



CREDIT CORPORATION PNG

2019 AGM

27 JUNE 2019





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WELCOME



DIRECTORS

Mr Syd Yates

Dr Albert Mellam

Ms Faye-Zina Lalo

Mr Johnson Kalo

Mr James Kruse

Mr Richard Sinamoi

Mr Michael Varapik



SUBSIDIARY BOARD MEMBERS & MANAGEMENT

Subsidiary Board:

Mr Adrian Wickham CC Solomon Islands Board

Mr William Parkinson CC Fiji Board

Mr Ashleigh Matheson CC Fiji Board

Management:

Mr Peter Aitsi Group Chief Executive Officer

Mr Andy Roberts General Manager, CC Finance

Mr Jeff Undah Group Chief Financial Officer

Mr Peter Dixon Managing Director, CC Fiji Ltd

Mr Tony Langston Managing Director, CC Solomon Islands Ltd

Mr Johnny Wilson Managing Director, CC Vanuatu Ltd

Mr Chris Durman Country Head, CC Timor-Leste Ltd RP.

Mrs Beverlyn Malken Corporate Services Manager/Company Secretary



AUDITOR & LEGAL ADVISOR

Herbert Maguma KMPG (Auditors)

Jeremy Harwood Corrs Chambers Westgarth (Lawyers)



PROXY TALLY

Proxies have been received for this meeting representing **79.02%** (**243,327,548**) of the company's issued shares.

Proxies electing Chairman to Vote **25.34% (22 Shareholders)**



ORDER OF MEETING

1. Chairman's Remarks
 2. CEO's Presentation
 3. Business per the Notice of Meeting
 4. Any other Business & Questions
 5. Close
-

WELCOME AND CHAIRMAN'S OPENING REMARKS





DIVIDEND

- 2018 Final Dividend declared of 13 toea per share to be paid on 23rd August 2019.

CHIEF EXECUTIVE OFFICER'S PRESENTATION



A HISTORY OF ACHIEVEMENT

- Credit Corp has been the foundation financier for many of PNG's most successful businesses
- The first major developer of premier residential land in Port Moresby
- One of the first PNG companies to expand into the Pacific
- Played a pivotal role in the BSP/PNGBC merger.



NEW STRATEGIC DIRECTION

- Enhancing the products and services we offer our customers
- Using technology to make it easier and simpler to do business with us
- Modernising our technology platforms to reduce costs and drive innovation.





2018 PERFORMANCE OVERVIEW

- Stabilise the Company's financial performance and deliver improved results
- Enhance our engagement with shareholders
- Deliver improvements in service quality to our customers.



FINANCIAL PERFORMANCE

NPAT

K98m increased

33%

Core Profit

K86m increased

14%

Earning per Share

32 toea increased

33%

Net asset backing

K2.76 per share increased

5% per share

Group return on equity

10.38%

Increased 94bps

Group return on assets

6%

Increased 47bps



BUSINESS UNITS

Results Driver	Dec-18 (,000)	Dec-17 (,000)	Change	Amount (,000)
Finance (profit)	K24,317	K26,954	-9.78%	↓ (K2,637)
Property (profit)	K12,017	K9,833	22.21%	↑ K2,184
Investments (dividend)	K46,306	K42,712	8.42%	↑ K3,594
Group (profit)	K86,273	K75,424	14.38%	↑ K10,849



KEY DRIVERS

Loan Book

K582m increased

21%

Deposit Growth

\$483m increased

6%

Net interest income

K75m increased

30%

Property occupancy

32% increase

76%

Property rental income

K33m increased

36%

Net interest margin

12.20%

Decreased 146bps

STRATEGY

Finance

investing in capability and growing the segment through digital competency, distribution maturity and a prudent funding strategy.

Property

focus on further lifting property presentation and maximising yields, while building a longer-term strategy for maximising asset performance.

Investment

ensure portfolio is optimised without capital or revenue impact.



KEY WORK STREAMS

1. Finance — Deep Customer Connection
2. Finance — Valuable Product Offering
3. Finance — Highly Effective Sales & Marketing
4. Finance — Agile Digital Platforms
5. Finance — Operational Capability
6. Property
7. Equity
8. Change & Communication.





PRIORITIES

Shareholder value creation

Implement business plan based on 2018 Strategic Review

Upgrade computer networks and back office systems – strengthening customer focus

Enhance shareholder engagement

Cost discipline and arrears management

Focus on governance, compliance and risk

Stabilise performance to maximise opportunities

SUMMARY

- Managed through a challenging year to deliver a solid result
- Approaching 2019 with:
 - clear strategy
 - growing momentum
 - refreshed energy and confidence.



