



2025 Annual Report



Creating.  
Building.  
Transforming.

**Together with our customers, our people and our communities, we are creating opportunities, building lasting foundations, and transforming banking in the South Pacific.**

## Contents

<b>Our business</b>	<b>2</b>	2025 highlights	21	<b>Governance</b>	<b>50</b>
Our proud history	4	Five-year performance snapshot	22	Corporate governance statement	51
Our core business areas	5	<b>Our people</b>	<b>23</b>	Directors' report	58
Our investment proposition	6	<b>Our communities</b>	<b>29</b>	Independent auditor's report	60
<b>Our performance</b>	<b>7</b>	<b>Risk management</b>	<b>37</b>	<b>Financial report</b>	<b>66</b>
Chair's address	8	<b>Our leadership</b>	<b>41</b>	Top 20 shareholders	155
CEO's message	10	Board of Directors	42	Corporate directory	156
Our business performance	14	Senior Executive Team	46		
Operating context	18	Country Heads	49		
Our strategy	20				







# Our business

Credit Corporation PNG Limited (the Group) continues to make strong progress on its strategic pathway which aligns with our reset vision, mission and values.

## Our vision

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

## Our mission

Building on our heritage of more than 47 years, we break down barriers to provide friendly, easy-to-understand, convenient, value-for-money financial services and products for people, families and businesses throughout the South Pacific.

## Our values



### Integrity

I unfailingly act with integrity.



### Fellowship

I am genuine, inclusive and collegiate.



### 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.

# Our proud history

Since its incorporation in 1978, Credit Corporation has maintained a steady and strategic growth trajectory from providing financial services across the South Pacific and becoming a commercial bank in PNG offering a wide range of banking services.

## Papua New Guinea

**1978**

Company officially incorporated

**1979**

Rabaul branch established

**1980s**

First ventures into property development

**1990**

Flagship office 'Credit House' is opened

**1993**

Equity acquired in Bank of South Pacific as long-term investment

**1999**

CCP listed on the Port Moresby Stock Exchange<sup>1</sup>

**2004**

Lae branch established

**2010**

PNG LNG project begins

**2013**

Era Dorina development completed

## Solomon Islands

**2005**

CCP expands into Solomon Islands

**2014**

Mt Hagen branch opened

**2016**

Era Matana Estate real estate development completed

**2016**

Insurance Premium Funding product launched

**2022**

Executive Car Loan product launched

**2022**

Lae and Rabaul branches relocated

**2024**

CCF granted banking licence

**2025**

CreditBank PNG established

## Vanuatu

**2007**

Port Vila office established

**2015**

Santo office opened

## Fiji

**1992**

CCP expands into Fiji

**1994**

CCP Fiji issued a Credit Institution License

**1997**

Nadi office established

**2007**

Lautoka office established

**2011**

Nakasi branch opened

**2013**

Nadi office building completed

**2024**

Labasa office opened

<sup>1</sup> Now PNGX.

# Our core business areas

The Group is one of the South Pacific's most progressive and trusted financial institutions. We offer our customers a diverse range of banking and lending products, own and manage prime real estate assets and an investment portfolio of listed and unlisted equities.

## Our offering



### Finance

We are a licensed commercial bank in Papua New Guinea and a regulated non-bank financial institution in Fiji, the Solomon Islands and Vanuatu, offering:

- Banking and lending products, Visa credit and debit cards
- Equipment finance for motor vehicles, heavy machinery, plant and equipment for commercial and business use
- Insurance premium financing solutions.



### Property

The Group owns and manages a portfolio of prime real estate assets:

- Era Matana — an executive residential development in Port Moresby
- Era Dorina — one of the largest residential estates in Port Moresby
- Credit House — a premier commercial address in Port Moresby
- Commercial buildings in Suva and Nadi, Fiji.



### Investment

The Group's equity investments include:

- BSP Financial Group Limited
- TISA Insurance Group (formerly Capital Insurance Group)
- Credit & Data Bureau
- Kina Asset Management
- PNG Air Limited.

# Our investment proposition

Positioned for sustainable growth and greater impact in the communities we serve.



Reputation as one of the most progressive and trusted financial institutions in the South Pacific



Customer first focus for more than 47 years, delivering exceptional service and innovative products



Diversified and resilient business model, spanning Finance, Property and Investment segments across the region



Strategic focus on streamlining operations and expanding our core financial business



Compelling growth opportunity through CreditBank PNG, a digital-first commercial bank driving expansion in lending, payments and foreign exchange



Continued investment in people, technology, and infrastructure, enabling scalable growth and enhanced customer experience



Strong balance sheet and disciplined risk management, supporting sustainable earnings and long-term value creation

Ongoing commitment to delivering strong shareholder value



# Our performance

Credit Corporation PNG turned bold strategic decisions into results in 2025, delivering outstanding performance across the Group.

# Chair's address

It is my privilege to present the Annual Report for Credit Corporation (PNG) Limited for the financial year ended 31 December 2025. As we reflect on another year of progress, I am proud that the bold strategic decisions made in 2024 delivered tangible results for our shareholders, customers and the communities we serve across the South Pacific in 2025.

The Group continues to aim for recognition as a top financial services provider in the South Pacific. Where 2024 was about laying foundations with the launch of CreditBank PNG and investment in our people and technology, 2025 was about realising the benefits of those efforts. I am pleased to report that the Bank is growing strongly, with customer numbers, deposits and digital transactions all increasing substantially during the year.

We value the trust that customers, shareholders, and communities across the South Pacific have placed in Credit Corporation over more than four decades. It has been earned through consistent delivery, sound financial management and a genuine commitment to the people and places we serve. As our business evolves and grows, that trust remains our most valuable asset and our greatest responsibility.

## FY2025 summary

### Group financial performance

The Group delivered a solid financial performance in FY2025, and demonstrated progress in executing our strategic priorities, strengthening core operations, embedding digital transformation and delivering shareholder value.

Our results were underpinned by exceptional growth in finance income, expanding customer numbers, and disciplined credit risk management. This was achieved while continuing to invest in infrastructure, technology and capability to support the Group's growth and long-term success.

### CreditBank PNG

What began as an ambitious transformation in 2024 has, in our first full year of banking operations exceeded expectations. CreditBank PNG's performance indicates strong customer acceptance of the digital-first banking model, evidenced by substantial growth in customer numbers, deposits and digital engagement throughout the year. With increasing customer trust and ongoing investments in technology and innovation, CreditBank PNG is well-positioned as a leading and forward-thinking financial institution in Papua New Guinea.



CreditBank PNG's first full year of operations has validated our strategy and demonstrated the strength of our customer proposition in the Papua New Guinean market.



Our vision of becoming a leading digital bank in PNG is increasingly reflected in the progress achieved to date. We will continue investing in the people, technology, and branch network that make it possible. The progress made in FY2025 gives us great confidence in CreditBank PNG's trajectory, and we look forward to reporting strong growth in the years ahead.

## Dividend

Reflecting the strong returns our shareholders have come to expect from Credit Corporation, the Board declared a final ordinary dividend of 8.1 toea per share and a special dividend of 4.9 toea per share. Together with the interim ordinary dividend of 12.0 toea per share, total dividends for 2025 reached 25.0 toea per share, a 3.7% increase on the prior year. Total shareholder return for FY2025 was 80.4%, supported by strong share price appreciation to K4.63 — an outcome we are proud to have delivered and one that reflects the market's growing confidence in our strategy and execution.

## Board changes

I would like to take this opportunity to farewell two long-serving and valued Board members, Abigail Chang and Faye-Zina Lalo. Both were appointed to the Board in December 2016 and made invaluable contributions to the Group throughout their nearly ten-year tenure. On behalf of the Board, I thank both Abigail and Faye-Zina for their service and dedication to Credit Corporation.

We also note the recent resignation of Susil Nelson-Kongoi, who joined the Board in March 2025, and thank her for her contributions during the year.

We were delighted to welcome a new Board Director, John Velegrinis, in 2025. John joined the Board in August 2025, bringing more than 30 years of banking and financial services leadership experience across the Asia-Pacific region. Most recently, John served as the Chief Executive Officer of State Trustees Ltd, where he managed over A\$2.9 billion in funds and led major transformation programs. Recognised for his

community-centred and values-based approach, John is a proven leader in sustainable growth, governance excellence, and stakeholder value. We are confident his appointment further strengthens a Board that is well equipped to guide Credit Corporation through the next phase of its development.

As I reflect on 2025, I want to express my deep gratitude to Credit Corporation's shareholders for their continued trust, and our customers for their confidence in our services. Behind every result we achieved this year is a dedicated team, and their unwavering commitment to serving our customers and communities and bringing our vision of being recognised as one of the leading financial services groups in the South Pacific, to life.

I want to acknowledge the exceptional leadership of our Group CEO, Danny Robinson, and the executive team. Danny's ability to drive transformation at pace, grow our CreditBank offering, and deliver strong shareholder outcomes — while maintaining the cohesion and culture of the broader Group, is a genuine achievement. The FY2025 results are a testament to his leadership and that of the team around him.

We move into 2026 with momentum, clarity of purpose, and a growing platform for long-term value creation. The opportunity before us across the South Pacific is significant and by investing in our people and our proven digital offering, we are strategically placed for continued growth delivering progressive financial products and services for our customers and the communities we serve.

Together, we will build on what has been an outstanding year and continue to create a future in which Credit Corporation (PNG) Limited leads the way in financial services across the South Pacific.



**Lady Winifred Kamit**  
**BOARD CHAIR**

# CEO's message

The 2025 financial year marked a new chapter in Credit Corporation (PNG) Limited's evolution as we completed the first full year of operations of CreditBank PNG, our licensed commercial bank in Papua New Guinea. The year was characterised by strong underlying performance, continued investment in our people and systems, and focused execution of our strategy as we transitioned from a period of transformation to a period of delivery.

Throughout the year, we focused on building a resilient, digital-first banking platform, strengthening our core financial services and delivering value for our customers and shareholders. The results achieved reflect the strong progress we have made against these strategic priorities, and importantly, highlight the scale of opportunity ahead for our Group.

## Strong Group performance

The Group delivered strong financial performance in 2025, with overall revenue excluding fair value movement growing 21.7% year on year, demonstrating the breadth and resilience of our business model and momentum across all three of our core business segments. While Group Net Profit After Tax was lower than the prior year at K190.8 million, which reflected investments in personnel and lower fair value gains realised in 2025, the underlying performance of the Group's core businesses remained strong.

The Finance segment was the standout performer, with Net Profit After Tax (NPAT) increasing to K39.1 million, a 46.7% improvement on the prior year. This performance was driven by strong portfolio expansion and operating income, as demand for lending products remained strong across CreditBank PNG and our established finance businesses. Net loan receivables grew by 45.9% to K866.7 million, supported by disciplined credit assessment and improving asset quality.



Net interest income increased by 35.3% to K95.9 million, representing the largest contribution to growth in Group income during the year. Non-interest income increased by 7.4% to K128.6 million, reflecting the introduction of new revenue streams following the launch of CreditBank PNG and the expansion of banking products and services.

CreditBank PNG made a growing contribution in its first full year of operations. Net loans increased to K441.3 million, up 39.0%, driven by strong growth in business lending and the introduction of new products including housing loans, overdrafts and term loans. Customer deposits grew to K452.1 million, an increase of 30.3%, underpinned by strong growth in the number of banking customers and increasing adoption of online and mobile banking services.

The Property segment delivered stable performance, with rental income across the Group's prime commercial and residential assets in Papua New Guinea and Fiji remaining resilient and portfolio occupancy steady at 83%. Normalised core operating profit moderated to K15.7 million, reflecting increased costs from asset improvement works enhancing the long-term quality and value of the portfolio, and vacant units.

Our Investment portfolio performed well during the year, anchored by our significant holding in BSP Financial Group Limited. The fair value of the investment portfolio increased to K659.0 million, up from K630.9 million in FY24. Dividend income declined modestly from K53.3 million to K52.1 million, in line with our portfolio repositioning and capital allocation strategy, while impairment movements across the Group remained minimal, demonstrating solid credit quality and disciplined risk management.

The Group delivered strong shareholder outcomes during the year, with Total Shareholder Return increasing to 80.4%, reflecting sustained earnings performance and growing investor confidence in the Group's strategy and execution.

## CreditBank PNG driving momentum

In 2024, we asked Papua New Guineans to trust us as we launched a first-of-its kind bank for PNG, and they have truly embraced CreditBank PNG. The pace of customer acquisition and digital adoption during the year exceeded our expectations and reinforced the strength of our value proposition as a home grown, digitally enabled bank.



The first full year of operations has validated our strategy of combining technology enabled banking with deep local market knowledge. We are building stronger connections with our customers and establishing Credit Bank as a credible and forward-looking option within Papua New Guinea's banking industry.

# CEO's message (cont.)

Customer acquisition was driven predominantly through digital channels. CreditBank PNG has grown to over 18,500 personal banking customers and importantly, 70% of those customers opened their accounts through our digital onboarding platform. Customer engagement has been equally impressive with over K28.1 million card transactions made in 2025, a 293% increase. These numbers give us great confidence in the growth trajectory of CreditBank PNG and speak to both the convenience and accessibility of our platform and the appetite and opportunity for modern banking services in the market.

With delivering value to our customers always front of mind, we continued to expand our product and service offering throughout the year including the launch of telegraphic transfers online, EasiPay, and PayID, alongside the opening of our Waigani branch.

The first full year of operations has validated our strategy of combining technology enabled banking with deep local market knowledge. We are building stronger connections with our customers and establishing CreditBank PNG as a credible and forward-looking option within Papua New Guinea's banking industry.



**Our five-year strategic pathway continues to guide our priorities, with an emphasis on operational excellence, digital capability, and strong governance.**

## Our committed people

Our success in 2025 would not have been possible without the commitment and capability of our 450 people. We ended the year with 139 employees in CreditBank PNG, and the broader Group continues to attract and retain talented people. Our diverse workforce across PNG, the Solomon Islands, Vanuatu and Fiji underpins our ability to execute our strategy, serve our customers and communities, and deliver strong growth.

Throughout 2025, we created career development opportunities for our people, strengthening our talent pipeline of future high-performing leaders. A highlight was the Leadership Summit in May which brought together senior leaders from across the business to align on the 2025–2028 strategy, reinforce our shared values and build capability to support our next phase of growth. Mandatory training programs supported more than 300 employees and our flagship Accelerate Performance Program continued to nurture developing leaders with 10 people graduating during the year.

We remain committed to fostering a diverse, inclusive and equal opportunity culture. As we work towards achieving our gender equality goals, it is a point of pride that women currently represent 44% of the Board, 55% of our executive team and 58% of management roles. Three of our female leaders participated in the Senior Women Empowered Program delivered in partnership with the PNG Business Coalition for Women, focused on strengthening essential skills that support women progress to senior leadership positions.

A strong and engaged workforce is central to delivering our strategy. Employee engagement is measured through an independent survey conducted every two years, and the 2025 results demonstrated performance well above both PNG and global benchmarks.

## Risk management

Sound risk management remains a cornerstone of how we run the Group. The Board retains ultimate responsibility for our risk management framework, setting the risk appetite and overseeing the management of material risks across our finance, property, and investment activities.

During 2025, we strengthened our Three Lines of Defence model with a focus on first-line accountability and independent assurance. Information security was formally added to our list of material risks, reflecting the growing importance of cyber resilience as we expand our digital banking operations.

## Looking ahead

While economic growth in the Pacific region is expected to slow this year, with Asian Development Bank forecasts indicating a decrease from 4.1% in 2025 to 3.4% in 2026, our outlook is optimistic.

Economic conditions in Papua New Guinea are expected to remain resilient, supported by easing inflation, infrastructure investment and continued growth in the non-resource sector. Fiji's economic outlook remains broadly stable, supported by tourism activity, although growth is expected to moderate as global and domestic conditions evolve. The Solomon Islands economy is expected to experience growth, influenced by public sector investment, labour mobility programs and commodity related activity. Vanuatu's economic recovery is expected to be gradual following the impacts of the December 2024 earthquake, with reconstruction activity and tourism providing some support.

External headwinds including global trade uncertainty, elevated public debt across several markets, and intensifying climate-related risks which will require careful navigation. However, the region's non-resource economy continues to grow, household incomes are rising, and inflation is moderating — conditions that are broadly supportive of sustained demand for financial services and credit across our markets.

Our five-year strategic pathway continues to guide our priorities, with an emphasis on operational excellence, digital capability, and strong governance.

The progress achieved in FY2025 provides a strong foundation for the future. We have built a scalable banking platform, strengthened our balance sheet and demonstrated our ability to execute strategy effectively in a regulated banking environment. I am confident that we can leverage this strong foundation to capitalise on emerging opportunities.

I would like to thank our employees for their dedication and hard work throughout 2025, particularly those who supported the establishment and growth of CreditBank PNG. I also extend my appreciation to our customers, shareholders and Board for their trust, support and confidence as we build Credit Corporation's future.



**Danny Robinson**  
GROUP CHIEF EXECUTIVE OFFICER

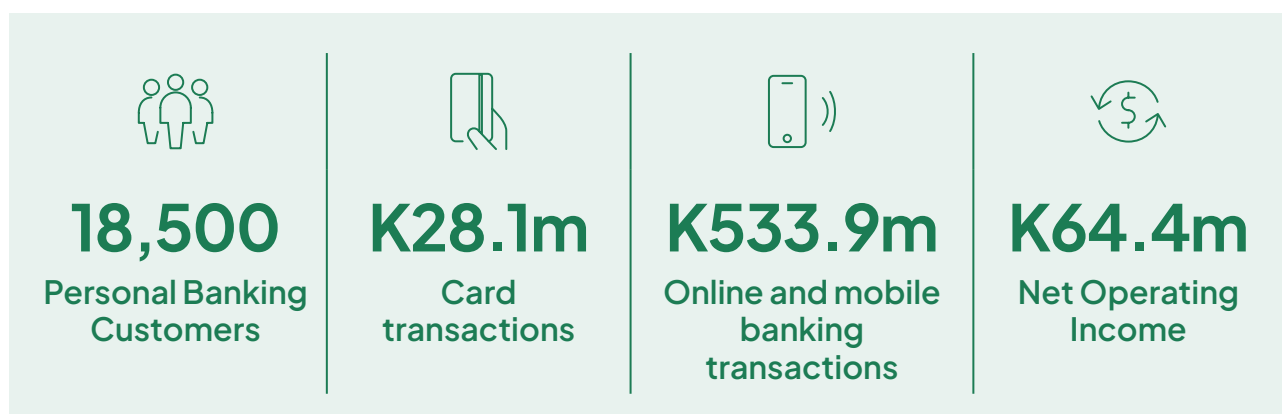
# Our business performance

## Finance Segment

The finance segment delivered strong growth in 2025 to become the largest single contributor to Group income growth. Growth was driven by portfolio expansion, improved operating income and the growing contribution of CreditBank PNG.

Net Profit After Tax for the segment increased 46.7% to K39.1 million (FY2024: K26.7 million), supported by sustained demand across retail, commercial and equipment finance products.

### Credit Corporation Finance Ltd (CCFL) trading as CreditBank PNG



PNG's economy continued to be driven by both the mineral resources and non-mineral sectors, including agriculture, manufacturing, and retail and wholesale distribution. 2025 marked the first full financial year since CreditBank PNG's successful launch as a fully licensed commercial bank in August 2024, and the business benefited from favourable market conditions throughout the year.

CreditBank PNG reported strong growth in personal banking customer numbers, net operating income and total assets in its first full year of operations. Online and mobile transactions grew rapidly, up by more than 2,727% to K533.9 million, demonstrating increasing customer adoption of digital banking services.

The number of personal banking customers increased by 185% to more than 18,500. Together with an expanded product suite, this underpinned a significant increase in Net Operating Income, up 82.4% to K64.4 million.

Total assets grew by 46% to K787 million compared to 2024 (K539 million), driven by a 39% increase in Finance Receivables to K441 million and 94.4% growth in Investments to K118 million.

The result reflected a significant turnaround from the prior year, with strong loan sales and fee income generated from new customer onboarding across both the Personal and Business segments driving the improvement. The net loan book grew strongly, supported by new business volumes and a reduction in provisions reflecting improvement in non-performing loans.

The PNG business remains well capitalised and maintains a sound liquidity position.

### **Credit Corporation (Fiji) Pte Ltd (CCFJ)**

The Fijian economy maintained steady growth momentum in 2025, supported by strength in tourism, stable domestic demand, and improving business confidence. While global uncertainties persisted, overall economic conditions remained supportive of private sector expansion. Against this backdrop, CCFJ delivered a strong financial performance, underpinned by continued growth in its lending portfolio and disciplined execution of its strategy.

The Labasa branch, which opened in June 2024, played a key role in expanding CCFJ's footprint in the Northern Division, contributing meaningfully in its first full year of operations and driving new lending activity across the region.

The company recorded a Net Profit After Tax of K20.2 million for 2025, a significant improvement over the prior year, supported by strong customer demand, prudent credit management, stable asset quality, and disciplined cost control.

CCFJ remains well capitalised and resilient, with a clear focus on sustainable growth, and continues to enhance its customer service capabilities and operational efficiency to deliver long-term value to stakeholders.

### **Credit Corporation Solomon Islands Ltd (CCSI)**

The Solomon Islands economy continued its steady growth trajectory in 2025, supported by public infrastructure investment and activity across the commodities sector.

2025 marked a major milestone for CCSI as the business celebrated two decades of operations in country.

CCSI recorded a Net Profit After Tax of K1.7 million, a 54% increase compared to K1.0 million in 2024. Net loan book grew by 26% driven by new business.

CCSI remains well capitalised and is focused on building its market presence and delivering sustainable growth in the year ahead.

CCSI remains well positioned to continue growing in 2026.

### **Credit Corporation Vanuatu Ltd (CCVL)**

2025 was the most challenging year in CCVL's history, as the business navigated the aftermath of the earthquake that struck Vanuatu in December 2024. In response, CCVL relocated operations to its business continuity site for seven months, ensuring uninterrupted service and support for customers despite significant disruption to the broader economy.

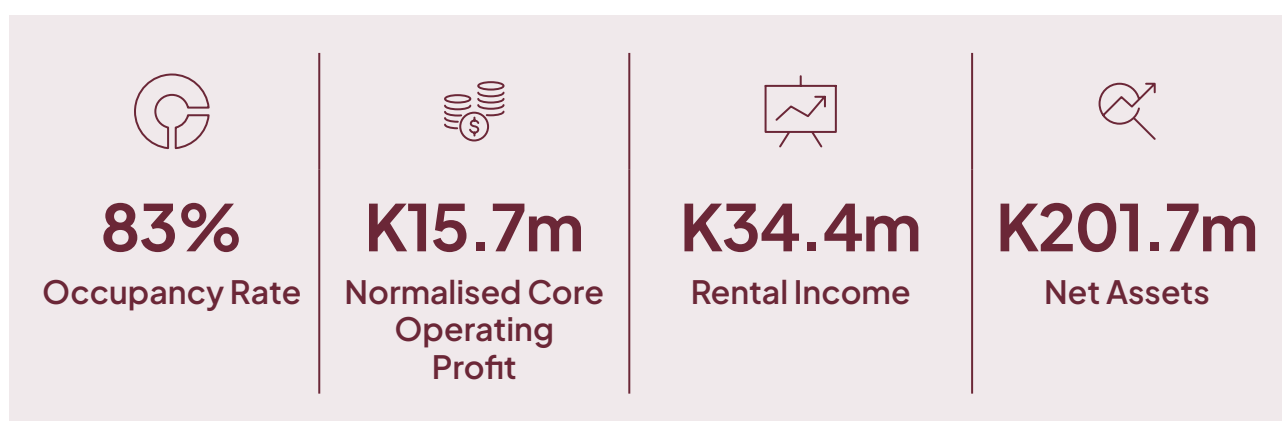
Normal operations resumed in August 2025, and the business delivered a strong recovery in both lending and financial performance across the second half of the year.

CCVL achieved a Net Profit After Tax of K8.4 million, a 8% increase from FY2024, driven by growth in the commercial customer portfolio, expansion in the Santo market, and improvement in the credit quality of the loan book. Total assets rose 29% to K64.2 million, supported by 26% growth in lending and a 50% increase in deposits — a reflection of strong liquidity and customer confidence in CCVL despite the challenging operating environment.

Entering 2026, the business is well-positioned with a strengthened balance sheet and a clear focus on supporting Vanuatu's post-earthquake economic recovery.

# Our business performance (cont.)

## Property Segment



During 2025, the Credit Corporation Properties strategy of accommodation unit refurbishment continued from 2024 with an additional twenty-four units of Era Dorina Estate, Stages 1 and 2 being refurbished and brought back online as leasable units.

The remaining twenty-four units are due for refurbishment completion by Q2 2026.

This impacted on occupancy levels for Era Dorina Estate which had thirty-six units offline under full and part refurbishment for the majority of 2025.

Upon completion of these refurbished units in Q3 and Q4 2025, Credit Corporation Properties has seen an increase in new tenant enquiries with increased conversions compared to the prior year, maintaining occupancy levels whilst increasing rental yields.

Overall occupancy has been consistent with 2024 whilst maintaining rental yields at the residential properties has been a challenge given the oversupply of unit accommodation currently experienced in Port Moresby.

Occupancy by property during FY2025 was as follows.

- Era Dorina Estate — occupancy decreased to 65% (66% as at December 2024) driven by reduced available inventory with thirty-six units offline for the majority of 2025 as part of a two-year refurbishment and upgrade strategy.
- Era Matana Estate — occupancy increased to 94% for FY2025 from 90% in 2024 driven by a demand for Executive style accommodation from Aid Funded Deployees.
- Credit House — occupancy maintained at 100% since June 2023, driven by lease renewals and extensions from existing commercial tenants plus additional space requirements from a current long-term tenant.

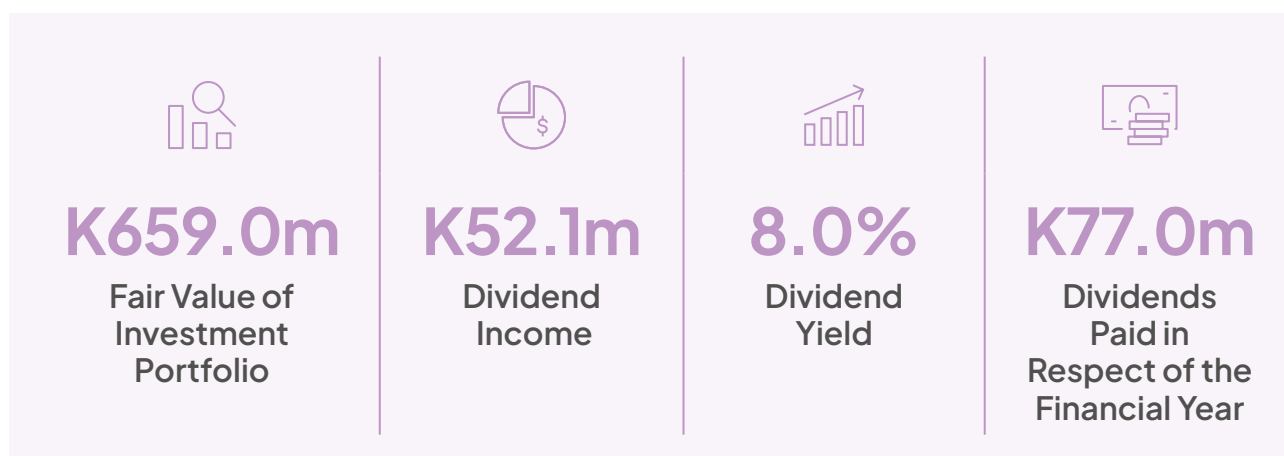
Normalised Core Operating Profit reduced from K18.1m in 2024 to K15.7m in 2025 driven by reduced revenue as mentioned above and rate shredding to stay competitive in the market to maintain occupancy.

Utilities costs also increased in 2025 driven by unstable and expensive power and water supplies from government owned entities. Fuel costs increased accordingly as alternative electricity methods were required as did water supply from alternative contractors.

With a full inventory of available leasable units from Q2 2026 post refurbishment at Era Dorina Estate the division forecasts an increase in occupancy in 2026 driven by ongoing demand from blue ribbon Tenants fuelled by an influx of aid agencies and preparations for mineral and gas expansion in PNG continues.

The demand for high end quality accommodation with premium tenant facilities and value-added offerings whilst maintaining exacting standards in security safety and protocols is still very prevalent in Port Moresby / PNG.

## Investment Segment



The investment segment continued to perform steadily in FY2025, with the fair value of listed investments growing 3.7% to K654.0 million, and total investment portfolio valuation reaching K659.0 million.

The segment's performance was underpinned by the strength of our primary holding in BSP Financial Group Limited, which continues to represent the majority of the Group's investment portfolio.

Dividend income moderated to K52.1 million, a 2.2% decline on the prior year, in line with our portfolio repositioning and capital allocation strategy. Dividend yield was 8.0%, reflecting the high-quality and income-generating nature of our investment holdings.

# Operating context

South Pacific economies demonstrated stable growth in 2025, despite worsening climate events and increasing global trade tensions and political uncertainty. Growth was primarily driven by strong resource sector activity in Papua New Guinea, tourism across key markets, particularly Fiji, and public investment. As external pressures such as US tariffs, China's slowdown, and climate impacts intensify, regional growth is expected to moderate.<sup>1,2</sup>

The Asian Development Bank (ADB) projects Pacific economic growth will decline from 4.1% in 2025, to 3.4% in 2026 and 3.0% in 2027.<sup>1</sup>

PNG's economy grew 4.7% in 2025, driven by resource output, higher commodity prices and improved foreign exchange availability. Growth is expected to moderate to 3.5% in 2026 as mining production normalises and global trade uncertainty impacts exports.<sup>3</sup> PNG's non-resource sector spanning agriculture, retail, and transport is experiencing sustained growth and continues to provide a broad base for employment, household incomes and domestic demand.<sup>3</sup> Investment decisions on major resource projects have the potential to materially influence the medium-term outlook, while commodity price volatility and a US\$500 million sovereign bond repayment due in 2028 remain key risks to the economic outlook.<sup>3</sup>

Fiji's economy grew 2.8% in 2025 supported by steady tourism and domestic consumption, though investment activity remained constrained by labour shortages and a high-cost operating environment.<sup>3</sup> Inflation has eased significantly, with fiscal measures reducing the cost of essential goods and services and providing relief to households.

