INVESTOR PRESENTATION
FY2024
First Half Results

Banking on a brighter future

CREDIT CORPORATION



Improving Financial Performance

Strong operating and financial performance

- Increased finance income
- Increased rental income
- Gains on investment valuations
- Increased ROE
- Increased earnings per share

Strategic focus on generating value for our stakeholders

- Maintained dividends to shareholders
- Increased share price
- Strong shareholder returns
- Robust credit risk management

STAKEHOLDER ENGAGEMENT

Our stakeholder engagement approach is based on:

- PNGX Corporate Governance Code for Listed Issuers
- Stakeholder Engagement Standard (AA1000)
- United Nations Principles for Responsible Banking
- United Nations Sustainable Development Goals



- Invest in our employees' health, safety and wellbeing
- Invest in community projects supporting health access



- Support access to quality education and training to enable our people to thrive in a digitised world
- Invest in education initiatives in the community



- Achieve gender equality at Board, executive and senior management levels



- Support businesses and associations in connecting and driving economic growth via trade shows and business conferences



- Support for stronger institutions to drive economic growth and promote shared prosperity





Supporting the communities we live in

Credit Corporation fosters long-term relationships by supporting important community and corporate projects and initiatives

- Project Wok – over 1,400 students provided essential job readiness training
- Project Skul
- Port Moresby Basketball Association sponsorship
- Buk Bilong Pikinini education program
- Agmark Gurias Rugby League Club sponsorship
- Sparrows Netball Club sponsorship
- Port Moresby Arts Theatre sponsorship
- Lotic Bige Rugby 7s Tournament
- Business Advantage Investment conference
- FRIEND Fiji
- Leadership Fiji
- Fiji Society for the Blind
- Transparency International PNG
- 39th APNG Business Conference and Expo



Finance Division

Net Loan Receivables

K527.5m

▲ up 20.6%

Interest Income

K40.3m

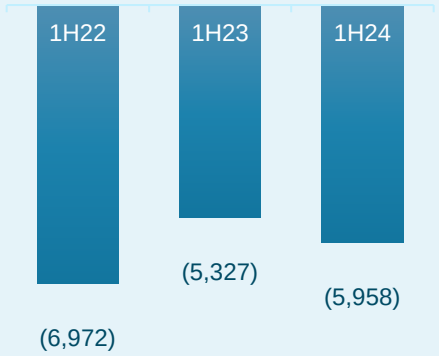
▲ up 19.2%

Net Interest Margin

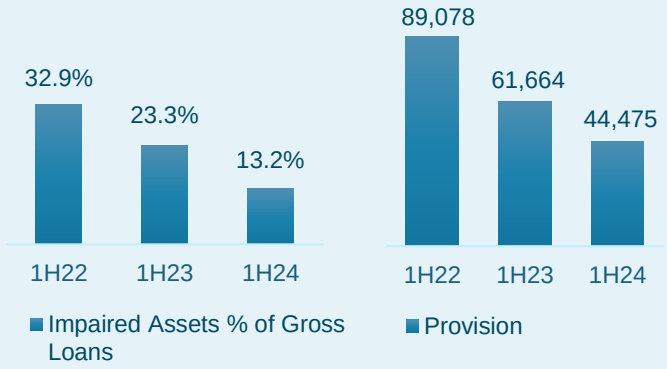
12.9%

▲ up 7.6%

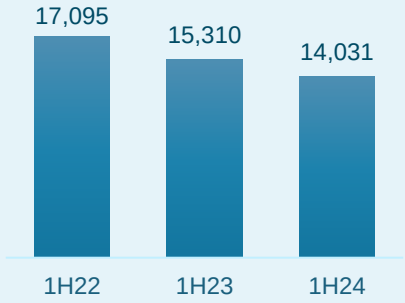
Loan Impairment Reversal (PGK'000)



Impaired Assets % of Gross Loans & Total Provisions (PGK'000)



NPAT



Positive growth in net loans supported by increase in sales volumes driving uplift in interest income.

