NEWS RELEASE

Atlanticus Reports Fourth Quarter and Full Year 2023 Financial Results

2024-03-04

Fourth Quarter 2023 Operating revenue growth of 14.9% over prior year, with 3.6 million accounts served (1), allowing for continued strong results
Source: **Atlanticus Holdings Corp**

ATLANTA, March 04, 2024 (GLOBE NEWSWIRE) -- Atlanticus Holdings Corporation (NASDAQ: ATLC) (Atlanticus, the Company, we, our or us), a financial technology company which enables its bank, retail and healthcare partners to offer more inclusive financial services to millions of everyday Americans, today announced its financial results for the fourth quarter and full year ended December 31, 2023. An accompanying earnings presentation is available in the Investors section of the Company's website at ***www.atlanticus.com*** or by clicking ***here***.

Financial and Operating Highlights

Fourth Quarter 2023 Highlights (all comparisons to the Fourth Quarter 2022)

- Managed receivables2 increased 13.7% to $2.4 billion
- Total operating revenue increased 14.9% to $308.6 million.
- Return on average shareholders' equity of 20.7%3
- Purchase volume of $683.4 million.
- Over 387,000 new accounts served during the quarter, 3.6 million total accounts served1
- Net income attributable to common shareholders of $20.0 million, or $1.10 per diluted common share

1) In our calculation of total accounts served, we include all accounts with account activity and accounts that have open lines of credit at the end of the referenced period.

2) Managed receivables is a non-GAAP financial measure and excludes the results of our Auto Finance receivables. See Non-GAAP Financial Measures for important additional information
3) Return on average shareholders' equity is calculated using Net Income attributable to common shareholders as the numerator and the average of Total shareholders' equity as of December 31, 2023 and September 30, 2023 as the denominator, annualized.

Management Commentary

Jeff Howard, President and Chief Executive Officer at Atlanticus stated, "We continue to maintain our focus on managing risk, achieving adequate returns on our shareholder's capital, and when appropriate, growth. We have maintained our conservative approach to underwriting that began in mid-2022 and will continue to do so until data, not forecasts, indicate a change would be prudent. Our most recent data indicate that the consumers we serve have adjusted to higher cost of living while benefiting from higher wage growth, which has resulted in a more stable credit environment. With this backdrop, we were able to sustain growth across each of our business lines. We once again achieved double digit growth in receivables purchased and receivables growth on the year in our retail credit line of business. This is primarily the result of continued growth with our strategic partners as well as new partnerships. We anticipate increased opportunities for growth as providers of prime credit continue to tighten their underwriting standards. We have already seen an increase both in the flow of applications we assess on behalf of our bank partner and the importance of our solution to new and existing merchant relationships. Our general purpose receivables also grew year over year even with our more conservative credit posture as we continue to grow the total number of customers we serve through our omnichannel origination platform. We are optimistic about growth for our general purpose receivables in 2024 but we will continue to employ our conservative approach to underwriting. While this may reduce the pace of growth in the short-term, our outlook for long-term growth remains."

"As credit conditions continue to stabilize and macro-economic uncertainty abates, we believe the markets that we serve provide exceptional opportunity for long-term, sustained growth. Within our general-purpose credit card, retail credit, healthcare payments, and auto-finance lines of business we are well positioned with a diversified product platform to help meet the financial needs of the over 100 million consumers with less than perfect credit who are overlooked by large banks. Our role is to continue to leverage our experience, our 27 years of data aggregation and proven analytics, and our technology to bring best in class products to these consumers in our effort to Empower Better Financial Outcomes for Everyday Americans."

Financial Results	For the Three Months Ended December 31,			For the Year Ended December 31,		
($ in thousands, except per share data)	**2023**	**2022**	% Change	**2023**	**2022**	% Change
Total operating revenue, net	$ 308,600	$ 268,664	14.9%	$1,155,246	$1,046,104	10.4%
Other non-operating revenue	490	429	nm	630	809	nm
Total revenue	309,090	269,093	14.9%	1,155,876	1,046,913	10.4%
Interest expense	(32,619)	(24,002)	35.9%	(109,342)	(81,851)	33.6%
Provision for credit losses	(601)	(542)	nm	(2,152)	(1,252)	nm
Changes in fair value of loans	(184,072)	(162,206)	13.5%	(689,577)	(577,069)	19.5%
Net margin	$ 91,798	$ 82,343	11.5%	$ 354,805	$ 386,741	-8.3%
Total operating expenses	$ 61,093	$ 52,561	16.2%	$ 226,247	$ 237,469	-4.7%
Net income	$ 26,273	$ 23,690	10.9%	$ 101,954	$ 134,612	-24.3%
Net income attributable to controlling interests	$ 26,304	$ 23,991	9.6%	$ 102,845	$ 135,597	-24.2%
Preferred stock and preferred unit dividends and discount accretion	$ (6,341)	$ (6,317)	nm	$ (25,198)	$ (25,076)	nm
Net income attributable to common shareholders	$ 19,963	$ 17,674	13.0%	$ 77,647	$ 110,521	-29.7%
Net income attributable to common shareholders per common share—basic	$ 1.37	$ 1.22	11.4%	$ 5.35	$ 7.55	-29.1%
Net income attributable to common shareholders per common share—diluted	$ 1.10	$ 0.98	12.2%	$ 4.24	$ 5.83	-27.3%