Growth is forecast to reach 3.0% in 2026. Tourism is expected to return to pre-pandemic levels as household spending in key markets like Australia softens.<sup>3</sup> The economy remains vulnerable to external shocks due to high government debt at nearly 80% of GDP, global trade developments and climate-related risks.<sup>1,3</sup> This is partially offset by ongoing structural reforms and investment in infrastructure, water security and coastal protection.<sup>3</sup>

The Solomon Islands economy grew 2.5% in 2025, driven by the commodities sector, particularly forestry, agriculture, fishing and mining. Growth is expected to strengthen slightly to 2.6% in 2026, supported by an expansionary monetary policy shift announced by the government.<sup>3</sup> Risks to the economic outlook remain, including budget underperformance, extreme climate events, political instability, and commodity price volatility.<sup>1,3</sup>

Vanuatu's economy grew 1.7% in 2025, reflecting ongoing delays in recovery and reconstruction following the December 2024 earthquake in Port Vila, two tropical cyclones, and the collapse of national carrier Air Vanuatu. Growth is expected to recover to 2.8% in 2026 as reconstruction activity progresses.<sup>3</sup>

1 Asian Development Bank, *Growth in the Pacific to Accelerate to 4.1% in 2025, Moderate to 3.4% in 2026*, Asian Development Outlook (July 2025 update).

2 World Bank, *Global Economic Prospects, January 2026*, East Asia and Pacific regional outlook.

3 Asian Development Bank, *Asian Development Outlook 2025–2026: Pacific Economies*, country and sub regional assessments.

4 International Monetary Fund, *World Economic Outlook Update: Global Economy — Steady amid Divergent Forces* (January 2026).

While the South Pacific faces heightened external challenges, the region remains on a broadly positive trajectory. Strategic investments in tourism, mining, renewable resources, and infrastructure continue to support resilience, helping economies adapt to global conditions and underpin sustainable long-term growth.<sup>1,2</sup>

For Credit Corp, the continued expansion of PNG's non-resource economy and broadly stable conditions across the South Pacific support a constructive operating environment. Sustained employment and income growth underpin demand for financial services and credit, while moderating inflation provides some relief to household balance sheets. Credit Corp remains focused on disciplined lending and proactive portfolio management to navigate these conditions while continuing to serve the financial needs of individuals and businesses across the region.

## Predicted economic growth in 2026

Papua New Guinea

**3.5%**

4.7% in 2025

Solomon Islands

**2.6%**

2.5% in 2025

Vanuatu

**2.8%**

1.7% in 2025

South Pacific

**3.4%**

4.1% in 2025

Fiji

**3.0%**

2.8% in 2025

Source: Asian Development Bank, *Growth in the Pacific to Accelerate to 4.1% in 2025, Moderate to 3.4% in 2026*.  
<https://www.adb.org/news/growth-pacific-accelerate-4-1-percent-2025-moderate-3-4-percent-2026-ADB>

# Our strategy

Being recognised as one of the leading financial services groups in the South Pacific continues to guide Credit Corporation’s strategy as we become stronger and more resilient.

Our strategy is underpinned by deep local market knowledge and long-standing relationships with the customers we serve. From middle market to high net worth, small to medium enterprise and commercial segments, these core strengths have defined our success and guided how we operate for more than 47 years. The strategic pathway builds on those strong foundations and is anchored in three key strategic planks:

## Enhancing our core business in key markets

## Becoming the leading digital bank in PNG

## Divesting non-core assets

These planks align with our Vision, Mission and Values and guide the initiatives and investments that will shape the Group’s future.

In its first full year of operations, CreditBank PNG delivered strong results. Personal banking customer numbers grew substantially, digital transaction volumes expanded rapidly, and net operating income rose 82.4% year on year.

The launch of new services including Telegraphic Transfers online, EasiPay and PayID, together with the opening of our Waigani branch, demonstrated our commitment to making banking more accessible and convenient for Papua New Guineans. Notably, 70% of customers opened accounts through digital onboarding, reflecting strong market appetite for our digital-first approach.

Across the broader Group, we continued to improve credit quality, strengthen risk management systems and build the people capabilities needed to support a growing bank. Recruiting new talent and investing in the professional development of our existing people has been essential to this work.

As we enter 2026, Credit Corporation PNG is focused on disciplined, risk-aware growth — positioned to serve our customers, deliver for our shareholders, and contribute to the long-term prosperity of the communities in which we operate.



The most significant strategic milestone of 2025 was the continued growth and maturation of CreditBank PNG.

# 2025 Highlights

## Financial highlights



Group Core  
Operating Profit

**K88.3m**

▲ up 3.4%



Net Profit  
After Tax (NPAT)

**K190.8m**

▼ down 27.7%



Expense to  
Income Ratio

**64.5%**

▲ up 6.3%



Earnings  
Per Share

**62.0 toea**

▼ down 27.7%



Deposits

**K865.8m**

▲ up 35.9%



Net Asset Backing  
Per Share

**K4.24**

▲ up 42 toea



Total Risk  
Weighted Capital

**40.4%**

▲ up 2.3%



Total Dividend  
Per Share

**25.0 toea**

▲ up 3.7%



Net Loan  
Receivables

**K866.7m**

▲ Up 45.9%

## Segment financial highlights



Finance: Net Profit  
After Tax

**K39.1m**

▲ up 46.7%



Property: Normalised<sup>5</sup>  
Core Operating Profit

**K15.7m**

▼ down 5.7%



Investment  
Income

**K52.1m**

▼ down 2.2%

5 Underlying performance or core operating profit has been calculated as profit before tax less any valuation gains and losses.

# Five-year performance snapshot

	2021	2022	2023	2024	2025
<b>Profit and Loss (K'000)</b>					
Core Operating Profit	79,088	98,846	105,885	85,445	88,338
Property Revaluations	(5,001)	(1,372)	-	(5,070)	-
Investment Revaluations	10,336	5,539	46,343	196,813	122,509
Operating Profit before Tax and after Revaluations	84,423	97,378	141,475	277,188	210,847
Income Tax Expense / (Benefit)	7,551	11,340	14,847	8,001	17,202
Operating Profit after Tax attributable to the Group	76,872	86,038	134,897	263,934	190,806
<b>Retained Earnings</b>	<b>446,922</b>	<b>455,710</b>	<b>472,516</b>	<b>465,484</b>	<b>458,628</b>
<b>Dividends paid in respect of the financial year</b>					
Dividends (K'000)	55,428	69,285	74,211	74,211	76,983
Dividend per share (toea)	0.18	0.23	0.24	0.24	0.25
<b>Balance Sheet (K'000)</b>					
Finance Receivables	409,544	413,618	492,674	594,126	866,735
Total Assets	1,416,246	1,457,007	1,578,467	1,883,001	2,259,652
Deposits	428,376	462,964	511,054	637,278	865,810
Shareholders' Funds	920,312	922,763	989,372	1,176,426	1,304,363
<b>Performance Ratios</b>					
Return on Assets*	5.4%	6.9%	7.0%	4.9%	4.3%
Return on Equity**	8.6%	10.7%	11.1%	7.9%	7.1%
Expense/Income***	51.3%	52.4%	52.8%	60.7%	64.5%
Net Asset Backing Per Share	2.99	3.00	3.21	3.82	4.24
EPS (Basic and Diluted)	24.9	27.9	43.8	85.7	62.0
No. of o/s ordinary shares	307,931,332	307,931,332	307,931,332	307,931,332	307,931,332
Weighted average no. of ordinary shares	307,931,332	307,931,332	307,931,332	307,931,332	307,931,332
<b>Exchange Rates (One (1) PNG Kina buys)</b>					
Fiji Dollar	0.6034	0.6294	0.5938	0.5868	0.5341
Solomon Islands Dollar	2.3177	2.3610	2.3373	2.1340	1.9206
Vanuatu Vatu	32.0200	33.3500	31.3000	30.9900	28.1200

\* Core Operating Profit/Average Total Asset.

\*\* Core Operating Profit/Total Equity.

\*\*\* Calculated before any fair value changes of investment and movement in bad debts provision.



# Our people

Continuing to invest in a collaborative and inclusive culture to attract, develop and retain talented individuals who deliver Credit Corporation's service excellence.

# Our people

Empowering our people to deliver excellence.



The success of Credit Corporation is driven by the dedication, capability, and diverse strengths of our 450 employees across Papua New Guinea, Fiji, the Solomon Islands and Vanuatu.

In 2025, we continued to build a collaborative and inclusive culture attracting, developing and retaining talented individuals who deliver service excellence.

Our people strategy focused on:

- Building the capability needed to support our evolution as a digital commercial bank
- Connecting our workforce to our purpose
- Equipping our people to deliver joyful customer experiences.



CreditBank PNG Launch

## Building capability and leadership

Developing leadership capability across the Group remained a priority throughout 2025. Strong leadership is critical to our success and a key enabler of employee engagement which is why we continue to invest in and ensure equitable access to leadership and professional development programs.

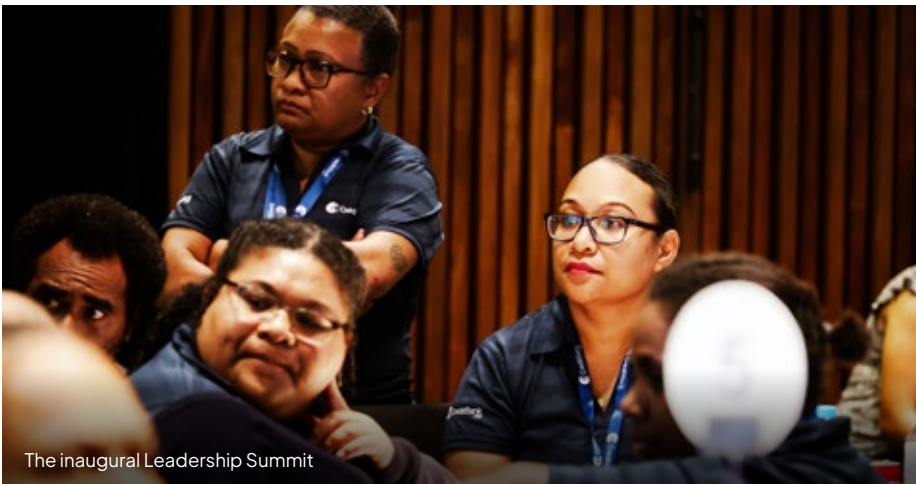
The inaugural Leadership Summit held in May brought together senior leaders from across the business to align on the 2025–2028 strategy, reinforce shared values and build capability to support CreditBank PNG's next phase of growth. Bringing our leaders together in this way reflects our belief that a unified, strategically aligned leadership team is foundational to delivering on our ambitions as an organisation.

Since 2021, the Accelerate Performance Program (APP) has been our flagship leadership development initiative, and in 2025 it continued to expand leadership depth across the Group. Ten employees graduated

from APP during the year, taking the total number of graduands to 47 since inception, building a pipeline of future leaders across the Group.

Our commitment to equitable development opportunities continued through the Senior Women Empowerment Program, with three female leaders participating in 2025. This three-month program is delivered in partnership with the PNG Business Coalition for Women and strengthens financial acumen, governance capability and strategic communication skills. We have had 12 Credit Corporation leaders participate since the program began, creating a cohort of empowered leaders across the Group.

Mandatory eLearning remained a foundation of capability development, with over 300 employees completing essential compliance and technical training during the year.



The inaugural Leadership Summit



When our people feel supported and valued, that energy flows directly through to the joyful service experience we create for our customers and communities.

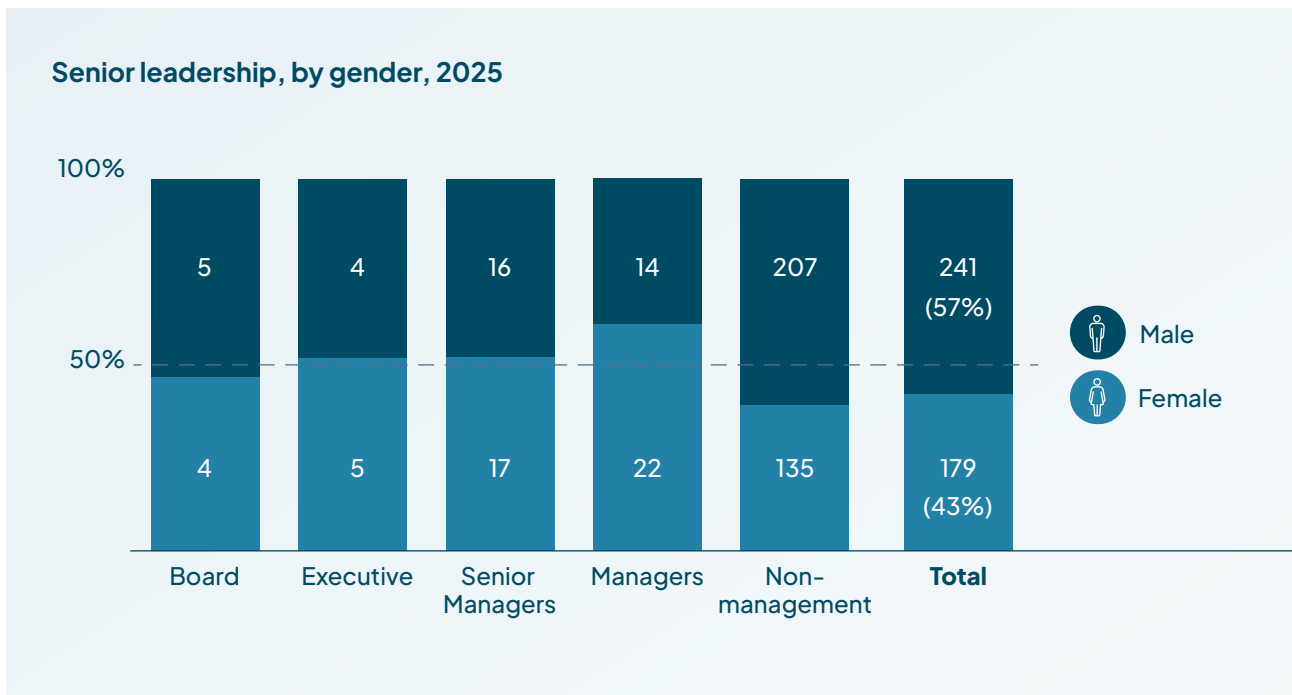


# Our people (cont.)

## A diverse and inclusive workplace

We value individuals for their unique perspectives and contributions, and we are dedicated to promoting equity, representation and opportunity across all levels of Credit Corporation.

We are proud of our strong gender representation across all leadership levels, as reflected in the chart below. Maintaining gender balance continues to be a priority for the Group.



# Our people (cont.)

## An engaged culture and positive employee experience

A strong, engaged and value-aligned workforce is central to delivering our strategy and serving our customers well.

We know that when our people feel connected to our purpose, supported in their roles and recognised for their contributions, they perform at their best, and that energy flows directly through to the experience we create for our customers.

We continue to measure engagement every two years through an independent survey, and our 2025 results were particularly encouraging showing performance well above both PNG and global benchmarks. Employees cited leadership, training and development, and customer service excellence as the

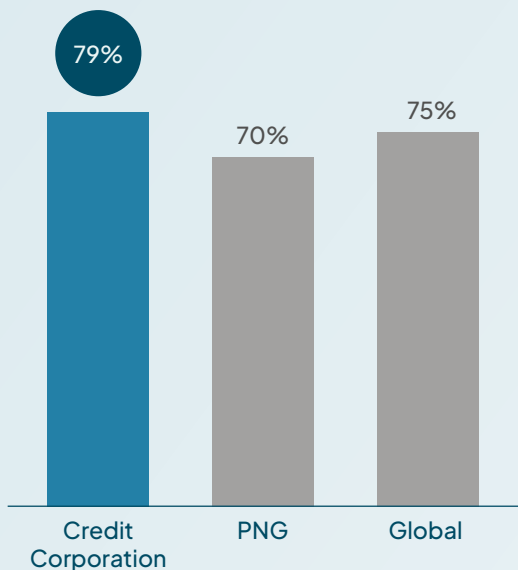
factors that matter most to them at work. Our strong employee engagement plays a key role in how we attract and retain top talent.

In response to feedback in the survey, we implemented a range of targeted engagement initiatives and improvements throughout 2025, including:

- Strengthening our internal communication
- Enhancing development pathway options
- Upgrading our performance and recognition frameworks.

We remain committed to continuous improvement and investing in our people to build a workplace where everyone feels empowered to support the Group's strategic priorities in 2026 and beyond.

### Benchmarking average staff engagement



Our 2025 results were particularly encouraging showing performance well above both PNG and global benchmarks.



# Our communities

Recognising our role as a responsible corporate citizen committed to making the communities we serve stronger and more resilient.

# Our communities

Our long-term partnerships with not-for-profit and community organisations, together with our support for the business community, reflect Credit Corporation's commitment to delivering positive social outcomes across the South Pacific. These contributions underpin our position as a trusted financial institution.

In 2025, the Group supported community initiatives and business life in South Pacific.

Through our partnerships with community organisations, we help deliver meaningful outcomes in education, youth training and development, and health and wellbeing. We recognise our role in supporting long-term economic growth and shared prosperity.

“

**Credit Corporation actively invests in initiatives that create positive social and economic impact.**



Credit Corporation staff with children from Buk Bilong Pikiinini

The goals of our community and corporate activities align with five of the United Nations Sustainable Development Goals:



## Good health and well-being

We invest in employee health, safety and wellbeing, and support community health access through sports and other activities.

- Port Moresby Basketball Association
- Agmark Gurias Rugby League Club
- Sparrows Netball Club
- Vula Throwdown Village Sport
- Pinktober Cancer Awareness (Fiji)
- Homes of Hope (Fiji)



Staff at Credit House celebrating Pinktober



Kiki Early Centre in Oro Province



## Quality education

We train youth in job readiness skills, support access to quality education, and invest in education initiatives.

- Project Wok
- Kiki Early Learning Centre
- Buk Bilong Pikinini
- Buruwa Kindergarten (Fiji)
- Lekutu Bua (Fiji)



## Gender equality

We strive towards gender equality at Board, executive and senior management levels.

- Board: 44% women
- Executive team: 55% women
- Management: 58% women



## Decent work and economic growth

We connect businesses and power growth through sponsorships of trade shows.

- Australia PNG Business Forum
- Business Advantage Investment Conference
- PNG Core Investor Conference
- Vanuatu Red Cross Society



## Peace, justice and strong institutions

We support stronger institutions to drive economic growth and shared prosperity.

- Transparency International PNG subscription
- Sir Anthony Siaguru Walk Against Corruption



# Project Wok

## Opportunities through training and education

Youth empowerment remains a cornerstone of our community support program, and as proud Corporate Sponsor of Project Yumi Inc's Project Wok program since its pilot in 2022, Credit Corporation continues to play a meaningful role in addressing youth unemployment across Papua New Guinea.

Project Wok delivers a two-day experiential job readiness training program, after which Credit Corporation hosts graduates for a two-week paid work experience placement, equipping them with practical skills and real-world exposure to professional environments.

In 2025, the program impacted 930 young people, bringing the total number of participants to 2,807 since the pilot. 40 graduates have successfully progressed from internships to permanent employment with Credit Corporation.

Central to the program's impact are our Volunteer Mentors, Credit Corporation and Credit Bank team members, who gave 1,399 volunteer hours in 2025 to guide and coach participants through the hands-on training.

Credit Corporation is proud to share the experiences of a number of our Project Wok interns, with their stories reflecting the program's impact.



Project Wok training session

## Hua Gavera

2025 Project Wok Intern in Group Strategy



My Project Wok experience in the CEO's office at CreditBank was incredibly enriching. I gained hands-on exposure to executive support while working closely with the Executive Assistant, which strengthened my organisational and communication skills.

Adapting to the fast-paced environment, where priorities often shifted, was a key challenge, but it taught me the importance of staying flexible and maintaining a strong sense of urgency. Overall, it was a challenging yet rewarding experience that gave me valuable insights into the banking industry and contributed greatly to my professional growth.

## Bienvenida Jinumbo

2025 Project Wok Intern in Customer Service — Operations in CreditBank PNG's Port Moresby Branch



Being part of the Project Wok Experience Program has enabled me to transition smoothly into a professional environment, giving me the opportunity to apply my theoretical knowledge in a practical workplace. One of the biggest challenges I faced was stepping out of my comfort zone, as this was my first professional work experience. Through this journey, I learned that a genuine willingness to learn is essential for building meaningful relationships and creating opportunities for professional growth. Overall, the experience has strengthened my confidence in both my abilities and me, while supporting my ongoing professional development.

## James Mapo

2025 Project Wok Intern in IT



When I began Project Wok, I was unsure of what to expect and had no prior IT experience. Today, I look back with great gratitude at how far the journey has taken me. Now serving as an IT intern at Credit Bank, I have gained valuable hands-on experience and exposure to real-world IT challenges, learning practical solutions in a professional environment.

One of the biggest challenges has been adapting to the IT support environment, where each day brings new issues requiring different troubleshooting approaches. This has pushed me to continuously learn and grow. The experience has taught me the importance of hands-on learning and has gradually built my confidence in problem-solving. Overall, my Project Wok journey has been both challenging and highly rewarding.

## Franklin Yatan

2025 Project Wok Intern in Corporate Services



As a Grade 12 leaver, Project Wok provided me with an experience I never expected, offering a rare opportunity to step directly into a corporate environment and understand the inner workings of a major organisation. It served as the perfect bridge between finishing school and beginning my professional career. One of my biggest challenges was adapting to professional communication standards and becoming comfortable with everyday office technology, which pushed me to strengthen both my digital and interpersonal skills. A key lesson for me was witnessing firsthand how a corporate environment operates, particularly the importance of organisational values in fostering discipline, alignment, and teamwork.

Overall, the experience has been interesting, educational, and highly rewarding. Project Wok has given me clarity on my career path, equipped me with essential skills, and introduced me to a supportive professional network that continues to guide my growth throughout my internship with Credit Corporation PNG.



# Vanuatu earthquake relief

## Standing with communities in crisis

When a 7.2 magnitude earthquake struck Port Vila and the surrounding areas of Efate in December 2024 leaving widespread destruction, Credit Corporation Group donated VT2 million to the Vanuatu Red Cross Society (VRCS) to support ongoing recovery efforts.

The earthquake disrupted lives on every level, damaging homes, destroying businesses, and threatening the livelihoods of families across the country. Recognising the scale of the crisis, the Group partnered with trusted humanitarian organisation VRCS to ensure financial support could be channelled effectively to those most vulnerable.

This contribution reflects who we are as a company: the belief that in times of crisis, unity and compassion are not optional; they are essential. Our donation is one part of a broader commitment to standing alongside the communities we serve, not just in times of opportunity, but in times of hardship.

Beyond the financial contribution, Credit Corporation remains committed to working with local organisations and stakeholders to help restore essential services and infrastructure. Recovery from a disaster of this scale is a long road, and we intend to walk it alongside the people of Vanuatu.

We understand that our role as a corporate citizen carries real responsibility. This initiative reaffirms our dedication to fostering resilience and sustainable development, and to being a source of hope and practical support when communities need it most.



# Our community work in Fiji

## Lasting community benefit

Credit Corporation's Corporate Social Responsibility (CSR) efforts in Fiji reflect its dedication to making a meaningful, lasting difference for local communities. In 2025, CSR activities focused on health and wellbeing, inclusion, education and sustainability.

### Pinktober and Movember with Fiji Cancer Society

Credit Corporation partnered with Fiji Cancer Society to raise awareness and funds for breast cancer research and men's health, and the importance of early detection.



### Solar panel installation at Lekutu Bua

Credit Corporation installed solar panels at Lekutu Bua School to provide reliable and sustainable electricity as the School installs 10 computers, a smart TV and projector improving digital learning outcomes for 243 students and 21 teachers.

### International Women's Day at Homes of Hope

In celebration of International Women's Day, Credit Corporation teams visited and shared sanitary care gift packs with Homes of Hope, a not-for-profit organisation committed to safeguarding girls and young women who are victims or at risk of violence and exploitation.



# Our community work in Fiji (cont.)

## Christmas at Saint Christopher's and Loloma Homes

Spreading festive cheer, Credit Corporation teams visited vulnerable women, children and carers at Saint Christopher's Home and Loloma Home to share lunch and Christmas cake.



## Water tank installation at Burewa Kindergarten

Credit Corporation donated a water tank to Burewa Kindergarten, constructing a concrete plinth for secure placement and improving access to safe drinking water.

Credit Corporation also provided the school with learning materials and resources to support the education of 20 current students.





# Risk management

Managing risk so our customers, our people, and our shareholders can face the future with confidence.

# Risk management and assurance

## 1. Risk Management Framework

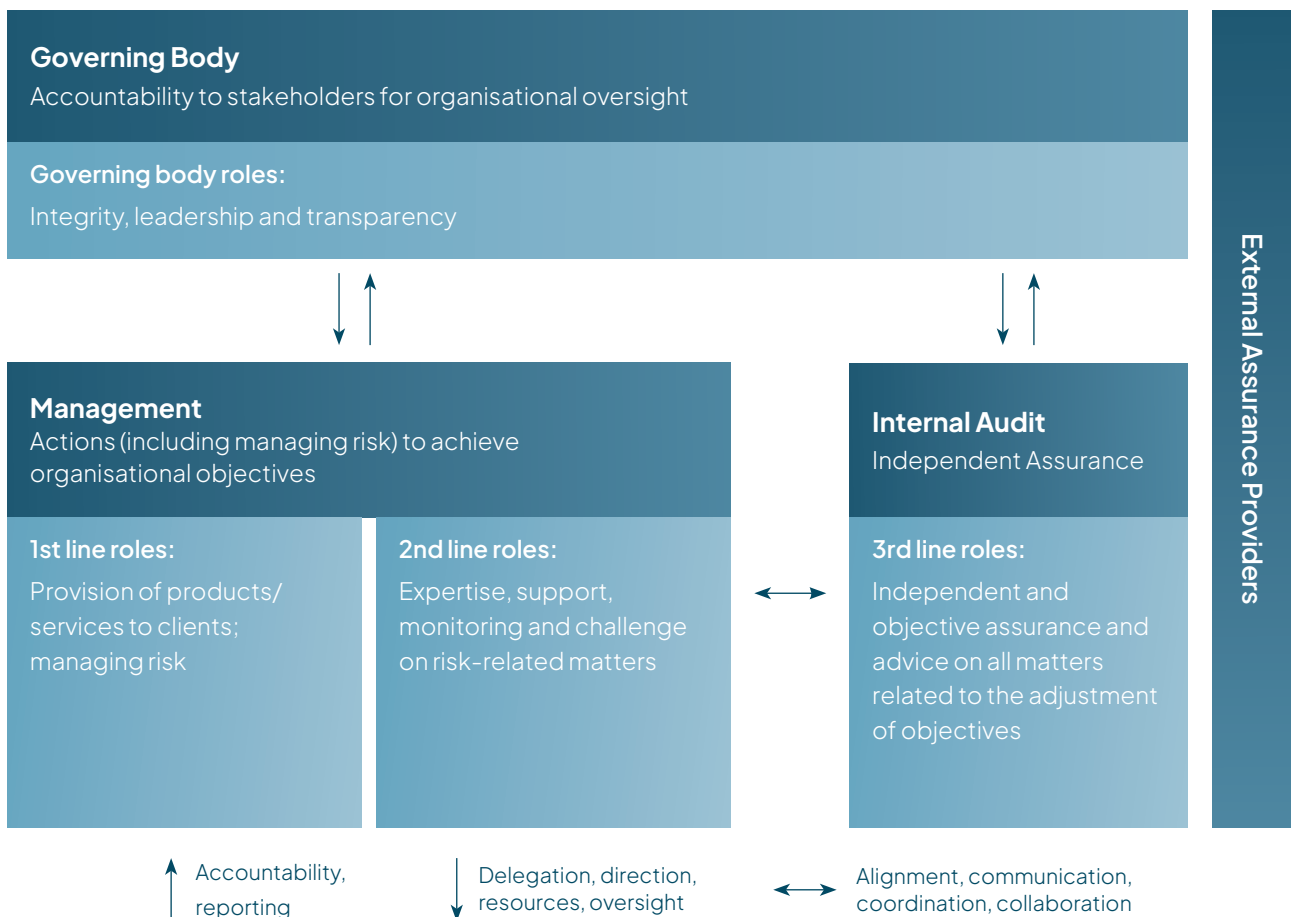
The Board retains ultimate responsibility for risk management across the Group and oversees the effectiveness of the risk management framework to support the Group's strategic objectives and regulatory obligations. This includes setting expectations for risk culture, approving and reviewing the risk appetite framework, and monitoring the management of material risks.

The Group is exposed to a range of material risks, including information security, financial, human resource, technology, reputational, strategic, compliance, credit, and operational risks, arising from its Finance, Property, and Investment segments.

These risks are managed through a structured governance framework comprising Board-approved policies, defined delegations, and embedded risk management and control processes.

The Group's risk management framework is aligned to the Three Lines of Defence model, which clearly defines risk ownership, oversight, and independent assurance. During 2025, management continued to embed the model across the Group, with emphasis on strengthening first-line accountability, enhancing second-line oversight and challenge, and reinforcing third-line assurance, supported by ongoing monitoring and capability uplift to ensure the framework remains effective and proportionate.

