



CREDIT CORPORATION (PNG) LIMITED – 2025 AGM

CEO'S SPEECH – MR DANNY ROBINSON

Friday 20 June 2025

Thank you, Lady Kamit, and good morning everyone.

I welcome the opportunity to meet with our shareholders in person today.

As the Chair mentioned, the 2024 financial year has been a landmark period for Credit Corporation (PNG) Limited.

We reported a strong financial performance which reflects our prudent investment approach and disciplined credit risk management. Combined, this ensures we maintain a strong foundation for future growth. Our Finance, Property and Investment divisions all made solid contributions to the Group performance.

Our transformation into a home-grown commercial bank in PNG is the strategic highlight of the year. We are delighted with the early response from customers, which reinforces our track record of offering innovative, customer-centric services.

Transitioning to a commercial bank

The launch of CreditBank PNG marks a historic milestone in our 46-year history. The initial response from customers to our expanded range of financial solutions has been outstanding. Over 8,000 accounts were opened between the launch in August and December 2024.

New customers from every one of PNG's 22 provinces joined Credit Corporation in the short time since the banking license was granted.

Customers have embraced our digital banking services – accessing them online and via our mobile app. For every new customer who opened an account in one of our branches, seven to eight new customers opened accounts online.

Customers in the small to medium enterprise, commercial and emerging middle market segments want to partner with providers like us.

I know that more than four decades of customer relationships and market knowledge have positioned us well to grow our banking services.

Becoming a commercial bank has created new relationships and strengthened existing ones, which has transformed the Group and broadened our customer base not only through expanded financial services but also by making our underlying operations stronger and more competitive.

Delivering Strong Financial Performance

Through our continued customer focus and strategic vision, we have delivered a strong financial performance.

Year-on-year, we have seen a 20.6% increase in net loans.

The growth was driven by an increase in sales volumes as well as an improvement in overall asset quality.

An increase in deposits by 24.7% to K637.3 million also allowed the Group to fund loan growth at reduced rates.

The Group's expense to income ratio increased to 60.7%, up from 48.1% in 2023. The increase reflects our investments in infrastructure and capabilities to establish CreditBank PNG.

The Group delivered compelling shareholder returns for 2024. Return on Equity increased to 24.4% from 14.1% in 2023. Total Shareholder Return for the period was 47.6%, as a result of strong investor support for the Group.

Talented People

Our people are the basis of our success and I'm proud to work alongside such talent.

The way our people work together and prioritise our customers distinguishes us from others in the financial services sector.

We attract some of the best people from a diverse range of backgrounds and cultures. We retain the most talented people by making sure we provide training and career development opportunities.

Leadership development is always a key focus, and our 2024 Accelerate Performance Program continued to nurture high potential leaders and equip them with the skills for the changing business landscape.

Thirty-seven people have successfully completed the program since it was established in 2021, and I am pleased that we have offered this opportunity to our people in Fiji for the first time in 2024.

We celebrate a work environment that values all of our people for their unique contributions. We are dedicated to promoting equal employment and opportunities across all levels of the organisation.

I am pleased that we maintain a balanced gender representation with 56% of executive positions and 58% of all senior manager and manager positions held by women.

Enhancing Risk Management

A strong risk management framework is essential for our day-to-day operations and particularly for our successful transition into a fully regulated bank. During 2024, we made several improvements to our processes around risk and governance, including implementing a credit scoring tool.

This strong framework will ensure that we are well-prepared for the complexities and regulations of banking.

Looking Ahead

The Group's strong 2024 financial performance underpins our ability to generate growth, remain resilient, and deliver value to you, our shareholders.

Our five-year strategic path will continue to guide our business. We are focused on streamlining our operations, broadening our core financial services, and ensuring we have strong risk management.

These initiatives will ensure we are agile and resilient, which will position us to make the most of new opportunities as they arise.

Economic conditions in the region are expected to remain positive with GDP growth projected in Papua New Guinea, Fiji, the Solomon Islands and Vanuatu.

While the South Pacific faces external challenges, the region's economic expansion is expected to continue, which supports a positive outlook for our operations.

Conclusion

As we look forward, we are committed to prudent financial management, strategic investment, and disciplined risk oversight.

This strong foundation will position us well for the future and we look forward to capitalising on emerging opportunities in 2025 and beyond.

I am especially grateful to everyone who has been involved in the work that has underpinned our new services - the new core banking system, a new digital banking application, enhancement of our internal processes and the upskilling of our people.

Thank you to all of our employees, customers, shareholders, and the Board for their continued trust and support.

ENDS