015 and 2014 were $42.2 million, $52.4 million, $50.6 million, which represented 7.6%, 8.6%, and 8.4% of consolidated revenues. Although, the Company's Mexico operations is an operating segment under FASB ASC Topic 280, it does not meet the criteria to require separate disclosure.

ParaData provides data processing systems to 88 separate finance companies, including the Company. At March 31, 2016 and 2015, ParaData had total assets of $1.6 million and $1.5 million, which represented less than 1% of total consolidated assets at each fiscal year end. Total net revenues (system sales and support) for ParaData for the years ended March 31, 2016, 2015 and 2014 were $3.0 million, $2.1 million and $2.4 million, respectively, which represented less than 1% of consolidated revenue for each year. Although ParaData is an operating segment under FASB ASC Topic 280, it does not meet the criteria to require separate disclosure.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments with a maturity of three months or less from the date of original issuance to be cash equivalents. As of March 31, 2016 and 2015 the Company had $2.2 million and $1.1 million in restricted cash associated with its captive insurance subsidiary that reinsures a portion of the credit insurance sold in connection with loans made by the Company.

Loans and Interest and Fee Income

The Company is licensed to originate consumer loans in the states of South Carolina, Georgia, Texas, Oklahoma, Louisiana, Tennessee, Illinois, Missouri, New Mexico, Kentucky, Alabama, Wisconsin, Indiana, Mississippi and Idaho. In addition, the Company also originates consumer loans in Mexico. During fiscal 2016, 2015 and 2014 the Company originated loans generally ranging up to $4,000, with terms of 42 months or less. Experience indicates that a majority of the consumer loans are refinanced, and the Company accounts for the majority of the refinancings as a new loan. Generally a customer must make multiple payments in order to qualify for refinancing. Furthermore, the Company's lending policy has predetermined lending amounts so that in most cases a refinancing will result in advancing additional funds. The Company believes that the advancement of additional funds constitutes more than a minor modification to the terms of the existing loan if the present value of the cash flows under the terms of the new loan will be 10% or more of the present value of the remaining cash flows under the terms of the original loan.

Gross loans receivable at March 31, 2016 and 2015 consisted of the following:

		2016	2015
Small loans	$	**637,826,581**	661,635,284
Large loans		**427,723,584**	439,279,986
Sales finance loans		**1,414,177**	9,229,812
Total gross loans	$	**1,066,964,342**	1,110,145,082

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.

In connection with the preparation of the consolidated financial statements for the year ended March 31, 2015, the Company has reclassified certain loan origination costs from personnel and other expenses to present them as a reduction to interest and fee income in compliance with Accounting Standards Codification 310-20, Nonrefundable Fees and Other Costs. The Company has historically deferred these costs in compliance with the standard, but inappropriately only recorded the net difference between the deferral of costs on loans originated during a period and the amortization of deferred costs for the same period within the statement of operations.

The Company evaluated the materiality of the reclassifications in accordance with SEC Staff Accounting Bulletin No. 99, Materiality, SEC Staff Accounting Bulletin No. 108, Considering the Effects of Prior Year Misstatements When Quantifying Misstatements in Current Year Financial Statements, and Accounting Standards Codification 250, Accounting for Changes and Error Corrections, and concluded that the reclassifications, individually and in the aggregate, were immaterial to all prior periods impacted. While the adjustments were immaterial, the Company has elected to revise its previously reported revenue and expenses as shown in the following table:

periods impacted. While the adjustments were immaterial, the Company has elected to revise its previously reported revenue and expenses as shown in the following table:

	Year Ended March 31, 2014	
	As Reported	As Revised
Interest and fee income	$ 542,155,900	523,770,049
Personnel expense	202,794,384	187,444,744
Other expense	40,840,744	37,804,532

The corrections have no impact on the Company's consolidated balance sheets, net income, consolidated statements of comprehensive income, consolidated statements of shareholders' equity, consolidated statements of cash flows, or earnings per share.

Loans 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 loan losses. The Company recognizes interest and fee income using the interest method. Charges for late payments are credited to income when collected.

The Company generally offers its loans at the prevailing statutory rates for terms not to exceed 42 months. Management believes that the carrying value approximates the fair value of its loan portfolio.

Nonaccrual Policy

The accrual of interest is discontinued when a loan is 60 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.

Allowance for Loan Losses

The Company maintains an allowance for loan losses in an amount that, in management's opinion, is adequate to provide for incurred losses inherent in the existing loan portfolio. The Company charges against current earnings, as a provision for loan losses, amounts added to the allowance to maintain it at levels expected to cover probable incurred losses of principal. When establishing the allowance for loan losses, the Company takes into consideration the growth of the loan portfolio, current levels of charge-offs, current levels of delinquencies, and current economic factors.

The Company uses a mathematical calculation to determine the initial allowance at the end of each reporting period. The calculation originated as management's estimate of future charge-offs and is used to allocate expenses to the branch level. There are two components when calculating the allowance for loan losses, which the Company refers to as the general reserve and the specific reserve. This calculation is a starting point and over time, and as needed, additional provisions have been added as determined by management to make the allowance adequate.

The general reserve is 4.25% of the gross loan portfolio. The specific reserve represents 100% of the gross loan balance of all loans 91 days or more days past due (151 days or more past due for payroll deduct loans) on a recency basis, including bankrupt accounts in that category. This methodology is based on historical data showing that the collection of loans 91 days or more past due and bankrupt accounts is remote.

A process is then performed to determine the adequacy of the allowance for loan losses, as well as considering trends in current levels of delinquencies, charge-off levels, and economic trends (such as energy and food prices). The primary tool used is the movement model (on a contractual and recency basis) which considers the rolling twelve months of delinquency to determine expected charge-offs. The sum of expected charge-offs, determined from the movement model (on a contractual and recency basis) plus the amount of delinquent refinancings are compared to the allowance resulting from the mathematical calculation to determine if any adjustments are needed to make the allowance adequate. Management would also determine if any adjustments are needed if the consolidated annual provision for loan losses is less than total charge-offs. Management uses a precision level of 5% of the allowance for loan losses compared to the aforementioned movement model, when determining if any adjustments are needed.

The Company's policy is to charge off loans at the earlier of when such loans are deemed to be uncollectible or when six months have elapsed since the date of the last full contractual payment. The Company's charge-off policy has been consistently applied

and no changes have been made during the periods reported. The Company's historical annual charge-off rate for the past 10 years has ranged from 12.9% to 16.7% of net loans. Management considers the charge-off policy when evaluating the appropriateness of the allowance for loan losses.

FASB ASC Topic 310-30 prohibits carryover or creation of valuation allowances in the initial accounting of all loans acquired in a transfer that are within the scope of this authoritative literature. The Company believes that loans acquired since the adoption of FASB ASC Topic 310-30 have not shown evidence of deterioration of credit quality since origination, and therefore, are not within the scope of FASB ASC Topic 310-30.

Impaired Loans

The Company defines impaired loans as bankrupt accounts and accounts 91 days or more past due (151 days or more past due for payroll deduct loans). In accordance with the Company's charge-off policy, once a loan is deemed uncollectible, 100% of the net investment is charged off, except in the case of a borrower who has filed for bankruptcy. As of March 31, 2016, bankrupt accounts that had not been charged off were approximately $5.5 million. Bankrupt accounts 91 days or more past due are reserved at 100% of the gross loan balance. The Company also considers accounts 91 days or more past due (151 days or more past due for payroll deduct loans) as impaired, and the accounts are reserved at 100% of the gross loan balance. Delinquency is the primary credit quality indicator used to determine the credit quality of the Company's receivables (additional requirements from ASC 310-10 are disclosed in Note 2).

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is recorded using the straight-line method over the estimated useful life of the related asset as follows: buildings, 25 to 40 years; furniture and fixtures, 5 to 10 years; equipment, 3 to 7 years; and vehicles, 3 years. Amortization of leasehold improvements is recorded using the straight-line method over the lesser of the estimated useful life of the asset or the term of the lease. Additions to premises and equipment and major replacements or improvements are added at cost. Maintenance, repairs, and minor replacements are charged to operating expense as incurred. When assets are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in the consolidated statement of operations.