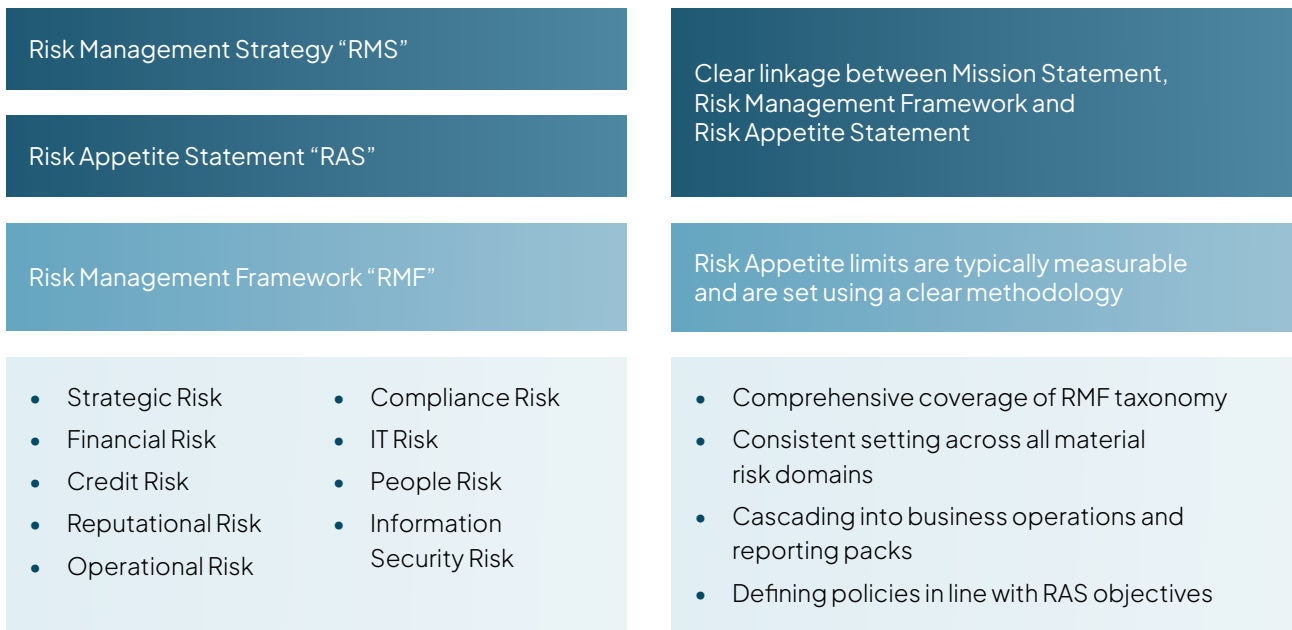
### Three Lines of Defence model



## Governance

Risk governance at Credit Corporation is embedded across the Group, with the Board ultimately accountable for implementing an integrated risk

management framework that aligns strategy, risk appetite, and execution through measurable limits embedded in operations and reporting.



## 2. Material Business Risks

Our material risks, with Information Security Risk now explicitly included, have been reviewed and continue to be monitored through the Risk Management Committee and the Board Risk & Compliance Committee.



# Risk management and assurance (cont.)

## 3. Key Responsibilities

The CEO and Executive Management are responsible for ensuring risks are effectively identified, monitored, controlled, and reported in accordance with the Group's risk governance framework. The Board retains ultimate oversight of risk governance, supported by independent assurance provided through Internal Audit.

The diagram below illustrates how risk governance operates across the Group, setting out the respective roles and responsibilities of the Board, Group Executive Management, Business Units, Group Risk, and Audit, as supported by the Group's governance committees.

## 4. Internal auditor

Management progressed the insourcing of the Internal Audit function, which has now been completed. During the year, a Head of Group Internal Audit was appointed, supported by dedicated Internal Audit resources, strengthening the Group's independent assurance capability and enhancing oversight of the effectiveness of risk management, governance, and internal controls across the Group.

### Board of Directors



### Executive Management



### Management Committee





# Our leadership

The people who lead Credit Corporation bring decades of expertise, diverse experience and a shared commitment to our long-term success.

# Board of Directors



**Lady Winifred Kamit CBE**

---

## BOARD CHAIRPERSON

Lady Winifred Kamit is based in Papua New Guinea and brings extensive financial services expertise, including banking regulation and legislation, to the Credit Corporation Board, which she was appointed to on 22 March 2023 and has chaired since 30 August 2024.

A Senior Partner at Dentons PNG, Lady Kamit brings strong governance qualifications and deep relationships across business and government, including a term as Commissioner of the PNG Public Service Commission.

She currently serves on the boards of South Pacific Post Limited, Post Courier Limited and Brian Bell Co. Limited. Previously she served on the boards of New Britain Palm Oil Limited, Lihir Gold/Newcrest Mining, Steamships Trading Co. Limited, and as Chairperson of ANZ Bank (PNG) Limited.

Lady Kamit's community roles included President of the PNG Business Council, Trustee of the PNG Institute of National Affairs and board member of Anglicare PNG, and in 2006 she was made a Commander of the British Empire for service to law, commerce and public administration.

Lady Kamit holds a BA and LLB from the University of Papua New Guinea, is a Fellow of the PNG Institute of Directors and a member of the Australian Institute of Company Directors.



**Richard Sinamoi**

Richard Sinamoi is an experienced executive and director with more than 20 years' experience in the superannuation and financial services industry.

He was appointed to the Credit Corporation Board in November 2018 and was Chairman of the Board from July 2021 to September 2022.

Mr Sinamoi has served on boards of both commercial entities and charitable organisations, spanning a range of industries including food and beverage, general insurance, trustee services, micro banking and funds management.

He currently serves as Chairperson of Nambawan Super Limited, as well as an Independent Director on the Board of Trans Pacific Assurance Limited, and as an Executive Director of Kama Kofi Limited.

Mr Sinamoi holds a Bachelor of Applied Science Systems from the University of Western Sydney, Australia.



### Stephen Humphries

---

Stephen Humphries brings significant leadership experience across a wide range of businesses and jurisdictions including Australia, the United Kingdom, Papua New Guinea, Indonesia and Southeast Asia. He was appointed to the Credit Corporation Board in April 2021.

His specialist financial experience spans a wide range of industries including healthcare, financial services, mining, heavy engineering and construction, technology, and telecommunications. Mr Humphries has significant experience across a broad spectrum of ASX listed, and large private companies.

He was Chief Financial Officer of ASX-listed Healthcare provider, Healius Ltd, until recently retiring in April 2026. Prior to this he was a partner at PricewaterhouseCoopers for 23 years, holding senior and managing partner roles in Australia, PNG and Indonesia.

Mr Humphries is a Fellow of both the Institute of Chartered Accountants in Australia and the Institute of Chartered Accountants in England and Wales. He is also a member of the Independent Directors Association of PNG.



### Sir Melchior Togolo CBE

---

Sir Melchior (Mel) Togolo is well recognised in PNG business circles with more than 40 years' experience in the public and private sector at senior management level, having worked for and led the North Solomons Provincial Government and various companies in PNG and overseas.

He was appointed to the Credit Corporation Board on 29 October 2021.

Sir Mel is a founding member of the Business Council of PNG and was Vice President and President of the Council for six years. He serves on the Board of Bougainville Copper Limited, Heritage Park Hotel Honiara and Loloata Island Resort Port Moresby.

He brings significant leadership experience across a wide range of businesses, including a strong background in the superannuation, banking and finance industries, hotel property development, and familiarity with the fast-moving consumer goods sector.



### Clare Mazzetti

---

Clare Mazzetti has spent her career in various advisory, management consulting and transformation roles and has deep subject matter expertise within the banking and financial services industry. She brings expertise in corporate strategy, business planning, and execution capabilities to the board in support of the Company's growth initiatives.

She was appointed to the Credit Corporation Board in December 2021. Clare is currently a Director of Bank Australia, the Uniting Church of Australia (Synod of NSW and ACT), KeyInvest and is the Chair of the Tax Institute of Australia.

Ms Mazzetti holds an MBA and Bachelor of Economics from the University of Queensland and a Master of International Relations from the University of Sydney. She is also a Fellow of FINSIA and a Graduate of the Australian Institute of Company Directors.

# Board of Directors (cont.)



**Daryl Johnson**

Daryl Johnson is a highly experienced Non-Executive Director and banking executive and was appointed to the Credit Corporation Board in June 2022.

Mr Johnson brings a wealth of experience in the areas of banking, finance, payments and risk management, both in Australia and internationally.

Mr Johnson is a Non-Executive Director on the board of Bendigo and Adelaide Bank Limited. He previously sat on the boards of Banking Ombudsman Scheme New Zealand, Whitelion Incorporated, EFTPOS New Zealand, Beyond Bank Australia, CUSCAL Limited and CG Spectrum Institute Pty Ltd.

Mr Johnson's last executive engagement was with Rabobank New Zealand Limited as the Chief Executive Officer, prior to which he held executive management positions at National Australia Bank and ANZ Group.

Mr Johnson has a Bachelor of Business from Curtin University, a Master of Business Administration from Murdoch University and is a Graduate of the Australian Institute of Company Directors.



**John Velegrinis**

John Velegrinis is a highly accomplished executive leader with more than 30 years of experience across the banking and financial services sectors.

He is recognised for his community-centred approach to leadership and a steadfast commitment to governance excellence and ethical standards.

He was appointed to the Credit Corporation Board on 10 October 2025.

Most recently, John served as the Chief Executive Officer of State Trustees Ltd, where he managed over A\$2.9 billion in funds and spearheaded major growth and transformation programs.

Prior to his role at State Trustees, John was the CEO of the Australian Scholarships Group and spent three decades in senior leadership at ANZ Group, overseeing retail, commercial, and corporate banking functions. He remains active in the industry as a Board Member for both Geelong Bank and the Bravery Trust.

His professional standing is supported by post-graduate studies in Banking and Finance from Monash and RMIT Universities. John is also a graduate of the Australian Institute of Company Directors and a Fellow of the Chartered Institute of Securities and Investment.



**Abigail Chang**

**OUTGOING**

Abigail Chang has served in executive management roles in the private and development sectors in the Pacific and has close to 10 years of central banking experience in the areas of financial system supervision, regulation, policy development and licensing for the banking, insurance, foreign exchange and superannuation industries in Fiji. She has extensive experience working across eight Pacific countries in financial inclusion, financial capability development and digitising Government-to-Person (G2P) payments.

She was appointed to the Credit Corporation Board in December 2016. She served on the Credit Corporation Fiji Pte Ltd Board from 2014–2022, during which time, she served for more than three years as Chairperson.

Ms Chang holds a Master of International Development, a Post Graduate Diploma in Economics, double degrees in Banking and Finance and Economics and recently completed a Certificate in MBA Essentials from London School of Economics and Political Sciences.



**Faye-Zina Lalo**

**OUTGOING**

Faye-Zina Lalo brings experience as a corporate and commercial litigation lawyer and serves as a Director on the boards of various corporate institutions. She is also an active member of various not-for-profit organisations in Papua New Guinea, including MSME Council Inc. as a founding member, and the PNG Olympic Committee.

Ms Lalo was appointed to the Credit Corporation Board in December 2016.

Prior to joining the Credit Corporation Board, Ms Lalo practiced corporate and commercial law for more than 13 years in PNG in both private legal firms and corporate institutions.

She is a current member of the PNG Law Society and is a member of the Australian Institute of Company Directors and the PNG Institute of Directors.

Ms Lalo holds a Master of Business Administration and a Bachelor of Laws from the University of Papua New Guinea.



**Susil Nelson-Kongoi**

**OUTGOING**

Ms Susil Nelson-Kongoi has over 20 years of leadership experience across the financial, professional services and energy sectors.

She was appointed to the Credit Corporation Board on 25 February 2025. She currently serves as the Chief Executive Officer of the Papua New Guinea Institute of Banking and Business Management, a role she has held since January 2023.

She previously held senior executive roles at ExxonMobil PNG. Ms Nelson-Kongoi is the current President of the Business Council of PNG and serves on the Boards of the Centre for Excellence in Financial Inclusion (CEFI) and Pacific Women Lead Regional Board, and she is the current Chair for the PNG Business Advocacy Network.

Ms Nelson-Kongoi holds a Bachelor of Commerce from Canterbury University, New Zealand, and a Master of Business Administration (MBA) from Divine Word University, Papua New Guinea.

# Senior Executive Team



**Danny Robinson**

---

## GROUP CHIEF EXECUTIVE OFFICER

Danny Robinson is the Group Chief Executive Officer, responsible for the day-to-day operational activities of the Group across PNG and the offices in Fiji, Vanuatu and Solomon Islands.

He joined Credit Corporation in 2020 as Group Chief Operating Officer and was appointed Group Chief Executive Officer in September 2021.

He brings a wealth of experience and an admirable track record in establishing financial services distribution networks in new markets, achieving significant asset growth and delivering excellent customer service outcomes.

Prior to joining Credit Corporation, Mr Robinson was Executive General Manager of Banking at Kina Bank in Port Moresby. Prior to Kina Bank, he enjoyed a long and successful career in financial services, including senior executive roles with Suncorp Group's Retail and Business Banking divisions.

Mr Robinson holds a Postgraduate Diploma in Banking Management from the Macquarie Graduate School of Management, Australia, and is a Graduate of the Australian Institute of Company Directors.



**Rei Vagi**

---

## GROUP CHIEF FINANCIAL OFFICER

Rei Vagi is Group Chief Financial Officer, responsible for all aspects of financial management and reporting across the Group's operations, including building and strengthening the capability of the finance team.

Ms Vagi was appointed as Chief Financial Officer in March 2022.

She has more than 15 years' experience as a financial controller, and extensive knowledge in financial reporting including accounting and auditing standards, cash flow management and financial planning, taxation, regulatory compliance, and financial analysis.

She has held various senior management roles for prominent organisations such as Kraft-Heinz PNG and PricewaterhouseCoopers and held the role of Financial Controller with Kina Securities Limited prior to joining Credit Corporation.

Ms Vagi holds a Bachelor of Commerce from the PNG University of Technology and is a qualified Certified Practising Accountant.



**Leo Kamara**

---

## GROUP CHIEF RISK OFFICER

Leo Kamara is the Group Chief Risk Officer, responsible for overseeing all areas of financial and non-financial risk management including the risk culture throughout the operations.

Mr Kamara was appointed as Group Chief Risk Officer on 14 September 2023. Prior to this, he worked as Credit Corporation's Head of Risk and Compliance and Acting Chief Risk Officer.

He is a risk management professional with over 30 years of finance, banking and superannuation experience. He has more than 15 years' experience in managing all areas of risk including market, operational, strategic and liquidity compliance.

Prior to joining Credit Corporation (PNG) Limited, Mr Kamara was the General Manager Risk for Nambawan Super Limited, one of the largest superannuation funds in the South Pacific. He has also held various roles with the ANZ Bank including Head of Governance, Pacific North-west and Head of Operations Assurance, with ANZ American Territories (ANZ Guam Inc., based in American Samoa).

Mr Kamara graduated from and holds an associate membership with the PNG Institute of Banking and Business Management (formerly the PNG Institute of Bankers) and is also a member of the Risk Management Institute of Australasia.



**Asi Nauna**

**CHIEF OPERATING OFFICER**

Asi Nauna is a seasoned banking professional with over 25 years of experience in the financial services industry, bringing a wealth of expertise across a wide range of sectors.

Her diverse career spans over general banking and relationship banking across institutional, corporate, commercial, and SME customer segments, in PNG as well as Fiji and the Solomon Islands.

Prior to joining Credit Corporation, Asi was at Kina Bank where she led Corporate Services, communications, banking operations and business banking. Her tenure at Kina Bank also included various senior management roles, as well as leadership roles at ANZ PNG, demonstrating her ability to lead and innovate in both regional and international banking environments.

Asi holds a Bachelor of Commerce in Management from the PNG University of Technology and a Post Graduate Diploma in Banking and Finance from Massey University.



**Sumeet Kumar**

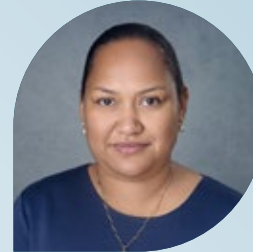
**CHIEF TECHNOLOGY OFFICER**

Sumeet Kumar joined Credit Corporation in May 2023 and was appointed Chief Technology Officer in July 2024.

With over 18 years of experience in the financial services sector, Mr Kumar specialises in information technology and has more than 10 years of expertise in project management.

Prior to joining Credit Corporation, Mr Kumar served as Head of Technology Innovation at Kina Bank PNG, holding several senior technology and project management roles from 2018 to 2023. He has also worked in similar capacities with the BSP Financial Group Limited and Westpac PNG Bank.

Mr Kumar holds a Bachelor of Science in Computer Science from the University of South Pacific (Fiji).



**Amanda Libitino**

**COMPANY SECRETARY**

Amanda Libitino is the Group's Company Secretary, responsible for supporting corporate governance, overseeing regulatory compliance requirements, maintaining transparent communication between the organisation's stakeholders and providing Board secretarial support.

Ms Libitino joined Credit Corporation in August 2022 and was appointed as the Company Secretary in November 2023.

She is a lawyer by profession and previously worked with the Office of the State Solicitor and Nambawan Super Limited before joining Credit Corporation.

Ms Libitino holds a Bachelor of Laws (LLB) degree from the University of Papua New Guinea and is a current member of the PNG Law Society and The Australian Institute of Company Directors.

# Senior Executive Team (cont.)



**Loka Niumatairua**

---

## HEAD OF PEOPLE AND CULTURE

Loka Niumatairua is the Group's Head of People and Culture, responsible for all aspects of human resource management and organisational culture, including employee wellbeing, workplace inclusivity and diversity, and employee training and development.

Ms Niumatairua was appointed as Head of People and Culture on 27 July 2020. She brings a wealth of experience in human resource management, change management, strategic planning and execution, and training and development, having worked in institutions such as Nambawan Super Limited, CPL Group and PNG Power, and leading teams of up to 390 people. She holds a Bachelor of Arts with a major in Industrial Psychology from the University of Papua New Guinea and a fellowship with PNG Human Resource Institute.



**Lynda Kahari**

---

## CHIEF STRATEGY AND TRANSFORMATION OFFICER

Lynda Kahari is Chief Strategy and Transformation Officer, responsible for managing all aspects of the Group's corporate and customer strategies.

Ms Kahari joined Credit Corporation in December 2020 as Head of Customer Strategy. She is an experienced and reputable finance and banking executive, bringing a rich international perspective from more than two decades of experience in the financial services and payments industry.

Prior to joining Credit Corporation, Ms Kahari held various senior management roles for financial institutions such as Standard Chartered Bank, Standard Bank, Barclays Bank and MasterCard.

Ms Kahari holds a Master of Finance and Investment from the University of Witwatersrand and a Master of Business Administration from the University of Hull. She is a Graduate Member of the Australian Company Directors and is a Certified Balance Scorecard Professional with a certificate in Digital Marketing Strategies and Banking Strategy from the University of London.



**Brent St. Hill**

---

## GENERAL MANAGER PROPERTIES

Brent St. Hill is the Group's General Manager Properties, responsible for management of the Group's portfolio of property assets.

Mr St. Hill was appointed as General Manager Properties in August 2019. He has more than 18 years' experience in the property industry nationally and internationally with extensive knowledge in property, asset and hotel management.

Prior to joining Credit Corporation (PNG) Limited, Mr St. Hill was General Manager with the Crown Hotel Port Moresby and was previously the Group Operations Manager and Regional Manager with Steamships Trading Company, within its Coral Sea Hotels subsidiary.

# Country Heads



**Mohammed Nawaz**

## COUNTRY HEAD (FIJI)

Mohammed Nawaz brings over 17 years of extensive expertise in finance, operations, and management garnered from his tenure at leading corporations. He assumed the role of Country Head of Credit Corporation (Fiji) in March 2023, building on his successful leadership as the Country Head of Credit Corporation Vanuatu since March 2021.

With a solid foundation in the finance industry, Mr Nawaz served as the Financial Controller of the Fiji business for five years. His career commenced with PricewaterhouseCoopers Fiji, followed by roles at the Reserve Bank of Fiji and QBE Insurance (Fiji) Pte Limited.

Mr Nawaz earned a dual degree in Accounting and Information Systems from the University of the South Pacific. He is a Certified Practising Accountant with CPA Australia and Chartered Accountant with Fiji Institute of Chartered Accountants. Additionally, he is a Graduate of the Australian Institute of Company Directors and a Fellow of Leadership Fiji.



**Nitya Nand**

## VANUATU

Nitya Nand is a highly accomplished financial expert with over 17 years of extensive experience in advanced financial management, strategic financial planning, financial and business modelling, and financial risk management.

Mr Nand was appointed as Country Head of Credit Corporation (Vanuatu) in June 2023. He holds a Bachelor of Arts Degree with double majors in Accounting and Financial Management and Information Systems and a Master of Commerce from the University of South Pacific.

In addition to his academic qualifications, Mr. Nand is a Fellow Certified Practising Accountant with CPA Australia, a Chartered Accountant with the Fiji Institute of Accountants, and a Certified Financial Modelling and Valuation Analyst.



**Ronald Vikash Prasad**

## SOLOMON ISLANDS

Ronald Vikash Prasad has more than 20 years of experience in the finance industry both in Fiji and Solomon Islands.

He was appointed to Country Head of Credit Corporation (Solomon Islands) in December 2020.

Prior to joining Credit Corporation Solomon Islands, Mr Prasad held the position of Chief Financial Officer for SPBD Microfinance SI Ltd. He has spent more than eight years at Sugar Cane Growers Fund in Fiji and has held various senior management roles.

Mr. Prasad is a Certified Practising Accountant and holds a Bachelor of Arts degree with double majors in Accounting and Financial Management and Economics from the University of South Pacific.



# Governance

Our governance framework reflects our commitment to transparency, accountability and the long-term interests of our shareholders and communities across the South Pacific.

# Corporate governance statement

## I. Overview

This Corporate Governance Statement outlines the key governance policies and practices of the Credit Corporation Group. A copy of this Statement can be obtained on Credit Corporation's website [www.creditcorporation.com.pg](http://www.creditcorporation.com.pg).

Credit Corporation (PNG) Limited (CCP or Credit Corporation) is incorporated in Papua New Guinea (PNG) and is listed on PNG's National Stock Exchange, PNGX Markets (PNGX). The Group's head office is located in Papua New Guinea where core functional leadership is based to support effective governance oversight of its subsidiaries across the South Pacific.

The Group's governance framework is shaped by regulatory requirements across the jurisdictions in which it operates. Credit Corporation, as the parent company, provides strategic oversight of Group-wide matters and is responsible for establishing, maintaining, and monitoring compliance with the Group's Corporate Governance Framework.

Credit Corporation and its subsidiaries each maintain Board and Management structures appropriate to their respective operations, scale and complexity. While subsidiaries are locally incorporated and subject to the laws and regulations of their jurisdictions, they are also required to operate in accordance with the Group's Corporate Governance Framework.

## Legal and regulatory framework

CCP as a publicly listed Company on the PNGX, is subject to the PNGX Listing Rules, including continuous disclosure and corporate governance requirements.

In addition to these obligations, Credit Corporation and its subsidiaries must comply with all applicable laws and regulations in each of the jurisdictions in which they operate. While the parent company is not licensed as a financial institution, its finance subsidiaries are subject to comprehensive prudential and conduct regulation, including requirements relating to governance, capital adequacy, liquidity, risk management, financial crime and systems and controls, among other things.

## Risk management structure

CCP has a conservative yet consistent approach to risk, which has seen the Group deliver sustained long-term growth by protecting capital, to lend responsibly and support business growth.

All employees are responsible for the management of risk, with the ultimate accountability residing with the Board. The Group's risk culture is developing and will be embedded through clear and consistent communication and appropriate training for all employees.

A comprehensive Risk Management Framework that is under continuing development, is applied throughout the Group, and is reinforced with the Group's values and Code of Conduct.

# Corporate governance statement (cont.)

## II. The Board of Directors

### 1. The Board structure and role

The Board of Directors has ultimate responsibility for the success of the Group, is charged with delivering sustainable financial performance and long-term shareholder value, and is responsible for the overall direction, supervision and control of the Group and its management.

The Board has adopted a Board Charter, that sets out, among other things:

- the role and responsibilities of the Board (the key aspects of which are set out in Table One), including matters specifically reserved to the Board; and
- the role and responsibilities delegated to the Chief Executive Officer, which is primarily the management of the day-to-day operations of Credit Corporation.

As at 31 December 2025, the Board comprised nine Directors, consisting of seven independent Non-Executive Directors and two Non-Executive Directors who are deemed to be non-independent.

**Table One: Board Role**

Strategy	Identify, develop, review and approve the strategic direction and business plan for the key businesses.
Financial oversight	Adopt the annual budget and capital expenditure plan, and monitor management and financial performance of the businesses.
Risk management framework	Oversee the effectiveness of risk management and compliance.
Financial and other reporting	Approve the Group's half-year and annual financial statements, and monitor and review management processes for the integrity of financial and other reporting as required by law.
Board performance and composition	Evaluate the performance of the Board and individual Directors on at least an annual basis in determining its size and composition.
Leadership selection	Evaluate the performance of and selection of the CEO.
Succession and remuneration planning	Plan for Board, CEO and executive succession and remuneration, and set Non-Executive Director remuneration.
Sustainability	Consider the social, ethical and environmental impact of the Group's activities and operations in the various jurisdictions.
Regulators	Monitor the conduct of the Company's relationship with key regulators to ensure the Company's obligations are being met, and set standards and monitor compliance with the Company's sustainability responsibilities, practices and policies.
Material transactions	Approve major expenditure and capital initiatives in excess of the authority levels delegated to management.
Corporate governance	Review and monitor the Company's corporate governance policies and practice.

# Corporate governance statement (cont.)

## II. The Board of Directors (continued)

### 1. The Board structure and role (continued)

The Board operates within the ambit of the Companies Act 1997, Credit Corporation's Constitution and the Board Charter. In discharging its duties, the Board has elected to form five (5) separate Board committees.

**Table Two: Board Committees**

<b>Committee</b>	<b>Functions/Role</b>
<b>Audit Committee</b>	<p>The function of the Audit Committee is to serve as an independent and objective body with oversight of:</p> <ul style="list-style-type: none"> <li>the Group's accounting policies, financial reporting and disclosure controls and procedures;</li> <li>the quality, adequacy and scope of external audit;</li> <li>the Group's compliance with financial reporting requirements; and</li> <li>the Executives' approach to internal controls with respect to the production and integrity of the financial statements and disclosure of the financial performance.</li> </ul> <p>The Executives, led by the Group Chief Financial Officer, are responsible for the preparation, presentation and integrity of the Group's financial statements. External auditors are responsible for auditing the Group's annual financial statements and for reviewing the half-yearly financial statements.</p>
<b>Risk &amp; Compliance Committee</b>	<p>The function of the Risk &amp; Compliance Committee is to oversee and support the Board in fulfilling its duty to set and supervise an appropriate risk management and control framework with oversight into all material risks. The committee is responsible for reviewing the work of the Group's Internal Audit function.</p>
<b>Nomination &amp; Remuneration Committee</b>	<p>The function of this Committee is to:</p> <ul style="list-style-type: none"> <li>govern any Board appointments at the Group level;</li> <li>oversee the Group's remuneration policy;</li> <li>oversee the succession and remuneration of Directors and senior Group employees; and</li> <li>review the effectiveness of the remuneration policy in the context of effective risk management.</li> </ul>
<b>Disclosure Committee</b>	<p>The function of the Disclosure Committee is to assist the CEO, CFO and the Audit Committee in finalising the disclosures required under the various regulations and listing rules, including ensuring:</p> <ul style="list-style-type: none"> <li>disclosure controls and procedures are properly implemented; and</li> <li>any communication is appropriate, timely, accurate and complete.</li> </ul>
<b>Strategic &amp; Investment Committee</b>	<p>The function of this Committee is to validate and test the Group's strategic plans whilst evaluating the capital deployment in the context of a variety of investment scenarios.</p>

Each committee is governed by its own Charter which defines roles and responsibilities, and each committee provides recommendations to the Board and advice on specific issues.

# Corporate governance statement (cont.)

## II. The Board of Directors (continued)

### 1. The Board structure and role (continued)

Table Three: Board Committee members as at 31 December 2025

Director	Board	Member of				
		Audit Committee	Risk & Compliance Committee	Nomination & Remuneration Committee	Disclosure Committee	Strategic & Investment Committee
Lady Winifred Kamit	C	-	-	-	-	M
Faye-Zina Lalo	M	M	M	M	-	-
Richard Sinamoi	M	-	-	M	C	C
Stephen Humphries	M	C	M	-	-	M
Sir Melchior Togolo	M	-	-	M	-	M
Clare Mazzetti	M	-	C	-	-	M
Daryl Johnson	M	M	-	C	M	-
Susil Nelson-Kongoi	M	M	M	-	-	-
John Velegrinis	M	-	-	-	-	-

Key: M – Member, C – Chairperson

Table Four: Directors' attendance at Board and Committee meetings in 2025

	Board Meeting	Audit Committee Meeting	Risk & Compliance Committee	Nomination & Remuneration Committee	Disclosure Committee	Strategic & Investment Committee
Number of meetings *including special meetings	5	4	4	5*	4	4
Lady Winifred Kamit	5	-	-	-	-	3
Abigail Chang (retired 12 Dec 2025)	5	4	4	-	4	-
Faye-Zina Lalo (retired 31 Dec 2025)	5	3	4	4	-	-
Richard Sinamoi	5	-	-	4	4	4
Stephen Humphries	4	4	4	-	-	4
Sir Melchior Togolo	4	-	-	5	-	4
Clare Mazzetti	5	-	4	-	-	3
Daryl Johnson	5	4	-	5	-	-
Susil Neson-Kongoi (appointed 25 Mar 2025)	4	2	1	-	-	-
John Velegrinis (appointed 10 Oct 2025)	1	-	-	-	-	-

# Corporate governance statement (cont.)

## II. The Board of Directors (continued)

### 2. Board's relationship with the Chief Executive Officer

The Board confirms the duties and responsibilities of the CEO annually, and approves the Key Performance Indicators for the CEO, linked to the Group's strategic goals as set by the Board.

The CEO is responsible for the day-to-day management and operations of the Group's businesses and reports to the Board on key operational and management issues, including both financial matters and material risk and compliance matters.

### 3. Board Chairperson

Lady Winifred Kamit joined the Board of Credit Corporation (PNG) Limited in March 2023 and was appointed as Chairperson in August 2024.

The role of the Board Chairperson is set out in the Board Charter and includes:

- representing the Board to shareholders and communicating the Board's position
- leading the Board, and facilitating and encouraging constructive discussion in meetings
- assessing and agreeing professional development plans for all the Directors; and
- monitoring the contribution of individual Directors, and providing annual feedback on their performance and effectiveness.