*nm = not meaningful

Managed Receivables

Managed receivables increased 13.7% to $2.4 billion with over $291.4 million in net receivables growth from December 31, 2022, largely driven by growth both in the private label credit and general purpose credit card products offered by our bank partners. Total accounts served increased 9.0% to 3.6 million. While some of our merchant partners continue to face year-over-year growth challenges, others are still benefiting from continued consumer spending and a growing economy. Our general purpose credit card portfolio continues to grow in terms of total customers served and therefore we continue to experience growth in total managed receivables. We expect continued growth in our managed receivables when compared to prior periods in 2023 which were restricted due to tightened underwriting standards adopted during the second quarter 2022 (and continued in subsequent quarters). As these new underwriting standards have now been applied across our portfolio, it has allowed us to expand the offerings our bank partners make available to consumers.

Total Operating Revenue

Total operating revenue consists of: 1) interest income, finance charges and late fees on consumer loans, 2) other

fees on credit products including annual and merchant fees and 3) ancillary, interchange and servicing income on loan portfolios.

During the quarter and full year ended December 31, 2023, total operating revenue increased 14.9% to $308.6 million and 10.4% to $1.2 billion, respectively. Finance and fee billings on our fair value receivables increased to $268.2 million and $970.0 million for the quarter and year ended December 31, 2023, respectively from $232.6 million and $874.7 million for the quarter and year ended December 31, 2022, respectively.

We are currently experiencing continued period-over-period growth in private label credit and general purpose credit card receivables and to a lesser extent in our CAR receivables—growth that we expect to result in net period-over-period growth in our total interest income and related fees for these operations for 2024. Future periods' growth is also dependent on the addition of new retail partners to expand the reach of private label credit operations as well as growth within existing partnerships and the level of marketing investment for the general purpose credit card operations.

Interest Expense

Interest expense was $32.6 million and $109.3 million for the quarter and full year ended December 31, 2023, respectively, compared to $24.0 million and $81.9 million for the quarter and full year ended December 31, 2022, respectively. The elevated expenses were primarily driven by the planned increases in outstanding debt in proportion to growth in our receivables coupled with increases in the cost of capital.

Outstanding notes payable, net of unamortized debt issuance costs and discounts, associated with our private label credit and general purpose credit card platform increased to $1,796.0 million as of December 31, 2023 from $1,586.0 million as of December 31, 2022. The majority of this increase in outstanding debt relates to the addition of multiple revolving credit facilities during 2023. Recent increases in the federal funds rate have started to increase our interest expense as we have raised additional capital (or replaced existing facilities) over the last two years. We anticipate additional debt financing over the next few quarters as we continue to grow coupled with increased effective interest rates resulting from federal funds rate increases. As such, we expect our quarterly interest expense for these operations to increase compared to prior periods. However, we do not expect our interest expense to increase significantly in the short term (absent raising additional capital) because over 85% of interest rates on our outstanding debt are fixed. Adding to interest expense in 2024, in January and February, 2024, we sold a combined $57.3 million aggregate principal amount of 9.25% Senior Notes due 2029.

Changes in Fair Value of Loans

Changes in fair value of loans increased to $184.1 million and $689.6 million for the quarter and year ended

December 31, 2023, respectively, compared to $162.2 million and $577.1 million for the quarter and year ended December 31, 2022, respectively. This increase was largely driven by growth in underlying receivables.

We include asset performance degradation in our forecasts to reflect the possibility of delinquency rates increasing in the near term (and the corresponding increase in charge-offs and decrease in payments) above the level that historical and current trends would suggest. As receivables associated with both 1) assets acquired prior to our tightened underwriting standards (mentioned above) and 2) those assets negatively impacted by inflation, gradually become a smaller percentage of the portfolio, we expect to see overall improvements in the measured fair value of our portfolios of acquired receivables.

