Credit Corporation (PNG) Limited

Appendix 5B

Condensed Consolidated Financial Report

For the Half Year to 30 June 2026

1. Company details and reporting period

Credit Corporation (PNG) Limited and subsidiaries

Reporting period - six months ended	30 June 2026
Previous corresponding period - six months ended	30 June 2025

2. Results for announcement to the market

2.1 Revenue from ordinary activities

		30 June 2026	30 June 2025
Revenue from ordinary activities (PGK'000)	▲ 2.3%	225,993	220,874

2.2 Profit from ordinary activities after tax

Profit from ordinary activities (PGK'000)	▲ 0.7%	132,992	132,103

2.3 Net profit after tax for the period

Net profit after tax for the period (PGK'000)	▲ 0.7%	132,992	132,103

2.4 Underlying earnings

	Jun-26 K'000	Jun-25 K'000	vs Jun-25 %
Net profit before tax for the period	135,579	140,811	(3.7%)
Fair value gain on financial assets	(76,549)	(78,418)	(2.4%)
Share of loss of equity accounted investee	-	2,839	(100.0%)
Core operating profit	**59,030**	**65,232**	(9.5%)

2.5 Dividend (distributions)

	Amount per security	PGK'000
Current reporting period 2026		
Interim dividend (PGK toea per share)	12.5	38,491
Previous financial period 2025		
Interim dividend (PGK toea per share)	12.0	36,952
Final dividend (PGK toea per share)	8.1	24,942
Special dividend (PGK toea per share)	4.9	15,089

2.6 Record date

Date for determining entitlements to the dividend.

	Ex date	Record date	Payment date
Current reporting period 2026			
Interim dividend	18 September 2026	22 September 2026	20 October 2026
Previous financial period 2025			
Interim dividend	19 September 2025	26 September 2025	24 October 2025
Final dividend and special dividend	18 March 2026	20 March 2026	17 April 2026

Credit Corporation (PNG) does not have a dividend reinvestment plan.

2.7 Earnings per security

	30 June 2026	30 June 2025
Basic EPS (Kina per share)	0.43	0.43
Diluted EPS	same as above	same as above
Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS	307,931,332	307,931,332

3. Condensed Consolidated profit and loss

	Jun-26 K'000	Jun-25 K'000	vs Jun-25 %
Finance Income	64,945	58,232	11.5%
Finance cost	(18,870)	(10,900)	73.1%
Net finance income	46,075	47,332	(2.7%)
Dividend income	36,686	37,866	(3.1%)
Rental income from property	16,959	15,760	7.6%
Interest on term deposit, treasury bills and semi-government bonds	9,497	2,775	242.2%
Other operating income	21,357	27,823	(23.2%)
Fair value gain on financial assets	76,549	78,418	(2.4%)
Net operating income	207,123	209,974	(1.4%)
Impairment loss on finance receivables	(3,043)	(12)	25258.3%
Personnel expenses	(29,359)	(31,312)	(6.2%)
Depreciation expenses	(7,759)	(5,237)	48.2%
Write-off receivables	(98)	(245)	(60.0%)
Marketing expenses	(2,818)	(2,348)	20.0%
Communications & IT	(7,711)	(5,494)	40.4%
Rent and utilities	(2,866)	(2,824)	1.5%
Repairs and maintenance	(3,455)	(2,697)	28.1%
Other expenses	(5,537)	(5,400)	2.5%
Professional services & management fees	(8,262)	(9,955)	(17.0%)
Interest expense - property	(636)	(800)	(20.5%)
Results from operating activities	135,579	143,650	(5.6%)

	Jun-26 K'000	Jun-25 K'000	vs Jun-25 %
Share of loss of equity accounted investee	-	(2,839)	(100.0%)
Profit before tax	135,579	140,811	(3.7%)
Income tax expense	(2,587)	(8,708)	(70.3%)
Profit attributable to equity holders of the Company	132,992	132,103	0.7%

4. Condensed Consolidated Balance Sheet

	Jun-26 K'000	Dec-25 K'000	vs Dec-25 %
ASSETS			
Cash and cash equivalents	531,123	192,036	176.6%
Cash reserve requirements	68,639	49,673	38.2%
Finance receivables	929,503	866,735	7.2%
Other receivables	26,482	14,641	80.9%
Interest bearing securities	162,639	118,439	37.3%
Other investments	671,434	659,006	1.9%
Inventories	1,104	1,104	0.0%
Property and equipment	91,133	91,440	(0.3%)
Investment property	241,775	239,575	0.9%
Other equity investments	34	34	0.0%
Deferred tax assets	32,634	26,969	21.0%
Total assets	2,756,500	2,259,652	22.0%
LIABILITIES			
Trade and other payables	27,725	17,335	59.9%
Employee benefits	18,604	26,565	(30.0%)
Deposits	1,263,556	865,810	45.9%
Borrowings	29,591	33,026	(10.4%)
Income taxes payable	4,316	1,956	120.7%
Deferred tax liabilities	12,313	10,597	16.2%
Total liabilities	1,356,105	955,289	42.0%
Net assets	1,400,395	1,304,363	7.4%
EQUITY			
Share capital	21,984	21,984	0.0%
Reserves	904,177	823,751	9.8%
Retained earnings	474,234	458,628	3.4%
Total equity	1,400,395	1,304,363	7.4%

