

INVESTOR PRESENTATION  
FY2023

# Banking on a brighter future

---



## FY2023 OVERVIEW

# Improving Financial Performance

## Strong operating and financial performance

- Increased interest income
- Increased dividends received
- Increased rental income
- Gains on investment valuations
- Reduced expenses to income ratio
- Increased earnings per share

## Strategic focus on generating value for our stakeholders

- Increased dividends to shareholders
- Disciplined cost controls
- Robust credit risk management
- New stakeholder engagement framework

# STAKEHOLDER ENGAGEMENT

Our stakeholder engagement approach is based on:

- PNGX Corporate Governance Code for Listed Issuers
- Stakeholder Engagement Standard (AA1000)
- United Nations Principles for Responsible Banking
- United Nations Sustainable Development Goals.



- Invest in our employees' health, safety and wellbeing
- Invest in community projects supporting health access



- Support access to quality education and training to enable our people to thrive in a digitised world
- Invest in education initiatives in the community



- Achieve gender equality at Board, executive and senior management levels



- Support businesses and associations in connecting and driving economic growth via trade shows and business conferences



- Support for stronger institutions to drive economic growth and promote shared prosperity



# Supporting the communities we live in

Credit Corporation fosters long-term relationships by supporting important community and corporate projects and initiatives

- Project Wok – over 900 students provided essential job readiness training
- Project School
- Port Moresby Basketball Association sponsorship
- Buk Bilong Pikinini education program
- Agmark Gurias Rugby League Club sponsorship
- Sparrows Netball Club sponsorship
- Port Moresby Arts Theatre sponsorship
- Harlequins Rugby Club
- Business Advantage Investment conference
- PNG Mining conference
- FRIEND Fiji
- Leadership Fiji
- Fiji Society for the Blind
- Transparency International PNG



# FINANCE DIVISION

Net Loan Receivables

**K492.7m**

▲ up 19.1%

Interest Income

**K72.8m**

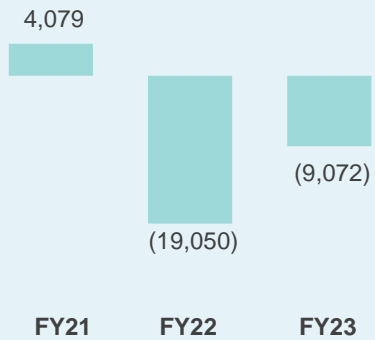
▲ up 10%

Net Interest Margin

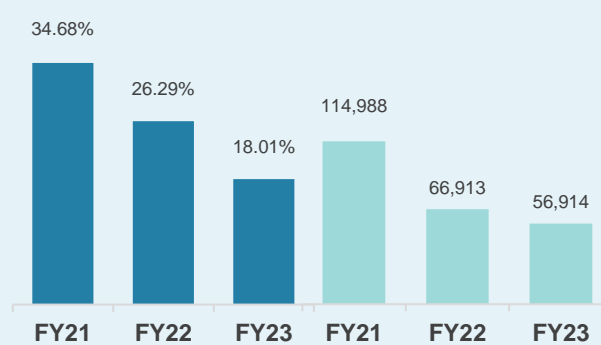
**12.72%**

▼ down 0.04%

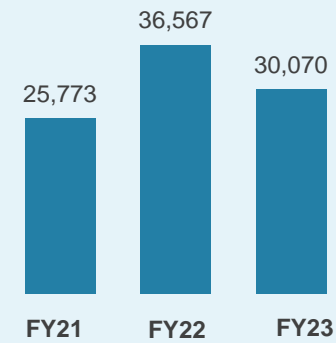
Loan Impairment Expense  
(Reversal) (PGK'000)



Impaired Assets % of Gross  
Loans & Total Provisions (PGK'000)



NPAT



**Growth restored** in loan portfolio resulting in good growth in revenues

**NIM steady** YOY

Continued **favourable improvement** in credit quality.

NPAT impacted by **lower writebacks** overall in FY23 compared to prior years, as well as investment in resources, systems and employees for transition from finance company to a bank