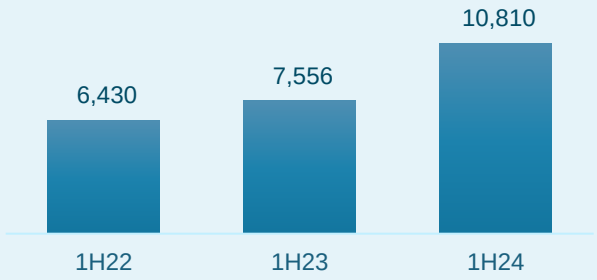
Increased deposits to fund loan growth realised at reduced rates contributing to NIM improvement.

Focused attention on asset quality led to reduction in non-performing loans. This contributed to reduction in loan loss provision.

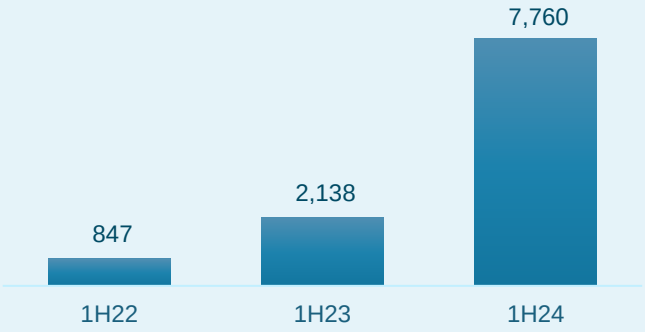
NPAT growth impacted by an increase in expenses to support the transition to become a bank and lower impairment write-backs as business stabilises post-Covid.

Finance Division

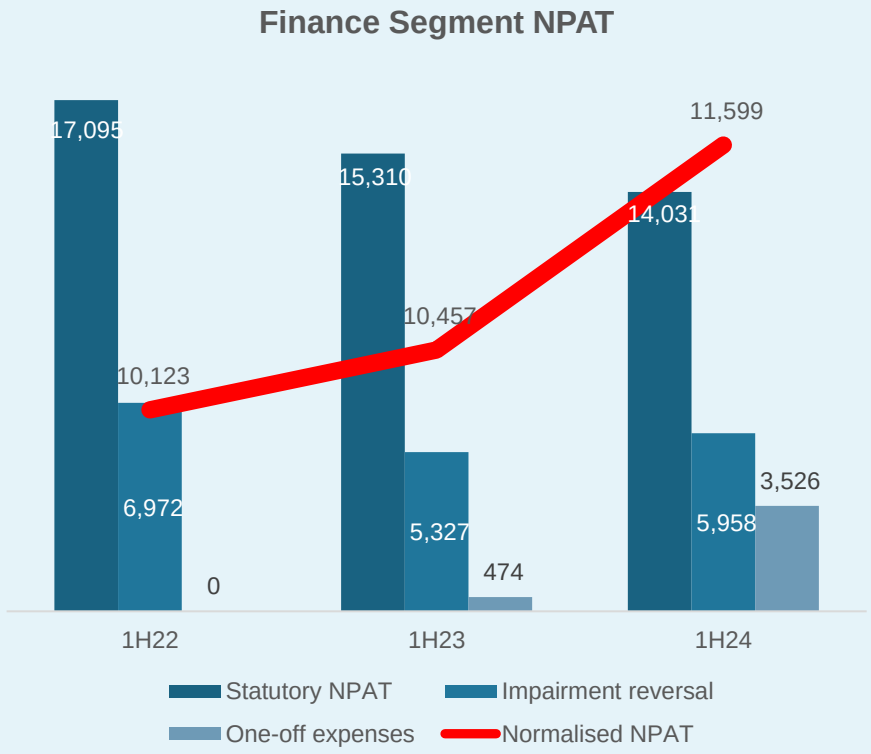
Staff costs (PGK'000)



Professional fees (PGK'000)



Finance Segment NPAT



Staff costs and **professional fees** increased to support the bank transition. The additional expenditure ensured readiness for banking operations and regulatory compliance.