5. Condensed Consolidated statement of cash flow

	Consolidated Half year ended	
	30 Jun 2026 Reviewed K'000	30 Jun 2025 Reviewed K'000
OPERATING ACTIVITIES		
Charges earned on leases & loans	64,945	58,232
Commission, fees and rents	31,056	29,492
Interest payments	(18,870)	(10,900)
Interest from funds deposited	9,497	2,775
Payments to suppliers and employees	(65,996)	(50,752)
Operating cash flows before changes in operating assets	20,632	28,847
Cash reserve requirements with Central Bank	(18,966)	-
Net cash advanced in respect of finance receivables	(65,811)	(159,959)
Net cash received in respect of deposits	397,746	107,843
Net cash from operating activities before income tax	333,601	(23,269)
Income taxes paid	(4,176)	(5,155)
Cash flows from operating activities	329,425	(28,424)
INVESTING ACTIVITIES		
Purchase of property and equipment	(6,008)	(29,519)
Acquisition of investment property	(2,200)	-
Proceeds from sale of listed shares	64,862	113,591
Dividend received	36,686	37,866
Net cashflow from other investments	(44,200)	10,322
Cash flows from investing activities	49,140	132,260
FINANCING ACTIVITIES		
Repayment of borrowings	(3,029)	(2,865)
Repayment of interest	(636)	(799)
Dividends paid	(39,981)	(37,213)
Cash flows used in financing activities	(43,646)	(40,877)
Effect of exchange rate changes on foreign subsidiaries cash and cash equivalents	4,168	9,704
Net increase in cash and cash equivalents	339,087	72,663
Cash and cash equivalents at 1 January	192,036	237,913
Cash and cash equivalents at period end	531,123	310,576
Net cash generated during the six months ended 31 December 2025	-	(118,540)
Cash and cash equivalents at the end of the period 30 June 2026 (31 December 2025)	531,123	192,036

6. Net tangible asset backing

	30 June 2026	30 June 2025
Net tangible asset backing per ordinary security	4.55	3.67

7. Details of entities over which control has been gained or lost during the period

There were no changes in the Group's ownership of controlled entities during the reporting period.

8. Details of aggregate share of loss of associates

The Group's shareholding in TISA Insurance Group (formerly Capital Insurance Group), was diluted from 25% to 14% following a non-renounceable rights issue by TISA Insurance Group, to which the Group did not subscribe. As a result, the Group lost significant influence, and effective 1 July 2025, the investment was reclassified from an associate accounted for under the equity method to a finance asset measured at fair value through profit and loss (FVTPL) under IFRS 9.

9. Reports for industry and geographical segments

9.1 Information about reportable segments

At 30 June 2026	Banking and general finance	Property investment	Investment company	TOTAL
	K'000	K'000	K'000	K'000
Revenue	85,105	20,389	120,499	225,993
Inter-segment revenue	1,965	4,440	13,631	20,036
Finance costs	(18,870)	-	-	(18,870)
Fair value (loss)/gain	-	-	76,549	76,549
Depreciation	(5,031)	(1,989)	(739)	(7,759)
Reportable segment profit before income tax	28,049	7,252	100,278	135,579
Reportable segment assets	1,763,635	292,092	700,773	2,756,500
Reportable segment liabilities	(1,310,191)	(34,320)	(11,594)	(1,356,105)

9. Reports for industry and geographical segments (continued)

9.1 Information about reportable segments (continued)

At 30 June 2025	Banking and general finance	Property investment	Investment company	TOTAL
	K'000	K'000	K'000	K'000
Revenue	69,709	18,601	132,564	220,874
Inter-segment revenue	1,378	3,543	13,603	18,524
Finance costs	(10,900)	-	-	(10,900)
Fair Value (loss)/gain	-	-	78,418	78,418
Depreciation	(3,189)	(1,287)	(761)	(5,237)
Reportable segment profit before income tax	27,027	5,955	107,829	140,811
Share of loss of equity-method investee	-	-	(2,839)	(2,839)
At 31 December 2025				
Reportable segment assets	1,300,029	285,115	674,508	2,259,652
Reportable segment liabilities	(902,697)	(33,703)	(18,889)	(955,289)

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

	Jun-26	Jun-25
Revenues	K'000	K'000
Total revenue for reportable segments	246,029	239,398
Finance costs	(18,870)	(10,900)
Elimination of inter-segment revenue	(20,036)	(18,524)
Net operating income	207,123	209,974
Profit or loss		
Total profit or loss for reportable segments	148,684	156,580
Elimination of inter-segment profit	(13,105)	(12,930)
Share of loss of equity-accounted investee	-	(2,839)
Consolidated profit before tax	135,579	140,811