Total Operating Expenses

Total operating expenses increased 16.2% in the quarter but decreased 4.7% for the full year when compared to the same periods in 2022.

For the quarter, operating expenses increased, driven by increases in variable servicing costs associated with growth in our receivables as well as growth in both the number of employees and inflationary compensation pressure. Marketing costs, corresponding to growth in our accounts served also contributed to increases for the quarter.

We expect increased levels of expenditures associated with anticipated growth in private label credit and general purpose credit card operations. These expenses will primarily relate to the variable costs of marketing efforts and card and loan servicing expenses associated with new receivable acquisitions.

Net Income Attributable to Common Shareholders

Net income attributable to common shareholders increased 13.0% to $20.0 million, or $1.10 per diluted share and decreased 29.7% to $77.6 million, or $4.24 per diluted share, for the quarter and full year ended December 31, 2023 and 2022, respectively.

Share Repurchases

We repurchased and retired 575,156 shares of our common stock at an aggregate cost of $17.6 million, in the year ended December 31, 2023.

We will continue to evaluate the best use of our capital to increase shareholder value over time.

About Atlanticus Holdings Corporation

Empowering Better Financial Outcomes for Everyday Americans

Atlanticus™ technology enables bank, retail, and healthcare partners to offer more inclusive financial services to everyday Americans through the use of proprietary analytics. We apply the experience gained and infrastructure built from servicing over 20 million customers and over $39 billion in consumer loans over more than 25 years of operating history to support lenders that originate a range of consumer loan products. These products include retail and healthcare private label credit and general purpose credit cards marketed through our omnichannel platform, including retail point-of-sale, healthcare point-of-care, direct mail solicitation, internet-based marketing, and partnerships with third parties. Additionally, through our Auto Finance subsidiary, Atlanticus serves the individual needs of automotive dealers and automotive non-prime financial organizations with multiple financing and service programs.

Forward-Looking Statements

This press release contains forward-looking statements that reflect the Company's current views with respect to, among other things, its business, long-term growth plans and opportunities, operations, financial performance, revenue, amount and pace of growth of managed receivables, underwriting approach, total interest income and related fees and charges, debt financing, liquidity, interest rates, interest expense, operating expense, fair value of receivables, credit conditions, consumer spending, and the economy. You generally can identify these statements by the use of words such as outlook, potential, continue, may, seek, approximately, predict, believe, expect, plan, intend, estimate or anticipate and similar expressions or the negative versions of these words or comparable words, as well as future or conditional verbs such as will, should, would, likely and could. These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those included in the forward-looking statements. These risks and uncertainties include those risks described in the Company's filings with the Securities and Exchange Commission and include, but are not limited to, risks related to COVID-19 and its impact on the Company, bank partners, merchant partners, consumers, loan demand, the capital markets, labor availability, supply chains and the economy in general; the Company's ability to retain existing, and attract new, merchant partners and funding sources; changes in market interest rates; increases in loan delinquencies; its ability to operate successfully in a highly regulated industry; the outcome of litigation and regulatory matters; the effect of management changes; cyberattacks and security vulnerabilities in its products and services; and the Company's ability to compete successfully in highly competitive markets. The forward-looking statements speak only as of the date on which they are made, and, except to the extent required by federal securities laws, the Company disclaims any obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. In light of these risks and uncertainties, there is no assurance that the events or results suggested by the forward-looking statements will in fact occur, and

you should not place undue reliance on these forward-looking statements.

Contact:
Investor Relations
(770) 828-2000
investors@atlanticus.com

Atlanticus Holdings Corporation and Subsidiaries
Consolidated Balance Sheets
(Dollars in thousands)