Operating Leases

The Company's branch leases typically have a lease term of three to five years and contain lessee renewal options and cancellation clauses in the event of regulatory changes. The Company typically renews its leases for one or more option periods. Accordingly, the Company amortizes its leasehold improvements over the shorter of their economic lives, which are generally five years, or the lease term that considers renewal periods that are reasonably assured.

Other Assets

Other assets include cash surrender value of life insurance policies, prepaid expenses, debt issuance costs and other deposits.

Intangible Assets and Goodwill

Intangible assets include the cost of acquiring existing customers ("customer lists"), and the fair value assigned to non-compete agreements. Customer lists are amortized on a straight line or accelerated basis over their estimated period of benefit, ranging from 12 to 23 years with a weighted average of approximately 16 years. Non-compete agreements are amortized on a straight line basis over the term of the agreement, ranging from 2 to 5 years with a weighted average of approximately 5 years.

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.

Non-compete agreements are valued at the stated amount paid to the other party for these agreements, which the Company believes approximates the fair value. The fair value of the customer lists is based on a valuation model that utilizes the Company's historical data to estimate the value of any acquired customer lists. In a business combination, the remaining excess of the purchase price over the fair value of the tangible assets, customer list, and non-compete agreements is allocated to goodwill. The branches the Company acquires are small, privately-owned branches, which do not have sufficient historical

data to determine customer attrition. The Company believes that the customers acquired have the same characteristics and perform similarly to its customers. Therefore, the Company utilized the attrition patterns of its customers when developing the attrition of acquired customers. This method is re-evaluated periodically.
The Company evaluates goodwill annually for impairment in the fourth quarter of the fiscal year using the market value-based approach. The Company has three reporting units (US, Mexico and Paradata), and the Company has multiple components, the lowest level of which is individual branches. The Company's components are aggregated for impairment testing because they have similar economic characteristics.

Impairment of Long-Lived Assets

The Company assesses impairment of long-lived assets, including property and equipment and intangible assets, whenever changes or events indicate that the carrying amount may not be recoverable. The Company assesses impairment of these assets generally at the branch level based on the operating cash flows of the branch and the Company's plans for branch closings. The Company will write down such assets to fair value if, based on an analysis, the sum of the expected future undiscounted cash flows is less than the carrying amount of the assets. The Company did not record any impairment charges for the fiscal year ended 2016, 2015, or 2014.

Fair Value of Financial Instruments

FASB ASC Topic 825 requires disclosures about the fair value of all financial instruments, whether or not recognized in the balance sheet, for which it is practicable to estimate that value. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. The Company's financial instruments for the periods reported consist of the following: cash and cash equivalents, loans receivable, and senior notes payable. Fair value approximates carrying value for all of these instruments.

Loans receivable are originated at prevailing market rates and have an average life of approximately 8 months. Given the short-term nature of these loans, they are continually repriced at current market rates. The Company's revolving credit facility has a variable rate based on a margin over LIBOR and reprices with any changes in LIBOR.

Insurance Premiums and Commissions

Insurance premiums for credit life, accident and health, property and unemployment insurance written in connection with certain loans, net of refunds and applicable advance insurance commissions retained by the Company, are remitted monthly to an insurance company. All commissions are credited to unearned insurance commissions and recognized as income over the life of the related insurance contracts. The Company recognizes insurance income using the Rule of 78s method for credit life (decreasing term), credit accident and health, unemployment insurance and the Pro Rata method for credit life (level term) and credit property.

Non-filing Insurance

Non-filing insurance premiums are charged on certain loans in lieu of recording and perfecting the Company's security interest in the assets pledged. The premiums and recoveries are remitted to a third party insurance company and are not reflected in the accompanying Consolidated Financial Statements (See Note 8). Claims paid by the third party insurance company result in a reduction to loan losses.

Certain losses related to such loans, which are not recoverable through life, accident and health, property, or unemployment insurance claims are reimbursed through non-filing insurance claims subject to policy limitations. Any remaining losses are charged to the allowance for loan losses.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being

realized. Changes in recognition or measurement are reflected in the period in which the change in judgment related to additional facts and circumstances occurs.

Earnings Per Share

Earnings per share ("EPS") are computed in accordance with FASB ASC Topic 260. Basic EPS includes no dilution and is computed by dividing net income by the weighted-average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution of securities that could share in the earnings of the Company. Potential common stock included in the diluted EPS computation consists of stock options and restricted stock, which are computed using the treasury stock method. See Note 11 for the reconciliation of the numerators and denominators for basic and dilutive EPS calculations.

Stock-Based Compensation

FASB ASC Topic 718-10 requires companies to recognize in the income statement the grant-date fair value of stock options and other equity-based compensation issued to employees. FASB ASC Topic 718-10 does not change the accounting guidance for share-based payment transactions with parties other than employees provided in FASB ASC Topic 718-10. Under FASB ASC Topic 718-10, the way an award is classified will affect the measurement of compensation cost. Liability-classified awards are remeasured to fair value at each balance-sheet date until the award is settled. Equity-classified awards are measured at grant-date fair value, amortized over the subsequent vesting period, and are not subsequently remeasured. The fair value of non-vested stock awards for the purposes of recognizing stock-based compensation expense is the market price of the stock on the grant date. The fair value of options is estimated on the grant date using the Black-Scholes option pricing model (see Note 12).

At March 31, 2016, the Company had several share-based employee compensation plans, which are described more fully in Note 12. The Company uses the modified prospective transition method in accordance with FASB ASC Topic 718. Under this method of transition, compensation cost recognized during fiscal years 2014, 2015, and 2016 was based on the grant-date fair value estimated in accordance with the provisions of FASB ASC Topic 718. Since this compensation cost is based on awards ultimately expected to vest, it has been reduced for estimated forfeitures. FASB ASC Topic 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The Company has elected to expense grants of awards with graded vesting on a straight-line basis over the requisite service period for each separately vesting portion of the award.

Share Repurchases

The Company's Board of Directors approved a stock repurchase program which authorizes us to repurchase common shares in the open market or in privately negotiated transactions at price levels we deem attractive. On March 10, 2015, the Board of Directors authorized the Company to repurchase up to $25.0 million of the Company's common stock. As of March 31, 2016, the Company has $11.5 million in aggregate remaining repurchase capacity under all of the Company's outstanding repurchase authorizations. The timing and actual number of shares repurchased will depend on a variety of factors, including the stock price, corporate and regulatory requirements and other market and economic conditions. Although the repurchase authorizations above have no stated expiration date, the Company's stock repurchase program may be suspended or discontinued at any time.

Comprehensive Income

Total comprehensive income consists of net income and other comprehensive income (loss). The Company's other comprehensive income (loss) and accumulated other comprehensive income (loss) are comprised of foreign currency translation adjustments.

Concentration of Risk

The Company generally serves individuals with limited access to other sources of consumer credit, such as banks, credit unions, other consumer finance businesses and credit card lenders. During the year ended March 31, 2016, the Company operated in fifteen states in the United States as well as in Mexico. For the years ended March 31, 2016, 2015 and 2014, total revenue within the Company's four largest states (Texas, Tennessee, Georgia, S. Carolina) accounted for approximately 53%, 54% and 58%, respectively, of the Company's total revenues.

The Company maintains amounts in bank accounts which, at times, may exceed federally insured limits. The Company has not experienced losses in such accounts, which are maintained with large domestic banks. Management believes the Company's exposure to credit risk is minimal for these accounts.

Advertising Costs

Advertising costs are expensed when incurred. Advertising costs were approximately $16.9 million, $17.3 million and $16.1 million for fiscal years 2016, 2015 and 2014, respectively.

Accounting Standards to be Adopted

Revenue from Contracts with Customers

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) No. 2014-09, which supersedes the revenue recognition requirements Topic 605 (Revenue Recognition), and most industry-specific guidance. ASU No. 2014-09 is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU No. 2014-09 also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. ASU No. 2014-09, as amended by ASU 2015-14, is effective for fiscal years, and interim periods, beginning after December 15, 2017, with early adoption permitted for annual reporting periods beginning after December 15, 2016. We are currently evaluating the impact the adoption of this guidance will have on our consolidated financial statements.

Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern

In August 2014, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) 2014-15, which requires management to evaluate whether there is substantial doubt about an entity’s ability to continue as a going concern and to provide related footnote disclosures in certain circumstances. ASU 2014-15 is effective for annual and interim periods beginning after December 15, 2016 with early adoption permitted. We do not believe the adoption of this guidance will have a material impact on our consolidated financial statements.

Simplifying the Presentation of Debt Issuance Costs

In April 2015, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2015-03, which requires an entity to present debt issuance costs on the balance sheet as a direct deduction from the related debt liability as opposed to an asset. Amortization of the costs will continue to be reported as interest expense. In August 2015, the FASB issued ASU No. 2015-15, *Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements* (Amendments to SEC Paragraphs Pursuant to Staff Announcement at June 18, 2015 EITF Meeting). ASU 2015-15 allows debt issuance costs related to line-of-credit agreements to be presented on the balance sheet as an asset. ASU 2015-03 and 2015-15 are effective for annual and interim periods beginning after December 15, 2015 with early adoption permitted. We are currently evaluating the impact the adoption of this guidance will have on our consolidated financial statements.

Recognition, Measurement, Presentation, and Disclosure of Financial Instruments

In January 2016, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) 2016-01, which updates certain aspects of recognition, measurement, presentation and disclosure of financial instruments. ASU 2016-01 will be effective for the Company beginning in its first quarter of 2019 and early adoption is not permitted. We are currently evaluating the impact the adoption of this guidance will have on our consolidated financial statements.

Leases

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) 2016-02, Leases (Topic 842). The ASU will require lessees to recognize assets and liabilities on leases with terms greater than 12 months and to disclose information related to the amount, timing and uncertainty of cash flows arising from leases, including various qualitative and quantitative requirements. The amendments of this ASU become effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2018. We are currently evaluating the impact the adoption of this guidance will have on our consolidated financial statements.

Technical Corrections and Improvements

In March 2016, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) 2016-08, Principal versus Agent Considerations, which clarifies the implementation of the guidance on principal versus agent considerations from ASU 2014-09, Revenue from Contracts with Customers. ASU 2016-08 does not change the core principle of the guidance in ASU 2014-09, but rather clarifies the distinction between principal versus agent considerations when implementing ASU 2014-

09. As these are technical corrections and improvements only, the Company does not believe that this ASU will have a material effect on its consolidated financial statements.

Stock Compensation

In March 2016, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2016-09, Improvements to Employee Share - Based Payment Accounting, which simplifies the accounting for share-based payment transactions, income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The amendment in this ASU becomes effective on a modified retrospective transition for accounting in tax benefits recognized, retrospectively for accounting related to the presentation of employee taxes paid, prospective for accounting related to recognition of excess tax benefits, and either a prospective or retrospective method for accounting related to presentation of excess employee tax benefits for annual periods, and interim periods within those annual periods, beginning after December 15, 2016. We are currently evaluating the impact the adoption of this guidance will have on our consolidated financial statements.

Revenue from Contracts with Customers

In April 2016, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2016-10, Identifying Performance Obligations and Licensing. The amendments clarify the following two aspects of Topic 606: (a) identifying performance obligations; and (b) the licensing implementation guidance. The amendments do not change the core principle of the guidance in Topic 606. The effective date and transition requirements for the amendments are the same as the effective date and transition requirements in Topic 606. Public entities should apply the amendments for annual reporting periods beginning after December 15, 2017, including interim reporting periods therein (i.e., January 1, 2018, for a calendar year entity). Early application for public entities is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. We are currently evaluating the impact the adoption of this guidance will have on our consolidated financial statements.

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 as a result of future adoption.

(2) Allowance for Loan Losses and Credit Quality Indicators

The following is a summary of the changes in the allowance for loan losses for the years ended March 31, 2016, 2015, and 2014:

	2016	2015	2014
Balance at beginning of period	**$ 70,437,988**	63,254,940	59,980,842
Provision for loan losses	**123,598,318**	118,829,863	126,575,392
Loan losses	**(141,758,366)**	(126,093,332)	(137,307,358)
Recoveries	**18,196,110**	15,467,059	14,287,889
Translation adjustment	**(908,246)**	(1,020,542)	(281,825)
Balance at end of period	**$ 69,565,804**	70,437,988	63,254,940

The following is a summary of loans individually and collectively evaluated for impairment for the period indicated:

March 31, 2016	**Loans individually evaluated for impairment (impaired loans)**	**Loans collectively evaluated for impairment**	**Total**
Gross loans in bankruptcy, excluding contractually delinquent	**$ 4,560,322**	**—**	**4,560,322**
Gross loans contractually delinquent	**46,373,923**	**—**	**46,373,923**
Loans not contractually delinquent and not in bankruptcy	**—**	**1,016,030,097**	**1,016,030,097**
Gross loan balance	**50,934,245**	**1,016,030,097**	**1,066,964,342**
Unearned interest and fees	**(12,726,898)**	**(277,932,264)**	**(290,659,162)**
Net loans	**38,207,347**	**738,097,833**	**776,305,180**
Allowance for loan losses	**(33,840,839)**	**(35,724,965)**	**(69,565,804)**
Loans, net of allowance for loan losses	**$ 4,366,508**	**702,372,868**	**706,739,376**

March 31, 2015	Loans individually evaluated for impairment (impaired loans)	Loans collectively evaluated for impairment	Total
Gross loans in bankruptcy, excluding contractually delinquent	$ 4,821,691	—	4,821,691
Gross loans contractually delinquent	48,262,853	—	48,262,853
Loans not contractually delinquent and not in bankruptcy	—	1,057,060,538	1,057,060,538
Gross loan balance	53,084,544	1,057,060,538	1,110,145,082
Unearned interest and fees	(13,115,117)	(284,287,287)	(297,402,404)
Net loans	39,969,427	772,773,251	812,742,678
Allowance for loan losses	(35,352,658)	(35,085,330)	(70,437,988)
Loans, net of allowance for loan losses	$ 4,616,769	737,687,921	742,304,690

The average net balance of impaired loans was $41.2 million, $36.3 million and $25.9 million respectively, for the years ended March 31, 2016, 2015 and 2014. It is not practicable to compute the amount of interest earned on impaired loans nor is it practicable to compute the interest income recognized using the cash-basis method during the period such loans are impaired.

The following is an assessment of the credit quality for the fiscal years indicated:

	March 31, 2016	March 31, 2015
Credit risk		
Consumer loans- non-bankrupt accounts	**$ 1,061,436,900**	1,104,179,016
Consumer loans- bankrupt accounts	**5,527,442**	5,966,066
Total gross loans	**$ 1,066,964,342**	1,110,145,082
Consumer credit exposure		
Credit risk profile based on payment activity, performing	**$ 991,386,552**	1,032,984,546
Contractual non-performing, 60 days or more delinquent (1)	**75,577,790**	77,160,536
Total gross loans	**$ 1,066,964,342**	1,110,145,082
Credit risk profile based on customer type		
New borrower	**$ 141,980,629**	146,376,318
Former borrower	**111,608,375**	110,149,558
Refinance	**793,913,695**	829,661,427
Delinquent refinance	**19,461,643**	23,957,779
Total gross loans	**$ 1,066,964,342**	1,110,145,082

(1) Loans in non-accrual status

The following is a summary of the past due receivables as of:

	March 31, 2016	March 31, 2015	March 31, 2014
Contractual basis:			
30-60 days past due	**$ 40,094,824**	43,663,540	37,713,414
61-90 days past due	**27,082,385**	26,027,649	30,607,515
91 days or more past due	**48,495,405**	51,132,887	28,662,747
Total	**$ 115,672,614**	120,824,076	96,983,676
Percentage of period-end gross loans receivable	**10.8%**	10.9%	8.7%

(3) Property and Equipment

Property and equipment consist of:

	March 31, 2016	March 31, 2015
Land	**$ 576.977**	576.977
Building and leasehold improvements	**20,790,360**	20,361,536
Furniture and equipment	**45,008,085**	43,901,426
	66,375,422	64,839,939
Less accumulated depreciation and amortization	**(41,078,509)**	(38,933,432)
Total	**$ 25,296,913**	25,906,507

Depreciation expense was approximately $6.5 million, $6.5 million and $6.3 million for the years ended March 31, 2016, 2015 and 2014, respectively.