	Jun-26	Dec-25
Assets	K'000	K'000
Total assets for reportable segments	3,213,255	2,963,883
Elimination of intercompany balance	(234,461)	(481,937)
Elimination of investment in subsidiaries	(222,294)	(222,294)
Consolidated total assets	2,756,500	2,259,652
Liabilities		
Total liabilities for reportable segments	(1,590,567)	(1,437,228)
Elimination of intercompany balances	234,462	481,939
Consolidated total liabilities	(1,356,105)	(955,289)

9. Reports for industry and geographical segments (continued)

9.2 Reconciliation of reportable segment revenues, profits or loss, assets and liabilities: (continued)

Geographical segments	Net operating income		Net assets	
	K'000	K'000	K'000	K'000
	Jun-26	Jun-25	Jun-26	Dec-25
Papua New Guinea	170,273	182,402	1,243,108	1,153,065
Fiji	26,104	19,436	102,236	100,881
Solomon Islands	3,579	2,844	18,166	17,315
Vanuatu	7,167	5,292	36,885	33,102
Total	207,123	209,974	1,400,395	1,304,363

10. Commentary on the results for the period

Total revenue, excluding fair value gains on financial assets, increased by 4.9% to K149.4m against the prior corresponding period (PCP).

The increase was driven by K6.7 million (11.5%) growth in financing income, reflecting continued loan book growth across the segment. Interest income on investments increased by K6.7 million (242.1%), benefiting from higher surplus liquidity balances following the growth of CreditBank PNG (CBP). CBP also generated K5.3 million in foreign exchange income, representing a new revenue stream for the Group. Rental income increased by K1.2 million (7.6%), supported by improved occupancy and annual rental reviews.

Income from the Group's BSP shareholding decreased by K8.4 million, consistent with the Group's planned divestment strategy. Dividend income reduced by K1.6 million (4.2%), reflecting the lower number of BSP shares held, while gains from BSP share sales decreased by K6.8 million (48.5%).

The growth in income from the Group's core operating businesses was partly offset by a K8.0 million (73.1%) increase in finance costs, reflecting strong customer deposit growth, together with lower unrealised foreign exchange gains compared with the PCP.

Operating expenses increased primarily as a result of the ongoing cost base associated with continued improvements and operation of CBP's commercial banking platform. Depreciation increased by K2.5 million (48.2%), following completion of banking assets and the property refurbishment, while communications and IT costs increased by K2.2 million (40.4%) to support banking technology and infrastructure. Other operating expenses increased by K1.6 million (5.4%), mainly reflecting insurance, travel and bank charges.

Net impairment losses on finance receivables increased by K3.0 million, principally reflecting loan book growth across the finance segment. The increase reflects prudent provisioning against a larger loan portfolio.

These cost increases were partly offset by a K1.7 million (17.0%) reduction in professional fees and a K2.0 million reduction in personnel costs, the latter primarily reflecting fair value adjustments associated with lower bonus provisions.

The Group's investment in its banking platform continued to deliver significant balance sheet growth during 1H26. Customer deposits increased by K397.7 million (45.9%) to K1.26 billion, while cash and investments increased by K383.3 million (123.5%) to K693.8 million. Finance receivables increased by

K62.8 million (7.2%) to K929.5 million, and total assets increased by K496.8 million (22%) to K2.76 billion.

The expanded balance sheet provides a strong platform for future earnings growth as surplus liquidity is progressively deployed into lending and other banking services. Net assets increased by 7.4% to K1.40 billion and net tangible assets per share rose to K4.55.

The Board declared an interim dividend of 12.5 toea per share, an increase of 4.2% from the prior corresponding period, representing a total distribution of K38.4 million.

11. Basis of preparation

The financial information has been extracted from the interim consolidated financial statements which have been prepared on a going concern basis in accordance with historical cost concepts, except for financial instruments designated at fair value through profit and loss. Cost is based on the fair values of the consideration given in exchange for assets.

All amounts are presented in Papua New Guinea Kina and are rounded off to the nearest thousand Kina, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the consolidated financial statements are consistent with those adopted and disclosed in the Group's annual financial report for the financial year ended 31 December 2025. These accounting policies are consistent with International Financial Reporting Standards.

12. Compliance statement

This report has been prepared under accounting policies which comply with accounting standards approved by the Accounting Standards Board pursuant to the Companies Act 1997 or other standards acceptable to PNGX.

The financial information extracted from the interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and interpretations of these standards issued by the International Financial Reporting Interpretations Committee. The consolidated interim financial statements shall be read in conjunction with the Group's annual financial report as at and for the year ended 31 December 2025.

Furthermore, the Appendix 5B has been prepared in accordance with the updated PNGX listing rule 5.13.

This report is based on financial statements to which one of the following applies.

☐	The financial statements have been audited.	✓	The financial statements have been subject to review.
☐	The financial statements are in the process of being audited or subject to review.	☐	The financial statements have *not* yet been audited or reviewed.

If the audit report or review by the auditor is not attached, details of any qualifications will follow immediately they are available.

The entity has a formally constituted audit committee.

Sign here:	....		S. Humph ....
Director	Lady Winifred Kamit	Director	Stephen Humphries
Date:	14 September 2026	Date:	14 September 2026