The performance of the Board Chairperson is reviewed every year by the Board as part of the annual Board Self-Assessment Process. The Board understands that Board leadership is key to having an effective Board that sets the direction of Credit Corporation and its subsidiaries, and discharges its fiduciary and other duties under the Companies Act and other laws.

### 4. Board skills and composition

The Board seeks members who combine a broad spectrum of experience and expertise with a reputation for integrity and localised knowledge in the jurisdictions we operate.

Directors are chosen from external leaders in the community based upon contributions they can make to the Board and management. Our Board is able to challenge management in a constructive manner and drive strategic results.

The Board comprises a majority of independent Directors and, as a collective group, offers a diversity of skills, opinion and perspectives with varying experiences, gender and demographics. This drives robust decision making.

Regular review of membership is conducted by the Board to ensure the current and future members provide the mix of skills necessary to support the strategic direction and rise to the challenges of the Group.

The key skills and experience of the Board members are captured below:

- Corporate governance
- Government policy and relations
- Financial services/ banking expertise
- Risk management
- Listed company experience
- Capital management and debt funding
- Insurance
- Tax
- Financial acumen
- Strategic planning
- Regulatory and compliance
- Information technology
- Company culture and talent management
- Public affairs and communication
- Crisis management
- Global orientation and exposure
- Operational management
- Market understanding and awareness.

# Corporate governance statement (cont.)

## II. The Board of Directors (continued)

### 5. Board performance evaluation

The Board expects a high level of performance from each Director. The Board Chairperson is responsible for the performance evaluation process to confirm this.

The Board undertakes regular assessments of its performance and is required to have an independent assessment every three years as part of compliance with the BPNG Prudential Standards.

### 6. Director appointment and election

The appointment of Directors is governed by Credit Corporation's Constitution. All Directors are appointed for an initial three-year term. Directors can only serve a total of three terms, making a total of nine years.

All Directors must satisfy two requirements prior to taking up active duty on the Board – they:

- (i) must be cleared by BPNG as a 'Fit and Proper' person pursuant to the Prudential Standards issued by BPNG under the Banks and Financial Institutions Act 2000; and
- (ii) they must be duly appointed by the Board or the shareholders in a general meeting in accordance with the Constitution.

A Director appointed by the Board holds office only until the next AGM and is eligible for election by the shareholders at that meeting.

Table Five presents the summary of Directors' tenure with an indication of rotation of Directors pursuant to Article 66 (2) of the Constitution.

**Table Five: Directors' tenure**

Director	Board appointment date	Tenure on Board at 31 December 2025	Shareholder ratification date (initial appointment)	Rotation and re-election at AGM
Lady Winifred Kamit	22.03.2023	2 years 9 months	23.06.2023	Due for rotation at next AGM
Abigail Chang*	12.12.2016	9 years	29.06.2017	Retired on 12.12.2025
Faye-Zina Lalo*	22.05.2017	8 years 7 months	27.06.2018	Retired on 31.12.2025
Richard Sinamoi	02.11.2018	7 years 1 month	27.06.2018	Due for rotation at next AGM
Stephen Humphries	13.04.2021	4 years 8 months	25.06.2021	Last rotation was in 2024
Sir Melchior Togolo	29.10.2021	4 years 2 months	25.06.2021	Last rotation was in 2024
Clare Mazzetti	20.12.2021	4 years	24.06.2022	Re-elected at 2025 AGM
Daryl Johnson	20.06.2022	3 years 6 months	23.06.2023	Due for rotation at next AGM
Susil Nelson-Kongoi*	25.02.2025	10 months	20.06.2025	Appointed at 2025 AGM and resigned on 20.02.2026
John Velegrinis	10.10.2025	2 months		Due for election at next AGM

Note: \*Directors who retired or resigned in the year, or after year-end but prior to the publication of this annual report.

## II. The Board of Directors (continued)

### 7. Director development

In 2025, there were a number of internal and external workshops and courses that Directors participated in to improve the Board's performance, oversight capability and insight into the business. All Directors completed the required 20 hours of training in the year.

### 8. Director independence

The Board determined that a majority of the Directors were independent throughout the reporting period. The Board reviews the interests notified by Directors regularly and formally assesses Director independence annually.

Directors are considered to be independent where they are independent of management and free of any business or other relationship that could, or reasonably be perceived to, materially interfere with their capacity to bring independent judgement on issues before the Board and to act in the best interests of Credit Corporation and its shareholders generally. Independent Directors must not be an ex-employee of Credit Corporation nor should they hold more than a 5% shareholding interest in the company. As part of the formal independence assessment, the Board considers all business relationships between the Group on the one hand, and the Directors and companies of which they are directors or substantial shareholders on the other hand. In each case, those business relationships were of an amount not material to both parties and the Director was not involved in decisions about those relationships.

### 9. CEO and senior executive performance and remuneration

The Nominations and Remuneration Committee reviews the performance of the CEO and executive employees, and makes recommendations about remuneration and employment conditions to the Board for approval.

### 10. Conflicts of interest

Any Director who considers they have a conflict of interest or a material personal interest in a matter concerning Credit Corporation must declare it immediately to the Board Chairperson.

The Company Secretary maintains a Register of Interests which is updated at every Board meeting. The Secretary monitors all information coming to the Board and its committees, and potential conflicts are flagged with the affected Director and the Board Chairperson.

### 11. Independent advice

Directors are entitled to seek independent advice on their duties at the Group's expense, provided that they receive the prior approval of the Board Chairperson. The advice is normally made available to all Directors. No Director sought independent advice during the reporting period.

### 12. Company Secretary

There is one Company Secretary for the Board and the Board committees. The Company Secretary is appointed by the Board under the Constitution.

The Company Secretary is accountable directly to the Board, through the Board Chairperson, on all matters to do with the proper functioning of the Board.

# Directors' report

Your directors present their annual report on the affairs of Credit Corporation (PNG) Limited (the “Company”) and its controlled entities (“the Group”) including the financial statements for the year ended 31 December 2025.

## Activities

The principal activities of the Group during the course of the financial year include providing banking services, finance, leasing, and property and equity investment.

The Directors affirm that the Group has taken all necessary steps to ensure fair and equitable treatment of all shareholders.

The Directors affirm that to the best of their knowledge, the Group has not participated in any activities that violate laws and regulations.

## Results

The net profit after taxation for the Group attributable to the members of the Group for the year was K190.8 million (2024: K263.9 million) and for the Company was K166.0 million (2024: K249.4 million).

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. The Directors of the Group consider that the Group will have sufficient sources of funding to continue to fulfil all obligations as and when they fall due. Accordingly, the Directors consider the Group's financial statements should be prepared on a going concern basis.

## Dividends

The Company paid total dividends of K74.1 million (24.1 toea per share) during the year (2024: K77.3 million or 25.1 toea per share).

## Events subsequent to balance date

Subsequent to the year ended 31 December 2025, the Board declared a final dividend of 8.1 toea per share and a special dividend of 4.9 toea per share.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review that significantly affected, or may significantly affect, the operations of the Company or the results of those operations for the financial year ended 31 December 2025.

## Directors

The directors as at and during the financial year ended 31 December 2025 of the Company are listed in Note 6.3(b). No director was a substantial shareholder of the Company as at and during the year ended 31 December 2025 and none had any material interest in any contract or arrangement with the Company or any related entity during the year.

## Remuneration of Directors and Employees

The Directors and employees' remuneration information is disclosed in Note 6.3(b).

## Interests Register

The details of information recorded in the Interests register is disclosed in Note 6.3 (a).

## Internal Controls Effectiveness

The Directors confirm that they have assessed the effectiveness of the internal controls and risk management processes and consider them to be suitable.

## Auditors' remuneration

The detail of the auditors' remuneration is disclosed in Note 2.3.

## Donations

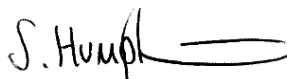
During the year, the Company made donations totalling K679,294 (2024: K326,703).

For and on behalf of the board of directors



**Lady Winifred Tare Kamit**  
**CHAIR**

**Date: 17 April 2026**



**Stephen Humphries**  
**DIRECTOR**

**Date: 17 April 2026**



## Independent auditor's report

To the shareholders of Credit Corporation (PNG) Limited

### Report on the audit of the financial statements of the Company and the Group

#### Our opinion

We have audited the financial statements of Credit Corporation (PNG) Limited (the Company), which comprise the statements of financial position as at 31 December 2025, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes to the financial statements, including material accounting policy information of the Company and Group. The Group comprises the Company and the entities it controlled at 31 December 2025 or from time to time during the financial year.

In our opinion, the accompanying financial statements:

- comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and other generally accepted accounting practice in Papua New Guinea; and
- give a true and fair view of the financial position of the Company and the Group as at 31 December 2025, and their financial performance and cash flows for the year then ended.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Company and Group in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants' (IESBA Code) as applicable to the audits of financial statements of public interest entities in Papua New Guinea. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

#### Our audit approach

An audit is designed to provide reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the management structure of the Company and the Group, their accounting processes and controls and the industries in which they operate.

[www.pwc.com/pg](http://www.pwc.com/pg)

PricewaterhouseCoopers, PwC Haus, Level 6, Harbour City,  
Konedobu, PO Box 484  
Port Moresby, Papua New Guinea  
T: +675 321 1500 / +675 305 3100



## Audit scope

Our audit focused on where the directors made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. We (PwC Papua New Guinea) conducted the audit over all of the Group's operations in Papua New Guinea (PNG) which are the most significant to the Group, and directed the scope of the audit of other subsidiaries included in the Group financial statements sufficient to express an opinion on the financial statements as a whole. For the Group's activities in Fiji, Solomon Islands and Vanuatu, the audit work was performed by other non PwC network firms operating under our instructions.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current period. The key audit matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be key matters to be communicated in our report. Further, commentary on the outcomes of the particular audit procedures is made in that context.

Key audit matter	How our audit addressed the key matter
<p><b>Fair value of investment properties</b> <i>(Refer to Note 3.7 Investment property of the financial statements)</i></p> <p>Due to the magnitude of the Investment property balance and the extent of management judgement inherent in the fair valuation, the valuation of investment properties is an area of significance in the current year audit of the Group.</p> <p>IAS 40 <i>Investment Property</i> requires considerable judgement in its application, including:</p> <ul style="list-style-type: none"> <li>• Determining the appropriate fair valuation methodology; and</li> <li>• Assumptions used in the fair valuation such as market rental rates, rental growth rates, vacancy allowances and capitalisation rates.</li> </ul>	<p>To assess the Group's determination of the fair value of its investment properties, we performed the following audit procedures on a sample basis, amongst others:</p> <ul style="list-style-type: none"> <li>• Developed an understanding of the process and controls relevant to the fair valuation determination.</li> <li>• Assisted by PwC valuation experts in aspects of our work, we performed an independent assessment of fair value by:               <ul style="list-style-type: none"> <li>○ Considering market rentals, rental growth rates, vacancy allowances and other forecasted inputs by reviewing internal information, external economic and industry analysis; and</li> <li>○ Comparing the capitalisation rates used by the Group to market data.</li> </ul> </li> <li>• Assessed the scope, competence and objectivity of the external valuation expert engaged by the Group in the prior year due to their impact on management's current internal valuation, in line with the Company's accounting policy.</li> <li>• Assessed the appropriateness of the valuation methodology adopted in accordance with accounting standards.</li> <li>• Assessed the disclosures made in the financial statements against the requirements of the International Financial Reporting Standards.</li> </ul>

Key audit matter	How our audit addressed the key matter
<p><b>Allowance for expected credit losses on finance receivables</b> (Refer to Note 3.3 Finance receivables of the financial statements)</p> <p>Due to the magnitude of the Finance receivables balance and the extent of management judgement inherent in the impairment calculations, the impairment of finance receivables is an area of significance in the current year audit of the Group.</p> <p>IFRS 9 <i>Financial Instruments</i> (IFRS 9) is a complex accounting standard which requires considerable judgement and interpretation in its application. Areas of judgement included:</p> <ul style="list-style-type: none"> <li>• The determination of the impairment in applying IFRS 9, which is reflected in the allowance for losses on finance receivables</li> <li>• The identification of exposure for which there has been a significant increase in credit risk; and</li> <li>• Assumptions used in the expected credit loss model such as valuation of collateral and assumptions made on future values, financial condition of counterparties and forward-looking macroeconomic factors.</li> </ul>	<p>To assess the Group’s allowance for expected credit losses (ECL), we performed the following audit procedures on a sample basis, amongst others:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the processes and controls relevant to the credit origination and credit monitoring processes.</li> <li>• Assisted by PwC risk and regulatory experts, we performed an independent assessment of the allowance for expected credit losses by considering whether the ECL model addresses the requirements of the applicable accounting standards.</li> <li>• Assessed whether key fields identified in the individual exposures are classified into the appropriate default stages and aging categories.</li> <li>• Assessed the reasonableness of key judgements and assumptions utilised by the Group to derive Probabilities of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).</li> <li>• Assessed the disclosures made in the financial statements against the requirements of the International Financial Reporting Standards.</li> </ul>

**Other information**

The directors are responsible for the other information. The other information comprises the Company’s Information and the Director’s Report (but does not include the financial statements and the auditors’ report thereon), which we obtained prior to the date of this auditor’s report, and the Annual Report, which is expected to be made available after that date. Our opinion on the financial statements does not cover the other information and we do not, and will not, express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibilities of the directors for the financial statements**

The directors are responsible, on behalf of the Company for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and other generally accepted accounting practice in Papua New Guinea and the Companies Act 1997 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial



statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other legal and regulatory requirements**

The Companies Act 1997 requires that in carrying out our audit we consider and report on the following matters. We confirm in relation to our audit of the financial statements for the year ended 31 December 2025:

- We have obtained all the information and explanations that we have required;
- In our opinion, proper accounting records have been kept by the Company as far as appears from an examination of those records.



### Who we report to

This report is made solely to the Company's shareholders, as a body, in accordance with the Companies Act 1997. Our audit work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in an auditor's report and for no other purpose. We do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

PricewaterhouseCoopers

Chris Wickenhauser  
Partner  
Registered under the Accountants Act 1996

Port Moresby  
17 April 2026

Credit Corporation (PNG) Limited  
and its controlled entities  
consolidated financial statements  
for the year ended 31 December 2025

Statements of financial position	67
Income statements	69
Statements of comprehensive income	70
Statements of changes in equity	71
Statements of cash flows	73
Notes to and forming part of the financial statements	75

# Financial Report

# Statements of financial position

For the year ended 31 December 2025

	Note	Consolidated		Company	
		2025 K'000	2024 K'000	2025 K'000	2024 K'000
<b>Assets</b>					
Cash and cash equivalents	3.1	192,036	237,913	6,577	55,797
Cash reserve requirement	3.2	49,673	-	-	-
Financial receivables	3.3	866,735	594,126	-	-
Other deposits	3.5(f)	-	-	-	1,548
Other receivables	3.4	14,641	12,565	107,539	78,014
Interest bearing securities	3.5(a)	118,439	60,897	-	-
Financial assets/Investment in subsidiaries	3.5(d)(e)	659,006	630,866	881,300	743,160
Inventories		1,104	1,127	-	-
Income taxes receivable	2.6(b)	-	5,163	292	55
Investments in associate	3.5(c)	-	9,274	-	9,274
Property and equipment	3.6	91,440	81,767	2,713	2,394
Investment property	3.7	239,575	225,132	-	-
Other equity investments	3.5(b)	34	34	34	34
Deferred tax assets	2.6(c)	26,969	24,137	6,055	3,215
<b>Total assets</b>		<b>2,259,652</b>	<b>1,883,001</b>	<b>1,004,510</b>	<b>893,491</b>
<b>Equity</b>					
Share capital	5.1	21,984	21,984	21,984	21,984
Reserves	5.2	823,751	688,958	790,807	666,852
Retained earnings	3.5(d)	458,628	465,484	119,729	151,841
<b>Total equity</b>		<b>1,304,363</b>	<b>1,176,426</b>	<b>932,520</b>	<b>840,677</b>

The statements of financial position are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 75 to 154.

# Statements of financial position (cont.)

For the year ended 31 December 2025

	Note	Consolidated		Company	
		2025 K'000	2024 K'000	2025 K'000	2024 K'000
<b>Liabilities</b>					
Trade and other payables	3.8	17,335	12,062	53,443	44,287
Customer deposits	3.9(a)	865,810	637,278	-	-
Borrowings	3.9(b)	33,026	34,733	-	-
Employee benefits	3.10	26,565	13,604	18,547	8,527
Income tax payable	2.6(b)	1,956	-	-	-
Deferred tax liabilities	2.6(c)	10,597	8,898	-	-
<b>Total liabilities</b>		<b>955,289</b>	<b>706,575</b>	<b>71,990</b>	<b>52,814</b>
<b>Total equity and liabilities</b>		<b>2,259,652</b>	<b>1,883,001</b>	<b>1,004,510</b>	<b>893,491</b>

For and on behalf of the board of directors



**Lady Winifred Tare Kamit**  
**CHAIR**  
17 April 2026



**Stephen Humphries**  
**DIRECTOR**  
17 April 2026

The statements of financial position are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 75 to 154.

# Income statements

For the year ended 31 December 2025

	Note	Consolidated		Company	
		2025 K'000	2024 K'000	2025 K'000	2024 K'000
Finance income	2.1	120,238	84,750	-	-
Finance costs	2.2	(24,342)	(13,895)	-	-
<b>Net finance income</b>		<b>95,896</b>	<b>70,855</b>	<b>-</b>	<b>-</b>
Other income	2.1	128,594	119,699	90,059	93,258
Fair value gain on financial asset	3.5(e)	122,509	196,813	122,509	196,813
Fair value loss on investment properties	3.7	-	(5,070)	-	-
<b>Net operating income</b>		<b>346,999</b>	<b>382,297</b>	<b>212,568</b>	<b>290,071</b>
Impairment reversal on finance receivables	3.3(iii)	(12)	5,134	-	-
Personnel expenses	2.4	(66,619)	(46,488)	(30,843)	(18,965)
Depreciation expenses	3.6	(12,464)	(7,183)	(1,208)	(1,164)
Other operating expenses	2.3	(57,057)	(56,574)	(14,557)	(15,249)
<b>Results from operating activities</b>		<b>210,847</b>	<b>277,186</b>	<b>165,960</b>	<b>254,693</b>
Share of (loss)/gain of equity accounted Investee	3.5(c)	(2,839)	(5,251)	(2,839)	(5,251)
<b>Profit before tax</b>		<b>208,008</b>	<b>271,935</b>	<b>163,121</b>	<b>249,442</b>
Income tax (expense)/benefit	2.6(a)	(17,202)	(8,001)	2,840	(86)
<b>Profit attributable to equity holders of the company</b>		<b>190,806</b>	<b>263,934</b>	<b>165,961</b>	<b>249,356</b>
Earnings per share based on profit for the year					
Basic and Diluted		0.62	0.86	0.54	0.81

The income statements are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 75 to 154.

# Statements of comprehensive income

For the year ended 31 December 2025

	Note	Consolidated		Company	
		2025 K'000	2024 K'000	2025 K'000	2024 K'000
<b>Profit for the period</b>		<b>190,806</b>	<b>263,934</b>	<b>165,961</b>	<b>249,356</b>
<b>Items that may be reclassified to profit and loss</b>					
Foreign currency translation differences for foreign operations	5.2(c)	11,249	411	-	-
<b>Other comprehensive income for the year (net of income tax)</b>		<b>11,249</b>	<b>411</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year attributable to equity holders of the company</b>		<b>202,055</b>	<b>264,345</b>	<b>165,961</b>	<b>249,356</b>

The statements of comprehensive income are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 75 to 154.

# Statements of changes in equity

For the year ended 31 December 2025

Consolidated	Note	Share Capital K'000	Reserves K'000	Retained Earnings K'000	Total K'000
<b>Balance at 1 January 2024</b>		<b>21,984</b>	<b>494,872</b>	<b>472,516</b>	<b>989,372</b>
Total comprehensive income for the year		-	411	263,934	264,345
Transfer to reserves		-	193,675	(193,675)	-
		<b>-</b>	<b>194,086</b>	<b>70,259</b>	<b>264,345</b>
<b>Transactions with owners</b>					
Dividends to equity holders	2.5	-	-	(77,291)	(77,291)
<b>Total transactions with owners</b>		<b>-</b>	<b>-</b>	<b>(77,291)</b>	<b>(77,291)</b>
<b>Balance at 31 December 2024</b>		<b>21,984</b>	<b>688,958</b>	<b>465,484</b>	<b>1,176,426</b>
<b>Balance at 1 January 2025</b>		<b>21,984</b>	<b>688,958</b>	<b>465,484</b>	<b>1,176,426</b>
Total comprehensive income for the year		-	11,249	190,806	202,055
Transfers to reserves		-	123,544	(123,544)	-
		<b>-</b>	<b>134,793</b>	<b>67,262</b>	<b>202,055</b>
<b>Transactions with owners</b>					
Dividends to equity holders	2.5	-	-	(74,118)	(74,118)
<b>Total transactions with owners</b>		<b>-</b>	<b>-</b>	<b>(74,118)</b>	<b>(74,118)</b>
<b>Balance at 31 December 2025</b>		<b>21,984</b>	<b>823,751</b>	<b>458,628</b>	<b>1,304,363</b>

The statements of changes in equity are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 75 to 154.

# Statements of changes in equity (cont.)

For the year ended 31 December 2025

Company	Note	Share Capital K'000	Reserves K'000	Retained Earnings K'000	Total K'000
<b>Balance at 1 January 2024</b>		<b>21,984</b>	<b>470,039</b>	<b>176,589</b>	<b>668,612</b>
Total comprehensive income for the year		-	-	249,356	249,356
Transfer to reserves		-	196,813	(196,813)	-
		<b>-</b>	<b>196,813</b>	<b>52,543</b>	<b>249,356</b>
<b>Transactions with owners</b>					
Dividends to equity holders	2.5	-	-	(77,291)	(77,291)
<b>Total transactions with owners</b>		<b>-</b>	<b>-</b>	<b>(77,291)</b>	<b>(77,291)</b>
<b>Balance at 31 December 2024</b>		<b>21,984</b>	<b>666,852</b>	<b>151,841</b>	<b>840,677</b>
Total comprehensive income for the year		-	-	165,961	165,961
Transfers to reserves		-	123,955	(123,955)	-
		<b>-</b>	<b>123,955</b>	<b>42,006</b>	<b>165,961</b>
<b>Transactions with owners</b>					
Dividends to equity holders	2.5	-	-	(74,118)	(74,118)
<b>Total transactions with owners</b>		<b>-</b>	<b>-</b>	<b>(74,118)</b>	<b>(74,118)</b>
<b>Balance at 31 December 2025</b>		<b>21,984</b>	<b>790,807</b>	<b>119,729</b>	<b>932,520</b>

The statements of changes in equity are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 75 to 154.

# Statements of cash flows

For the year ended 31 December 2025

	Note	Consolidated		Company	
		2025 K'000	2024 K'000	2025 K'000	2024 K'000
<b>Operating activities</b>					
Interest earned on leases and loans		120,238	84,750	-	-
Commission, fees and rents		58,107	47,433	1,718	-
Investment income		-	-	68,093	94,531
Interest payments		(24,342)	(13,895)	-	-
Payments to suppliers and employees		(113,452)	(98,664)	(34,881)	(32,442)
Operating cash flows before changes in operating assets		40,551	19,624	34,930	62,089
Cash reserve requirements with Central Bank		(49,673)	-	-	-
Net cash paid in respect of finance receivables		(272,621)	(96,318)	-	-
Net cash received in respect of deposits		228,533	126,225	-	-
Net cash (to)/from subsidiaries		-	-	(14,421)	(64,781)
Net cash from operating activities before income tax		(53,210)	49,531	20,509	(2,692)
Income taxes paid	2.6(b)	(8,930)	(7,854)	-	-
<b>Cash flows from operating activities</b>		<b>(62,140)</b>	<b>41,677</b>	<b>20,509</b>	<b>(2,692)</b>
<b>Investing activities</b>					
Purchase of property and equipment	3.6	(15,844)	(32,743)	(1,527)	(189)
Proceeds from sale of property and equipment		96	33	33	33
Capital expenditure on investment property		(14,443)	(3,178)	-	-
Investment in subsidiary		-	-	(110,000)	-
Proceeds from sale of listed shares		114,438	86,599	114,438	86,599
Dividend received		51,050	54,278	-	-
Interest from funds deposited		7,532	3,787	-	-
Net cash flow from term deposits and government bonds		(57,542)	(8,798)	-	-
<b>Cash flows from/(used in) investing activities</b>		<b>85,287</b>	<b>99,978</b>	<b>2,944</b>	<b>86,443</b>

The statements of cash flows are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 75 to 154.

# Statements of cash flows (cont.)

For the year ended 31 December 2025

	Note	Consolidated		Company	
		2025 K'000	2024 K'000	2025 K'000	2024 K'000
<b>Financing activities</b>					
Repayment of borrowings		(5,821)	(5,498)	-	-
Repayment of interest		(1,522)	(1,712)	-	-
Dividends paid	2.5	(74,118)	(77,291)	(74,118)	(77,291)
<b>Cash flows used in financing activities</b>		<b>(81,461)</b>	<b>(84,501)</b>	<b>(74,118)</b>	<b>(77,291)</b>
Effect of exchange rate changes on foreign subsidiaries cash and cash equivalents		12,437	4,153	1,445	2,691
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(45,877)</b>	<b>61,307</b>	<b>(49,220)</b>	<b>9,151</b>
Cash and cash equivalents at 1 January		237,913	176,606	55,797	46,646
<b>Cash and cash equivalents at 31 December</b>	3.1	<b>192,036</b>	<b>237,913</b>	<b>6,577</b>	<b>55,797</b>

The statements of cash flows are to be read in conjunction with the notes to and forming part of the financial statements set out on pages 75 to 154.

# Notes to and forming part of the financial statements

For the year ended 31 December 2025

## 1 About our financial statements and material accounting policies

### 1.1. Corporate information

These are the standalone and consolidated financial statements for Credit Corporation (PNG) Limited (“the Company”) and its controlled entities (together “the Group”), respectively, for the year ended 31 December 2025.

The financial statements where required, present restated comparative information for consistency with the current year’s presentation in the financial statements.

### 1.2. Reporting entity

Credit Corporation (PNG) Limited (the “Company”) is a company domiciled in Papua New Guinea. The address of the Company’s registered office is Credit House, Cuthbertson Street, Port Moresby, Papua New Guinea. The consolidated financial statements as at and for the year ended 31 December 2025, comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interest in associates. The Group is primarily involved in providing banking, general finance, leasing and has property and equity investment.

### 1.3. Basis of preparation

#### (a) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the Accounting Standards Board of Papua New Guinea (ASB) and the requirements of the Papua New Guinea Companies Act 1997.

The Group and Company are a for-profit entity for the purpose of preparing the financial statements.

The consolidated financial statements have been authorised for issue by the Board of Directors on 17 April 2026.

#### (b) Basis of measurement

The consolidated financial statements have been prepared primarily on the historical cost basis except for financial instruments measured at fair value through profit and loss and investment property which are measured at fair value through profit or loss. The Group owns property that is utilised for its own operational needs.

#### (c) Functional currency

The financial statements are presented in the Papua New Guinea currency, the Kina, which is also the Company’s functional currency. Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates.

#### (d) Use of estimates and judgements

The preparation of a financial report in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods if affected.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

1 About our financial statements and material accounting policies (continued)

1.3. Basis of preparation (continued)

Information about critical judgements in applying accounting policies that will have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 3.3 – Finance receivables
- Note 3.7 – Investment property
- Note 4 – Financial instrument disclosures
- Note 3.10 – Share-based payments that are cash settled.

The underlying assumptions are also subject to uncertainties which are often outside the control of the Group. Accordingly, the actual economic conditions are likely to be different from that forecast since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements.

The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses, fair value measurement, and recoverable amount assessments of non-financial assets.

## 1.4. Basis of consolidation

### (a) Subsidiaries

Subsidiaries are investees controlled by the Group. The Group ‘controls’ an investee if it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date when control ceases. Subsidiaries are measured at cost.

### (b) Investments in associates

Associates are those entities in which the Group has a significant influence, but not control or joint control, over the financial and operating policies.

Investments in associates are accounted for using the equity method (equity accounted investees) and are recognised initially at cost. The consolidated financial statements include the Group’s share of profit and other comprehensive income of the associate, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

### (c) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

1 About our financial statements and material accounting policies (continued)

1.4. Basis of consolidation (continued)

## (d) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see 1.4 a).

In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

## 1.5. Foreign currency

### (a) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

### (b) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to PNG Kina at exchange rates at the reporting date. The income and expenses of foreign operations are translated to PNG Kina at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income. Foreign exchange differences have been recognised in the exchange fluctuation reserve (EFR). When a foreign operation is disposed of, in part or in full, the relevant amount in the EFR is transferred to profit or loss as part of the profit or loss on disposal.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income and are presented within equity in the EFR.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

1 About our financial statements and material accounting policies (continued)

## 1.6. Financial assets and liabilities

### (a) Classification and measurement of financial instruments

#### (i) Recognition and initial measurement

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

Except for trade receivables that do not have a significant financing component, at initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Trade receivables that do not have a significant financing component are measured at their transaction price at initial recognition.

#### (ii) Classification and subsequent measurement of financial assets

The Group classifies financial assets into one of the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVTOCI); or
- Fair value through profit or loss (FVTPL).

Financial assets include both debt and equity instruments.

#### a. Debt instruments

Debt instruments include loans and debt securities and are classified into either amortised costs or measured at FVTPL measurement categories.

**Debt instruments measured at amortised cost** — debt instruments are measured at amortised cost if they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortised cost. Interest income on these instruments is recognised as interest income using the effective interest rate method.

**Debt instruments measured at FVTPL** — debt instruments are measured at FVTPL if assets:

- are held for trading purposes;
- are held as part of a portfolio managed on a fair value basis; or
- whose cash flows do not represent payments that are solely payments of principal and interest.

The Group did not have any debts instruments that are measured at FVTPL in 2025 (2024: None).