(4) Intangible Assets

The following table provides the gross carrying amount and related accumulated amortization of definite-lived intangible assets:

	March 31, 2016			March 31, 2015		
	Gross Carrying Amount	**Accumulated Amortization**	**Net Intangible Asset**	Gross Carrying Amount	Accumulated Amortization	Net Intangible Asset
Cost of customer lists	**$ 22,615,749**	**(19,759,253)**	**2,856,496**	$ 22,539,218	(19,282,316)	3,256,902
Value assigned to non-compete agreements	**8,354,643**	**(8,294,602)**	**60,041**	8,349,643	(8,242,792)	106,851
Total	**$ 30,970,392**	**(28,053,855)**	**2,916,537**	$ 30,888,861	(27,525,108)	3,363,753

The estimated amortization expense for intangible assets for future years ended March 31 is as follows: $0.4 million for 2017; $0.4 million for 2018; $0.4 million for 2019; $0.3 million for 2020; $0.3 million for 2021; and an aggregate of $1.1 million for the years thereafter.

(5) Goodwill

The following summarizes the changes in the carrying amount of goodwill for the years ended March 31, 2016 and 2015:

	2016	2015
Balance at beginning of year:		
Goodwill	**$ 6,146,851**	5,992,520
Accumulated goodwill impairment losses	**(25,393)**	(25,393)
Goodwill acquired during the year	**$ —**	154,331
Impairment losses	**—**	—
Balance at end of year:		
Goodwill	**$ 6,146,851**	6,146,851
Accumulated goodwill impairment losses	**(25,393)**	(25,393)
Total	**$ 6,121,458**	6,121,458

The Company performed an annual impairment test during the fourth quarters of fiscal 2016 and 2015, and determined that none of the recorded goodwill was impaired.

(6) Notes Payable

Senior Notes Payable Revolving Credit Facility

The Company's notes payable consist of a $500.0 million senior revolving credit facility with borrowings of $374.7 million outstanding on the borrowing facility and $1.5 million standby letters of credit related to workers compensation and surety bonds outstanding at March 31, 2016. To the extent that any letters of credit are drawn upon, the disbursement will be funded by the credit facility. There are no amounts due related to the letters of credit as of March 31, 2016, and they expire on December 31, 2016. The letters of credit are automatically extended for one year on the expiration date. The base credit facility will reduce from $500.0 million to $400 million on March 31, 2017. Subject to a borrowing base formula, the Company may borrow at the rate of LIBOR plus 4.0% with a minimum of 5.0%. For the years ended March 31, 2016, 2015 and 2014 the Company’s effective interest rate, including the commitment fee, was 5.6%, 4.3%, and 4.4% respectively, and the unused amount available under the revolver at March 31, 2016 was $123.8 million. The revolving credit facility has a commitment fee of 0.50% per annum on the unused portion of the commitment. Borrowings under the revolving credit facility mature on June 15, 2017.

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

Debt Covenants

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 also contains financial covenants, including a minimum consolidated net worth of $265.0 million, a minimum fixed charge coverage ratio of 2.5 to 1.0, a maximum ratio of total debt to consolidated adjusted net worth of 2.75 to 1.0, and a maximum ratio of subordinated debt to consolidated adjusted net worth of 1.0 to 1.0. 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.

In addition, the agreement establishes a maximum specified level for the collateral performance indicator.
The collateral performance indicator is equal to the sum of (1) a three-month rolling average rate of receivables at least sixty days past due and (2) an eight-month rolling average net charge-off rate. The Company was in compliance with these covenants at March 31, 2016 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 finance receivables 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.

Debt Maturities

As of March 31, 2016, the aggregate annual maturities of the notes payable for each of the five fiscal years subsequent to March 31, 2016 were as follows:

2017	$ —
2018	374,685,000
2019	—
2020	—
2021	—
Total future debt payments	$ 374,685,000

(7) Insurance and Other Income

Insurance and other income for the years ending March 31, 2016, 2015 and 2014 consist of:

	2016	2015	2014
Insurance revenue	**$ 43,346,884**	47,822,485	50,379,798
Tax return preparation revenue	**11,920,669**	9,896,378	9,118,639
Auto club membership revenue	**2,516,634**	3,671,192	4,585,904
World Class Buying Club revenue	**1,410**	2,438,314	3,881,915
Net gain (loss) on sale of loans receivable	**(1,572,536)**	16,027,999	—
Other	**6,129,210**	6,079,167	7,527,094
Insurance and other income	**$ 62,342,271**	85,935,535	75,493,350

(8) Non-filing Insurance

The Company maintains non-filing insurance coverage with an unaffiliated insurance company. The following is a summary of the non-filing insurance activity for the years ended March 31, 2016, 2015 and 2014:

	2016	2015	2014
Insurance premiums written	**$ 6,197,928**	6,804,275	7,241,274
Recoveries on claims paid	**$ 1,125,524**	1,128,347	1,086,381
Claims paid	**$ 6,884,185**	7,196,437	7,501,154

(9) Leases

The Company conducts most of its operations from leased facilities, except for its owned corporate office building. The Company's leases typically have a lease term of three to five years and contain lessee renewal options. A majority of the leases provide that the lessee pays property taxes, insurance and common area maintenance costs. It is expected that in the normal course of business, expiring leases will be renewed at the Company's option or replaced by other leases or acquisitions of other properties. All of the Company's leases are operating leases.

The future minimum lease payments under noncancelable operating leases as of March 31, 2016, are as follows:

2017	$ 23,764,717
2018	15,210,429
2019	7,556,497
2020	2,202,040
2021	699,024
Thereafter	421,465
Total future minimum lease payments	$ 49,854,172

Mexico commitments of approximately $85.4 million (MXN) were translated at the spot rate of $17.24.

Rental expense for cancelable and noncancelable operating leases for the years ended March 31, 2016, 2015 and 2014, was approximately $27.1 million, $26.0 million and $23.9 million, respectively.

(10) Income Taxes

Income tax expense (benefit) consists of:

		Current	Deferred	Total
Year ended March 31, 2016				
U.S. Federal	**$**	**44,781,123**	**(839,117)**	**43,942,006**
State and local		**4,866,596**	**169,985**	**5,036,581**
Foreign		**1,630,565**	**(116,245)**	**1,514,320**
	$	**51,278,284**	**(785,377)**	**50,492,907**
Year ended March 31, 2015				
U.S. Federal	$	61,284,205	(3,524,067)	57,760,138
State and local		6,112,487	(411,543)	5,700,944
Foreign		1,631,605	104,193	1,735,798
	$	69,028,297	(3,831,417)	65,196,880
Year ended March 31, 2014				
U.S. Federal	$	59,218,428	(3,513,833)	55,704,595
State and local		6,679,439	(428,210)	6,251,229
Foreign		1,836,599	(156,150)	1,680,449
	$	67,734,466	(4,098,193)	63,636,273

Income tax expense was $50,492,907, $65,196,880 and $63,636,273, for the years ended March 31, 2016, 2015 and 2014, respectively, and differed from the amounts computed by applying the U.S. federal income tax rate of 35% to pretax income from continuing operations as a result of the following:

		2016	2015	2014
Expected income tax	**$**	**48,260,962**	61,610,618	59,585,472
Increase (reduction) in income taxes resulting from:				
State tax, net of federal benefit		**3,273,778**	3,705,614	4,063,299
Insurance income exclusion		**—**	(73,826)	(86,189)
Uncertain tax positions		**1,624,865**	1,914,990	3,001,452
State tax adjustment for amended returns		**(370,659)**	—	(1,937,724)
Foreign income adjustments		**(257,873)**	(1,453,438)	(1,487,116)
Other, net		**(2,038,166)**	(507,078)	497,079
	$	**50,492,907**	65,196,880	63,636,273

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at March 31, 2016 and 2015 are presented below:

	2016	2015
Deferred tax assets:		
Allowance for loan losses	**$ 27,116,483**	27,337,684
Unearned insurance commissions	**12,840,362**	12,814,428
Accrued expenses primarily related to employee benefits	**13,743,022**	15,787,850
Reserve for uncollectible interest	**1,192,215**	1,103,603
Convertible notes	**—**	75,628
Other	**259,822**	915,468
Gross deferred tax assets	**55,151,904**	58,034,661
Less valuation allowance	**(1,274)**	(1,274)
Net deferred tax assets	**55,150,630**	58,033,387
Deferred tax liabilities:		
Fair value adjustment for loans receivable	**(9,269,247)**	(12,186,719)
Property and equipment	**(2,945,625)**	(4,079,130)
Intangible assets	**(2,050,975)**	(1,842,004)
Deferred net loan origination costs	**(1,977,619)**	(1,851,672)
Prepaid expenses	**(776,182)**	(728,257)
Gross deferred tax liabilities	**(17,019,648)**	(20,687,782)
Deferred income taxes, net	**$ 38,130,982**	37,345,605

The valuation allowance for deferred tax assets as of March 31, 2016, and 2015 was $1,274. The valuation allowance against the total deferred tax assets as of March 31, 2016, and 2015 relates to the state of Colorado net operating losses in the amount of $54,318 which expire in 2025. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. In order to fully realize the deferred tax asset, the Company will need to generate future taxable income prior to the expiration of the deferred tax assets governed by the tax code. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the related temporary differences are deductible, management believes it is more likely than not the Company will realize the benefits of these deductible differences, net of the existing valuation allowances at March 31, 2016. The amount of the deferred tax asset considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carryforward period are reduced.

The Company is required to assess whether the earnings of the Company's Mexican foreign subsidiary will be permanently reinvested in the respective foreign jurisdiction or if previously untaxed foreign earnings of the Company will no longer be permanently reinvested and thus become taxable in the United States. If these earnings were ever repatriated to the United States, the Company would be required to accrue and pay taxes on the cumulative undistributed earnings. As of March 31, 2016, the Company has determined that approximately $22.4 million of cumulative undistributed net earnings, as well as the future net earnings, of the Mexican foreign subsidiaries will be permanently reinvested. At March 31, 2016, there was an unrecognized taxable temporary difference in the amount of $6.3 million related to investment in the Mexican subsidiaries.

As of March 31, 2016, 2015 and 2014, the Company had $10.7 million, $8.6 million and $6.4 million of total gross unrecognized tax benefits including interest, respectively. Of these totals, approximately $8.2 million and $6.6 million, respectively, represents the amount of net unrecognized tax benefits that are permanent in nature and, if recognized, would affect the annual effective tax rate.

A reconciliation of the beginning and ending amount of unrecognized tax benefits at March 31, 2016, 2015 and 2014 are presented below:

	2016	2015	2014
Unrecognized tax benefit balance beginning of year	**$7,621,327**	5,810,712	2,785,091
Gross increases for tax positions of current year	**783,265**	2,209,048	3,533,497
Gross increases for tax positions of prior years	**1,798,505**	—	—
Federal and state tax settlements	**—**	—	—
Lapse of statute of limitations	**(807,684)**	(398,433)	(507,876)
Unrecognized tax benefit balance end of year	**$9,395,413**	7,621,327	5,810,712

At March 31, 2016, approximately $5.8 million of gross unrecognized tax benefits are expected to be resolved during the next 12 months through settlements with taxing authorities or the expiration of the statute of limitations. The Company's continuing practice is to recognize interest and penalties related to income tax matters in income tax expense. As of March 31, 2016 and 2015, the Company had $1,312,129 and $940,805 accrued for gross interest, respectively, of which $599,136, $474,484, and $379,417 represented the current period expense for the periods ended March 31, 2016, 2015, and 2014.

The Company is subject to U.S. and Mexican income taxes, as well as 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 2011, although carryforward attributes that were generated prior to 2011 may still be adjusted upon examination by the taxing authorities if they either have been or will be used in a future period.

(11) Earnings Per Share

The following is a reconciliation of the numerators and denominators of the basic and diluted EPS calculations:

	For the year ended March 31, 2016		
	Income (Numerator)	**Shares (Denominator)**	**Per Share Amount**
Basic EPS			
Income available to common shareholders	**$ 87,395,557**	**8,636,269**	**$ 10.12**
Effect of dilutive securities options and restricted stock	**—**	**55,922**	
Diluted EPS			
Income available to common shareholders including dilutive securities	**$ 87,395,557**	**8,692,191**	**$ 10.05**

	For the year ended March 31, 2015		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
Basic EPS			
Income available to common shareholders	$ 110,833,458	9,146,003	$ 12.12
Effect of dilutive securities options and restricted stock	—	170,626	
Diluted EPS			
Income available to common shareholders including dilutive securities	$ 110,833,458	9,316,629	$ 11.90

	For the year ended March 31, 2014		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
Basic EPS			
Income available to common shareholders	$ 106,607,932	10,876,557	$ 9.80
Effect of dilutive securities options and restricted stock	—	229,153	
Diluted EPS			
Income available to common shareholders including dilutive securities	$ 106,607,932	11,105,710	$ 9.60

Options to purchase 825,505, 543,879 and 404,421 shares of common stock at various prices were outstanding during the years ended March 31, 2016, 2015 and 2014, respectively, but were not included in the computation of diluted EPS because the option exercise price was antidilutive.

(12) Benefit Plans

Retirement Plan

The Company provides a defined contribution employee benefit plan (401(k) plan) covering full-time employees, whereby employees can invest up to the maximum designated for that year. The Company makes a matching contribution equal to 50% of the employees' contributions for the first 6% of gross pay. The Company's expense under this plan was $1,453,468, $1,470,600 and $1,483,712, for the years ended March 31, 2016, 2015 and 2014, respectively.

Supplemental Executive Retirement Plan

The Company has instituted a Supplemental Executive Retirement Plan (“SERP”), which is a non-qualified executive benefit plan in which the Company agrees to pay the executive additional benefits in the future, usually at retirement, in return for continued employment by the executive. The SERP is an unfunded plan, and as such, there are no specific assets set aside by the Company in connection with the establishment of the plan. The executive has no rights under the agreement beyond those of a general creditor of the Company. In May 2009 the Company instituted a second Supplemental Executive Retirement Plan to provide to one executive the same type of benefits as are in the original SERP but for which he would not have qualified due to age. This second SERP is also an unfunded plan with no specific assets set aside by the Company in connection with the plan. For the years ended March 31, 2016, 2015 and 2014, contributions of $1,796,998, $642,710 and $909,466, respectively, were charged to expense related to the SERP. The expense for the year ended March 31, 2014 was offset by the reversal of $904,138 of expense accrued for two executives who resigned during the year. The unfunded liability was $8,886,195, $7,516,249 and $7,186,076, as of March 31, 2016, 2015 and 2014, respectively.

For the three years presented, the unfunded liability was estimated using the following assumptions: an annual salary increase of 3.5% for all 3 years; a discount rate of 6.0% for all 3 years; and a retirement age of 65.

Executive Deferred Compensation Plan

The Company has an Executive Deferral Plan. Eligible executives and directors may elect to defer all or a portion of their incentive compensation to be paid under the Executive Deferral Plan. As of March 31, 2016 and 2015 no executive had deferred compensation under this plan.

Stock Option Plans

The Company has a 2002 Stock Option Plan, a 2005 Stock Option Plan, a 2008 Stock Option Plan, and a 2011 Stock Option Plan for the benefit of certain directors, officers, and key employees. Under these plans, a total of 4,100,000 shares of authorized common stock have been reserved for issuance pursuant to grants approved by the Compensation and Stock Option Committee of the Board of Directors. Stock options granted under these plans have a maximum duration of ten years, may be subject to certain vesting requirements, which are generally five years for officers, directors, and key employees, and are priced

at the market value of the Company's common stock on the grant date of the option. At March 31, 2016 there were a total of 444,251 shares available for grant under the plans.

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. The impact of forfeitures that may occur prior to vesting is also estimated and considered in the amount recognized. 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 expected to vest, with forfeitures estimated based on historical experience and future expectations.