	December 31, 2023	December 31, 2022
Assets		
Unrestricted cash and cash equivalents (including $158.0 million and $202.2 million associated with variable interest entities at December 31, 2023 and December 31, 2022, respectively)	$ 339,338	$ 384,984
Restricted cash and cash equivalents (including $20.5 million and $27.6 million associated with variable interest entities at December 31, 2023 and December 31, 2022, respectively)	44,315	48,208
Loans, interest and fees receivable:		
Loans at fair value (including $2,128.6 million and $1,735.9 million associated with variable interest entities at December 31, 2023 and December 31, 2022, respectively)	2,173,759	1,817,976
Loans at amortized cost	118,045	105,267
Allowances for credit losses	(1,759)	(1,643)
Deferred revenue	(17,861)	(16,190)
Net loans, interest and fees receivable	2,272,184	1,905,410
Property at cost, net of depreciation	11,445	10,013
Operating lease right-of-use assets	11,310	11,782
Prepaid expenses and other assets	27,853	27,417
Total assets	$ 2,706,445	$ 2,387,814
Liabilities		
Accounts payable and accrued expenses	$ 61,634	$ 44,332
Operating lease liabilities	20,180	20,112
Notes payable, net (including $1,795.9 million and $1,586.0 million associated with variable interest entities at December 31, 2023 and December 31, 2022, respectively)	1,861,685	1,653,306
Senior notes, net	144,453	144,385
Income tax liability	85,826	60,689
Total liabilities	2,173,778	1,922,824
Commitments and contingencies		
Preferred stock, no par value, 10,000,000 shares authorized:		
Series A preferred stock, 400,000 shares issued and outstanding at December 31, 2023 (liquidation preference - $40.0 million); 400,000 shares issued and outstanding at December 31, 2022 (1)	40,000	40,000
Class B preferred units issued to noncontrolling interests	100,250	99,950
Shareholders' Equity		
Series B preferred stock, no par value, 3,256,561 shares issued and outstanding at December 31, 2023 (liquidation preference - $81.4 million); 3,204,640 shares issued and outstanding at December 31, 2022 (1)	—	—
Common stock, no par value, 150,000,000 shares authorized: 14,603,563 and 14,453,415 shares issued and outstanding at December 31, 2023 and December 31, 2022, respectively	—	—
Paid-in capital	87,415	121,996
Retained earnings	307,260	204,415
Total shareholders’ equity	394,675	326,411
Noncontrolling interests	(2,258)	(1,371)
Total equity	392,417	325,040

Total liabilities, shareholders' equity and temporary equity	$	2,706,445	$	2,387,814

(1) Both the Series A preferred stock and the Series B preferred stock have no par value and are part of the same aggregate 10,000,000 shares authorized

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Atlanticus Holdings Corporation and Subsidiaries
Consolidated Statements of Income
(Dollars in thousands, except per share data)

	For the Year Ended			
	2023		2022	
Revenue:				
Consumer loans, including past due fees	$	879,123	$	786,235
Fees and related income on earning assets		238,775		217,071
Other revenue		37,348		42,798
Total operating revenue, net		1,155,246		1,046,104
Other non-operating revenue		630		809
Total revenue		1,155,876		1,046,913
Interest expense		(109,342)		(81,851)
Provision for credit losses		(2,152)		(1,252)
Changes in fair value of loans		(689,577)		(577,069)
Net margin		354,805		386,741
Operating expenses:				
Salaries and benefits		43,906		43,063
Card and loan servicing		100,620		95,428
Marketing and solicitation		52,421		62,403
Depreciation		2,560		2,175
Other		26,740		34,400
Total operating expenses		226,247		237,469
Income before income taxes		128,558		149,272
Income tax expense		(26,604)		(14,660)
Net income		101,954		134,612
Net loss attributable to noncontrolling interests		891		985
Net income attributable to controlling interests		102,845		135,597
Preferred stock and preferred unit dividends and discount accretion		(25,198)		(25,076)
Net income attributable to common shareholders	$	77,647	$	110,521
Net income attributable to common shareholders per common share—basic	$	5.35	$	7.55
Net income attributable to common shareholders per common share—diluted	$	4.24	$	5.83

Atlanticus Holdings Corporation and Subsidiaries
Consolidated Statements of Shareholders' Equity and Temporary Equity
For the Years Ended December 31, 2023 and 2022
(Dollars in thousands)