Statutory NPAT decreased due to higher professional fees and staff costs related to the bank transition.

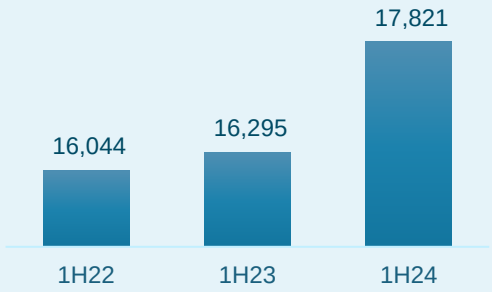
Normalised NPAT increased after adjusting for one-off expenses and impairment reversals, reflecting an improved underlying performance.

Property Portfolio

Rental Income

K17.8m

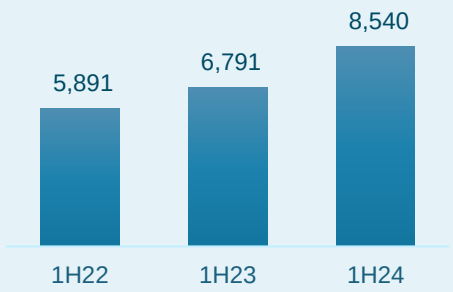
▲ up 9.4%



Core Operating Profit

K8.5m

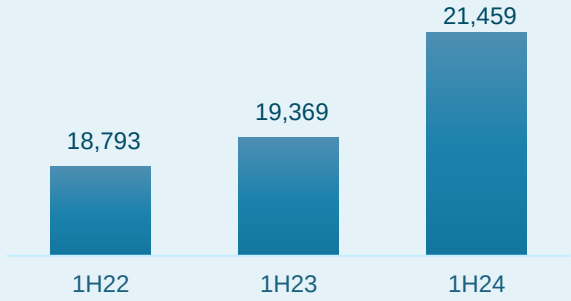
▲ up 25.8%



Net Operating Income

K21.5m

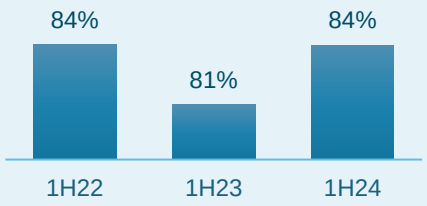
▲ up 10.8%



Occupancy Rate

84%

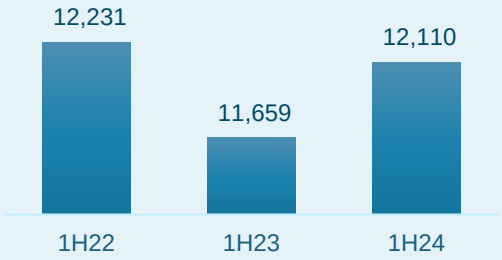
▲ up 4%



Operating Expenses

K12.1m

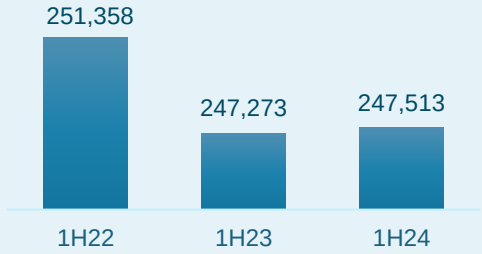
▲ up 3.9%



Fair Value of Portfolio

K247.5m

▲ 0.1%



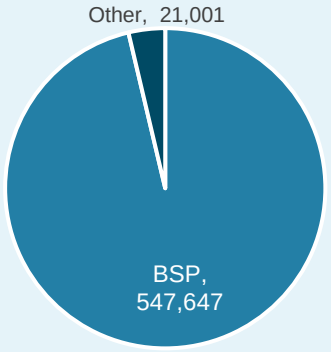
Positive growth in rental income as a result of rental rate increases.