The weighted-average fair value at the grant date for options issued during the years ended March 31, 2016, 2015 and 2014 was $10.82, $34.50 and $43.80 per share, respectively. This fair value was estimated at grant date using the weighted-average assumptions listed below.

	2016	2015	2014
Dividend yield	**0%**	0%	0%
Expected volatility	**41.41%**	44.62%	53.91%
Average risk-free interest rate	**1.38%**	1.77%	1.51%
Expected life	**5.0 years**	6.1 years	5.4 years

The expected stock price volatility is based on the historical volatility of the Company’s 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 year ended March 31, 2016 was as follows:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Options outstanding, beginning of year	1,083,767	$ 69.15		
Granted	112,400	28.45		
Exercised	(89,403)	38.09		
Forfeited	(129,741)	72.44		
Expired	(26,372)	55.00		
Options outstanding, end of period	950,651	$ 67.20	7.04	$ 1,518,235
Options exercisable, end of period	450,917	$ 67.96	6.02	$ 349,963

The aggregate intrinsic value reflected in the table above represents the total pre-tax intrinsic value (the difference between the closing stock price on March 31, 2016 and the exercise price, multiplied by the number of in-the-money options) that would have been received by option holders had all option holders exercised their options as of March 31, 2016. This amount will change as the stock's market price changes. The total intrinsic value of options exercised during the periods ended March 31, 2016, 2015 and 2014 was as follows:

2016	2015	2014
$2,445,011	$6,454,022	$13,844,546

As of March 31, 2016, total unrecognized stock-based compensation expense related to non-vested stock options amounted to approximately $9.8 million, which is expected to be recognized over a weighted-average period of approximately 2.5 years.

Restricted Stock

During fiscal 2016, the Company granted 69,950 shares of restricted stock (which are equity classified), to certain executive officers, with a grant date weighted average fair value of $28.11. One-third of these awards will vest on each anniversary of the grant date over the next three years.

During Fiscal 2014 and 2013 the Company granted 8,590 and 70,800 Group A performance based restricted stock awards to certain officers. Group A awards vested on April 30, 2015 based on the Company's achievement of the following performance goals as of March 31, 2015:

EPS Target	Restricted Shares Eligible for Vesting (Percentage of Award)
$10.29	100%
$9.76	67%
$9.26	33%
Below $9.26	0%

During Fiscal 2014 and 2013 the Company granted 56,660 and 443,700 Group B performance based restricted stock awards to certain officers. As of March 31, 2016 26,000 remain unvested and unforfeited. Group B awards will vest as follows, if the Company achieves the following performance goals during any successive trailing four quarters during the measurement period ending on March 31, 2017:

Trailing 4 quarter EPS Target	Restricted Shares Eligible for Vesting (Percentage of Award)
$13.00	25%
$14.50	25%
$16.00	25%
$18.00	25%

The Company determined that the the earnings per share targets associated with the Group B stock awards were not achievable during the measurement period which ends on March 31, 2017. Subsequently, the Compensation Committee of the Board of Directors amended the awards allowing 25% of the Group B awards to vest for certain officers. The officers were required to forfeit their remaining Group B shares as a part of the amendment. FASB Topic ASC 718 defines a grant modification as a change in any of the terms or conditions of a stock-based compensation award to include accelerated vesting. The Company determined that since the Group B awards would not have otherwise vested pre-modification, the accelerated vesting qualified as a Type III modification. The Company released approximately $9.7 million of compensation expense, including $2.9 million related to the Type III modification, during the year ended March 31, 2016 associated with the Group B awards.

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 a net reduction in compensation expense of $8.0 million, and compensation expense of $8.1 million and $6.0 million for the years ended March 31, 2016, 2015 and 2014, respectively, which is included as a component of general and administrative expenses in the Company's Consolidated Statements of Operations.

As of March 31, 2016, there was approximately $1.4 million of unrecognized compensation cost related to unvested restricted stock awards, which is expected to be recognized over the next 2.5 years based on current estimates. In addition there was approximately $1.9 million of unrecognized compensation cost related to unvested performance-based restricted stock awards, which are not expected to vest based on current estimates. If these estimates change the $1.9 million could be expensed, accordingly, in future periods.

A summary of the status of the Company's restricted stock as of March 31, 2016 and changes during the year ended March 31, 2016, are presented below:

	Shares	Weighted Average Fair Value at Grant Date
Outstanding at March 31, 2015	433,750	$ 76.84
Granted during the period	69,950	28.11
Vested during the period	(133,580)	77.10
Forfeited during the period	(276,570)	76.55
Outstanding at March 31, 2016	93,550	$ 40.92

Total share-based compensation included as a component of net income during the years ended March 31, 2016, 2015 and 2014 was as follows:

	2016	2015	2014
Share-based compensation related to equity classified units:			
Share-based compensation related to stock options	**$ 3,965,463**	8,133,812	9,678,724
Share-based compensation related to restricted stock	**(8,033,213)**	8,138,643	6,026,553
Total share-based compensation related to equity classified awards	**$ (4,067,750)**	16,272,455	15,705,277

(13) Acquisitions

The Company evaluates each acquisition to determine if the acquired enterprise meets the definition of a business. Those acquired enterprises that meet the definition of a business are accounted for as a business combination under FASB ASC Topic 805-10 and all other acquisitions are accounted for as asset purchases. All acquisitions have been from independent third parties.

The following table sets forth the acquisition activity of the Company for the years ended March 31, 2016, 2015 and 2014:

	2016	2015	2014
Number of business combinations	—	2	1
Number of asset purchases	**1**	3	6
Total acquisitions	**1**	5	7
Purchase price	**$ 173,628**	1,979,494	1,055,986
Tangible assets:			
Loans receivable, net	**92,097**	1,512,149	773,049
Property and equipment	—	4,000	1,500
	92,097	1,516,149	774,549
Excess of purchase prices over carrying value of net tangible assets	**$ 81,531**	463,345	281,437
Customer lists	**$ 76,531**	284,014	175,598
Non-compete agreements	**5,000**	25,000	35,000
Goodwill	—	154,331	70,839

When the acquisition results in a new branch, the Company records the transaction as a business combination, since the branch acquired will continue to generate loans. The Company typically retains the existing employees and the branch location. The purchase price is allocated to the estimated fair value of the tangible assets acquired and to the estimated fair value of the identified intangible assets acquired (generally non-compete agreements and customer lists). The remainder is allocated to goodwill. During the year ended March 31, 2016 the Company recorded zero acquisitions as business combinations.

When the acquisition is of a portfolio of loans only, the Company records the transaction as an asset purchase. In an asset purchase, no goodwill is recorded. The purchase price is allocated to the estimated fair value of the tangible and intangible assets acquired. During the year ended March 31, 2016, the Company recorded one acquisition as an asset acquisition.

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 eight months, and that these loans are priced at current rates, management believes the net loan balances approximate their fair value.

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.

(14) Fair Value

Fair Value Disclosures

The Company may carry certain financial instruments and derivative assets and liabilities at fair value on a recurring 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 determines 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.

Financial assets and liabilities measured at fair value 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 market that are less active.
- Level 3 – Unobservable inputs for assets or liabilities reflecting the reporting entity's own assumptions.

The Company's financial instruments for the periods reported consist of the following: cash and cash equivalents, loans receivable, and senior notes payable. Fair value approximates carrying value for all of these instruments. Loans receivable are originated at prevailing market rates and have an average life of approximately 8 months. Given the short-term nature of these loans, they are continually repriced at current market rates. The Company's revolving credit facility has a variable rate based on a margin over LIBOR and reprices with any changes in LIBOR. The Company also considered its creditworthiness in its determination of fair value.

The carrying amount and estimated fair values of the Company's financial instruments summarized by level are as follows:

	March 31, 2016		March 31, 2015	
	Carrying Value	**Estimated Fair Value**	Carrying Value	Estimated Fair Value
ASSETS				
Level 1 inputs				
Cash and cash equivalents	**$ 12,377,024**	**$ 12,377,024**	$ 38,338,935	$ 38,338,935
Level 3 inputs				
Loans receivable, net	**706,739,376**	**706,739,376**	742,304,690	742,304,690
LIABILITIES				
Level 3 inputs				
Senior notes payable	**374,685,000**	**374,685,000**	501,150,000	501,150,000

There were no significant assets or liabilities measured at fair value on a non-recurring basis as of March 31, 2016 and 2015.