	Series B Preferred Stock		Common Stock						Temporary Equity	
	Shares Issued	Amount	Shares Issued	Amount	Paid-In Capital	Retained Earnings (Deficit)	Non controlling Interests	Total Equity	Series A Preferred Stock	Class B Preferred Units
Balance at January 1, 2022	3,188,533	$ —	14,804,408	$ —	$227,763	$ 60,236	$ (500)	$287,499	$ 40,000	$ 99,650
Cumulative effects from adoption of the CECL standard	—	—	—	—	—	8,582	—	8,582	—	—
Accretion of discount associated with issuance of subsidiary equity	—	—	—	—	(300)	—	—	(300)	—	300
Discount associated with repurchase of preferred stock	—	—	—	—	18	—	—	18	—	—
Preferred stock and preferred unit dividends	—	—	—	—	(24,794)	—	—	(24,794)	—	—
Stock option exercises and proceeds related thereto	—	—	1,211,141	—	3,731	—	—	3,731	—	—
Compensatory stock issuances, net of forfeitures	—	—	112,027	—	—	—	—	—	—	—
Issuance of series B preferred stock, net	19,607	—	—	—	437	—	—	437	—	—
Contributions by owners of noncontrolling interests	—	—	—	—	—	—	114	114	—	—
Stock-based compensation costs	—	—	—	—	4,167	—	—	4,167	—	—
Redemption and retirement of preferred shares	(3,500)	—	—	—	(87)	—	—	(87)	—	—
Redemption and retirement of common shares	—	—	(1,674,161)	—	(88,939)	—	—	(88,939)	—	—
Net income (loss)	—	—	—	—	—	135,597	(985)	134,612		—
Balance at December 31, 2022	3,204,640	$ —	14,453,415	$ —	$121,996	$204,415	$ (1,371)	$325,040	$ 40,000	$ 99,950

Accretion of discount associated with issuance of subsidiary equity	—	—	—	—	(300)	—	—	(300)	—	300
Discount associated with repurchase of preferred stock	—	—	—	—	16	—	—	16	—	—
Preferred stock and preferred unit dividends	—	—	—	—	(24,914)	—	—	(24,914)	—	—
Stock option exercises and proceeds related thereto	—	—	576,758	—	3,405	—	—	3,405	—	—
Compensatory stock issuances, net of forfeitures	—	—	148,546	—	—	—	—	—	—	—
Issuance of series B preferred stock, net	53,727	—	—	—	1,118	—	—	1,118	—	—
Contributions by owners of noncontrolling interests	—	—	—	—	—	—	4	4	—	—
Stock-based compensation costs	—	—	—	—	3,783	—	—	3,783	—	—
Redemption and retirement of preferred shares	(1,806)	—	—	—	(45)	—	—	(45)	—	—
Redemption and retirement of common shares	—	—	(575,156)	—	(17,644)	—	—	(17,644)	—	—
Net income (loss)	—	—	—	—	—	102,845	(891)	101,954	—	—
Balance at December 31, 2023	3,256,561	$ —	14,603,563	$ —	$ 87,415	$307,260	$ (2,258)	$392,417	$ 40,000	$ 100,250

Additional Information

Additional trends and data with respect to our private label credit and general purpose credit card receivables can be found in our latest Form 10-K filing with the Securities and Exchange Commission under Management's Discussion and Analysis of Financial Condition and Results of Operations.

Calculation of Non-GAAP Financial Measures

This press release presents information about managed receivables, which is a non-GAAP financial measure provided as a supplement to the results provided in accordance with accounting principles generally accepted in the United States of America (GAAP). In addition to financial measures presented in accordance with GAAP, we present managed receivables, total managed yield, combined principal net charge-offs, and fair value to face value ratio, all of which are non-GAAP financial measures. These non-GAAP financial measures aid in the evaluation of the performance of our credit portfolios, including our risk management, servicing and collection activities and our valuation of purchased receivables. The credit performance of our managed receivables provides information concerning the quality of loan originations and the related credit risks inherent with the portfolios. Management relies heavily upon financial data and results prepared on the managed basis in order to manage our business, make planning decisions, evaluate our performance and allocate resources.

These non-GAAP financial measures are presented for supplemental informational purposes only. These non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation from, or as a substitute for, GAAP financial measures. These non-GAAP financial measures may differ from the non-GAAP financial measures used by other companies. A reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures or the calculation of the non-GAAP financial measures are provided below for each of the fiscal periods indicated.

These non-GAAP financial measures include only the performance of those receivables underlying consolidated subsidiaries (for receivables carried at amortized cost basis and fair value) and exclude the performance of receivables held by our former equity method investee. As the receivables underlying our former equity method investee reflect a small and diminishing portion of our overall receivables base, we do not believe their inclusion or exclusion in the overall results is material. Additionally, we calculate average managed receivables based on the quarter-end balances.

The comparison of non-GAAP managed receivables to our GAAP financial statements requires an understanding that managed receivables reflect the face value of loans, interest and fees receivable without any consideration for potential credit losses or other adjustments to reflect fair value.