The classification of debt instruments is determined based on:

- the business model under which the asset is held; and
- the contractual cash flow characteristics of the instrument.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

1 About our financial statements and material accounting policies (continued)

1.6. Financial assets and liabilities (continued)

(a) Classification and measurement of financial instruments (continued)

## *Business model assessment*

Business model assessment involves determining how financial assets are managed in order to generate cash flows. The business model of the Group is to hold assets and collect contractual cash flows. Any sales of the asset are incidental to the objective of the model. The contractual cash flow characteristics assessment involves assessing the contractual features of an instrument to determine if they give rise to cash flows that are consistent with a basic lending arrangement. Contractual cash flows are consistent with a basic lending arrangement if they represent cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. Principal is defined as the fair value of the instrument at initial recognition. Principal may change over the life of the instrument due to repayments or amortisation of premium/discount.

Interest is defined as the consideration for the time value of money and the credit risk associated with the principal amount outstanding and for other basic lending risks and costs, and a profit margin.

If the Group identifies any contractual features that could significantly modify the cash flows of the instrument such that they are no longer consistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

## **b. Equity instruments**

Equity instruments are classified into fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVTOCI). Equity instruments are measured at FVTPL, unless an election is made to designate them at FVTOCI upon purchase.

At initial recognition, the Group measures equity instruments at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent to initial recognition the changes in fair value are recognised as part of fair value (loss)/gain on financial assets line in the Consolidated Income Statement for FVTPL or in other comprehensive income for FVTOCI.

## **(iii) Classification and subsequent measurement of financial liabilities**

The Group classifies all financial liabilities as measured at amortised cost.

Deposits and borrowings are accounted for at amortised cost. Interest on deposits, calculated using the effective interest rate method, is recognised as interest expense. Interest on borrowings is recognised using the effective interest rate method as interest expense.

## **(iv) Determination of fair value**

Fair value of a financial asset or liability is the price that would be received to sell an asset or paid to transfer a liability to which the Group has access at the measurement date.

The Group values instruments carried at fair value using quoted market prices, where available. Unadjusted quoted market prices for identical instruments represent a Level 1 valuation. When quoted market prices are not available, the Group maximises the use of observable inputs within valuation models. When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the date of the event or change in circumstances that caused the transfer. During the year, there were no transfers between levels of the fair value hierarchy (2024: None).

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

1 About our financial statements and material accounting policies (continued)

1.6. Financial assets and liabilities (continued)

(a) Classification and measurement of financial instruments (continued)

## (v) Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

The Group renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan's terms are modified in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened, and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to other terms.

When a financial asset is modified the Group assesses whether this modification results in derecognition. In accordance with the Group's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Group considers the following:

- Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency, change of counterparty and the extent of change in interest rates, maturity and covenants. If these do not clearly indicate a substantial modification, then;
- A quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest. If the difference in present value is greater than 10% the Group deems the arrangement is substantially different leading to derecognition.

In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification.

The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms. When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Group determines if the financial asset's credit risk has increased significantly since initial recognition.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

- 1 About our financial statements and material accounting policies (continued)
- 1.6. Financial assets and liabilities (continued)
- (a) Classification and measurement of financial instruments (continued)

For financial assets modified as part of the Group's restructuring policy, where modification did not result in derecognition, the estimate of PD reflects the Group's ability to collect the modified cash flows taking into account the Group's previous experience of similar restructuring action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forbore loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Group calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Group measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

## (vi) Derecognition of financial assets and liabilities

### **Derecognition of financial assets**

A financial asset is derecognised when the contractual rights to the cash flows from the asset has expired; or the Group transfers the contractual rights to receive the cash flows from the financial asset; or has assumed an obligation to pay those cash flows to an independent third-party; or the Group has transferred substantially all the risks and rewards of ownership of that asset to an independent third-party. Management determines whether substantially all the risk and rewards of ownership have been transferred by quantitatively comparing the variability in cash flows before and after the transfer. If the variability in cash flows remains significantly similar subsequent to the transfer, the Group has retained substantially all of the risks and rewards of ownership.

Where substantially all the risks and rewards of ownership of the financial asset are neither retained nor transferred, the Group derecognises the transferred asset only if it has not retained control over that asset. Control over the asset is represented by the practical ability to sell the transferred asset. If the Group retains control over the asset, it will continue to recognise the asset to the extent of its continuing involvement. At times such continuing involvement may be in the form of investment in senior or subordinated tranches of notes issued by non-consolidated structured entities.

On derecognition of a financial asset, the difference between the carrying amount and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the Consolidated Income Statement.

### **Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. If an existing financial liability is replaced by another from the same counterparty on substantially different terms, or the terms of the existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability at fair value. The difference in the respective carrying amount of the existing liability and the new liability is recognised as a gain/loss in the Consolidated Income Statement.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

1 About our financial statements and material accounting policies (continued)

1.6. Financial assets and liabilities (continued)

## (b) Impairment of financial assets carried at amortised cost

The Group applies a three-stage approach to measure allowance for credit losses, using an expected credit loss approach as required under *IFRS 9 Financial Instruments*.

### (i) Expected credit loss impairment model

#### Expected credit loss (“ECL”) allowances

The modelling methodology applied in estimating ECL in these financial statements are briefly described in note 1.6 of these consolidated financial statements.

The uncertainty around delays in key major projects and the fluctuating economy increases the risk to the forecast resulting in potential misstatement of the ECL balance due to uncertainties around:

- the extent and duration of the economic downturn, along with the time required for economies to recover; and
- the effectiveness of government stimulus measures, in particular their impact on the magnitude of economic downturn and the extent and duration of the recovery.

The Group’s allowance for credit losses calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either (i) over the following twelve months or (ii) over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

This impairment model measures credit loss allowances using a three-stage approach based on the extent of credit deterioration since origination:

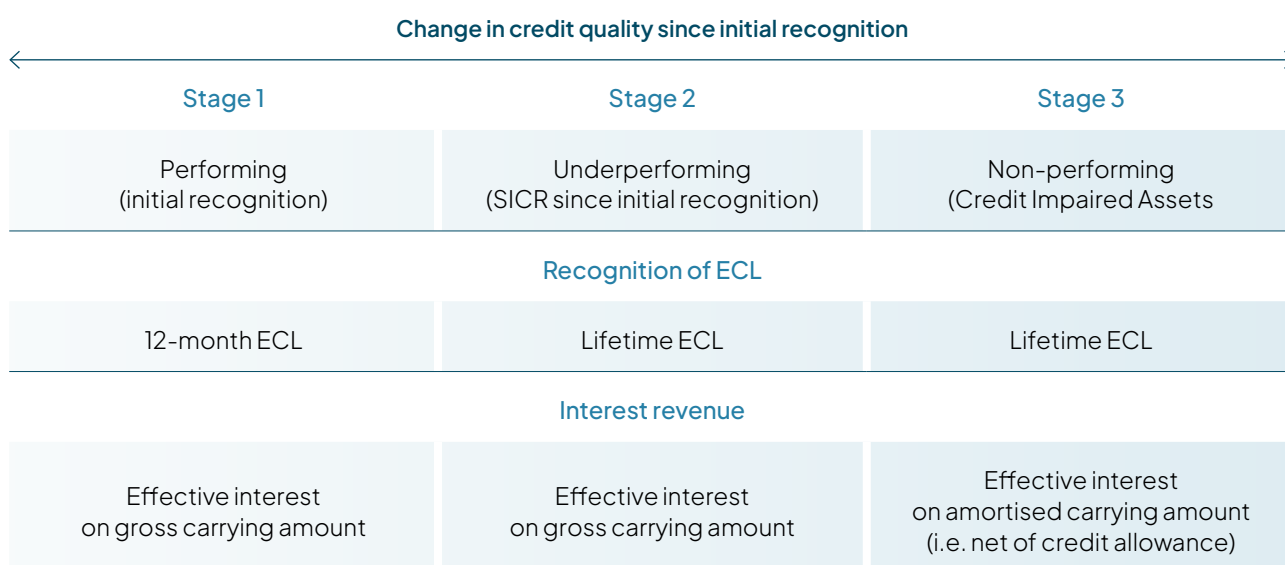
- **Stage 1** – 12-month ECL applies to all financial assets that have not experienced a significant increase in credit risk (SICR) since origination and are not credit impaired. The ECL will be computed using a 12-month PD that represents the probability of default occurring over the next 12 months. For those assets with a remaining maturity of less than 12 months, a PD is used that corresponds to remaining maturity.
- **Stage 2** – When a financial asset experiences a SICR subsequent to origination but is not credit impaired, it is considered to be in Stage 2. This requires the computation of ECL based on lifetime PD that represents the probability of default occurring over the remaining estimated life of the financial asset. Credit loss allowances are higher in this stage because of an increase in risk and the impact of a longer time horizon being considered compared to 12 months in Stage 1.
- **Stage 3** – Financial assets that have objective evidence of impairment will be included in this stage. Similar to Stage 2, the allowance for credit losses will continue to capture the lifetime expected credit losses.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

- 1 About our financial statements and material accounting policies (continued)
- 1.6. Financial assets and liabilities (continued)
- (b) Impairment of financial assets carried at amortised cost (continued)

The following diagram shows the impairment approach under IFRS 9.



## Measurement of expected credit loss

The probability of default (PD), exposure at default (EAD), and loss given default (LGD) inputs used to estimate expected credit losses are modelled based on macroeconomic variables that are most closely related with credit losses in the relevant portfolio. Details of key statistical parameters/inputs are as follows:

- **PD** – The probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the remaining estimated life, if the facility has not been previously derecognised and is still in the portfolio. The PD calculation uses historical data and considers ‘payment holiday probation’, ‘restructure probation’, ‘downturn PD internal’, ‘portfolio average PD internal’, ‘PD product segmentation’ and ‘PD years and PD configuration’. PDs are based on observed defaults and structured by product and arrears, with client-level days past due payments (DPD) determined by the highest DPD across that client’s accounts. Scenario specific PDs are obtained by reference to historical patterns: the Base scenario reflects long run averages; the Downturn reflects averages over a defined downturn interval (June 2019–June 2021); and the Upturn reflects lower risk percentiles of rolling averages. Although COVID related impacts have passed, the COVID downturn window is retained as it is the most recent period of heightened defaults observed in the Bank’s historical data and therefore remains an appropriate basis for the downturn scenario under IFRS 9. Lifetime PDs are constructed using modelled years followed by a constant PD where data sufficiency tapers, consistent with the model’s PD years and configuration settings. New loan products with limited experience have been temporarily assigned the portfolio average PDs and will subsequently be re segmented as sufficient experience develops.
- **EAD** – The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. For revolving facilities, the model uses the facility limit (effectively 100%), subject to regular monitoring. For amortising loans, EAD is based on a ratio method (balance at default/balance at start).

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

1 About our financial statements and material accounting policies (continued)

1.6. Financial assets and liabilities (continued)

(b) Impairment of financial assets carried at amortised cost (continued)

- **LGD** – The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. The LGD calculation considers collateral haircut, time to realisation, cost to recover, cure rate and LGD floor. LGD is usually expressed as a percentage of the EAD. The LGD assumptions were updated during the year to reflect enhancements arising from the June 2025 ECL model review. These updates include revised cure rates, security type specific collateral haircuts and an updated time to realisation assumption now applied on an annual basis. The detailed LGD methodology changes have been provided separately to the auditors in the model enhancement papers and related governance forums.

## Qualitative information assumptions on ECL changes

- **Haircut on collateral** – the reduction/discounting of assets used as collateral on a loan. The ECL model was updated to segment collateral by applying the appropriate haircut based on the asset type as the previous model applied a set of fixed haircuts to all asset types.
- **Time to realisation** – this is the time taken to realise on a collateral from default notice. The time to realisation had changed for CreditBank PNG from months to annual assumptions to better reflect recovery timelines and align with the LGD framework calculation for PNG.
- **Cost to recovery** – this is currently capitalised as part of the loan balance. This policy remains unchanged.
- **Cure rates** – this is the probability of an account to recover to a performing status once an account has defaulted.

Assumptions	Scenario	2025	2024	Increase/decrease
Time to realisation	Base	10 months	10 months	Stable
	Upturn	7 months	5 months	Increase
	Downturn	27 months	27 months	Stable
Cost to recover		0%	0%	Stable
Cure rate	Base	24%	22%	Increase
	Upturn	33%	35%	Decrease
	Downturn	7%	3%	Increase
ECL Weighting	Base	72%	64%	Increase
	Upturn	5%	4%	Increase
	Downturn	23%	32%	Decrease

## (ii) Forward-looking information

The estimation of expected credit losses for each stage and the assessment of significant increases in credit risk consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information may require significant judgement.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

- 1 About our financial statements and material accounting policies (continued)  
 1.6. Financial assets and liabilities (continued)  
 (b) Impairment of financial assets carried at amortised cost (continued)

## Multiple forward-looking scenarios

The Group determines its allowance for credit losses using three probability-weighted forward-looking scenarios. The Group considers both internal and external sources of information and data in order to achieve an unbiased projections and forecasts.

The weightings assigned to each economic scenario were as follows:

### At 31 December 2025

Scenario	Base	Upturn	Downturn
Weighting	72%	5%	23%

### At 31 December 2024

Scenario	Base	Upturn	Downturn
Weighting	64%	4%	32%

The 'base case' represents the most likely outcome. The upturn scenario represents more optimistic outcome while the downturn represents more pessimistic outcomes. The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macroeconomic variables, credit risk, and credit losses.

## Macroeconomic factors

The macroeconomic indicators (GDP, unemployment, interest rates, house prices and so forth) are not used as direct quantitative inputs in the model. Instead, they help inform and calibrate the Base, Upturn and Downturn scenarios, including their threshold and weightings. The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays may be made as temporary adjustments using expert credit judgement.

The table below summarises the principal macroeconomic indicators included in the economic scenarios used at 31 December 2025 for the years 2026 to 2028, for finance receivables.

Country – GDP Growth		2025	2026	2027	2028
Papua New Guinea	Base Scenario	4.60%	3.70%	3.40%	3.00%
Fiji	Base Scenario	3.00%	3.40%	3.40%	3.30%
Solomon Islands	Base Scenario	2.30%	2.50%	2.60%	3.00%
Vanuatu	Base Scenario	0.90%	1.50%	2.10%	2.50%
<b>Group – GDP Growth</b>					
	Base scenario	2.70%	2.78%	2.88%	2.95%
	Upside scenario (10% increase)	2.97%	3.05%	3.16%	3.25%
	Downside scenario (10% decrease)	2.43%	2.50%	2.59%	2.66%

Source: International Monetary Fund

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

- 1 About our financial statements and material accounting policies (continued)
- 1.6. Financial assets and liabilities (continued)
- (b) Impairment of financial assets carried at amortised cost (continued)

## Base case economic forecast assumptions

The table below summarises the principal macroeconomic indicators included in the economic scenarios used for finance receivables at 31 December 2025 and the forecast for the year 2026.

	Revised Base case economic forecast as at 31 December 2025	Revised Base case economic forecast as at 31 December 2024
<b>Papua New Guinea</b>		
Gross Domestic Product (GDP)	PNG's GDP increased by 0.9% in 2025 and is expected to decrease to 3.5% in 2026.	PNG's GDP increased by 1.7% in 2024 and is expected to decrease to 3.7% in 2025.
Consumer Price Index (CPI)	Average CPI for 2025 was 4.8% and is expected to decrease to 4.6% in 2026.	Average CPI for 2024 was at 4.4% and is expected to increase to 4.8% in 2025.
<b>Fiji</b>		
Gross Domestic Product (GDP)	Fiji's GDP decreased by 0.3% in 2025 and is expected to decrease to 3.1% in 2026.	Fiji's GDP decreased by 4.5% in 2024 and is expected to increase to 3.4% in 2025.
Consumer Price Index (CPI)	Average CPI for 2025 was 3.2% but is expected to decrease to 3.1% in 2026.	Average CPI for Fiji in 2024 was 5.2% but is expected to decrease to 3.5% in 2025.
<b>Vanuatu</b>		
Gross Domestic Product (GDP)	Vanuatu's GDP increased by 0.5% in 2025 and is expected to increase to 2.1% in 2026.	Vanuatu's GDP decreased by 1.3% in 2024 and is expected to increase to 1.5% in 2025.
Consumer Price Index (CPI)	Average CPI for Vanuatu in 2025 was 4.5% and is expected to decrease to 3.4% in 2026.	Average CPI for Vanuatu in 2024 was 4.2% and is expected to decrease to 2.8% in 2025.
<b>Solomon Islands</b>		
Gross Domestic Product (GDP)	Solomon Islands' GDP increased by 0.2% in 2025 and is expected to increase to 2.8% in 2026.	Solomon Islands' GDP decreased by 1% in 2024 and is expected to increase to 2.5% in 2025.
Consumer Price Index (CPI)	Average CPI for Solomon Islands in 2025 was 4.8% but is expected to decrease to 3.7% in 2026.	Average CPI for Solomon Islands in 2024 was 2.9% but is expected to increase to 3% in 2025.

Source: International Monetary Fund

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

1 About our financial statements and material accounting policies (continued)

1.6. Financial assets and liabilities (continued)

(b) Impairment of financial assets carried at amortised cost (continued)

## (iii) Assessment of significant increase in credit risk (SICR)

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The assessment considers borrower-specific quantitative and qualitative information without consideration of collateral, and the impact of forward-looking macroeconomic factors.

The following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations; and
- applied a credit provision overlay that is supported by the uncertainty of the environment and a balanced risk appetite.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The common assessments for SICR include macroeconomic outlook, management judgement, and delinquency and monitoring. Forward-looking macroeconomic factors are a key component of the macroeconomic outlook. The importance and relevance of each specific macroeconomic factor depends on the type of product, characteristics of the financial instruments and the borrower and the geographical region. Quantitative models may not always be able to capture all reasonable and supportable information that may indicate a significant increase in credit risk. Qualitative factors may be assessed to supplement the gap. Examples of situations include changes in adjudication criteria for a particular group of borrowers; changes in portfolio composition; and natural disasters impacting certain portfolios. With regards to delinquency and monitoring, there is a rebuttable presumption that the credit risk of the financial instrument has increased since initial recognition when contractual payments are more than 30 days overdue. For staging and delinquency monitoring, DPD is assessed at the client level, based on the highest DPD across the client's accounts. Beyond 30-DPD, the model treats payment holidays and restructures as SICR/Stage triggers with specified probation periods (Stage 2 for holidays; Stage 3 probation for restructures, then potential reversion).

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

1 About our financial statements and material accounting policies (continued)

1.6. Financial assets and liabilities (continued)

(b) Impairment of financial assets carried at amortised cost (continued)

## (iv) Expected life

When measuring expected credit loss, the Group considers the maximum contractual period over which the Group is exposed to credit risk. All contractual terms are considered when determining the expected life, including prepayment, and extension and rollover options.

## (v) Presentation of allowance for credit losses in the Statement of Financial Position

Financial assets are measured at amortised cost: as a deduction of impairment, if any, from the gross carrying amount of the financial assets.

## (vi) Restructured financial assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy.

Restructured accounts are subject to a probation based staging approach. They are classified in Stage 3 during probation period, reverting to an earlier stage only after maintaining zero days past due over a rolling 185-day period.

## (vii) Definition of default

The Group considers a financial instrument to be in default as a result of one or more loss events that occurred after the date of initial recognition of the instrument and the loss event has a negative impact on the estimated future cash flows of the instrument that can be reliably estimated. This includes events that indicate:

- significant financial difficulty of the borrower;
- default or delinquency in interest or principal payments;
- high probability of the borrower entering a phase of bankruptcy or a financial reorganisation; and
- measurable decrease in the estimated future cash flows from the loan or the underlying assets that back the loan.

The Group considers that default has occurred and classifies the financial asset as impaired when it is more than 90 days past due.

Financial assets in default are also considered credit impaired.

## (viii) Write-off policy

The Group writes off an impaired financial asset (and the related impairment allowance), either partially or in full, when there is no realistic prospect of recovery. Where financial assets are secured, write-off is generally after receipt of any proceeds from the realisation of security. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier. In subsequent periods, any recoveries of amounts previously written off are credited to the impairment loss on finance receivables line in the Consolidated Income Statement.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

- 1 About our financial statements and material accounting policies (continued)  
 1.6. Financial assets and liabilities (continued)  
 (b) Impairment of financial assets carried at amortised cost (continued)

## (ix) Sensitivity analysis

Sensitivity analysis has been performed on certain assumptions being:

1. Haircut on collateral values;
2. Time to realisation; and
3. Weighting on economic scenarios.

Set out below are the sensitivity analysis on reasonable changes to these assumptions.

Increase/(decrease) by	31 December 2025	
	Increase by 10% K'000	Decrease by 10% K'000
Change in collateral haircut	834	(775)
Change in time to realisation	158	(159)

31 December 2024		
Change in collateral haircut	1,967	(1,882)
Change in time to realisation	246	(242)

Increase/(decrease) by	31 December 2025	
	Increase by 10% K'000	Decrease by 10% K'000
Changes in probability weighted scenarios	(1,359)	1,359

31 December 2024		
Changes in probability weighted scenarios	(1,909)	1,909

## (x) Collateral

The Group has a range of policies that are used for the purpose of managing and mitigating credit risks. To reduce its exposure to credit risks the Group accepts collateral to funds advanced. The specific types of collateral and valuation of collateral during the loan origination process and period assessment of credit quality are clearly outlined in the internal credit policies. The different collateral types for loans and advances are:

- Fixed and floating charges over company assets;
- Chattel mortgage over personal property;
- Registered Mortgage over property;
- Letter of Set off over cash;
- Share Mortgage over shares; and
- Personal and Corporate Guarantees from guarantors.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

- 1 About our financial statements and material accounting policies (continued)  
 1.6. Financial assets and liabilities (continued)  
 (b) Impairment of financial assets carried at amortised cost (continued)

The Group's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been minimal significant change in the overall quality of the collateral held by the Group since the prior period. The Group closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Group will take possession of collateral to mitigate potential credit losses.

Finance receivables that are credit-impaired and related collateral held in order to mitigate potential losses are shown below. Refer to Note 1.6 (b) (i) for considerations in relation to haircuts on collaterals.

	Gross exposure (Net of unearned income impairment allowance) K'000	Impairment allowance K'000	Carrying amount K'000	Fair value of collateral held K'000
<b>2025</b>				
<b>Credit impaired assets</b>				
Stage 1	734,223	(15,240)	718,983	1,421,800
Stage 2	124,133	(14,906)	109,227	178,368
Stage 3	50,825	(12,300)	38,525	77,538
	<b>909,181</b>	<b>(42,446)</b>	<b>866,735</b>	<b>1,677,706</b>
<b>2024</b>				
<b>Credit impaired assets</b>				
Stage 1	501,618	(16,752)	484,866	762,791
Stage 2	82,167	(8,230)	73,937	122,058
Stage 3	52,795	(17,472)	35,323	83,399
	<b>636,580</b>	<b>(42,454)</b>	<b>594,126</b>	<b>968,248</b>

## (xi) Changes in loss allowance

The change in loss allowance recognised in the period was impacted by the following factors:

- Movement of exposures between the three stages depending on the whether there has been a significant increase in credit risk for exposures since initial recognition. The assessment considers borrower-specific quantitative and qualitative information without consideration of collateral, and the impact of forward-looking macroeconomic factors.
- Additional allowances as a result of new financial instruments added during the period.
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period as a result of regular updates on general models.
- Foreign exchange retranslations for assets denominated in foreign currencies and other movements.
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

- 1 About our financial statements and material accounting policies (continued)  
 1.6. Financial assets and liabilities (continued)  
 (b) Impairment of financial assets carried at amortised cost (continued)

## (xii) Credit risk exposure

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

	2025 K'000	2024 K'000
Stage 1 – 12-month ECL	734,223	501,618
Stage 2 – Lifetime ECL	124,133	82,167
Stage 3 – Lifetime ECL	50,825	52,795
<b>Gross carrying amount</b>	<b>909,181</b>	<b>636,580</b>
Allowance for credit loss	(42,446)	(42,454)
<b>Net carrying amount</b>	<b>866,735</b>	<b>594,126</b>

## 1.7. Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, such as property and equipment, investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

1 About our financial statements and material accounting policies (continued)

## 1.8. Leases

### (a) The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the remeasurement of lease liability compose:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is included under 'Borrowings' in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

- 1 About our financial statements and material accounting policies (continued)  
 1.8. Leases (continued)  
 (a) The Group as lessee (continued)

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Property and equipment' line in the consolidated statements of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 1.7.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

## i) Amounts recognised in the statements of financial position

The statements of financial position show the following amounts relating to leases:

	Consolidated	
	2025 K'000	2024 K'000
<b>Right-of-use assets</b>		
<b>Buildings</b>		
At 1 January	9,471	8,709
Additions/disposals/transfers	6,746	1,564
Depreciation for the year	(1,867)	(802)
Effect of foreign exchange	-	-
At 31 December	<b>14,350</b>	<b>9,471</b>
<b>Lease liabilities</b>		
Current	2,243	887
Non-current	6,852	2,768
	<b>9,095</b>	<b>3,655</b>

See Note 3.9 (d) for maturity analysis of lease liabilities as at 31 December 2025.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

- 1 About our financial statements and material accounting policies (continued)  
1.8. Leases (continued)  
(a) The Group as lessee (continued)

## ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	Consolidated	
	2025 K'000	2024 K'000
<b>Depreciation charge of right-of-use assets:</b>		
Buildings	(1,867)	(1,655)
Interest expense (included in finance cost)	709	396

Total cash outflow for leases (including both principal and interest payment) in 2025 was K2.2 million (2024: K2.1 million).

## (b) The Group as lessor

The Group enters into lease agreements as a lessor with respect to its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases.

## 1.9. Standards, amendments and interpretations effective in the year ended 31 December 2025

The following standards, amendments and interpretations to existing standards became applicable for the first time during the accounting period 31 December 2025.

- Amendments to IAS 21 – *Lack of Exchangeability* (effective 1 January 2026 – early adoption is available). An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

The above changes did not have any material impact on the Group and company.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

## 1 About our financial statements and material accounting policies (continued)

### 1.10. Standards, amendments and interpretations issued but not yet effective for the year ended 31 December 2025 or adopted early

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2026 or later periods, but the entity has not early adopted them:

- Amendment to IFRS 9 and IFRS 7 – *Classification and Measurement of Financial* (effective 1 January 2026 – early adoption is available). These amendments:
  - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
  - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
- Annual improvements to IFRS – *Volume 11* (effective 1 January 2026 – with earlier application permitted). Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:
  - IFRS 1 First-time Adoption of International Financial Reporting Standards;
  - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
  - IFRS 9 Financial Instruments;
  - IFRS 10 Consolidated Financial Statements; and
  - IAS 7 Statement of Cash Flows.
- IFRS 18 Presentation and Disclosure in Financial Statements (effective 1 January 2027). This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
  - the structure of the statement of profit or loss;
  - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
  - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

# Notes to and forming part of the financial statements (cont.)

## For the year ended 31 December 2025

### 1 About our financial statements and material accounting policies (continued)

#### 1.10. Standards, amendments and interpretations issued but not yet effective for the year ended 31 December 2025 or adopted early (continued)

- IFRS 19 Subsidiaries without Public Accountability: *Disclosures* (effective 1 January 2027 – Earlier application is permitted). This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries.

A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

#### New IFRS sustainability disclosure standards effective after 1 January 2025

The following IFRS sustainability disclosure standards have been published and are effective for annual periods beginning on or after 1 January 2024 subject to the endorsement by local regulators. The Accounting Standards Board of PNG deferred the implementation of the ISSB sustainability standards to a later date to be determined, with the likely introduction for the annual periods beginning on or after 1 January 2027. Therefore, the entity has not yet adopted these standards:

- IFRS S1, '*General requirements for disclosure of sustainability-related financial information*'. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- IFRS S2, '*Climate-related disclosures*' (effective 1 January 2024 – This is subject to endorsement by the Accounting Standards Board of PNG). This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

The Group continues to assess the impact of adopting Standards, amendments and interpretations issued but not yet effective for the year ended 31 December 2025.

#### 1.11. Going Concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Directors of the Group and Company consider that the Group and Company will have sufficient sources of funding to continue to fulfil all obligations as and when they fall due. Accordingly, the Directors consider the Group and Company's financial statements should be prepared on a going concern basis.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

## 2 Financial Performance

### 2.1. Finance and other income

	Consolidated		Company	
	2025 K'000	2024 K'000	2025 K'000	2024 K'000
<b>Finance income</b>	<b>120,238</b>	<b>84,750</b>	<b>-</b>	<b>-</b>
<b>Other income</b>				
Profit/(loss) on sale of property and equipment	472	450	-	33
Profit on sale of shares (net)	13,634	18,099	13,634	18,099
Dividend income				
– from subsidiaries	-	-	21,871	18,389
– from investments in listed companies	52,114	53,264	52,114	53,264
Rental income from property	29,656	31,321	-	-
Rental outgoings	6,172	6,735	-	-
Interest on term deposit, treasury bills and semi-government bonds	7,582	3,786	38	38
Net foreign exchange gains	7,071	-	-	-
Other operating income	11,893	6,044	2,402	3,435
<b>Total other income</b>	<b>128,594</b>	<b>119,699</b>	<b>90,059</b>	<b>93,258</b>

### Recognition and measurement

#### Revenue

##### (a) Finance income

Finance income comprises finance charges earned from the provision of loans and is recognised over the loan contract using the effective interest rate method.

##### (b) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

##### (c) Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

2. Financial Performance (continued)  
2.1. Finance and other income (continued)

## (d) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from subleased property is recognised as other income.

All rental income is derived in Papua New Guinea.

## (e) Other income

Other income comprises interest income on funds invested (including other equity investments financial assets), gains on the disposal of other equity investments financial assets. Interest income on funds deposited is recognised as it accrues in profit or loss, using the effective interest rate method.

## 2.2. Finance costs

	Consolidated		Company	
	2025 K'000	2024 K'000	2025 K'000	2024 K'000
Interest on customer deposits	(24,342)	(13,895)	-	-

## Recognition and measurement

Finance costs comprise interest expense on interest bearing deposits and other costs associated with financing income. Interest is recognised using the effective interest method.