(15) Quarterly Information (Unaudited)

The following sets forth selected quarterly operating data:

	2016				2015			
	First	**Second**	**Third**	**Fourth**	First	Second	Third	Fourth
	(Dollars in thousands, except for earnings per share data)							
Total revenues	**$ 137,225**	**136,412**	**139,696**	**144,143**	145,926	148,185	148,704	167,398
Provision for loan losses	**26,228**	**37,557**	**35,441**	**24,373**	30,893	36,161	38,293	13,483
General and administrative expenses	**67,568**	**63,436**	**71,580**	**66,555**	73,325	71,677	75,639	71,410
Interest expense	**5,472**	**7,269**	**7,149**	**6,959**	5,564	6,026	6,038	5,673
Income tax expense	**14,325**	**8,963**	**10,775**	**16,430**	13,588	13,047	10,245	28,317
Net income	**$ 23,632**	**19,187**	**14,751**	**29,826**	22,556	21,274	18,489	48,515
Earnings per share:								
Basic	**$ 2.75**	**2.23**	**1.70**	**3.44**	2.36	2.34	2.04	5.45
Diluted	**$ 2.71**	**2.22**	**1.70**	**3.42**	2.32	2.30	2.01	5.34

The Company's highest loan demand occurs generally 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. Consequently, the Company experiences significant seasonal fluctuations in its operating results and cash needs. Operating results from 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.

Litigation

As previously disclosed, on March 12, 2014, the Company received a Civil Investigative Demand ("CID") from the Consumer Financial Protection Bureau (the "CFPB"). The stated purpose of the CID is to determine whether the Company has been or is "engaging in unlawful acts or practices in connection with the marketing, offering, or extension of credit in violation of Sections 1031 and 1036 of the Consumer Financial Protection Act, 12 U.S.C. §§ 5531, 5536, the Truth in Lending Act, 15 U.S.C. §§ 1601, et seq., Regulation Z, 12 C.F.R. pt. 1026, or any other Federal consumer financial law" and "also to determine whether Bureau action to obtain legal or equitable relief would be in the public interest." The Company responded, within the deadlines specified in the CID, to broad requests for production of documents, answers to interrogatories and written reports related to loans made by the Company and numerous other aspects of the Company's business.

Also as previously disclosed, on August 7, 2015, the Company received a letter from the CFPB's Enforcement Office notifying the Company that, in accordance with the CFPB's discretionary Notice and Opportunity to Respond and Advise ("NORA") process, the staff of CFPB's Enforcement Office is considering recommending that the CFPB take legal action against the Company (the "NORA Letter"). The NORA Letter states that the staff of the CFPB's Enforcement Office expects to allege that the Company violated the Consumer Financial Protection Act of 2010, 12 U.S.C. §5536. The NORA Letter confirms that the Company has the opportunity to make a NORA submission, which is a written statement setting forth any reasons of law or policy why the Company believes the CFPB should not take legal action against it. The Company understands that a NORA Letter is intended to ensure that potential subjects of enforcement actions have the opportunity to present their positions to the CFPB before an enforcement action is recommended or commenced.

The Company has made NORA submissions to the CFPB's Enforcement Office. The Company expects that there will continue to be additional requests or demands for information from the CFPB and ongoing interactions between the CFPB, the Company and Company counsel as part of the investigation. We are currently unable to predict the ultimate timing or outcome of the CFPB investigation. While the Company believes its marketing and lending practices are lawful, there can be no assurance that the CFPB's ongoing investigation or future exercise of its enforcement, regulatory, discretionary or other powers will not result in findings or alleged violations of federal consumer financial protection laws that could lead to enforcement actions, proceedings or litigation and the imposition of damages, fines, penalties, restitution, other monetary liabilities, sanctions,

settlements or changes to the Company's business practices or operations that could have a material adverse effect on the Company's business, financial condition or results of operations or eliminate altogether the Company's ability to operate its business profitably or on terms substantially similar to those on which it currently operates.

As previously disclosed, on April 22, 2014, a shareholder filed a putative class action complaint, Edna Selan Epstein v. World Acceptance Corporation et al., in the United States District Court for the District of South Carolina (case number 6:14-cv-01606) (the "Edna Epstein Putative Class Action"), against the Company and certain of its current and former officers on behalf of all persons who purchased or otherwise acquired the Company's common stock between April 25, 2013 and March 12, 2014. Two amended complaints have been filed by the plaintiffs, and several other motions have been filed in the proceedings. The complaint alleges that (i) the Company made false and misleading statements in various SEC reports and other public statements in violation of federal securities laws preceding the Company's disclosure in a Form 8-K filed March 13, 2014 that it had received the above-referenced CID from the CFPB, (ii) the Company's loan growth and volume figures were inflated because of a weakness in the Company's internal controls relating to its accounting treatment of certain small-dollar loan re-financings and (iii) additional allegations regarding, among other things, the Company's receipt of a Notice and Opportunity to Respond and Advise letter from the CFPB on August 7, 2015. The complaint seeks class certification for a class consisting of all persons who purchased or otherwise acquired the Company's common stock between January 30, 2013 and August 10, 2015, unspecified monetary damages, costs and attorneys' fees. The Company believes the complaint is without merit. On January 29, 2016, defendants moved to dismiss the second amended complaint. The Lead Plaintiff has filed a response in opposition, the Company filed a reply in further support of its motion to dismiss, and the Company's motion to dismiss is currently pending before the Court. The time for the Company to respond to the Lead Plaintiff's motion for class certification has not yet expired.

As previously disclosed, on July 15, 2015, a shareholder filed a putative derivative complaint, Irwin J. Lipton, et al. v. McLean, et al., in the United States District Court for the District of South Carolina (case number 6:15-cv-02796-MGL) (the "Lipton Derivative Action"), on behalf of the Company against certain of our current and former officers and directors. On September 21, 2015, another shareholder filed a putative derivative complaint, Paul Parshall, et al. v. McLean, et al., in the United States District Court for the District of South Carolina (case number 6:15-cv-03779-MGL) (the "Parshall Derivative Action"), asserting substantially similar claims on behalf of the Company against certain of our current and former officers and directors. On October 14, 2015, the Court entered an order consolidating the Lipton Derivative Action and the Parshall Derivative Action as In re World Acceptance Corp. Derivative Litigation (Lead Case No. 6:15-cv-02796-MGL). The plaintiffs subsequently filed an amended complaint, and the amended consolidated complaint alleges, among other things:

(i) that the defendants breached their fiduciary duties by disseminating false and misleading information to the Company's shareholders regarding the Company's loan growth, loan renewals, allowances for loan losses, revenue sources, revenue growth, compliance with GAAP, and the sufficiency of the Company's internal controls and accounting procedures;
(ii) that the defendants breached their fiduciary duties by failing to ensure that the Company maintained adequate internal controls;
(iii) that the defendants breached their fiduciary duties by failing to exercise prudent oversight and supervision of the Company's officers and other employees to ensure conformity with all applicable laws and regulations;
(iv) that the defendants were unjustly enriched as a result of the compensation they received while allegedly breaching their fiduciary duties owed to the Company;
(v) that the defendants wasted corporate assets by paying excessive compensation to certain of the Company's executive officers, awarding self-interested stock options to certain of the Company's officers and directors, incurring legal liability and legal costs to defend the defendants' unlawful actions, and authorizing the repurchase of Company stock at artificially inflated prices;
(vi) that certain of the defendants breached their fiduciary duty to the Company by selling shares of the Company's stock at artificially inflated prices while in the possession of material, nonpublic information regarding the Company's financial condition;
(vii) that the defendants violated Section 10(b) of the Securities Exchange Act of 1934 by making false and misleading statements regarding the Company's practices regarding loan renewals, loan modifications, and accounting for loans;
(viii) that the defendants violated Section 14(a) of the Securities Exchange Act of 1934 by failing to disclose alleged material facts in the Company's 2014 and 2015 proxy statements; and
(ix) allegations similar to those made in connection with the Edna Epstein Putative Class Action described above.

