



Company	Credit Corp Group
Code	CCP
Meeting	AGM
Date	5 November 2020
Venue	Online
Monitor	Sue Howes assisted by Patricia Beal

Number attendees at meeting	47 shareholders and proxies plus 49 guests
Number of holdings represented by ASA	78
Value of proxies	\$3.95m
Number of shares represented by ASA	253,334 (equivalent to 12th largest holder in Top 20 list)
Market capitalisation	\$1.3b – on day of meeting
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, Don McLay (Chair) and Michael Eadie (CFO)

Positioned for a future after COVID

The meeting opened with the Chair's overview of the year. FY20 was a year of underperformance. The operating results were strong, but NPAT fell 78% due to the effect of COVID on asset values. The company did not declare a final dividend.

The company raised additional equity in the fourth quarter and used it to pay down debt – they are now debt free and have the ability to draw down on their facility should they need to. Business conditions remain stable at this stage, with the assistance of government employment support for clients, which has buoyed repayments to an extent.

They took the opportunity to purchase Baycorp, without paying any goodwill, and this business has been integrated into the whole and cost savings achieved.

The company believes that they are well placed to take advantage of opportunities as they occur.

The main questions asked were:

- Chair retirement – Mr McLay has been on the Board for over 12 years and Chair for more than 10. While he has a large shareholding, ASA would prefer an independent chair – details of succession planning were not forthcoming.
- The US election and the US market – Competitors in the US have access to large amounts of capital and so far have not felt the need to adjust their pricing to cover the risk involved. Credit Corp will wait until pricing moves more in line with their expectations. A change of regime could increase regulation for the business but this is not of immediate concern for CCP with their record of low client complaints and litigation.
- Interest rates – potential to fuel more competition due to availability of low cost capital, longer term could increase charge of rates and uncertainty around pricing, but CCP's ability to price appropriately should mitigate this risk.
- Why the market in the US vs Australia differed so greatly on pricing – largely due to competition: in the US CCP is but one small competitor in a large market, while in Australia competitors have had their own problems. In the US the availability of capital is fueling pricing that in their opinion is not consistent with economic factors as they see them.

Results of the voting on the resolutions were 94.4% for the re-election of chair Don McLay; and around 99% for the other resolutions.