**CONFIRMATION OF
THE MEETING MINUTES
OF SHAREHOLDERS HELD
ON 27 JUNE 2018**





ITEM 1

Annual Report for FY2018

- To receive the financial statements for the year ended 31 December 2018 and the reports of the Directors and Auditors thereon.



ITEM 2

Re-election of Directors

- Pursuant to Article 66 of the Constitution, the following Directors retire by rotation and being eligible hereby offer themselves for re-election to the Board:
 - (a) Dr. Albert Mellam; and
 - (b) Ms. Abigail Chang.

DR. ALBERT MELLAM

Non-Executive Director

- Executive Director for PNG Chamber of Mines and Petroleum
- 29 years experience as an Academic with the University of Papua New Guinea, with the School of Business & Administration
- Visiting Lecturer with the School of Business & Public Policy, University of Papua New Guinea and an Adjunct Professor of Management, James Cook University, Australia
- Member of the Nomination & Remuneration Committee and the Strategy & Investment Committee.





Proxy vote result for Item 2(a)

Ordinary Resolution – Re-election of Dr Albert Mellam as a Director

Proxy Votes For the Resolution	242,848,586
Proxy Votes Against the Resolution	0
Proxy Votes Open	478,962
Proxy Votes Abstaining	0

MS. ABIGAIL CHANG

Non-Executive Director & Independent Director

- Economist by profession, with a double degree in Economics, Banking & Finance from the University of South Pacific and a Masters in Science in International Development, Conflict & Security from the University of Birmingham, UK
- 7 years of experience in central banking in the areas of financial system supervision, regulation, policy development and licensing within the banking, insurance, foreign exchange and superannuation industries in Fiji
- Chair of the Risk & Compliance Committee, a member of the Nomination & Remuneration Committee and Disclosure Committee.





Proxy vote results for Item 2(b)

Ordinary Resolution – Re-election of Ms Abigail Chang as a Director

Proxy Votes For the Resolution	130,579,929
Proxy Votes Against the Resolution	112,268,657
Proxy Votes Open	478,962
Proxy Votes Abstaining	0



ITEM 3

To appoint Auditors for 2019

- To appoint KMPG as the auditor for the Company commencing at the end of this meeting until the next annual general meeting of the Company and that the Board is authorised to fix the auditor's remuneration.



Proxy vote results for Item 3

Ordinary Resolution- Appoint KMPG as the Auditors for the Company and authorize the Board to fix the Auditor's remuneration

Proxy Votes For the Resolution	242,848,586
Proxy Votes Against the Resolution	0
Proxy Votes Open	478,962
Proxy Votes Abstaining	0



ITEM 4

Increase in Aggregate Fee Limit for Non-Executive Director Pool

- To seek approval from the Shareholders to increase the aggregated fee limit from K1 million to K1.6 million to cater for the additional directors on the Board and for their participation in the various Board Committees to which they are appointed.



Proxy vote results for Item 4

Ordinary Resolution - Increase in Directors Fees to cater for the increase of numbers in the Board

Proxy Votes For the Resolution	130,066,719
Proxy Votes Against the Resolution	112,596,405
Proxy Votes Open	478,962
Proxy Votes Abstaining	185,462



SPECIAL BUSINESS: ITEM 5

Shareholder Proposal: BSP Share Distribution in specie

- Pursuant to sub-clause 8(1) of Schedule 2 of the Companies Act, Teachers Savings and Loan Society Limited has requested that the following non-binding resolutions be considered in connection with a proposal that the Company effect an *in specie* distribution to shareholders of its shareholding in Bank of South Pacific Limited (the **Proposal**)
 - (a) That the Board of the Company immediately appoint an Independent Expert to determine by or before 31 August 2019 whether, following implementation of the Proposal, the Company will satisfy the solvency test;
 - (b) That a shareholder's Technical Committee be immediately established to assist the Board to appoint an Independent Expert in accordance with the terms of reference set and overseen by the Technical Committee; and
 - (c) That the Board convene a special general meeting by or before 31 December 2019 for the purpose of tabling the Independent Expert's report and announcing the findings of the report to the shareholders for further deliberation.
- The Board invites discussion on this matter.



Resolution

- (a) That the Board of the Company immediately appoint an Independent Expert to determine by or before 31 August 2019 whether, following implementation of the Proposal, the Company will satisfy the solvency test;*
 - (b) That a shareholder's Technical Committee be immediately established to assist the Board to appoint an Independent Expert in accordance with the terms of reference set and overseen by the Technical Committee; and*
 - (c) That the Board convene a special general meeting by or before 31 December 2019 for the purpose of tabling the Independent Expert's report and announcing the findings of the report to the shareholders for further deliberation.*
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ITEM 6

Any Other Business



Questions?

CLOSING REMARKS





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