



**Credit Corporation 2023 AGM
Chairman's Address**

Dr Albert Mellam
23 June 2023

Good morning, Ladies and Gentlemen, my name is Dr Albert Mellam and I am the Chairman of Credit Corporation. On behalf of your Board, I have the privilege of welcoming 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 at the Banquet Hall, Hilton Hotel, Port Moresby, to the 2023 hybrid Annual General Meeting of Shareholders.

As you know this is my first AGM as Chair and it is a great honour to lead such a wonderful company as Credit Corporation. This year celebrates its 45th year anniversary.

Welcome and thank you for attending.

It is now 10am, the appointed time for the start of the Annual General Meeting for Credit Corporation PNG Limited.

Acting Company Secretary, please confirm if we have a Quorum.

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

Before we begin the formalities, I would like to introduce my fellow Directors present today including:

- Richard Sinamoi
- Abigail Chang
- Clare Mazzetti
- Faye-Zina Lalo
- Sir Melchior Togolo
- Daryl Johnson; and
- Lady Winifred Kamit

Director Stephen Humphries is dialing in from Sydney, Australia.

I would also like to take this opportunity to thank and acknowledge the immediate past Chair, Mr Richard Sinamoi for his outstanding contribution to the Board.

Under his leadership, the Group has navigated some of the most significant challenges in its history.

He has led the Board as it set a new strategic direction as we transition to becoming a bank, worked closely with management through the impacts of the COVID-19 pandemic and has been focused on delivering the outcomes promised to our shareholders.

I would also like to acknowledge our Group CEO, Danny Robinson, and key staff including:

- Rei Vagi, our Group Chief Financial Officer;
- Taumaia Hellesoe, our Group Chief Operating Officer;
- Loka Niumatairua, our Head of People and Culture;
- Amanda Libitino, our Acting Company Secretary;
- Lynda Kahari, our Head of Group Strategy;
- Brent St Hill, our General Manager Properties.
- Mohammed Nawaz, Country Manager for Credit Corporation Fiji

- Ronald Prasad, Country Manager for Credit Corporation Solomon Islands

Also in attendance are Lauren Osbich from Company Matters and Jane Sali and Terence Mangwiro from KPMG.

KPMG will be available to answer any questions you may have about the conduct of the audit and the auditor's report.

Shareholders will be given an opportunity to ask questions or make comments about the management of the company when considering the 2023 Annual Report.

Where we have received questions in writing from shareholders before this meeting, we have also attempted to address as many as we can in our addresses and presentations.

Before our Group CEO provides an update on the Company's activities, I'd like to make a few comments.

While the Group continues to improve across many metrics as a Board, we understand improvement is an ongoing process.

Your Board is acutely aware of the important role the Group has to play in the lives of its customers, their businesses and the wider communities we serve.

As your new Chair, I am committed to ensuring the Group continues to support the economic growth of nations throughout the Pacific where we operate, and to help those communities become more economically sustainable.

Banking on a brighter future

The past 12 months have not been without their challenges as we emerged from the COVID-19 pandemic.

The South Pacific region continued to show its susceptibility to natural disasters in the 2022 financial year.

Meanwhile, many people and businesses are experiencing a rise in the cost of living due to inflationary pressures.

The current environment is also placing increasing pressure on those who are more vulnerable in our communities and through our community partnerships we are seeking to support those communities we serve.

During financial year under review, we were pleased to have supported the communities we serve through a contribution to many worthwhile organisations, initiatives and events throughout the South Pacific.

Strategic priorities

Despite the challenging external environment, the Credit Corporation has a clear business strategy and has achieved strong progress during the past year.

Following the close of books for FY22, the Bank of PNG granted Credit Corporation an 'Approval in Principle' for a banking licence.

We are working with the Bank of PNG on the necessary steps we will be taking in preparation for our launch as a new PNG bank next year.

Becoming a commercial bank is a key component of our Strategic Intent. Other elements include divesting of our non-core assets and ultimately listing on the ASX.

We are well positioned to become a new bank for PNG given we have been lending for more than 44 years in PNG, and we have a Board and senior executive team built on strong financial services and banking experience.

We have a strong understanding of the local market and are proud of our heritage, which will enable us to become a truly home-grown PNG bank.

Business performance

Turning now to our financial results.

Our profitability was notably higher, with a Core Operating Profit increase of 25% to K98.8m and a 12% increase in Net Profit After Tax to K86.0m, compared to FY21.

Accordingly, the Board was able to declare a total dividend of 22.5 toea per share, up from 18.0 toea in the previous corresponding period.

The Group is proud of its record of paying shareholders a dividend each and every year since the incorporation of the company in 1978.

Board movements

Turning now to internal matters, I would like to take the opportunity to give the Board's perspective on some of the resolutions being put to today's meeting.

As explained in the notice of meeting, the Board proposes that the Company adopt the Credit Corporation (PNG) Limited Equity Incentive Plan (EIP).

The Executive Incentive Plan is intended as both a long-term and short-term incentive for senior executives and certain senior management. Participants are encouraged to improve the Company's performance and return to shareholders as they will share in the Company's growth and be rewarded for the achievement of pre-determined performance hurdles.

The Board also proposes a tidy up of the Constitution to reflect changes to corporate governance practices, and also update certain legacy provisions and out-dated terminology. The refresh also updates the provisions for Director rotation and retirement. The changes also seek to achieve efficient and flexible administration of the Company and relations with Shareholders.

The Board welcomed two new Directors during the year before the sign-off of the FY22 financial results. Daryl Johnson and Lady Winifred Kamit have become active contributors to the Board and its committees.

Mr Johnson and Lady Kamit are standing for election today.

Also standing for re-election today is Mr Richard Sinamoi.

The Board is extremely keen to retain the experience and expertise of these highly credentialed Directors as we continue along our business transformation path towards becoming a commercial bank.

Closing remarks

Shareholders, in summary, it has been good year for the Group particularly with the substantial progress made in preparing to be a bank in the future.

The Board, with the support of CEO Danny Robinson and the leadership team, is committed to continuing the strong momentum achieved over the past financial year and delivering positive outcomes for all our stakeholders.

I believe the Group is well placed to deliver on its mission of providing friendly, easy-to-understand, convenient, value-for-money financial services and products for people, families and businesses throughout the Pacific.

This year, Credit Corporation celebrates an amazing milestone of 45 years in business. The Group has come a long way over those years and has become a true customer-focused business with a wide range of products and services, and supported by a highly professional management team.

The Group has grown and developed along with the PNG economy and other economies where we operate.

I am confident what we have achieved so far is only the beginning of a long and exciting road ahead as we transition to becoming a niche commercial bank.

I would like to thank everyone who has contributed to the Group's success, including:

- Our customers, for their trust in us to meet their financial needs.
- Our people, who work so hard each and every day.
- My fellow Directors, for their commitment to ensuring we are well positioned to meet the future challenges and opportunities.
- And finally, to you, our shareholders, for your ongoing support and confidence.

I will now ask our CEO, Danny Robinson, to address the meeting.