



Credit Corporation 2022 AGM

Richard Sinamoi
Chairman Address
24 June 2022

Ladies and gentlemen. Welcome and thank you for attending the Credit Corporation 2022 AGM.

My name is Richard Sinamoi, and it is a great honor to have this opportunity to address you, at my first AGM as your Chairman.

It is my great pleasure to welcome those of you participating online through our virtual meeting platform provided by our share registrar Link Market Services Limited, and of course those here in attendance here at the Banquet Hall, Hilton Hotel, Port Moresby. A Hybrid approach to the AGM was desirable, even with COVID 19 restrictions easing. Therefore your attendance today is either in person or online and we thank you all for joining.

It is now 10am. Company Secretary please confirm if we have a Quorum.

Anneka: I confirm that we do indeed have a quorum Chairman.

I have been informed that we have a quorum present, and I now declare the meeting open.

Before we begin today, I would like to introduce our Group CEO Danny Robinson, and other Members of our Board who are with us including:

Board:

- Dr Albert Mellam
- Clare Mazzetti
- Faye-Zina Lalo
- Sir Melchior Togolo

Unfortunately, due to COVID 19 Travel Restrictions, Abigail Chang is dialling in from the Solomon Islands, where borders are currently closed.

I should also note, Steve Humphries will also be dialling in after an unfortunate mix up with his travel plans, which meant it was not possible for him to be with us in person today

It has been a progressive and important year for Credit Corporation.

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While the challenges of COVID-19 remained throughout the year and there continues to be a level of uncertainty about the ongoing impacts, we have made pleasing progress.

- We have more than tripled our earnings and maintained our balance sheet strength
- Our profit was up, and our total expenses were down
- But importantly, we have also maintained our dividend to shareholders whilst retaining all of our employees across the business.

New strategic plan

Of particular importance is that following the Board's strategic review in FY21, we have reset our strategy with a new pathway – and developed a revised plan for the next three to five years.

This new strategic plan has set Credit Corporation on a transformational journey.

This ambitious plan will see us building on our strong finance company businesses, simplifying the Group and divesting some of our non-core assets; transitioning into becoming a niche commercial bank; and ultimately aiming to list on the ASX.

To realize this strategic growth ambition requires a strong leadership team in place, and I believe our new management team led by our CEO Danny Robinson, will improve the performance and value of the company as we commit to becoming a niche commercial bank in the future.

Dividends

I am pleased to advise our shareholders that Directors have declared a final dividend for FY21 of 13.4 toea per share which equates to a total of K41.2m.

This follows the interim dividend of 4.6 toea paid in the second half of FY2021, making it a total full year dividend of 18 toea per share or K55.3m.



This represents a full year payout ratio of 70 percent of core operating profit, which is at the top-end of the Group's stated dividend policy range of 50-70% of core operating profit and continues our strong track record of passing on full dividend payments from our investments. It highlights our ongoing commitment to delivering shareholder value.

Your Board

Turning to the Board, there has been a degree of change in Board membership over the past year. During FY21, three outstanding Directors departed the Board, and three new highly credentialled members joined.

Directors Mr. James Kruse and Mr. Michael Varapik resigned from the Board in FY21, and Mr. Syd Yates departed his position following last year's AGM.

Directors Mr. Stephen Humphries, Sir Melchior Togolo and Ms Clare Mazzetti were recruited.

At this time, I would like to thank all our directors past and present for their tremendous contribution to the Group.

Director Albert Mellam is expected to retire in September this year at the completion of his third three-year term in the role, and the Board will seek a suitable replacement at that time.

As a consequence of these changes, the Board is extremely keen to retain the experience and expertise of both Ms Faye-Zina Lalo and Ms Abigail Chang to ensure Board continuity through the next period of strategic transformation and growth of the company.

As such, Faye and Abigail will both retire and offer themselves for re-election which the Board strongly supports and recommends. We also strongly support and recommend that Ms Clare Mazzetti be appointed as a director.

With Clare's appointment we achieved an important diversity milestone, with 43 percent female director representation on our Board.

In addition to these changes, the Board has also made a request to increase the director pool fee to cover the cost of recruiting additional Directors.



The constitution for Credit Corporation PNG Limited requires a minimum of five and a maximum of 10 directors, with a majority of Directors deemed to be independent and living predominantly in PNG.

We currently have seven Directors with the recruitment of an eighth director in progress, and we would like to increase this to nine Directors, which would see the Board needing to recruit a further two Directors to cover the departure of Professor Albert Mellam.

The request to increase the Director fee pool will ensure we can attract the right level of talent and the appropriate mix of experience and expertise, and to support the increase in complexity and regulatory requirements of the Group as it pursues a niche commercial banking license.

As I hand over to our CEO Danny Robinson, I would like to thank my fellow Board members, the Executive Team and all our people who have contributed to Credit Corporation's success, responded to challenges, and embraced internal change. With their support, our commitment to customers has remained constant.

Most of all, I thank you our valued shareholders for your support as we reshape the Group and look to the future.

Thank you.

I'd now like to invite our Group CEO Mr. Danny Robinson to make his remarks