Improved COP due to growth in income and lower expenses because of delayed start in refurbishment projects.

Occupancy increased to 84%.

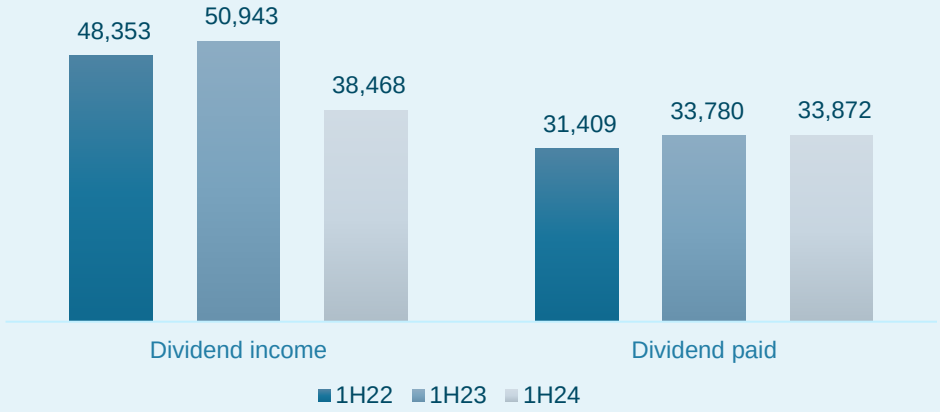
Investment Portfolio

Fair value of Investment portfolio (PGK'000)

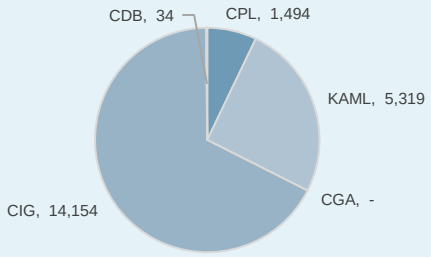


Dividend Income

K38.5m

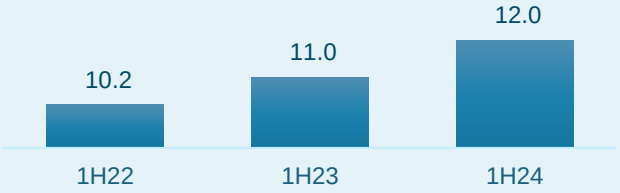


Fair value of Other Investments (PGK'000)

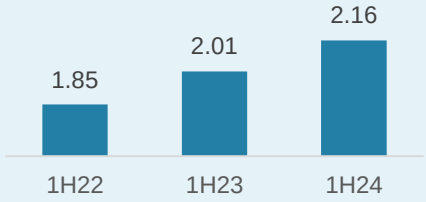


Total Shareholder Return

Dividend per share (toea)



Share Price (toea)



Increase in share price over the period.

Total shareholder return of 20%.

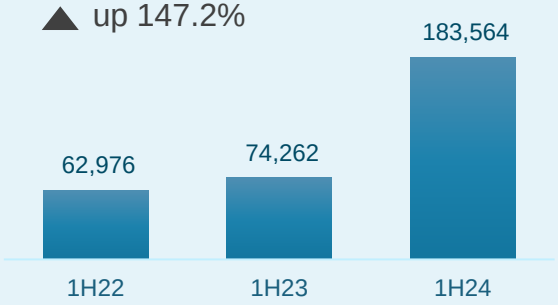
Regular dividend stream to shareholders.

