



18 June 2019
POMSoX Announcement

Credit Corporation declares 13 toea final dividend — uninterrupted 40-year track record of dividends

Credit Corporation PNG is pleased to announce that it has declared a final dividend on ordinary shares in respect of the FY18 financial year of 13 toea per share (FY17 final dividend: 11 toea per share).

This brings the total dividend for FY18 to 19 toea per share (FY17: 15 toea per share), representing a 27% increase on the previous year.

The planned processing dates for the 2018 final dividend are:

- Ex-date: Friday 21st June 2019
- Record Date: Monday 1st July 2019
- Payout Date: Friday 23rd August 2019

Credit Corporation Chairman Syd Yates said “FY18 was a historic year for Credit Corporation as we celebrated the Group’s 40th anniversary. At the same time we are delighted to continue our proud uninterrupted track record of rewarding our shareholders, with a dividend every year for the past 40 years.”

“The increase in dividend is attributed to improved profitability of the Group, despite the challenges of economic environment in the countries where we operated. We were able to stay focused on delivering a strong financial outcome from our three divisions – finance, property and investment,

“We are committed to maintaining this focus, and to continue to deliver strong results and increased value for our shareholders,” Mr Yates said.

The FY18 total dividend payment is based on a payout ratio of 68% and 60% of core operating profit and NPAT respectively.

The dividend yield as a result will increase by 498bps to 14.07% (FY17: 9.09%).

2019 outlook

“The current year will continue to present some economic challenges with business conditions in a number of the countries where we have operations including PNG indicating mixed results,” Mr Yates said.

“However, the Group is well positioned to meet these challenges. The Board and management will continue to focus on delivering financial outcomes, driving costs down and executing our new strategy. The Board remains confident about a successful FY19,” he said.

Mr Yates said the Board remains committed to excellence in corporate governance, which it believes is essential for the long-term performance and sustainability of the Group and the delivery of its strategy.

During FY18, Credit Corporation continued to strengthen and enhance its corporate governance practices, including improving shareholder engagement, conducting a Board skills audit and introducing separate audit and risk committees to assist in the execution of its governance and risk responsibilities.

Mr Yates said the Board had also approved the appointment of a Chief Risk Officer in the current year and the recruitment process was presently underway.

“The Chief Risk Officer will monitor and manage risks to deliver sustainable growth, protect our business and our stakeholders’ interests, and meet our legal and regulatory obligations,” he said.

Mr Yates said the Group’s Annual General Meeting will be on 27th of June.

A handwritten signature in black ink, appearing to read 'Syd Yates', with a stylized flourish at the end.

SYD YATES

Chairman, Credit Corporation (PNG) Limited

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