## 2.3. Other operating expenses

The operating profit for the year as stated after charging the following items:

	Consolidated		Company	
	2025 K'000	2024 K'000	2025 K'000	2024 K'000
General administrative expenses	23,922	24,364	4,756	3,945
Software licensing and other IT costs	5,760	5,174	3,609	3,073
Legal Fees	120	512	-	-
Auditor's remuneration – audit fees	1,357	1,157	296	263
Professional advisory fees	13,943	13,712	5,513	7,902
Donations	679	327	383	66
Direct operating expenses for investment property that generated rental income	11,276	11,328	-	-
	<b>57,057</b>	<b>56,574</b>	<b>14,557</b>	<b>15,249</b>

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

## 2. Financial Performance (continued)

### 2.4. Personnel expenses

	Consolidated		Company	
	2025 K'000	2024 K'000	2025 K'000	2024 K'000
Wages and salaries	40,503	33,977	11,715	11,208
Contributions to defined contribution plans	3,001	2,583	1,002	718
Long service leave and annual leave	1,368	615	875	(15)
Share-based payment expense	16,735	6,112	13,679	4,499
Other staff costs	5,012	3,201	3,572	2,555
	<b>66,619</b>	<b>46,488</b>	<b>30,843</b>	<b>18,965</b>

The number of employees at 31 December 2025 employed in the Group was 421 (2024: 391).

### 2.5. Dividends

	Consolidated		Company	
	2025 K'000	2024 K'000	2025 K'000	2024 K'000
2024 Final dividend of K0.121 per share (2023 Final of K0.131 per share)	37,213	40,339	37,213	40,339
2025 Interim dividend of K0.120 per share (2024 K0.120 per share)	36,905	36,952	36,905	36,952
	<b>74,118</b>	<b>77,291</b>	<b>74,118</b>	<b>77,291</b>

Final dividend for the year ended 31 December 2024 was declared on 14 March 2025 and paid on 11 April 2025. In addition, an interim dividend for the year ended 31 December 2025 was declared on 11 September 2025 and paid on 24 October 2025.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

## 2. Financial Performance (continued)

### 2.6. Taxation

#### (a) Income tax expense/(benefit)

	Consolidated		Company	
	2025 K'000	2024 K'000	2025 K'000	2024 K'000
Current tax expense	15,968	7,405	-	-
Under/(over) provisions in tax expense / (benefit)	(543)	(1,736)	-	-
Deferred tax expense / (benefit)	1,587	2,332	(2,840)	86
Net increase in deferred taxes due to tax rate changes	190	-	-	-
<b>Income tax expense/(benefit)</b>	<b>17,202</b>	<b>8,001</b>	<b>(2,840)</b>	<b>86</b>
Profit before tax	208,008	271,935	163,121	249,442
Computed tax using the applicable PNG corporate income tax rate (30%)	62,402	81,581	48,936	74,833
Effect of tax rates in foreign jurisdictions	(2,346)	(3,923)	-	-
<b>Tax effect of:</b>				
Share of profit of equity accounted associate reported net of tax	852	1,575	852	1,575
Current year unrealised gains for which no deferred tax is recognised	(36,747)	(59,568)	(36,753)	(59,568)
Dividend income exempt from tax	(5,192)	(6,706)	(11,853)	(12,223)
Profit on sale of shares	(4,090)	(5,430)	(4,090)	(5,430)
Change in Corporate tax rate (2025: CCFL 40% from 45%); 2023 (Fiji: 25% from 20%)	190	(1,746)	-	-
Non-deductible expenses	2,678	3,994	68	899
Under provisions in prior years	(545)	(1,736)	-	-
Recognition of previously unrecognised deferred taxes	-	(40)	-	-
<b>Tax expense/(benefit) in the income statement</b>	<b>17,202</b>	<b>8,001</b>	<b>(2,840)</b>	<b>86</b>

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

2. Financial Performance (continued)

2.6. Taxation (continued)

## (b) Income taxes payable/(receivable)

	Consolidated		Company	
	2025 K'000	2024 K'000	2025 K'000	2024 K'000
<b>At 1 January</b>	(5,163)	(2,611)	(55)	(49)
Income tax expense for the year	15,968	7,405	12,109	-
Under/over provision in prior years	397	(1,736)	-	-
Income taxes paid during the year	(9,170)	(7,854)	(12,109)	-
Interest withholding tax credit	(76)	(69)	(6)	(6)
Offset against other taxes	-	(298)	(231)	-
<b>At 31 December</b>	<b>1,956</b>	<b>(5,163)</b>	<b>(292)</b>	<b>(55)</b>

## (c) Deferred tax assets and liabilities

Deferred tax assets and deferred tax liabilities at 31 December 2025 and 2024 are attributable to the items detailed in the table below:

	2025			2024		
	Asset K'000	Liability K'000	Net K'000	Asset K'000	Liability K'000	Net K'000
<b>Consolidated</b>						
Property, equipment and investment properties	(679)	(5,975)	(6,654)	(757)	(4,410)	(5,167)
Employee benefits	7,434	-	7,434	3,985	-	3,985
Provision for impairment – finance receivables	12,271	-	12,271	13,084	-	13,084
Other items	5,912	(4,622)	1,290	6,059	(4,488)	1,571
Tax losses	2,031	-	2,031	1,766	-	1,766
<b>Net tax assets/(liabilities)</b>	<b>26,969</b>	<b>(10,597)</b>	<b>16,372</b>	<b>24,137</b>	<b>(8,898)</b>	<b>15,239</b>
<b>Company</b>						
Property, equipment and investment properties	-	566	566	873	-	873
Employee benefits	5,320	-	5,320	2,558	-	2,558
Other items	-	169	169	(216)	-	(216)
<b>Net tax assets</b>	<b>5,320</b>	<b>735</b>	<b>6,055</b>	<b>3,215</b>	<b>-</b>	<b>3,215</b>

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

- 2. Financial Performance (continued)
- 2.6. Taxation (continued)
- (c) Deferred tax assets and liabilities (continued)

## Recognition and measurement

### Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

One of the Group's subsidiary, Credit Corporation Finance Limited (CCFL), operated as a financial institution until 5 August 2024, when it was granted a commercial banking licence. Prior to this, CCFL was subject to a corporate tax rate of 30%. Following the granting of the commercial banking licence, CCFL became subject to a 45% corporate tax rate, applicable to commercial banks. In November 2024, as part of the PNG Government's 2025 National Budget, further changes to corporate tax rates were announced. For entities with annual taxable income below K300 million, the revised rates are as follows:

- 40% effective from 1 January 2025; and
- 35% effective from 1 January 2026.

### Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

## 2. Financial Performance (continued)

### 2.7. Operating segments

The Group has three (3) reportable segments, as described below, which operate under the Group's six (6) business units. The strategic business units offer different products and services and are managed separately. For each of the reportable segments, the Group's CEO reviews internal management reports on at least a monthly basis. The following summary describes the operations in each of the Group's reportable segment:

#### 1. Banking, general finance and lease

- Credit Corporation Finance Limited (CCFL) trading as CreditBank PNG;
- Credit Corporation (SI) Limited (CCSI);
- Credit Corporation (Fiji) Limited (CCFJ); and
- Credit Corporation (Vanuatu) Limited (CCVT).

#### 2. Property investment

- Credit Corporation Properties Limited.

#### 3. Investment

- Credit Corporation (PNG) Limited (CCPNG)

Parent entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

2. Financial Performance (continued)  
2.7. Operating segments (continued)

## Information about reportable segments

	Banking, general finance and lease K'000	Property investment K'000	Investment K'000	Total K'000
<b>At 31 December 2025</b>				
Revenue	145,638	36,044	67,150	248,832
Inter-segment revenue	3,092	7,601	22,909	33,602
Finance costs	(24,342)	-	-	(24,342)
Fair value (loss)/gain	-	-	122,509	122,509
Depreciation	(7,870)	(3,053)	(1,541)	(12,464)
Reportable segment profit before income tax	55,073	10,680	142,255	208,008
Share of loss of equity-method investee	-	-	(2,839)	(2,839)
Reportable segment assets	1,300,029	285,115	674,508	2,259,652
Reportable segment liabilities	902,697	33,703	18,889	955,289
<b>At 31 December 2024</b>				
Revenue	93,049	37,569	73,831	204,449
Inter-segment revenue	2,516	5,761	19,427	27,704
Finance costs	(13,895)	-	-	(13,895)
Fair value (loss)/gain	-	(5,070)	196,813	191,743
Depreciation	(3,848)	(1,816)	(1,519)	(7,183)
Reportable segment profit before income tax	29,362	10,638	231,935	271,935
Share of profit of equity-method investee	-	-	(5,251)	(5,251)
Reportable segment assets	898,441	280,301	704,259	1,883,001
Investment in associate	-	-	9,274	9,274
Reportable segment liabilities	658,429	39,796	8,350	706,575

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

2. Financial Performance (continued)  
2.7. Operating segments (continued)

Reconciliation of reportable segment revenues, profits or loss, assets and liabilities:

	2025 K'000	2024 K'000
<b>Revenues</b>		
Total revenue for reportable segments	282,434	232,153
Fair value gain	122,509	191,743
Finance costs	(24,342)	(13,895)
Elimination of inter-segment revenue	(33,602)	(27,704)
<b>Net operating income</b>	<b>346,999</b>	<b>382,297</b>
<b>Profit or loss</b>		
Total profit or loss for reportable segments	227,037	295,575
Elimination of inter-segment profit	(21,868)	(18,389)
Share of profit of equity-accounted investee	2,839	(5,251)
<b>Consolidated profit before tax</b>	<b>208,008</b>	<b>271,935</b>
<b>Assets</b>		
Total assets for reportable segments	2,963,883	2,157,352
Investment in equity-accounted investee	-	9,274
Elimination of intercompany balance	(481,937)	(171,331)
Elimination of investment in subsidiaries	(222,294)	(112,294)
<b>Consolidated total assets</b>	<b>2,259,652</b>	<b>1,883,001</b>
<b>Liabilities</b>		
Total liabilities for reportable segments	1,437,228	877,906
Elimination of intercompany balances	(481,939)	(171,331)
<b>Consolidated total liabilities</b>	<b>955,289</b>	<b>706,575</b>

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

- 2. Financial Performance (continued)
- 2.7. Operating segments (continued)

## Geographical segments

	Net operating income		Net assets	
	2025 K'000	2024 K'000	2025 K'000	2024 K'000
Papua New Guinea	287,570	336,347	1,153,065	1,048,418
Fiji	41,926	32,259	100,881	85,834
Solomon Islands	6,136	4,494	17,315	14,732
Vanuatu	11,367	9,197	33,102	27,442
<b>Total</b>	<b>346,999</b>	<b>382,297</b>	<b>1,304,363</b>	<b>1,176,426</b>

## Recognition and measurement

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property and equipment.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

## 2. Financial Performance (continued)

### 2.8. Earnings per share

The calculation of basic earnings per share at 31 December 2025 was based on profit attributable to ordinary shareholders of K190.8 million (2024: K263.9 million) and a weighted average number of ordinary shares outstanding of 307,931,332 (2024: 307,931,332). There is no difference between basic and diluted earnings per share.

	Consolidated		Company	
	2025	2024	2025	2024
<b>Earnings per share</b>				
Earnings per share for the purposes of basic and diluted earnings per share (profit for the period attributable to owners of the parent) – continuing operations (kina)	0.62	0.86	0.54	0.81
<b>Number of shares</b>				
Weighted average number of ordinary shares in thousands for the purpose of basic earnings per share	307,931	307,931	307,931	307,931
	K'000	K'000	K'000	K'000
<b>Profit attributable to equity holders of the company</b>				
Profit for the period attributable to owners of the parent	190,806	263,934	165,961	249,356

### Recognition and measurement

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

## 3. Financial position

### 3.1. Reconciliation of cash and cash equivalents

For the purpose of the Statements of Cash Flows, cash and cash equivalents includes cash on hand and at bank and short-term deposits at call, net of outstanding bank overdrafts. Cash and cash equivalents as at the end of the financial year as shown in the Statements of Cash Flows are reconciled to the related items in the balance sheet as follows:

	Consolidated		Company	
	2025 K'000	2024 K'000	2025 K'000	2024 K'000
Cash at bank and on hand	172,188	215,149	6,309	55,513
Short term deposits	19,848	22,764	268	284
<b>Cash and cash equivalents</b>	<b>192,036</b>	<b>237,913</b>	<b>6,577</b>	<b>55,797</b>

Cash and cash equivalents include cash on hand and at bank and short-term deposits with a maturity not more than three months. Cash at bank and on hand and short-term deposits interest rates range between 0.25% to 0.9% (2024: 0.25% to 0.9%).

### 3.2. Cash Reserve Requirement with Central Bank

The Company complies with the Cash Reserve Requirement ("CRR") set by the regulatory authorities of the jurisdictions that it operates in. The CRR specifies that a bank must hold an amount equal to a percentage of its total customer deposits in the form of cash in an account maintained by the respective Central Banks.

	Consolidated	
	2025 K'000	2024 K'000
At 1 January	-	-
Transfer to CRR with Central Bank	49,673	-
<b>At 31 December</b>	<b>49,673</b>	<b>-</b>

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

## 3. Financial position (continued)

### 3.3. Finance receivables<sup>1</sup>

#### (i) Analysis of net finance receivables

	Consolidated	
	2025 K'000	2024 K'000
Gross finance receivables	1,026,057	744,651
Less: Unearned charges	(110,071)	(101,521)
Less: Deferred establishment fees	(6,805)	(6,550)
Less: Provision for impairment	(42,446)	(42,454)
<b>Net finance receivables</b>	<b>866,735</b>	<b>594,126</b>

Gross finance receivables less finance charges and deferred establishment fees were split as follows:

	Consolidated	
	2025 K'000	2024 K'000
Current	25,683	18,155
Non-current	883,498	618,425
	<b>909,181</b>	<b>636,580</b>

#### (ii) Finance leases included in finance receivables analysed as follows:

	Consolidated	
	2025 K'000	2024 K'000
Not later than one year	-	404
Later than one year and not later than five years	-	-
	-	404
Less: Unearned charges	-	(2)
Present value of lease payments receivable	-	402
Impairment loss allowance	-	(200)
<b>Net finance leases</b>	<b>-</b>	<b>202</b>

<sup>1</sup> There are no finance receivables at the Company level.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

3. Financial position (continued)  
3.3. Finance receivables (continued)

## (iii) Analysis of provisions

	Consolidated	
	2025 K'000	2024 K'000
<b>Impairment allowance</b>		
<b>Balance at 1 January</b>	<b>42,454</b>	<b>56,914</b>
Increase/(decrease) in provisions	12	(5,134)
Bad debts written off	(3,769)	(9,290)
Effect of foreign exchange	3,749	(36)
<b>Closing balance</b>	<b>42,446</b>	<b>42,454</b>

None of the finance receivables that have been written off are subject to enforcement activities. The increase or (decrease) in provisions should be analysed alongside the details in Note 4.2.(a) for a comprehensive understanding of movement.

## (iv) Analysis of finance receivables by industry

	Consolidated 2025		Consolidated 2024	
	K'000	%	K'000	%
Agriculture	12,829	1%	10,018	1%
Mining	10,781	1%	29,071	5%
Manufacturing	28,318	3%	20,838	3%
Forestry and saw-milling	2,677	0%	1,242	0%
Civil contracting	33,025	3%	43,481	6%
Building and construction	115,129	11%	67,255	9%
Real Estate	76,418	7%	38,244	5%
Wholesale / Retail	133,549	13%	71,056	10%
Transport and storage	212,387	22%	261,807	35%
Professional and business services	39,122	4%	40,726	5%
Private and self employed	218,739	21%	136,603	18%
Other	143,083	14%	24,310	3%
	<b>1,026,057</b>	<b>100%</b>	<b>744,651</b>	<b>100%</b>

## Recognition and measurement

### Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

- 3. Financial position (continued)
- 3.3. Finance receivables (continued)
- (iv) Analysis of finance receivables by industry (continued)

## Lease income

Finance income on finance leases is recognised on a basis that reflects a constant periodic return on the net investment in the finance lease.

## Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

## Key judgements and estimates

When measuring collectability of finance receivables, management's judgement of the extent of losses at reporting date is used. This is assessed both specifically and collectively. The key assumptions used within the provision are reviewed regularly to reflect actual loss experience.

For further details refer to Note 1.6 (a).

## 3.4. Other receivables

	Consolidated		Company	
	2025 K'000	2024 K'000	2025 K'000	2024 K'000
Current				
Amounts owed by related corporations	-	-	91,899	69,502
Dividend receivable	1,064	-	9,896	4,004
Other debtors and prepayments	13,577	12,565	5,744	4,508
	<b>14,641</b>	<b>12,565</b>	<b>107,539</b>	<b>78,014</b>

The amounts owed from related corporations relate to intercompany receivable from various subsidiaries. Refer Note 6.3 (c). These intercompany balances are interest free and repayable on demand. The amount stated is without any impairment provision (2024: nil).

Other debtors and prepayments comprise receivables from our rental properties and GST returns. The majority of the amounts are due to be settled within twelve months of the balance sheet date.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

## 3. Financial position (continued)

### 3.5. Investments

#### (a) Interest bearing securities

	Note	Consolidated		Company	
		2025 K'000	2024 K'000	2025 K'000	2024 K'000
Government inscribe stock	(i)	20,134	21,215	-	-
Treasury bills	(ii)	52,629	19,277	-	-
Term deposits	(iii)	45,676	20,405	-	-
		<b>118,439</b>	<b>60,897</b>	-	-

(i) Government inscribed stock with maturities of 1 to 2 years earning interest semi-annually until maturity.

(ii) Treasury bills with maturity of 1 year from date of purchase.

(iii) Term deposits held with banks and financial institutions with a maturity of 1 year that earns interest per annum.

#### (b) Other equity investments

	Consolidated		Company	
	2025 K'000	2024 K'000	2025 K'000	2024 K'000
Current	<b>34</b>	<b>34</b>	<b>34</b>	-

The Company purchased shares in Credit & Data Bureau (K33,600) in 2008.

Equity investments are non-current and are classified at fair value through profit and loss.

#### (c) Investments in associate (non-current)

The carrying amount of the investment in associate reconciles between opening and closing balances are as below:

	Consolidated		Company	
	2025 K'000	2024 K'000	2025 K'000	2024 K'000
Opening balance 1 January	9,274	15,539	9,274	15,539
Net share of operating and impairment losses	(2,839)	(1,014)	(2,839)	(1,014)
Reclassified to financial assets designated at FVTPL	(6,435)	(5,251)	(6,435)	(5,251)
	<b>-</b>	<b>9,274</b>	<b>-</b>	<b>9,274</b>

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

3. Financial position (continued)  
 3.5. Investments (continued)  
 (c) Investments in associate (non-current) (continued)

The Company's associate, TISA Insurance Group (formerly Capital Insurance Group (CIG)) is a large insurance company in the South Pacific region with subsidiaries operating in both life and general insurance business. The investment was acquired for strategic purposes to complement the opportunities and safeguard the risks inherent within the finance and properties business segments.

The Company held a 25% interest in CIG and accounted for it as an associate under IAS 28 using the equity method until 30 June 2025. During the first half of the year, CIG commenced a non-renounceable pro-rata rights issue to raise K60.1m at K0.43 per share to which the Company did not subscribe. This diluted the Group's ownership to 14% while the majority shareholder significantly increased its stake. As a result, CCPNG lost significant influence due to the majority shareholder's ability to unilaterally control key resolutions, strategic decisions, and governance. Accordingly, effective 1 July 2025, CCPNG's investment was reclassified from an associate to a financial asset measured at fair value through profit or loss (FVTPL) under IFRS 9.

The carrying amount before reclassification was K6.4 million, and the investment was remeasured to a fair value of approximately K4.99 million. The difference between carrying amount and fair value resulted in a loss of K1.9 million recognised immediately in profit or loss. Post reclassification, the Company measures the investment at fair value through profit or loss, recognising subsequent gains or losses in profit or loss; the fair value as at 31 December 2025 remained K4.99 million. Comparative prior period financial statements were not restated, and equity-accounted earnings prior to reclassification remain unchanged.

The Group and Company's share of loss after tax in TISA Insurance Group for the period up to 1 July was a loss of K2.8 million (2024: K5.3 million loss). During the year, the Group and Company received nil dividends (2024: K1.0 million) from the TISA Insurance Group.

## (d) Investment in subsidiaries

	Country	Ownership	2025 K'000	2024 K'000
Credit Corporation Finance Limited	PNG	100%	148,348	38,348
Credit Corporation Properties Limited	PNG	100%	43,230	43,230
Credit Corporation (Fiji) Limited	Fiji	100%	13,334	13,334
Credit Corporation (Vanuatu) Limited	Vanuatu	100%	10,109	10,109
Credit Corporation (Solomon Islands) Limited	Solomon Islands	100%	7,273	7,273
			<b>222,294</b>	<b>112,294</b>

During the year, the Company provided additional financial support to its wholly-owned subsidiary Credit Corporation Finance Limited through a capital contribution of K110 million. The contribution was made to strengthen the subsidiary's capital base and support its operation and strategic requirements.

No additional shares were issued in relation to this capital injection. Accordingly, the transaction has been recognised as an increase in the carrying value of the Company's investment in the subsidiary, with a corresponding increase in the subsidiary's equity under contributed capital.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

3. Financial position (continued)  
 3.5. Investments (continued)  
 (e) Financial assets designated at fair value through profit and loss (continued)

## (e) Financial assets designated at fair value through profit and loss

Credit Corporation (PNG) Limited owns listed shares of other entities mandatorily measured as financial assets at fair value through profit and loss. The summary of listed shares is presented below.

### (i) Listed shares

	2025				2024			
	% held	No. of shares	Fair value K'000	Fair value gain/(loss) K'000	% held	No. of shares	Fair value K'000	Fair value gain/(loss) K'000
BSP Financial Group Limited	5.63	26,294,081	645,520	22,768	7.77	31,294,081	622,752	125,523
Airlines PNG Limited	0.02	2,000,000	240	240	0.65	2,000,000	-	-
City Pharmacy Limited	0.00	-	-	(1,305)	0.94	1,890,912	1,305	(189)
Kina Asset Management Ltd	7.99	4,255,463	8,255	1,446	8.84	4,255,463	6,809	2,979
			<b>654,015</b>	<b>23,149</b>			<b>630,866</b>	<b>128,313</b>

The fair value gain on financial assets recognised in the income statement of K122.5 million (2024: K196.8 million) comprises a fair value gain of K123.9 million (2024: K196.8 million) on listed shares and a fair value loss of K1.4 million (2024: nil) on unlisted equity shares.

	Dec-24 Fair value K'000	Fair value Disposed share K'000	2025 Disposal K'000	Dec-25 Fair value gain/(loss) K'000	Dec-25 Fair value K'000
<b>31 December 2025</b>					
BSP Financial Group Limited	622,752	99,500	(99,500)	22,768	645,520
Airlines PNG Limited	-	-	-	240	240
City Pharmacy Limited	1,305	1,305	(1,305)	(1,305)	-
Kina Asset Management Ltd	6,809	-	-	1,446	8,255
	<b>630,866</b>	<b>100,805</b>	<b>(100,805)</b>	<b>23,149</b>	<b>654,015</b>
<b>31 December 2024</b>					
BSP Financial Group Limited	497,229	68,500	(68,500)	125,523	622,752
Airlines PNG Limited	-	-	-	-	-
City Pharmacy Limited	1,494	-	-	(189)	1,305
Kina Asset Management Ltd	3,830	-	-	2,979	6,809
	<b>502,553</b>	<b>68,500</b>	<b>(68,500)</b>	<b>128,313</b>	<b>630,866</b>

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

3. Financial position (continued)  
 3.5. Investments (continued)  
 (e) Financial assets designated at fair value through profit and loss (continued)

Reconciliation of movement in quoted investments is as follows:

	Dec-25 K'000	Dec-24 K'000
Balance at 1 January	630,866	502,553
Net gain on financial assets at FVTPL	123,954	196,813
Sale of BSP Shares	(100,805)	(68,500)
<b>Balance at 31 December</b>	<b>654,015</b>	<b>630,866</b>

## (ii) Unlisted equity securities

	Consolidated		Company	
	2025 K'000	2024 K'000	2025 K'000	2024 K'000
Reclassified to financial assets designated at FVTPL	6,435	-	6,435	-
Fair value loss	(1,444)	-	(1,444)	-
	<b>4,991</b>	<b>-</b>	<b>4,991</b>	<b>-</b>

Following the dilution from the CIG rights issue, the Group's interest reduced to 14% on 1 July 2025, resulting in the loss of significant influence. The investment was derecognised as an associate and recognised as a financial asset (equity instrument) measured at fair value through profit or loss in accordance with IFRS 9. The difference between the carrying amount and fair value at that date was recognised in profit or loss. Related OCI balances were reclassified or transferred in accordance with IAS 28.

## Sensitivity analysis on listed shares

	Effect on profit or loss and equity increase	
	2025 K'000	2024 K'000
Increase of 10% in share prices	65,402	63,087

A decrease in share prices would have the opposite effect for profit or loss and equity.

## (f) Other deposits (current)

	Consolidated		Company	
	2025 K'000	2024 K'000	2025 K'000	2024 K'000
Other deposit	-	-	-	1,548

Credit Corporation (PNG) Limited had investments in 1 year term deposit with Credit Corporation Finance Limited, which earn interest of 2.4% per annum. The balance including accrued interest as at 31 December 2025 is nil (2024: K1.5 million).

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

## 3. Financial position (continued)

### 3.6. Property and equipment

Consolidated	Building and ROUA* K'000	Capital WIP K'000	Furniture and fittings K'000	Motor vehicles K'000	Office equipment K'000	Total K'000
<b>Cost</b>						
At 1 January 2024	45,907	12,431	14,627	9,036	18,303	100,304
Additions	7,405	6,924	3,069	2,536	12,809	32,743
Disposals/transfers	(5,065)	(15,941)	2,417	(1,381)	5,820	(14,150)
IFRS 16 right of use asset	1,564	-	-	-	-	1,564
Effect of foreign exchange	474	-	48	59	83	664
At 31 December 2024	50,285	3,414	20,161	10,250	37,015	121,125
At 1 January 2025	50,285	3,414	20,161	10,250	37,015	121,125
Additions	3	2,909	544	2,869	9,519	15,844
Disposals/transfers	(7,351)	(4,777)	3,023	(1,006)	2,332	(7,779)
IFRS 16 right of use asset	6,746	-	-	-	-	6,746
Effect of foreign exchange	2,047	8	145	394	364	2,958
At 31 December 2025	51,730	1,554	23,873	12,507	49,230	138,894
<b>Depreciation</b>						
At 1 January 2024	8,149	-	9,628	5,277	12,702	35,756
Charge for the year	503	-	1,208	1,593	2,224	5,528
IFRS 16 depreciation – ROUA	802	-	-	-	-	802
Disposals/transfers	(1,636)	-	(24)	(1,389)	(505)	(3,554)
Effect of foreign exchange	157	-	510	29	130	826
At 31 December 2024	7,975	-	11,322	5,510	14,551	39,358
At 1 January 2025	7,975	-	11,322	5,510	14,551	39,358
Charge for the year	493	-	2,343	1,866	5,895	10,597
IFRS 16 depreciation – ROUA	1,867	-	-	-	-	1,867
Disposals/transfers	(1)	-	(4,063)	(1,013)	(472)	(5,549)
Effect of foreign exchange	596	-	100	192	293	1,181
At 31 December 2025	10,930	-	9,702	6,555	20,267	47,454
<b>Carrying amounts</b>						
At 1 January 2024	37,758	12,431	4,999	3,759	5,601	64,548
At 31 December 2024	42,310	3,414	8,839	4,740	22,464	81,767
At 31 December 2025	40,800	1,554	14,171	5,952	28,963	91,440

\*Right-of-use assets

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

## 3. Financial position (continued) 3.6. Property and equipment (continued)

Company	Furniture and fittings K'000	Motor vehicles K'000	Office equipment K'000	Total K'000
<b>Cost</b>				
At 1 January 2024	-	1,593	5,851	7,444
Additions	-	189	-	189
Disposals/transfers	-	(166)	-	(166)
At 31 December 2024	-	1,616	5,851	7,467
At 1 January 2025	-	1,616	5,851	7,467
Additions	35	756	736	1,527
Disposals/transfers	-	(304)	55	(249)
At 31 December 2025	35	2,068	6,642	8,745
<b>Depreciation</b>				
At 1 January 2024	-	705	3,425	4,130
Charge for the year	-	268	896	1,164
Disposals/transfers	-	(166)	(55)	(221)
At 31 December 2024	-	807	4,266	5,073
At 1 January 2025	-	807	4,266	5,073
Charge for the year	1	335	872	1,208
Disposals/transfers	-	(304)	55	(249)
At 31 December 2025	1	838	5,193	6,032
<b>Carrying amounts</b>				
At 1 January 2024	-	888	2,426	3,314
At 31 December 2024	-	809	1,585	2,394
At 31 December 2025	34	1,230	1,449	2,713

## Recognition and measurement

Items of Property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of Property and equipment have different useful lives, they are accounted for as separate items (major components) of Property and equipment.

Gains and losses on disposal of an item of Property and equipment are determined by comparing the proceeds from disposal with the carrying amount of Property and equipment and are recognised net within other income or expenses in profit and loss.

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Property that is being constructed for future use as investment property is accounted for at fair value.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

3. Financial position (continued)  
3.6. Property and equipment (continued)

## Subsequent costs

The cost of replacing a part of an item of Property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of Property and equipment are recognised in profit or loss as incurred.

As at 31 December 2025, the Group reclassified a portion of the owner-occupied property's carrying value. This reclassification adjusted the property's carrying value on the balance sheet to K19.1 million (2024: K19.1 million). There was no impact on profit or loss as the investment property is recorded a fair value. The reclassification has no material retrospective impact to the financial statements for comparative purposes.

## Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of Property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation is calculated on a straight-line basis over the following periods:

Buildings and improvements	50 years
Furniture and fittings	5–10 years
Motor vehicles	5 years
Office equipment	5–10 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

## 3.7. Investment property

	Consolidated	
	2025 K'000	2024 K'000
Balance as at 1 January	225,132	225,846
Fair value gain/(loss) recognised in profit or loss	-	(5,070)
Disposal of investment property	-	(961)
Capital expenditure	14,443	3,178
Transfers from property and equipment	-	2,139
Balance as at 31 December	<b>239,575</b>	<b>225,132</b>

Investment properties are land and buildings held for long-term investments. The carrying amount of the following investment properties is the fair value of the properties as performed by management as at 31 December 2025.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

3. Financial position (continued)  
3.7. Investment property (continued)

Fair values were assessed using the capitalisation approach. This was determined using the present value of expected cash flows, having regard to current market characteristics for similar properties located in Papua New Guinea. In the current year, the Directors assessed that the carrying value of the investment property is fairly stated.

Investment property with a total carrying amount of K239.6 million (2024: K225.1 million) was encumbered at 31 December 2025.

Investment property	Valuation basis	Independent valuer	Valuation date	Value as at 31 December	
				2025 K'000	2024 K'000
Credit House	Direct capitalisation	Directors	31 December 2025	69,957	69,957
Era Dorina	Direct capitalisation	Directors	31 December 2025	117,218	102,775
Era Matana	Direct capitalisation	Directors	31 December 2025	52,400	52,400
				<b>239,575</b>	<b>225,132</b>

## Measurement of fair value, fair value model and significant unobservable inputs

Information about how the fair values of the Group's investment properties were determined (in particular, the valuation method(s) and inputs used) is detailed as follows:

Direct capitalisation is a fair valuation model, which considers the annual gross income of the property adjusted for vacancies and expenses. The net operating income is divided by a capitalisation rate. The capitalisation rate is derived from comparable markets transactions and adjusted for certain property specific characteristics such as the physical deterioration of the property and its location (prime or secondary). Key unobservable input includes the capitalisation rates and market lease rates.

## Fair value hierarchy

The fair value measurement for investment properties of K236.6 million have been categorised at Level 3 fair value, as the inputs to the valuation techniques used referred to significant observable inputs such as risk-adjusted capitalisation rates and market rental rates. Significant key unobservable inputs used include the risk adjusted market capitalisation rates of between 10% and 10.5% (2024: 10% to 10.5%) and average commercial rent of K1,899 per sqm (2024: K1,899 per sqm) and average residential rent between K4,000 to K5,000 per week (2024: K4,000 to K5,000). Accordingly, an increase in market lease rental rates and / or a decrease in the discount rate and/or decrease capitalisation rate would increase the fair value of the properties. A decrease in market lease rates and / or an increase in discount rate and/or increase capitalisation rate would decrease the fair value of the properties. A sensitivity analysis is provided on the following page.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

3. Financial position (continued)  
3.7. Investment property (continued)

## Sensitivity analysis

	Effect on profit or loss and equity increase/(decrease)	
	2025 K'000	2024 K'000
Increase of 1% in market capitalisation rate	(23,175)	(29,670)
10% increase in market lease rentals	21,086	21,430

A decrease in any of the above unobservable inputs would have the opposite effect to profit or loss.

## Recognition and measurement

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

When the use of a property changes such that it is reclassified as Property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

## Key judgements and estimates

Judgement is required in determining the following key assumptions:

- **Adopted capitalisation rate:** The rate at which net market rental revenue is capitalised to determine the value of a property. The rate is determined with regards to market evidence and the prior external valuation.
- **Net market rental (per sqm):** The net market rent is the estimated amount for which a property should lease between a lessor and a lessee on appropriate lease terms in an arm's length transaction.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

3. Financial position (continued)  
3.7. Investment property (continued)

## Operating lease arrangements

Operating leases, in which the Group is the lessor, relate to investment property owned by the Group with lease terms of between 1 to 4 years, usually with an extension option. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

The Group has classified these leases as operating leases because they do not transfer substantially all of the risks and rewards incidental to ownership.

## Maturity analysis of operating lease receivables

The following table set out a maturity analysis of future lease receivables, showing the undisclosed lease payments to be received after the reporting period.

	Consolidated	
	2025 K'000	2024 K'000
Year 1	29,005	24,058
Year 2	14,896	8,318
Year 3	9,121	5,474
Year 4 onwards	6,661	8,158
<b>Total</b>	<b>59,683</b>	<b>46,008</b>
<b>Amounts reported in profit or loss</b>		
Lease income on operating leases	29,656	31,321

## 3.8. Trade and other payables

	Consolidated		Company	
	2025 K'000	2024 K'000	2025 K'000	2024 K'000
Rental bonds payable	57	52	-	-
Rental income in advance	-	-	-	-
Other creditors and accrued expenses	17,278	12,010	2,876	696
Intercompany	-	-	50,567	43,591
<b>Total</b>	<b>17,335</b>	<b>12,062</b>	<b>53,443</b>	<b>44,287</b>

Other creditors and accrued expenses are payable within the next 12 months.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

## 3. Financial position (continued)

### 3.9. Deposits and borrowings

	Note	Consolidated	
		2025 K'000	2024 K'000
<b>(a) Deposits</b>			
<b>Current</b>			
Interest bearing deposits	a	665,034	532,720
Due to customers		112,819	12,425
		<b>777,853</b>	<b>545,145</b>
<b>Non-current</b>			
Interest bearing deposits	a	87,957	92,133
<b>Total deposits</b>		<b>865,810</b>	<b>637,278</b>
<b>(b) Borrowings</b>			
<b>Current</b>			
Secured bank loans	b, c	6,141	5,808
IFRS 16 Lease Liability	d	2,243	770
		<b>8,384</b>	<b>6,578</b>
<b>Non-current</b>			
Secured bank loans	b, c	17,790	25,270
IFRS 16 Lease Liability	d	6,852	2,885
		<b>24,642</b>	<b>28,155</b>
<b>Total borrowings</b>		<b>33,026</b>	<b>34,733</b>

a) Interest bearing deposits

Interest bearing deposits are subject to fixed interest rates and payable on maturity. Non-current portion of K88.0 million (2024: K92.1 million) is repayable within 5 years (2024: 5 years).

b) The current secured bank loans granted to Credit Corporation Properties Limited

The loan granted to Credit Corporation Properties Limited with value of K31.1 million as at 31 December 2025 is scheduled to be repaid in monthly instalments of K478,661 (including interest) to February 2030. The other loan granted to Credit Corporation Properties Limited of K4.3 million as at 31 December 2025 is scheduled to be repaid in monthly instalments of K132,146 (2024: K132,146) to January 2028. Interest on these loans of K1.5 million (2024: K1.8 million) is included in other operating expenses.

The secured bank loans are subject to various financial covenants, as defined in the facility agreements. During the financial year and at year end, the Group was in compliance with these covenants.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

## 3. Financial position (continued)

### 3.9. Deposits and borrowings (continued)

#### c) Bank facilities and security

Borrowings include:

- (i) Credit Corporation (Fiji) Limited has a bank overdraft facility of K5.6 million (FJD\$3m) (2024: K5.1 million (FJD\$3m)) with BSP Financial Group Limited. The facility is secured by a first registered fixed and charge over all the assets and undertakings of Credit Corporation (Fiji) Limited including uncalled and unpaid capital and first registered mortgage over CT 6618 being freehold property at Gorrie Street, Suva. As at 31 December 2025, this facility has not been used.
- (ii) Credit Corporation (Vanuatu) Limited has a bank overdraft facility of K3.5 million (VT100m) (2024: K3.2 million (VT100m)) with National Bank of Vanuatu. The facility is secured by first registered mortgage over all assets and undertakings of Credit Corporation (Vanuatu) Limited including uncalled and unpaid capital and with limited guarantee and indemnity from Credit Corporation (PNG) Limited for K3.3 million. As at 31 December 2025, this facility has not been used.
- (iii) Credit Corporation Properties Limited has an advance facility from BSP Financial Group Limited for Era Dorina estate of K19.5 million at a variable interest rate. The loan is secured by a registered equitable mortgage over the fixed and floating over the company's assets, first registered mortgage over the residential property situated on Vol 36, Folio 97, Allotment 32 and 33, Section 34 and Portion 2259, Ela Makana, Granville, Port Moresby.
- (iv) Credit Corporation Properties Limited has another facility limit from BSP Financial Group Limited for Era Manata estate of K50 million at a variable interest rate. The loan is secured by a first registered fixed and floating charge over the whole of the company's assets and undertakings including called but unpaid and called capital, first registered mortgage over, the residential property situated on Vol 13, Folio 80, Allotment 22, Section 33, Granville, Port Moresby known as "Era Matana" and a deed of guarantee and indemnity for K50 million by Era Dorina Limited and Credit Corporation PNG Limited.
- (v) Credit Corporation Finance Limited has a bank overdraft facility with Westpac Bank PNG Limited of K10 million at 31 December 2025 (2024: K10 million). This facility is secured by a guarantee with (joint & several) by Credit Corporation Properties Limited and Credit Corporation (PNG) Limited. First registered Mortgage over Lots 2,4 and 8 Section 45, Granville, Port Moresby known as "Credit House".

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

3. Financial position (continued)  
3.9. Deposits and borrowings (continued)

- d) Lease liabilities  
Maturity analysis of IFRS 16 lease liabilities – See Note 1.8 (a).

Maturity analysis	Consolidated	
	2025 K'000	2024 K'000
Year 1	2,243	887
Year 2	1,915	660
Year 3	2,007	569
Year 4	1,575	594
Year 5	655	155
Onwards	700	790
	<b>9,095</b>	<b>3,655</b>

## 3.10. Employee benefits

	Consolidated		Company	
	2025 K'000	2024 K'000	2025 K'000	2024 K'000
Long service leave	3,838	3,508	1,173	845
Annual leave	2,383	1,388	1,242	695
Others	20,344	8,708	16,132	6,987
	<b>26,565</b>	<b>13,604</b>	<b>18,547</b>	<b>8,527</b>

### Recognition and measurement

#### Long-term employee benefits

A liability is recognised for the amount to be paid as at 31 December 2025 in respect of long-term employee benefits (long service leave) other than pension plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee.

#### Short-term employment benefits and others

A liability is recognised for the amount expected to be paid under short-term cash bonus and annual leave if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee.

#### Others

The Group recognised short term incentives in the amount of K20.3 million as accruals for bonus and for share-based payments for the period.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

3. Financial position (continued)  
3.10. Employee benefits (continued)

## Share-based payment – cash settled

### (a) Nature and terms of the cash-settled share-based payment plan

The Company operates Short-Term Incentive (STI) and Long-Term Incentive (LTI) plans for management and executives. These plans are designed for eligible participants to reward performance tied to the Company's share price and other key metrics. These are not traditional stock option plans. Instead, eligible participants are granted performance-based awards that are settled in cash at the settlement date.

The STI plan rewards performance over a shorter period, with payouts linked to performance conditions on both eligible participants and the Company. Awards vest over a two-year period.

The LTI plan incentivises long-term performance, with awards vesting over a three-year period. The payouts are contingent upon both service conditions and pre-determined performance targets.

- **Award type:** Cash-settled share-based payment linked to the fair value of the Company's shares.
- **Vesting period:** 2 years for STI awards, 3 years for LTI awards.
- **Settlement:** Cash payment based on fair value of shares at the settlement date.
- **Performance conditions:** Participant's performance and pre-determined company performance targets.
- **Expiration:** Awards expire if employees leave before vesting unless classified as a good leaver.
- **No share purchase required:** Participants do not purchase shares. The value of the award is linked to the share price but is paid out in cash.

### (b) Recognition and measurement of liability

Cash-settled share-based payments are remeasured at fair value at each reporting date and until settlement. The liability is recognised in the statement of financial position under "Other Liabilities", with corresponding expenses recognised in profit or loss under "Employee Benefits Expense".

The fair value of the incentive plans are subject to total shareholder return (TSR) and earnings per share (EPS) vesting conditions for financial reporting purposes is generally estimated based on market share price at grant date and using simulation pricing model applying assumptions price volatility, risk free interest rates and dividend yield.

The fair value of the awards subject to a Total Shareholder Return hurdle is calculated using a Monte Carlo simulation. The fair value of the awards subject to non-market-based conditions are calculated using a risk-neutral pricing formula. The fair value has been applied to the equivalent number of awarded shares to determine the required provision as at 31 December 2025.

Assumption	2025	2024
Share price at reporting date – PGK	4.63	2.70
Expected volatility	12%	11%
Risk-free interest rate	4.07%	3.83%
Expected life of the awards	2.17 years	3.17 years
Dividend yield	8.34%	11.50%

The fair value of the liability as at 31 December 2025 is K20.3 million (2024: K8.7 million).

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

3. Financial position (continued)  
 3.10. Employee benefits (continued)  
 Share-based payment – cash settled (continued)

## (c) Expense recognised in profit or loss

The total expense recognised in the income statement for the period was as follows:

Expense component	2025 K'000	2024 K'000
Total expense recognised in profit or loss	16,735	6,112

## (d) Reconciliation of share-based payment liability

Description	2025 K'000	2024 K'000
Opening liability 1 January	8,708	5,843
Expense recognised during the period	16,735	4,600
Payments made to settle liabilities	(5,099)	(3,247)
Fair value remeasurement	-	1,512
<b>Closing Liability 31 December</b>	<b>20,344</b>	<b>8,708</b>

## (e) Sensitivity analysis

A sensitivity analysis was performed to assess the impact of changes in expected volatility and share price on the fair value of the liability:

Assumption change	Effect on liability	
	2025 K'000	2024 K'000
+10% Share price	377	299
-10% Share price	(377)	(299)

## (f) Accounting policy – cash settlement share-based payments

Cash-settled share-based payments are measured at fair value at each reporting date and adjusted until settlement. The liability is recognised in the statement of financial position, with changes in fair value recorded in the income statement.

- Fair value is determined at each closing period.
- The expense is recognised over the vesting period in line with service and performance conditions.
- Upon settlement, the liability is derecognised, and cash is paid to the participant.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

## 4. Financial instrument disclosures

### 4.1. Financial management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk; and
- Operational risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

#### (a) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's audit and risk management framework. The Board has established the Audit Committee and the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's audit and risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit Committee and the Risk Management Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

#### (b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities.

##### (i) Finance and other receivables

The Group's exposure to credit risk is influenced mainly by the industry and sector in which Management also considers the default risk of the industry and country in which these operate, as these factors may have an influence on credit risk.

The Audit and the Risk Management Committee have established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references.

Lending limits are established for each customer, which represents the maximum open amount without requiring approval from the Audit and the Risk Management Committee; these limits are reviewed quarterly.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

## 4. Financial instrument disclosures (continued)

### 4.1. Financial management (continued)

#### (b) Credit risk (continued)

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale, retail or end-user customer, geographic location, industry, aging profile, maturity and existence of previous financial difficulties. Trade and other receivables relate mainly to the Group's wholesale customers.

The Group establishes an allowance for impairment that reflects the present value of all cash shortfalls related to default events either over the 12 months or over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts.

#### (ii) Investments, other deposits, cash and cash equivalents

The Group limits its exposure to credit risk by investing only in liquid securities (government securities and interest-bearing deposits with banks). For the purpose of the cash flow statement, cash and cash equivalents includes cash on hand and short-term deposits with a maturity not more than three months. Cash at bank and on hand and short-term deposits interest rates range between 0.25% to 0.9%. Government Inscribed Stock held have interest rates ranging between 5% to 10%.

#### (iii) Guarantees

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries. At 31 December 2025, K69.5 million (2024: K69.5 million) was guaranteed to wholly owned subsidiaries.

#### (c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Group maintains various lines of credit facilities with banks.

Due to the nature of the Group's operations, the current asset/liability ratio is less than one. This arises as customer deposits classified as a current liability is used for new finance to customers, which generally have a higher non-current finance receivable component than current finance receivables.

Notwithstanding this, liquidity is managed by the Group through regular monitoring of its liquidity position. A key part of this monitoring is the completion of a cash flow forecast, which shows the forecast levels of inflows and outflows. This provides management and the Board with transparency over what levers it has available to it, should any liquidity matters arise. The Board and Management are satisfied that the Group have appropriate levers to manage liquidity going forward.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

- 4. Financial instrument disclosures (continued)
- 4.1. Financial management (continued)
- (c) Liquidity risk (continued)

The current exposure to liquidity risk of the Group is as follows:

Description	2025 K'000	2024 K'000
Current assets	413,840	328,864
Current liabilities	(824,550)	(598,246)
<b>Net</b>	<b>(410,710)</b>	<b>(269,382)</b>

## (d) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign currency exchange rate and equity prices will affect the Group's cash flows, income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Senior management regularly monitors movements in interest rates and equity prices.

### (i) Equity price risk

The Group is exposed to equity price risks arising from equity investments.

Equity investments in unlisted entities (see Note 3.5 (b-c)) are held for strategic rather than trading purposes. The Group does not actively trade these investments.

The Group invested in a portfolio of listed shares which are held for trading (see Note 3.5 (e)). This type of investment is approved by the board as the alternative to investment in money market funds in order to generate higher investment return on the spare funds.

Refer to Note 3.5 (e) for equity price sensitivity analysis.

### (ii) Foreign currency risk

The Group undertakes transactions denominated in foreign currencies. Consequently, exposures to exchange rate fluctuations arise.

Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts. There were no forwards during the year.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

4. Financial instrument disclosures (continued)  
 4.1. Financial management (continued)  
 (d) Market risk (continued)

The table below shows the balances of monetary assets and liabilities denominated in foreign currency.

	Fijian Dollar FJD\$000	Solomon Islands Dollar BD\$000	Vanuatu Vatu VUV000
<b>At 31 December 2025</b>			
<b>Assets</b>			
Finance receivables	192,081	102,467	1,223,274
Cash and cash equivalents	46,246	25,240	519,159
Other receivables	374	1,561	4,628
Income tax receivable	-	642	-
Net deferred tax assets	2,277	5,179	-
	<b>240,978</b>	<b>135,089</b>	<b>1,747,061</b>
<b>Liabilities</b>			
Trade and other payables	1,182	1,158	23,042
Deposits	189,630	105,496	787,080
Borrowing	388	1,876	39,064
Income tax payable	835	-	-
Employee benefits	1,768	153	25,485
	<b>193,803</b>	<b>108,683</b>	<b>874,671</b>
<b>Net foreign currency exposure</b>	<b>47,175</b>	<b>26,406</b>	<b>872,390</b>
<b>At 31 December 2024</b>			
<b>Assets</b>			
Finance receivables	135,408	90,639	1,070,713
Cash and cash equivalents	51,945	20,951	398,549
Other receivables	269	1,236	4,453
Income tax receivable	-	524	-
Net deferred tax assets	2,150	5,804	-
	<b>189,772</b>	<b>119,154</b>	<b>1,473,715</b>
<b>Liabilities</b>			
Trade and other payables	1,079	1,359	52,330
Deposits	143,432	91,755	578,617
Borrowing	588	2,304	41,949
Income tax payable	746	-	-
Employee benefits	776	-	19,326
	<b>146,621</b>	<b>95,418</b>	<b>692,222</b>
<b>Net foreign currency exposure</b>	<b>43,151</b>	<b>23,736</b>	<b>781,493</b>

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

4. Financial instrument disclosures (continued)  
 4.1. Financial management (continued)  
 (d) Market risk (continued)

## Foreign exchange risk sensitivity analysis

The following analysis is performed for reasonably possible movements in the foreign exchange rates to PGK (assumption: +/- 10%) with all other variables held constant, showing the impact on profit/(loss) before income tax and equity due to changes in the fair value of currency sensitive monetary assets and liabilities. There are no changes from prior year on this assumption.

	Change	Fiji PGK'000	Solomon PGK'000	Vanuatu Vatu PGK'000
<b>Effect on profit/(loss) before income tax</b>				
31 December 2025	10%	2,445	202	764
31 December 2025	(10)%	(2,445)	(202)	(764)
31 December 2024	10%	2,067	148	705
31 December 2024	(10)%	(2,067)	(148)	(705)
<b>Effect on equity</b>				
31 December 2025	10%	(8,617)	(1,574)	(2,779)
31 December 2025	(10)%	8,617	1,574	2,779
31 December 2024	10%	(7,803)	(1,339)	(2,131)
31 December 2024	(10)%	7,803	1,339	2,131

As shown in the table above, the Group is primarily exposed to changes in PGK exchange rates against other functional currencies used by the group companies in their respective jurisdictions. The main functional currencies that are used to denominate monetary assets and liabilities are shown in the sensitivity table above.

## Exchange rates used by the Group in preparing financial statements

PGK1 is equivalent to the rates below.

	2025		2024	
	Average	At year end	Average	At year end
Fijian dollar	0.5554	0.5341	0.5882	0.5868
Solomon Islands dollar	2.0214	1.9206	2.1983	2.1340
Vanuatu vatu	29.1517	28.1200	30.9617	30.9900

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

4. Financial instrument disclosures (continued)  
 4.1. Financial management (continued)  
 (d) Market risk (continued)

## Amounts recognised in profit or loss and other comprehensive income

During the year, the following foreign-exchange related amounts were recognised in profit or loss and other comprehensive income:

	2025 K'000	2024 K'000
<b>Amounts recognised in profit or loss</b>		
Net foreign exchange gain included in other operating income	1,209	2,182
<b>Net gains recognised in other comprehensive income</b>		
Foreign currency translation differences on foreign operations	11,249	411

## (e) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations. The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- requirements for the reporting of operational losses and proposed remedial action;
- development contingency plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

Compliance with Group standards is supported by a program of periodic reviews undertaken by the members of Audit and the Risk Management Committee. The results of the reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Board of Directors and senior management of the Group.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

4. Financial instrument disclosures (continued)

4.1. Financial management (continued)

## (f) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as results from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group's target in 2025 was to achieve a return on capital of between 5% and 15%; in 2025, the actual return was 16.0% (2024: 23.1%).

The Group's debt to adjusted capital ratio at the end of the reporting period was as follows:

	2025 K'000	2024 K'000
Total liabilities	955,289	706,575
Less: cash and cash equivalents	(192,036)	(237,913)
Net debt	763,253	468,662
Total equity	1,304,363	1,176,426
Debt to adjusted capital ratio at 31 December	0.59	0.40

There were no changes in the Group's overall approach to capital management during the year. During the year, the Group made a capital injection into a subsidiary to support its operational and regulatory capital requirements, which is consistent with the Group's capital management strategy. Various finance subsidiaries are subject to capital requirements imposed by their respective Central Banks. These subsidiaries have been in compliance with respective capital requirements imposed by their Central Banks as at and during the year ended 31 December 2025.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

## 4. Financial instrument disclosures (continued)

### 4.2. Financial instruments

#### (a) Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Consolidated		Company	
	2025 K'000	2024 K'000	2025 K'000	2024 K'000
Interest bearing securities	118,439	60,897	-	-
Other equity investments	34	34	34	34
Finance receivables (net)	866,735	594,126	-	-
Other deposits	-	-	-	1,548
Other receivables	14,641	12,565	107,539	78,014
Cash and cash equivalents	192,036	237,913	6,577	55,797
<b>Total</b>	<b>1,191,885</b>	<b>905,535</b>	<b>114,150</b>	<b>135,393</b>

The maximum exposure to credit risk for finance receivables (net) at the reporting date by geographic region was:

	2025 K'000	2024 K'000
Papua New Guinea	410,248	286,345
Fiji	359,634	230,757
Solomon Islands	53,351	42,474
Vanuatu	43,502	34,550
<b>Total</b>	<b>866,735</b>	<b>594,126</b>

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

- 4. Financial instrument disclosures (continued)
- 4.2. Financial instruments (continued)
- (a) Credit risk (continued)

The maximum exposure to credit risk for net finance and other receivables at the reporting date by type of counterparty was:

	2025 K'000	2024 K'000
Transport and Storage	167,164	208,388
Civil Contracting, Building and Construction and Real Estate	198,142	121,762
Wholesale/ Retail	120,996	60,437
Others	380,433	203,539
<b>Total</b>	<b>866,735</b>	<b>594,126</b>

	2025 K'000	2024 K'000
Not past due	661,119	403,103
Past due 1-30 days	82,704	132,321
Past due 31-180 days	101,474	45,810
Past due 181-360 days	10,813	2,717
Past due more than 1 year	10,625	10,175
<b>Total Net</b>	<b>866,735</b>	<b>594,126</b>

Management believes that the unimpaired amounts are collectible, based on historical payment behaviour and analysis of borrowers' credit risk, as well as analysis of collateral values.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

4. Financial instrument disclosures (continued)  
 4.2. Financial instruments (continued)  
 (a) Credit risk (continued)

## Credit quality analysis

### Asset quality impairment

Reconciliation of opening and closing balance of loss allowance for each stage.

	Stage 1 K'000	Stage 2 K'000	Stage 3 K'000	Total K'000
<b>Balance at 1 January 2025</b>	(16,752)	(8,230)	(17,472)	<b>(42,454)</b>
Transfer to Stage 1	(7,117)	3,308	3,809	–
Transfer to Stage 2	5,995	(6,234)	239	–
Transfer to Stage 3	1,347	786	(2,133)	–
Net remeasurement of loss allowance	10,189	(221)	(125)	<b>9,843</b>
New financial assets originated	(10,093)	(5,684)	(522)	<b>(16,299)</b>
Financial assets that have been derecognised	1,733	1,604	3,107	<b>6,444</b>
Write-offs	286	217	3,265	<b>3,768</b>
Foreign exchange and other movement	(828)	(452)	(2,468)	<b>(3,748)</b>
<b>Balance at 31 December 2025</b>	<b>(15,240)</b>	<b>(14,906)</b>	<b>(12,300)</b>	<b>(42,446)</b>

	Stage 1 K'000	Stage 2 K'000	Stage 3 K'000	Total K'000
<b>Balance at 1 January 2024</b>	(28,528)	320	(28,706)	<b>(56,914)</b>
Transfer to Stage 1	(8,562)	1,573	6,989	–
Transfer to Stage 2	3,257	(3,733)	476	–
Transfer to Stage 3	349	380	(729)	–
Net remeasurement of loss allowance	21,775	(5,301)	(4,609)	<b>11,865</b>
New financial assets originated	(7,512)	(2,606)	(2,633)	<b>(12,751)</b>
Financial assets that have been derecognised	2,293	671	3,056	<b>6,020</b>
Write-offs	454	506	8,330	<b>9,290</b>
Foreign exchange and other movement	(278)	(40)	354	<b>36</b>
<b>Balance at 31 December 2024</b>	<b>(16,752)</b>	<b>(8,230)</b>	<b>(17,472)</b>	<b>(42,454)</b>

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

4. Financial instrument disclosures (continued)

4.2. Financial instruments (continued)

## (b) Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

### (i) Consolidated

Amount as at 31 Dec 2025	Carrying amount K'000	Contracted cash flows K'000	Less than one year K'000	1-2 years K'000	3-5 years K'000	More than five years K'000
<b>Non-derivative financial liabilities</b>						
Secured borrowings	23,931	23,931	6,140	11,605	6,186	-
Interest bearing deposits	752,991	779,875	665,034	59,876	54,965	-
Lease liabilities	9,095	9,095	2,243	1,915	4,237	700
Trade and other payables	17,335	17,335	17,335	-	-	-
<b>Total</b>	<b>803,352</b>	<b>830,236</b>	<b>690,752</b>	<b>73,396</b>	<b>65,388</b>	<b>700</b>

Amount as at 31 Dec 2024	Carrying amount K'000	Contracted cash flows K'000	Less than one year K'000	1-2 years K'000	3-5 years K'000	More than five years K'000
<b>Non-derivative financial liabilities</b>						
Secured borrowings	31,078	29,739	29,739	-	-	-
Interest bearing deposits	624,853	635,279	550,845	48,075	36,343	16
Lease liabilities	3,655	3,655	887	660	1,318	790
Trade and other payables	12,062	12,062	12,062	-	-	-
<b>Total</b>	<b>671,648</b>	<b>680,735</b>	<b>593,533</b>	<b>48,735</b>	<b>37,661</b>	<b>806</b>

### (ii) Company

At 31 December 2025, non-derivative financial liabilities, all of which are due within the year were K53.4 million (2024: K44.3 million).

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

4. Financial instrument disclosures (continued)

4.2. Financial instruments (continued)

## (c) Interest rate risk

### Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Consolidated		Company	
	2025 K'000	2024 K'000	2025 K'000	2024 K'000
<b>Fixed rate instruments</b>				
Financial assets	138,287	83,661	1,832	1,832
Finance receivables	800,717	489,509	-	-
Financial liabilities	(752,794)	(623,830)	-	-
<b>Total net</b>	<b>186,210</b>	<b>(50,660)</b>	<b>1,832</b>	<b>1,832</b>
<b>Variable rate instruments</b>				
Finance receivables	66,018	104,617	-	-
<b>Total net</b>	<b>66,018</b>	<b>104,617</b>	<b>-</b>	<b>-</b>

### Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

### Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2024.

	100bps increase		100bps decrease	
	Profit/(loss) K'000	2024 K'000	Profit/(loss) K'000	2024 K'000
<b>Consolidated</b>				
Variable rate instruments				
As at 31 December 2025	(660)	(660)	660	660
As at 31 December 2024	(1,046)	(1,046)	1,046	1,046

Company (not applicable).