A reconciliation of Loans at fair value to Loans at amortized cost is as follows:

	At or for the Three Months Ended							
	2023				2022			
(in Millions)	Dec. 31 (1)	Sep. 30 (1)	Jun. 30 (1)	Mar. 31 (1)	Dec. 31 (1)	Sep. 30 (1)	Jun. 30 (1)	Mar. 31 (1)
Loans at fair value	$ 2,173.8	$ 2,050.0	$ 1,916.1	$ 1,795.6	$ 1,818.0	$ 1,728.1	$ 1,616.9	$ 1,405.8
Fair value mark against receivable (2)	$ 237.5	$ 265.2	$ 257.9	$ 260.1	$ 302.1	$ 322.3	$ 293.0	$ 272.9
Loans at amortized cost	$ 2,411.3	$ 2,315.2	$ 2,174.0	$ 2,055.7	$ 2,120.1	$ 2,050.4	$ 1,909.9	$ 1,678.7
Total managed receivables	$ 2,411.3	$ 2,315.2	$ 2,174.0	$ 2,055.7	$ 2,120.1	$ 2,050.4	$ 1,909.9	$ 1,678.7
Fair value to face value ratio (3)	90.2%	88.5%	88.1%	87.3%	85.8%	84.3%	84.7%	83.7%

(1) We elected the fair value option to account for certain loans receivable associated with our private label credit and general purpose credit card platform that were acquired on or after January 1, 2020, and, as discussed in more detail in the Form 10-K for the year ended December 31, 2023, on January 1, 2022, we elected the fair value option under ASU 2016-13 for those private label credit and general purpose credit card receivables that were previously accounted for under the amortized cost method.

(2) The fair value mark against receivables reflects the difference between the face value of a receivable and the net present value of the expected cash flows associated with that receivable.

(3) The Fair value to face value ratio is calculated using Loans at fair value as the numerator, and Loans at amortized cost as the denominator.

A reconciliation of our operating revenues, net of finance and fee charge-offs, to comparable amounts used in our calculation of Total managed yield is as follows:

	At or for the Three Months Ended							
	2023				2022			
(in Millions)	Dec. 31	Sep. 30	Jun. 30	Mar. 31	Dec. 31	Sep. 30	Jun. 30	Mar. 31
Consumer loans, including past due fees	$ 214.6	$ 214.6	$ 210.3	$ 200.5	$ 202.9	$ 208.9	$ 182.8	$ 156.5
Fees and related income on earning assets	71.7	59.8	62.9	44.3	48.0	48.5	65.8	54.7
Other revenue	12.0	10.2	7.6	6.7	8.5	11.1	12.2	10.0
Total operating revenue – Caas Segment	298.3	284.6	280.8	251.5	259.4	268.5	260.8	221.2
Adjustments due to acceleration of merchant fee discount amortization under fair value accounting	6.5	(6.8)	(10.6)	(0.5)	3.4	(7.9)	(12.1)	1.8
Adjustments due to acceleration of annual fees recognition under fair value accounting	(12.6)	(3.1)	(9.8)	7.3	7.9	10.0	(6.6)	(1.3)
Removal of finance charge-offs	(59.5)	(47.1)	(54.2)	(61.7)	(58.3)	(45.3)	(41.2)	(32.5)
Total managed yield	$ 232.7	$ 227.6	$ 206.2	$ 196.6	$ 212.4	$ 225.3	$ 200.9	$ 189.2

The calculation of Combined principal net charge-offs is as follows:

	2023				2022			
(in Millions)	Dec. 31 (1)	Sep. 30 (1)	Jun. 30 (1)	Mar. 31 (1)	Dec. 31 (1)	Sep. 30 (1)	Jun. 30 (1)	Mar. 31 (1)
Charge-offs on loans at fair value	$ 215.2	$ 173.5	$ 180.0	$ 191.9	$ 182.3	$ 134.4	$ 126.5	$ 101.3
Gross charge-offs on non-fair value accounts	—	—	—	—	—	—	—	—
Finance charge-offs (2)	(59.5)	(47.1)	(54.2)	(61.7)	(58.3)	(45.3)	(41.2)	(32.5)
Recoveries on non-fair value accounts	—	—	—	—	—	—	—	—
Combined principal net charge-offs	$ 155.7	$ 126.4	$ 125.8	$ 130.2	$ 124.0	$ 89.1	$ 85.3	$ 68.8

(1) On January 1, 2022, we elected the fair value method under ASU 2016-13 for those private label credit and general purpose credit card receivables that were previously accounted for under the amortized cost method.
(2) Finance charge-offs are included as a component of our Provision for credit losses and Changes in fair value of loans in the consolidated statements of income.

Source: Atlanticus Holdings Corp