The consolidated complaint seeks, among other things, unspecified monetary damages and an order directing the Company to take steps to reform and improve its corporate governance and internal procedures to comply with applicable laws and to protect the Company and its shareholders from future wrongdoing such as that described in the consolidated complaint. The defendants filed motions to dismiss the amended consolidated complaint on April 13, 2016. The time for the plaintiffs to respond to the defendants' motions to dismiss has not yet expired.

In addition, from time to time the Company is involved in routine litigation matters relating to claims arising out of its operations in the normal course of business, including matters in which damages in various amounts are claimed.

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. For these reasons, we are currently unable to predict the ultimate timing or outcome of, or reasonably estimate the possible losses or a range of possible losses resulting from, the matters described above. Based on information currently available, the Company does not believe that any reasonably possible losses arising from currently pending legal matters will be material to the Company's results of operations or financial conditions. However, in light of the inherent uncertainties involved in such matters, 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.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors
World Acceptance Corporation:

We have audited the accompanying consolidated statement of operations, comprehensive income, shareholders' equity, and cash flows of World Acceptance Corporation and subsidiaries (the Company) for the year ended March 31, 2014. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States).Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the results of operations and cash flows of World Acceptance Corporation and subsidiaries for the year ended March 31, 2014, in conformity with U.S. generally accepted accounting principles.

KPMG
Greenville, South Carolina
June 12, 2014

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders
World Acceptance Corporation

We have audited the accompanying consolidated balance sheets of World Acceptance Corporation and subsidiaries as of March 31, 2016 and 2015, and the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for each of the two years in the period ended March 31, 2016. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of World Acceptance Corporation and subsidiaries as of March 31, 2016 and 2015, and the results of their operations and their cash flows for each of the two years in the period ended March 31, 2016, in conformity with U.S. generally accepted accounting principles.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), World Acceptance Corporation's and subsidiaries' internal control over financial reporting as of March 31, 2016, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013, and our report dated March 31, 2016 expressed an unqualified opinion on the effectiveness of World Acceptance Corporation 's internal control over financial reporting.

RSM US LLP

RSM US LLP

Raleigh, North Carolina
June 1, 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders
World Acceptance Corporation and subsidiaries

We have audited World Acceptance Corporation and subsidiaries' internal control over financial reporting as of March 31, 2016, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. World Acceptance Corporation and subsidiaries' management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, World Acceptance Corporation and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of March 31, 2016, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of World Acceptance Corporation and subsidiaries as of March 31, 2016 and 2015, and the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for the years then ended, and our report dated June 1, 2016 expressed an unqualified opinion.

RSM US LLP

RSM US LLP

Raleigh, North Carolina
June 1, 2016

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

We are responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a – 15(f) under the Securities Exchange Act of 1934. We have assessed the effectiveness of internal control over financial reporting as of March 31, 2016. Our assessment was based on criteria established in the *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Our internal control over financial reporting is a process designed 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. Our internal control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of our assets;
(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and board of directors; and
(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, any assumptions regarding internal control over financial reporting in future periods based on an evaluation of effectiveness in a prior period are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Based on using the COSO criteria, we believe our internal control over financial reporting as of March 31, 2016 was effective.

Our independent registered public accounting firm has audited the Consolidated Financial Statements included in this Annual Report and has issued an attestation report on the effectiveness of our internal control over financial reporting, as stated in their report.

/s/ Janet Lewis Matricciani

Janet Lewis Matricciani
Chief Executive Officer

/s/ John L. Calmes, Jr.

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

BOARD OF DIRECTORS

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Private Investor

James R. Gilreath
Attorney
The Gilreath Law Firm, P.A.

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President and Chief Operating Officer
IMI Resort Holdings, Inc.

Charles D. Way
Private Investor

Scott J. Vassalluzzo
Managing Member
Prescott General Partners LLC

Janet Lewis Matricciani
Chief Executive Officer
World Acceptance Corporation

CORPORATE OFFICERS

Janet Lewis Matricciani
Chief Executive Officer

John L. Calmes, Jr.
Senior Vice President, Chief Financial Officer and Treasurer

Tara E. Bullock
Senior Vice President, Secretary and General Counsel

Erik T. Brown
Senior Vice President, Central Division

D. Clinton Dyer
Senior Vice President, South Eastern Division

Jeff L. Tinney
Senior Vice President, Western Division

Ricardo Cavazos Saldaña
Senior Vice President, Mexico

Kevin Gross
President, ParaData Financial Systems

Robyn D. Yarborough
Vice President, Corporate Compliance and Internal Audit

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Vice President, Leasing and Bankruptcy

A. Lindsay Caulder
Vice President, Human Resources

Jason E. Childers
Vice President, IT Strategic Solutions

Kristin M. Hand Dunn
Vice President, Marketing

Keith T. Littrell
Vice President, Tax and Assistant Secretary

Chad Prashad
Vice President, Analytics

Scott McIntyre
Vice President, Accounting, US

Scott H. Mozingo
Vice President of Operations, Georgia

Melissa C. Ulrich
Vice President of Operations, Illinois

David Purscelley
Vice President of Operations, New Mexico

Charles David Minick
Vice President of Operations, Texas Caliente

Rodney D. Ernest
Vice President of Operations, Northeast Texas

Rudolph R. Cruz
Vice President of Operations, Northwest Texas

James E. Creagor
Vice President of Operations, Southeast Texas

Jackie C. Willyard
Vice President of Operations, Kentucky

James W. Littlepage
Vice President of Operations, Tennessee

Stephen A. Bifano
Vice President of Operations, South Carolina

Michael Imig
Vice President of Operations, Missouri

Rodney Owens
Vice President of Operations, Oklahoma

Henry R. Blalock
Vice President of Operations, Alabama

Willard James Pipkin
Vice President of Operations, Wisconsin

Patrick Williams
Vice President of Operations, Indiana

Steve Molina
Assistant Vice President of Operations, Idaho

Fidencio Reyna
Vice President of Operations, Mexico

Common Stock

World Acceptance Corporation's common stock trades on the Nasdaq Stock Market under the symbol: WRLD. As of June 21, 2016, there were 58 shareholder of record and the Company believes there are a significant number of persons or entities who hold their stock in nominee or "street" names through various brokerage firms. On this date there were 8,788,200 shares of common stock outstanding.

The table below reflects the stock prices published by Nasdaq by quarter for the last two fiscal years. The last reported sales price on June 21, 2016 was $41.27.

Market Price of Common Stock

Fiscal 2016		
Quarter	High	Low
First	$ 96.23	$ 60.33
Second	62.67	25.30
Third	47.81	25.58
Fourth	41.13	26.87

Fiscal 2015		
Quarter	High	Low
First	$ 83.22	$ 71.63
Second	86.58	67.45
Third	81.33	63.25
Fourth	94.96	70.50

The Company has never paid a dividend on its Common Stock. The Company presently intends to retain its earnings to finance the growth and development of its business and does not expect to pay cash dividends in the foreseeable future. The Company's debt agreements also contain certain limitations on the Company's ability to pay dividends.

Executive Offices

World Acceptance Corporation
Post Office Box 6429 (29606)
108 Frederick Street (29607)
Greenville, South Carolina
(864) 298-9800

Transfer Agent

American Stock Transfer & Trust Company
10150 Mallard Creek Drive, Suite 307
Charlotte, North Carolina 28262
(718) 921-8522

Legal Counsel

Wyche
44 East Camperdown Way
Greenville, SC 29601

Independent Registered Public Accounting Firm

RSM US LLP
1201 Edwards Mill Road, Suite 300
Raleigh, North Carolina 27607

Annual Report

A copy of the Company's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, may be obtained without charge by writing to the Corporate Security at the executive offices of the Company. The Form 10-K also can be reviewed or downloaded from the Company's website: http://www.worldacceptance.com.

For Further Information

Janet Lewis Matricciani
Chief Executive Officer
World Acceptance
(864)298-9800

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