
CREDIT CORPORATION PNG LIMITED - 2024 AGM

CEO'S SPEECH (DANNY ROBINSON)

Friday 21 June 2024

Thank you, Dr Mellam, and good morning everyone.

As the Chair mentioned, the past year - our 45th year of operations - has demonstrated the potential of the Group to make our customers' lives easier and create long-term value for the communities in which we all live and for our shareholders.

Delivering our Strategy

This year, we have continued to execute our strategy to become a niche commercial bank in PNG.

As a bank, we will be able to expand into new services to partner with our customers as their businesses evolve and expand, and their banking needs change.

During the year, we implemented a new core banking system, which enables us to offer these new products and provide a full internet banking platform.

Our business will benefit from enhanced digital, data and analytics capabilities and reduced costs of operation. The new system also represents a positive step change in our defences against financial and cyber-crime.

Credit Corporation could not be in a better position to make a successful transition to a commercial bank, and we are excited about reaching that historic milestone later this year.

Furthermore, we have communicated with many of our shareholders on a regular basis to ensure they understand the strategic intent we are undertaking and our journey.

Engaging our People

As a business, we rely on talented and committed people. The way they work together and interact with our customers is the key to our success.

I'm delighted that our employee engagement scores have been consistently outstanding over the past three years and put Credit Corp in the top quartile of employers worldwide and significantly above the PNG average.

I am also delighted that eight people completed our flagship Accelerate Performance Program in 2023. Since 2021, 29 people have now completed the course, which is designed to cultivate and enhance leadership skills across our organisation.

Credit Corporation is focused on ensuring diversity in the workforce and valuing all our people for their contributions.

We are committed to maintaining gender balance in our senior management roles. I'm proud of the fact that women make up 44% of our Board, 57% of our executive leadership, and 45% of our management roles.

Our people are critical to our success. I thank them for their hard work and the commitment they show to serving our customers.

Financial Highlights

The Group reported another improved financial performance across the business. This was based on our continued focus on our customers, and on disciplined cost controls and credit management.

The Finance segment reported strong growth in customer deposits, which were up 10% to K511m, and lending, which increased by 19% to K492.7m. Through a critical focus on improving credit quality, we also achieved meaningful reductions in impaired loans and provisions.

Rental income for the Property segment increased by 5% to K34.2m while occupancy rates remained steady. Core Property operating profit rose 11% to K14.9m.

Dividend income in our investments segment increased 5.5% to K64.9m, and the value of the portfolio rose 10% to K502.6m.

Our Balance Sheet remains strong, which allows us to invest in the business to drive future growth and support our customers, so that we generate competitive returns for our shareholders.

Looking Ahead

We remain very optimistic about the outlook for the South Pacific countries we operate in.

These economies have continued to recover in 2024, creating a positive environment for business investment and growth in demand for our services.

With a simplified and strengthened business, we expect to benefit from the continuing rebound in business investment across the South Pacific.

The transformation of Credit Corporation gathered pace in 2023 and we are in a strong position for growth this year. Becoming a niche commercial PNG bank and launching our new banking services and digital banking platform later this year, will be a historic milestone for the Group.

I know the strong customer engagement and deep relationships which were so critical to the company's success when we were established in 1978 will continue to underpin our ongoing positive performance.

ENDS