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

4. Financial instrument disclosures (continued)

4.2. Financial instruments (continued)

## (d) Fair value versus carrying values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

Consolidated	Level of FV hierarchy	Fair values		Carrying amounts	
		2025 K'000	2024 K'000	2025 K'000	2024 K'000
<b>Assets</b>					
Interest bearing securities	1	118,439	60,897	118,439	60,897
Financial assets designated at fair value through profit and loss	1	659,006	630,866	659,006	630,866
Other equity investments	3	34	34	34	34
Finance receivables	2	866,735	594,126	866,735	594,126
Other receivables	2	14,641	12,565	14,641	12,565
Cash and cash equivalents	1	192,036	237,913	192,036	237,913
		<b>1,850,891</b>	<b>1,536,401</b>	<b>1,850,891</b>	<b>1,536,401</b>
<b>Liabilities</b>					
Trade and other payables	2	(17,335)	(12,062)	(17,335)	(12,062)
Secured bank loans	2	(23,931)	(31,078)	(23,931)	(31,078)
Interest bearing deposits	2	(752,991)	(624,853)	(752,991)	(624,853)
Due to customers	2	(112,819)	(12,425)	(112,819)	(12,425)
Lease liabilities	2	(9,095)	(3,655)	(9,095)	(3,655)
		<b>(916,171)</b>	<b>(684,073)</b>	<b>(916,171)</b>	<b>(684,073)</b>

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

4. Financial instrument disclosures (continued)  
 4.2. Financial instruments (continued)  
 (d) Fair value versus carrying values (continued)

Company	Level of FV hierarchy	Fair values		Carrying amounts	
		2025 K'000	2024 K'000	2025 K'000	2024 K'000
<b>Assets</b>					
Financial assets designated at fair value through profit and loss	1	659,006	630,866	659,006	630,866
Investments in subsidiaries	3	222,294	392,825	222,294	392,825
Other equity investments	3	34	34	34	34
Other deposits	2	-	1,548	-	1,548
Other receivables	2	107,539	78,014	107,539	78,014
Cash and cash equivalents	1	6,577	55,797	6,577	55,797
		<b>995,450</b>	<b>1,159,084</b>	<b>995,450</b>	<b>1,159,084</b>
<b>Liabilities</b>					
Trade and other payables	2	<b>(53,443)</b>	<b>(44,287)</b>	<b>(53,443)</b>	<b>(44,287)</b>

There are no debt markets in the segments the Group operates. Based on history, secondary market transactions for fixed rate instruments have been very minimal and have been at the interest rate implicit in the instrument. As a result, there is no difference between fair value and carrying value of fixed rate instruments.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

4. Financial instrument disclosures (continued)

4.2. Financial instruments (continued)

## (e) Fair value hierarchy

<b>Consolidated</b> 31 December 2025	Level 1 K'000	Level 2 K'000	Level 3 K'000	Total K'000
Interest bearing securities	118,439	-	-	118,439
Other investments (Financial assets designated at fair value through profit and loss account)	659,006	-	-	659,006
Other equity investments	-	-	34	34
Finance receivables	-	866,735	-	866,735
Other receivables	-	14,641	-	14,641
Cash and cash equivalents	192,036	-	-	192,036
	<b>969,481</b>	<b>881,376</b>	<b>34</b>	<b>1,850,891</b>
<b>Liabilities</b>				
Trade and other payables	-	(17,335)	-	(17,335)
Secured bank loans	-	(23,931)	-	(23,931)
Interest bearing deposits	-	(752,991)	-	(752,991)
Due to customers	-	(112,819)	-	(112,819)
Lease liabilities	-	(9,095)	-	(9,095)
	<b>-</b>	<b>(916,171)</b>	<b>-</b>	<b>(916,171)</b>

<b>Consolidated</b> 31 December 2024	Level 1 K'000	Level 2 K'000	Level 3 K'000	Total K'000
Interest bearing securities	60,897	-	-	60,897
Other investments (Financial assets designated at fair value through profit and loss account)	630,866	-	-	630,866
Other equity investments	-	-	34	34
Finance receivables	-	594,126	-	594,126
Other receivables	-	12,565	-	12,565
Cash and cash equivalents	237,913	-	-	237,913
	<b>929,676</b>	<b>606,691</b>	<b>34</b>	<b>1,536,401</b>
<b>Liabilities</b>				
Trade and other payables	-	(12,062)	-	(12,062)
Secured bank loans	-	(31,078)	-	(31,078)
Interest bearing deposits	-	(624,853)	-	(624,853)
Due to customers	-	(12,425)	-	(12,425)
Lease liabilities	-	(3,655)	-	(3,655)
	<b>-</b>	<b>(684,073)</b>	<b>-</b>	<b>(684,073)</b>

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

4. Financial instrument disclosures (continued)  
 4.2. Financial instruments (continued)  
 (e) Fair value hierarchy (continued)

Company 31 December 2025	Level 1 K'000	Level 2 K'000	Level 3 K'000	Total K'000
Other investments (Financial assets designated at fair value through profit and loss account)	659,006	-	-	659,006
Other equity investments	-	-	34	34
Other deposits	-	-	-	-
Other receivables	-	107,539	-	107,539
Cash and cash equivalents	6,577	-	-	6,577
<b>Total Assets</b>	<b>665,583</b>	<b>107,539</b>	<b>34</b>	<b>773,156</b>
<b>Liabilities</b>				
Trade and other payables	-	(53,443)	-	(53,443)

Company 31 December 2024	Level 1 K'000	Level 2 K'000	Level 3 K'000	Total K'000
Other investments (Financial assets designated at fair value through profit and loss account)	630,866	-	-	630,866
Other equity investments	-	-	34	34
Other deposits	-	1,548	-	1,548
Other receivables	-	78,014	-	78,014
Cash and cash equivalents	55,797	-	-	55,797
<b>Total Assets</b>	<b>686,663</b>	<b>79,562</b>	<b>34</b>	<b>766,259</b>
<b>Liabilities</b>				
Trade and other payables	-	(44,287)	-	(44,287)

Level 1 investments consist mainly of investments in stock of public companies.

Level 2 investments consist mainly of investments in deposits, trade receivables and payables.

Level 3 investments consist primarily of investments in equity of subsidiaries. The investments in the subsidiaries were all valued as at 31 December 2025.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

- 4. Financial instrument disclosures (continued)
- 4.2. Financial instruments (continued)
- (e) Fair value hierarchy (continued)

## Recognition and measurement

### Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability: either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

#### (i) Investment property

Valuation of investment property is based either on external valuation or directors' valuation. An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property portfolio as required. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly.

Where an external valuation is not obtained as at year end, an internal valuation will be prepared having regard to the last external valuation.

Valuations reflect, when appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, the allocation of maintenance and insurance responsibilities between the Group and the lessee, and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices, and when appropriate counter-notices, have been served validly and within the appropriate time. Investment property under construction is valued by estimating the fair value of the completed investment property and then deducting from that amount the estimated costs to complete construction, financing costs and a reasonable profit margin.

#### (ii) Equity and debt securities

The fair value of financial assets at fair value through profit or loss and at amortised cost is determined by reference to their quoted closing bid price at the reporting date. The fair value of financial assets at amortised cost is determined for disclosure purposes.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

- 4. Financial instrument disclosures (continued)
- 4.2. Financial instruments (continued)
- (e) Fair value hierarchy (continued)

## (iii) Finance and other receivables

The fair value of finance and other receivables is estimated as the present value of future cash flows. This fair value is determined for disclosure purposes.

## (iv) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows.

## Key judgements and estimates

The Group evaluates the material accuracy of the valuations incorporated in the financial statements as they can involve a high degree of judgement and estimation in determining the carrying values of financial assets and liabilities at the balance sheet date.

The majority of valuation models the Group uses employ only observable market data as inputs. However, for certain financial instruments, we may use data that is not readily observable in current markets. If we use unobservable market data, then we need to exercise more judgement to determine fair value depending on the significance of the unobservable input to the overall valuation. Generally, we derive unobservable inputs from other relevant market data and compare them to observed transaction prices where available.

## 5. Equity

### 5.1. Share Capital

	Consolidated and Company	
	2025 K'000	2024 K'000
<b>Issued ordinary share capital</b>		
307,931,332 shares in issue at 1 January	21,984	21,984
307,931,332 shares in issue at 31 December	<b>21,984</b>	<b>21,984</b>

In accordance with the provisions of the Companies Act 1997, the shares do not have a par value. All issued shares are fully paid.

In accordance with the provisions of the Constitution, the Board of Directors of the Company may issue shares as it thinks fit so long as it does not create a controlling interest in the Company and subject to complying with the requirements of Papua New Guinea's National Stock Exchange (PNGX) Listing Rules.

## Measurement and recognition

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

## 5. Equity (continued)

### 5.2. Reserves

	Note	Consolidated		Company	
		2025 K'000	2024 K'000	2025 K'000	2024 K'000
<b>Asset revaluation reserve</b>	(a)				
Balance at 1 January		16,222	19,771	-	-
Surplus/(deficit) on revaluation of properties		-	(5,070)	-	-
Tax effect on revaluation of properties		-	1,521	-	-
<b>Balance at 31 December</b>		<b>16,222</b>	<b>16,222</b>	<b>-</b>	<b>-</b>
<b>Asset realisation reserve</b>	(b)				
Balance at 1 January		149	149	149	149
Transfer from retained earnings		-	-	-	-
<b>Balance at 31 December</b>		<b>149</b>	<b>149</b>	<b>149</b>	<b>149</b>
<b>Exchange fluctuation reserve</b>	(c)				
Balance at 1 January		5,474	5,063	-	-
Translation adjustment		11,249	411	-	-
<b>Balance at 31 December</b>		<b>16,723</b>	<b>5,474</b>	<b>-</b>	<b>-</b>
<b>General reserve</b>	(d)				
Balance at 1 January		667,113	469,889	666,703	469,890
Transfer (to)/from retained earnings		123,544	197,224	123,955	196,813
<b>Balance at 31 December</b>		<b>790,657</b>	<b>667,113</b>	<b>790,658</b>	<b>666,703</b>
<b>Total reserves</b>		<b>823,751</b>	<b>688,958</b>	<b>790,807</b>	<b>666,852</b>

(a) **Asset revaluation reserve:** The asset revaluation reserve relates to the revaluation of property and equipment prior to its reclassification as investment property. As a result of the change in accounting policy for subsidiaries, there is no asset revaluation reserve for the Company at 31 December 2025.

(b) **Asset realisation reserve:** The asset realisation reserve represents profits on sale of fixed assets over the cost.

(c) **Exchange fluctuation reserve:** The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations that are not integral to the operations of the Company.

(d) **General reserve:** The general reserve represents amounts of net gains on long-term investments transferred from the profit and loss account.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

## 6. Other disclosures

### 6.1. Employees

The Group contributed to superannuation funds which are defined contribution plans, whereby employees contribute certain legislated percentage of their salary to the fund and the Group contributes a certain percentage of each member's salary as allowed by law. During 2025, the Group expensed K3.0 million (2024: K2.6 million) in contributions payable.

#### Recognition and measurement

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

### 6.2. Commitments and contingencies

#### (i) Commitments

The Group expects a capital outlay of K26.8 million (2024: K32.2 million) for the acquisition of various property and equipment.

#### (ii) Contingencies

There are no contingencies as at 31 December 2025 (2024: Nil).

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

## 6. Other disclosures (continued)

### 6.3. Related parties

#### (a) Interest register

The following are interests recorded in the Register for the year.

Name	Nature of interest	Companies/Organisations/Professional bodies
Faye-Zina Lalo	Director	<b>Companies</b> Credit Corporation (PNG) Limited, Credit Corporation Finance Limited T/As CreditBank PNG, Credit Corporation Properties Limited, AFL PNG Development Limited
	Social or Professional Membership	<b>Organisation</b> Australian Institute of Company Directors PNG Institute of Directors PNG Law Society
	Transaction Account Holder	<b>Companies</b> Credit Corporation Finance Limited T/As CreditBank PNG
Stephen James Donald Humphries	Director	<b>Companies</b> Credit Corporation (PNG) Limited, Credit Corporation Finance Limited T/As CreditBank PNG, Credit Corporation Properties Limited
	Social or Professional Membership	<b>Professional bodies</b> Australian Institute of Chartered Accountants Institute of Chartered Accountants of England and Wales Independent Directors Association in PNG
Richard Sinamoi	Director	<b>Companies</b> Credit Corporation (PNG) Limited, Credit Corporation Finance Limited T/As CreditBank PNG, Credit Corporation Properties Limited, Nambawan Super Limited, Western Trucks Limited, Kama Kofi Limited, Iomanis Agri Import Export Pte Limited, Trans Pacific Assurance Limited, TPAL Investment Limited
	Shareholder	<b>Companies</b> Credit Corporation (PNG) Limited – 485,629 ordinary shares, Kama Kofi Limited, Iomanis Agri Import Export Pte Limited, PNGPC Limited, Western Trucks Ltd, Nambawan Super Limited
	Transaction Account Holder	<b>Companies</b> Credit Corporation Finance Limited T/As CreditBank PNG
	Social or Professional Membership	<b>Professional bodies</b> Australian Institute of Company Directors PNG Institute of Directors

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

6. Other disclosures (continued)  
 6.3. Related parties (continued)  
 (a) Interest register (continued)

Name	Nature of interest	Companies/Organisations/Professional bodies
Sir Melchior Togolo	Director	<b>Companies</b> Credit Corporation (PNG) Limited, Credit Corporation Finance Limited T/As CreditBank PNG, Credit Corporation Properties Limited, Heritage Park Hotel (Honiara SI), Loloata Island Resort Limited, Bougainville Copper Limited
	Professional Membership	<b>Professional bodies</b> Australian Institute of Company Directors
	Shareholder	<b>Companies</b> BSP 14,086 shares jointly owned with spouse
	Transaction Account Holder	<b>Companies</b> Credit Corporation Finance Limited T/As CreditBank PNG
Clare Mazzetti	Director	<b>Companies</b> Credit Corporation (PNG) Limited, Credit Corporation Finance Limited T/As CreditBank PNG, Credit Corporation Properties Limited, Qudos Bank Limited, Uniting Church of Australia, Synod of NSW & ACT, Uniting Financial Services, The Tax Institute (Chair)
	Social or Professional Membership	<b>Professional bodies</b> Australian Institute of Company Directors Fellow – FINSIA
Daryl Craig Johnson	Director	<b>Companies</b> Credit Corporation (PNG) Limited, Credit Corporation Finance Limited T/As CreditBank PNG, Credit Corporation Properties Limited, Cadeau Pty Ltd (Self-Managed Superannuation Fund), Bendigo and Adelaide Bank Limited
	Social or Professional Membership	<b>Professional bodies</b> Australian Institute of Company Directors

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

6. Other disclosures (continued)  
 6.3. Related parties (continued)  
 (a) Interest register (continued)

Name	Nature of interest	Companies/Organisations/Professional bodies
Lady Winifred Tare Kamit	Director	<b>Companies</b> Credit Corporation (PNG) Limited, Credit Corporation Finance Limited T/As CreditBank PNG, Credit Corporation Properties Limited, South Pacific Post Limited, Post Courier Limited, Brian Bell Company Limited, Kamchild Limited, Bunowen Services Limited, Kamit Consultancy Services Limited, Dentons Administrative Services Limited
	Shareholder	<b>Companies</b> Kamchild Limited, Bunowen Services Limited, Kamit Consultancy Services Limited
	Social or Professional Membership	<b>Professional bodies</b> PNG Institute of Directors Inc. (Founding Member and Fellow) PNG Law Society Australian Institute of Company Directors
	Director	<b>Professional bodies</b> Anglicare PNG Inc
	Senior Partner (Corporate/Commercial Advisory)	<b>Entity</b> Dentons Lawyers
	Transaction Account Holder	<b>Companies</b> Credit Corporation Finance Limited T/As CreditBank PNG
Susil Daisy Nelson-Kongoi	Director	<b>Companies</b> Credit Corporation (PNG) Limited, Credit Corporation Finance Limited T/As CreditBank PNG, Credit Corporation Properties Limited
John Velegrinis	Director	<b>Companies</b> Credit Corporation (PNG) Limited, Credit Corporation Finance Limited T/As CreditBank PNG, Credit Corporation Properties Limited, Ford Co-Operative Credit Society Limited T/As Geelong Bank, Australian Defence Force Assistance Trust T/As Bravery Trust
	Social or Professional Membership	<b>Professional bodies</b> Australian Institute of Company Directors. Fellow – FINSIA

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

6. Other disclosures (continued)

6.3. Related parties (continued)

## (b) Transactions with Directors and key management personnel

### (i) Shareholdings of Directors and interested parties in Credit Corporation (PNG) Limited

	2025	2024
Richard Sinamoi, a Director of the company and a Director of Nambawan Superannuation Limited (a shareholder of the company) holds shares as follows:	62,947,271	62,947,271
Richard Sinamoi, a Director of the Company holds shares as follows:	485,629	485,629
Abigail Chang, a Director of the Company holds shares as follows:	21,000	21,000

### (ii) Remuneration of Directors

	2025 K'000	2024 K'000
Lady Winifred Kamit (appointed chair 30 August 2024)	316	201
Dr. Albert Mellam (retired 19 August 2024)	-	213
Richard Sinamoi	292	279
Abigail Chang	259	248
Faye-Zina Lalo	257	246
Clare Mazzetti	241	231
Sir Melchior Togolo	241	231
Stephen Humphries	259	248
Daryl Johnson	244	233
Susil Nelson-Kongoi	233	-
John Velegrinis	50	-
	<b>2,392</b>	<b>2,130</b>

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

6. Other disclosures (continued)  
 6.3. Related parties (continued)  
 (b) Transactions with Directors and key management personnel (continued)

## (iii) Remuneration of key management personnel

The number of key management staff whose remuneration, including salaries and benefits (superannuation, accommodation, leave fares, insurance, school fees, club subscriptions and related entitlements), was within the specified bands as follows:

	2025	2024
260,000–319,999	-	1
890,000–999,999	1	-
1,010,000–1,219,999	1	2
1,220,000–1,439,999	-	2
1,440,000–1,549,999	1	-
1,550,000–2,299,999	2	-
2,300,000–4,300,000	-	1
4,500,000–6,500,000	1	-
	<b>6</b>	<b>6</b>

## (iv) Key management personnel compensation

	Note	Transaction value for the year end 31 December		Balance outstanding as at 31 December	
		2025 K'000	2024 K'000	2025 K'000	2024 K'000
Short term benefits	(i)	6,303	8,938	1,718	1,372
Long term benefits	(ii)	255	234	678	422
Share-based payments – cash settled	(iii)	7,102	3,891	11,146	5,870
<b>Total</b>		<b>13,660</b>	<b>13,063</b>	<b>13,542</b>	<b>7,664</b>

A related party is a person or an entity that is related to the reporting entity and has significant influence over the reporting entity in making financial or operational decisions. During the year, the Group reassessed its key management personnel to reflect the transformed business to a commercial bank.

The transactions were processed an arm's length by the related parties concerned.

- (i) Short-term employee benefits include wages, salaries, paid annual leave, superannuation, bonuses (if payable within twelve months of the end of the period) and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for current employees.
- (ii) Other long-term employee benefits include only long service leave.
- (iii) Share-based payment includes Short-Term Incentive (STI) and Long-Term Incentive (LTI) awards that are settled in cash at the settlement date.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

6. Other disclosures (continued)  
 6.3. Related parties (continued)  
 (b) Transactions with Directors and key management personnel (continued)

**(v) Other transactions with Directors and key management personnel**

The aggregate value of transactions and outstanding balances related to Directors and key management personnel were as follows:

	2025 K'000	2024 K'000
<b>Loans and receivables</b>		
Opening balance	496	91
Loans issued	2,209	369
Interest	57	51
Loan repayment	(1,226)	(15)
Closing balance	<b>1,536</b>	<b>496</b>

Employees are eligible to obtain personal loans from Credit Corporation Finance Limited of up to 25% of their gross annual salary at interest rates ranging from 8% to 10% per annum. In addition, employees and other related parties may enter into other loan and banking arrangements with the Group in the normal course of business. These transactions are conducted on normal commercial terms and at prevailing market rates.

	2025 K'000	2024 K'000
<b>Deposits</b>		
Opening balance	(1,428)	(1,425)
Interest	(4)	(21)
Net movement	574	18
Closing balance	<b>(858)</b>	<b>(1,428)</b>

Deposit balances with key management personnel and directors include interest-bearing deposit and transactional account balances held with Credit Corporation Finance Limited.

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

6. Other disclosures (continued)  
 6.3. Related parties (continued)  
 (b) Transactions with Directors and key management personnel (continued)

## (vi) Remuneration of employees

Remuneration	2025	2024	Remuneration	2025	2024
100,000–110,000	13	6	480,000–490,000	1	1
110,000–120,000	12	12	490,000–500,000	3	0
120,000–130,000	7	5	500,000–510,000	1	1
130,000–140,000	1	0	520,000–530,000	0	1
140,000–150,000	8	2	580,000–590,000	0	1
150,000–160,000	4	2	620,000–630,000	1	0
160,000–170,000	4	3	650,000–660,000	1	0
170,000–180,000	3	5	660,000–670,000	1	1
180,000–190,000	4	3	670,000–680,000	1	0
190,000–200,000	3	5	680,000–690,000	1	0
200,000–210,000	6	3	720,000–730,000	1	0
210,000–220,000	6	3	760,000–770,000	1	0
220,000–230,000	5	1	800,000–810,000	0	1
230,000–240,000	0	4	830,000–840,000	1	0
240,000–250,000	4	2	860,000–870,000	0	1
250,000–260,000	2	0	870,000–880,000	0	1
260,000–270,000	1	2	890,000–900,000	1	0
270,000–280,000	2	1	900,000–910,000	1	0
280,000–290,000	1	0	950,000–960,000	1	0
290,000–300,000	0	1	960,000–970,000	0	1
300,000–310,000	0	1	970,000–980,000	1	0
310,000–320,000	1	1	1,060,000–1,070,000	1	0
320,000–330,000	1	0	1,160,000–1,170,000	0	1
330,000–340,000	3	1	1,210,000–1,220,000	0	2
340,000–350,000	2	2	1,270,000–1,280,000	1	0
350,000–360,000	0	1	1,320,000–1,330,000	1	0
390,000–400,000	2	1	1,330,000–1,340,000	0	1
400,000–410,000	0	1	1,410,000–1,420,000	1	0
410,000–420,000	1	0	1,480,000–1,490,000	0	1
420,000–430,000	0	1	1,500,000–1,510,000	1	0
430,000–440,000	1	0	1,540,000–1,550,000	0	1
440,000–450,000	1	1	1,700,000–1,710,000	1	0
450,000–460,000	0	2	2,140,000–2,150,000	1	0
460,000–470,000	3	1	4,020,000–4,030,000	0	1
470,000–480,000	1	0	6,350,000–6,360,000	1	0
			<b>Total</b>	<b>127</b>	<b>89</b>

# Notes to and forming part of the financial statements (cont.)

For the year ended 31 December 2025

6. Other disclosures (continued)

6.3. Related parties (continued)

## (c) Transactions with subsidiaries – the Company

All the transactions are in the normal course of business and on normal commercial terms and conditions and repayable on demand. Except for the finance loans from Credit Corporation Finance Limited, all the other transactions are unsecured.

Transaction	Note	Transaction value for the year end 31 December		Balance outstanding as at 31 December	
		2025 K'000	2024 K'000	2025 K'000	2024 K'000
Management fee	(i)	1,000	1,000	–	–
Interest bearing deposit	(ii)	35	38	1,581	1,548
Dividends	(iii)	21,871	18,389	9,896	4,004
Other	(iv)	(15,421)	(65,781)	(41,332)	(25,911)
<b>Total</b>		<b>7,485</b>	<b>(46,354)</b>	<b>(29,855)</b>	<b>(20,359)</b>

- (i) Management fees paid by Credit Corporation Finance Limited (K1,000,000) to Credit Corporation (PNG) Limited annually.
- (ii) Credit Corporation (PNG) Limited has at call deposits with Credit Corporation Finance Limited totalling to K267,872 (2024: K283,882). Surplus funds have also been deposited in 1 month deposit with Credit Corporation Finance Limited at 0.09 interest rates per annum. The interest earned during 2025 was K35,276 (2024: K36,547).
- (iii) Dividends were received from CCFJ, CCSI and CCVL amounted to K21.9m (2024: K18.4m).
- (iv) Other transaction with subsidiaries including receivable from the subsidiary companies Credit Properties Limited and payables to Credit Corporation Finance Limited.

## (d) Other related party transactions

- (i) Entities have interest bearing deposits with the Group at commercial rates prevailing at the time of the deposit.
- (ii) Refer to Note 3.5 (d) Investment in Subsidiaries for capital transactions which have occurred with subsidiaries.

## 6.4. Events occurring after balance sheet date

Subsequent to the year ended 31 December 2025, the Board declared a final dividend of 8.1 toea per share and a special dividend of 4.9 toea per share.

No other significant events have occurred since the balance sheet date which would impact on the financial position of the Company disclosed in the Statement of Financial Position as at 31 December 2025 or in the results and cash flows of the Company for the year ended on that date.

# Top 20 shareholders

		Shares Held	%
1	Nambawan Super Limited	62,947,271	20.44%
2	National Superannuation Fund Limited	62,099,367	20.17%
3	Teachers Savings & Loan Society Ltd	57,925,483	18.81%
4	Lamin Trust Fund	19,158,710	6.22%
5	Motor Vehicles Insurance Limited	17,100,000	5.55%
6	Federation of Savings & Loan Societies Limited	16,621,878	5.40%
7	Glen Panipas Mcllwain	5,229,066	1.70%
8	BSP Life (Fiji) Limited	4,091,838	1.33%
9	Finance Corporation Limited	3,190,647	1.04%
10	Patronella la Bilur Harrison	3,000,000	0.97%
11	Capuchin Friars Minor of PNG	2,452,214	0.80%
12	Comrade Trustee Services	2,082,333	0.68%
13	Kina Nominees Limited	2,010,000	0.65%
14	West New Britain Provincial Government	2,000,000	0.65%
15	Pacific MMI Insurance Limited	1,872,406	0.61%
16	Daughters of Our Lady of Sacred Heart Olsh Provincialate	1,800,000	0.58%
16	Kina Asset Management No.1 Ltd	1,800,000	0.58%
18	Nasfund Contributors Savings & Loan Society Limited	1,550,000	0.50%
19	Capital Nominees Limited	1,441,502	0.47%
20	Mineral Resources Development Company Limited	1,361,316	0.44%
		<b>269,992,529</b>	<b>87.68%</b>

	Shares Held
1-1,000	350,352
1,001-5,000	1,071,609
5,001-10,000	2,612,163
10,001-100,000	7,553,042
100,001 and above	296,344,166
	<b>307,931,332</b>

Shares traded	No	Volume
2025	129	5,567,949

# Corporate directory

## Registered Office

Ground Floor, Credit House,  
Cuthbertson Street, Port Moresby,  
Papua New Guinea

## Principal Place of Business

Ground & 1st Floor, Credit House,  
Cuthbertson Street, Port Moresby,  
Papua New Guinea

## Directors

Lady Winifred Tare Kamit

Richard Sinamoi

Abigail Erica Wendy Chang  
(retired 12 December 2025)

Faye-Zina Lalo  
(retired 31 December 2025)

Stephen James Donald Humphries

Sir Melchior Pesa Togolo

Clare Mariesa Mazzetti

Daryl Craig Johnson

Susil Nelson-Kongoi  
(resigned 20 February 2026)

John Velegrinis  
(appointed 10 October 2025)

## Group Chief Executive Officer

Danny Robinson

## Company Secretary

Amanda Libitino

## Auditors

PricewaterhouseCoopers PNG

PwC Haus, Level 6

Harbour City, Konedobu

Port Moresby

Papua New Guinea

Fiji — Grant Thornton

Solomon Islands — Morris & Sojnocki

Vanuatu — Law Partners

## Tax Advisors

PricewaterhouseCoopers

PwC Haus, Level 6

Harbour City, Konedobu

Port Moresby, NCD 125

Papua New Guinea

## Share Registry

PNG Registries Limited

Level 4, Cuthbertson House

PO Box 1265

Port Moresby, Papua New Guinea

Telephone: +675 321 6377

Email: salaniet.mathew@mpms.mufg.com

## Bankers

BSP Financial Group Limited

Australia & New Zealand Banking Group  
(PNG) Limited

Australia & New Zealand Banking Group  
(Fiji) Limited

National Bank of Vanuatu

Westpac Bank PNG Limited

Westpac Bank Fiji

Bred Bank Fiji

HFC Bank Fiji

Crown Agent Bank

CreditBank PNG

## Papua New Guinea

### Credit Corporation (PNG) Limited

Credit House, Cuthbertson Street

Port Moresby, Papua New Guinea

PO Box 1787, Port Moresby

Papua New Guinea

Telephone: +675 321 7066

Email: contactus@creditbank.com.pg

## Branch Offices

### Port Moresby

Ground Floor, Credit House

Cuthbertson Street,

Port Moresby

Papua New Guinea

Telephone: +675 308 5500

### Waigani

Moki Business Park

Level 1, Kumul Avenue

Waigani, Port Moresby

Papua New Guinea

Telephone: +675 308 5500

### Kokopo

Kokopo Commercial Centre

Corner William & Pockley Street

Kokopo, East New Britain

Papua New Guinea

Telephone: +675 982 8555

### Lae

Ground Floor, Morobe Haus

4th Street, Lae Top Town

Lae, Morobe

Papua New Guinea

Telephone: +675 472 5855

### Mt Hagen

Section 21, Allotment O & II,

Gapina Limited Building

Mt Hagen, Western Highlands

Papua New Guinea

Telephone: +675 542 3585

## Fiji

### Credit Corporation (Fiji) Pte Limited

Credit House

10 Gorrie Street, Suva, Fiji Islands

PO Box 14070, Suva, Fiji Islands

Telephone: +679 330 5744

Email: info@creditcorp.com.fj

## Branch Offices

### Nadi

1st Floor Credit House,

Lot 15 Bountiful Subdivision

Queens Road, Namaka

PO Box 10107 Nadi Airport

Telephone: +679 672 4766

### Lautoka

Naviti Street, Lautoka

PO Box 427, Lautoka

Telephone: +679 665 2025

### Nakasi

Shop 14, Tebara Meat Complex

Kings Road, Nakasi

Telephone: +679 341 0029

### Labasa

Shop 81, Damodar City

Naiyaca Subdivision, Labasa

Telephone: +679 999 7135

## Solomon Islands

### Credit Corporation (SI) Limited

Heritage Park Commercial Building,

Ground Floor, Mendana Avenue,

Honiara, Solomon Islands

PO Box 1235, Honiara, Solomon Islands

Telephone: +677 22114

Email: info@creditcorp.com.sb

## Vanuatu

### Credit Corporation (Vanuatu) Limited

1st Floor, Ex-Post Office Building

Lini Street

Port Vila, Vanuatu

Telephone: +678 23822

Email: info@creditcorp.com.vu

## Branch Office

Santo

CNS Building, USP Sub Street,

Luganville, Santo

Telephone: +678 36823/36826





[www.creditcorporation.com.pg](http://www.creditcorporation.com.pg)