Group Results

NPAT

K183.6m

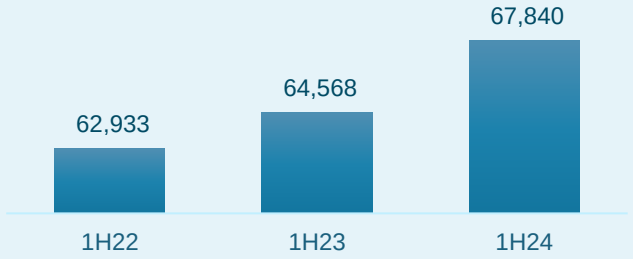
▲ up 147.2%



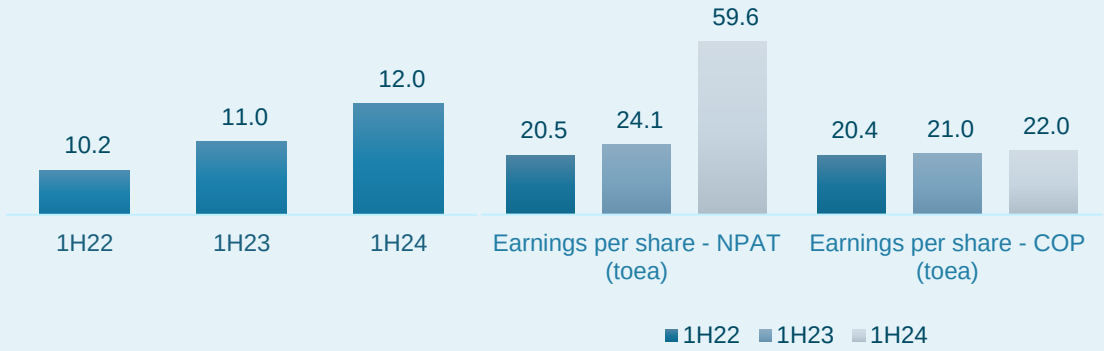
Core Operating Profit (normalised)

K67.8m

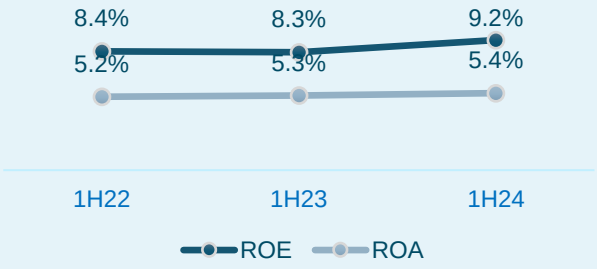
▲ up 5.1%



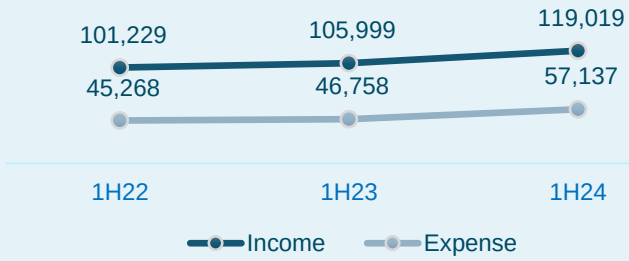
Dividends per Share (toea) and Earnings per Share



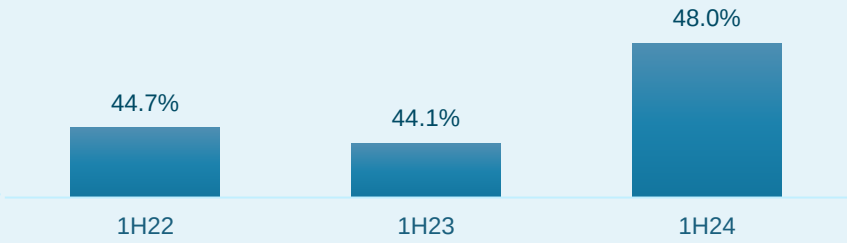
Returns on Equity and Assets



Income and Expenses (PGK'000)

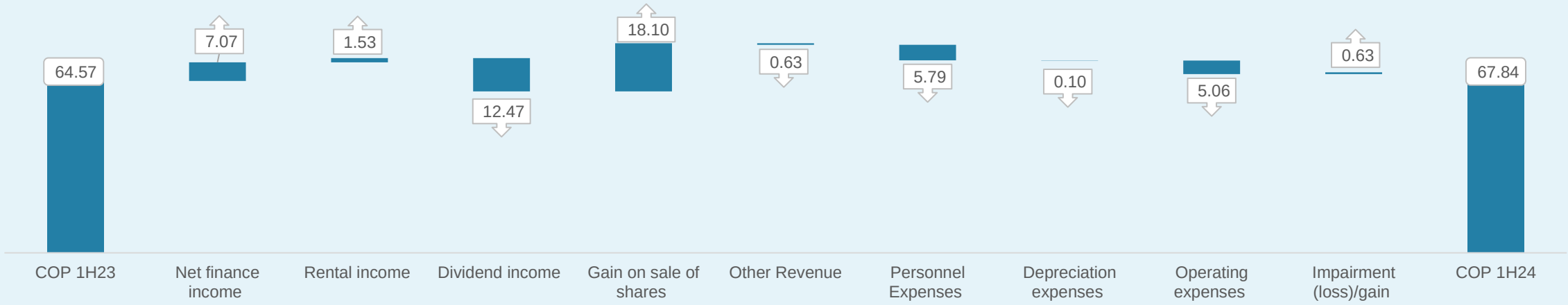


Expense to Income Ratio

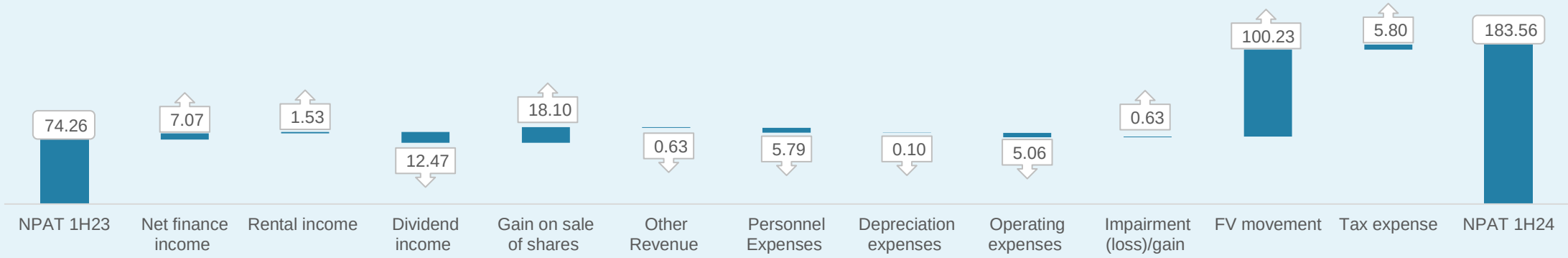


Group Results

COP Movement YOY (PGK'000)



NPAT Movement YOY (PGK'000)



2024 and Beyond

Our Vision

To be recognised as one of the leading financial services groups in the South Pacific

Our Outlook

Continued focus on strengthening operational performance through prudent and disciplined management of credit risks; increasing share of wallet with existing customers via expanded digital product offering; upskilling our people; and transitioning to a niche commercial bank.

Our Values Driven Culture



Fellowship

I am genuine, inclusive and collegiate.



Integrity

I unfailingly act with integrity.



Growth

I proactively collaborate and challenge myself and my colleagues to continually innovate, adapt and grow.



Impact

I am accountable to deliver to our customers and empowered to find impactful solutions and execute with excellence.



Customer obsessed

Everything I do, every decision I make, I make with the customer in mind, helping them to fund their future and achieve their dreams.


CREDIT CORPORATION