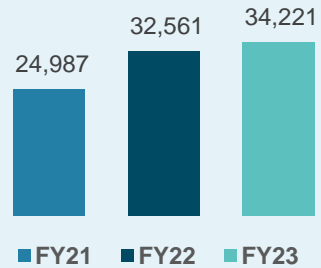
Launch of **new bank** is imminent

# PROPERTY PORTFOLIO

## Rental Income

K34.2m

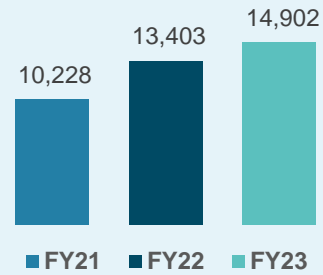
▲ up 5%



## Core Operating Profit

K14.9m

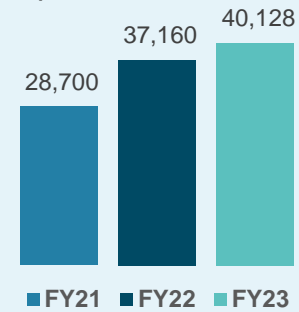
▲ up 11%



## Net Operating Income

K40.1m

▲ up 8%



## Occupancy Rate

84%

Steady

## Operating Expenses

K25.2m

▲ up 7%

## Fair Value of Portfolio

K247.1m

▼ 1%

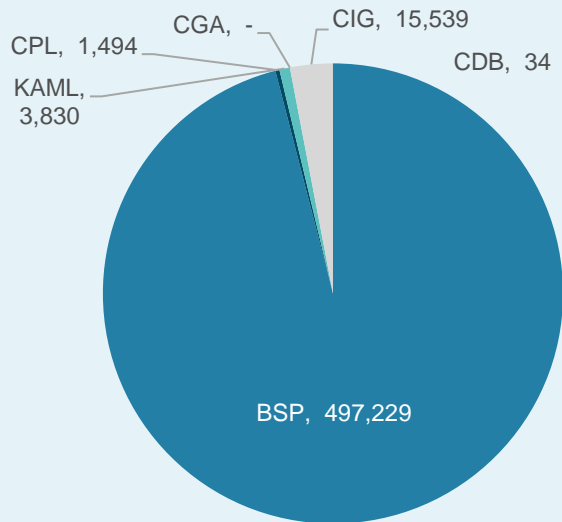
Positive growth in  
**Rental Income**

Sale of **non-income producing vacant land** at Gerehu during year

Refurbishment of **Stages 1 & 2 EDL** underway

# INVESTMENT PORTFOLIO

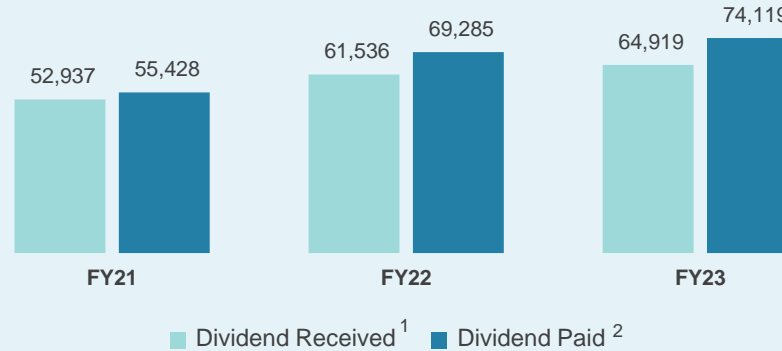
Fair Value of Investment Property (PGK'000)



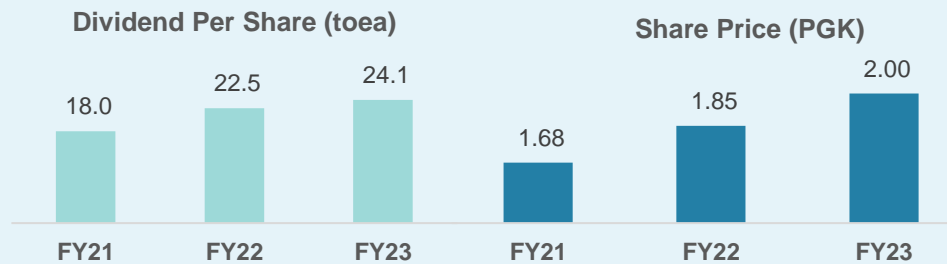
- BSP
- CPL – City Pharmacy Ltd
- KAML – Kina Asset Management Ltd
- CGA – PNG Air
- CIG – Capital Insurance Group
- CDB – Credit & Data Bureau

Dividend Income

**K64.9m**



Total Shareholder Return



CCP has paid over **K40m** in dividends above receipts from BSP over last 5 years

Total Shareholder Return in FY23 of **20.7%**

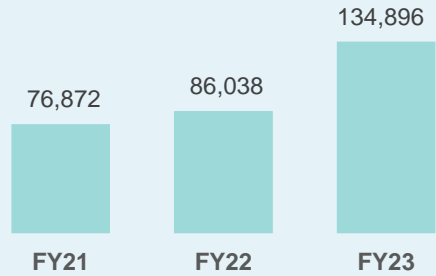
Compound annual growth rate in Total Shareholder Return for last 3 years **19%**

<sup>1</sup> Dividends Received in calendar year.

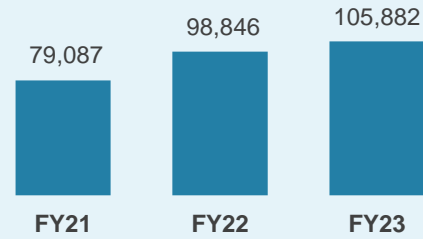
<sup>2</sup> Dividends Paid reflects Interim Dividend paid in second half of FY23 and Final Dividend paid in subsequent year.

# GROUP RESULTS

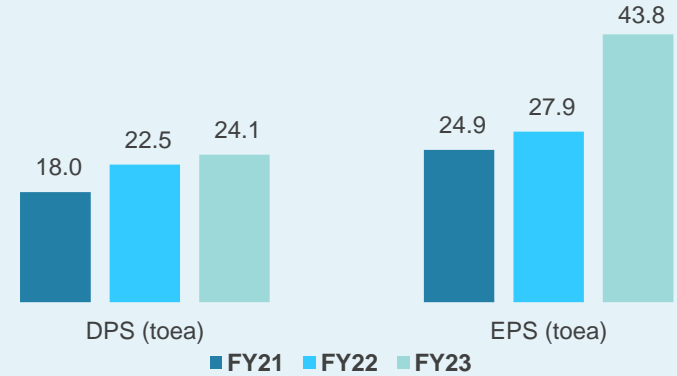
**NPAT**  
**K134.9m**  
 ▲ up 56.8%



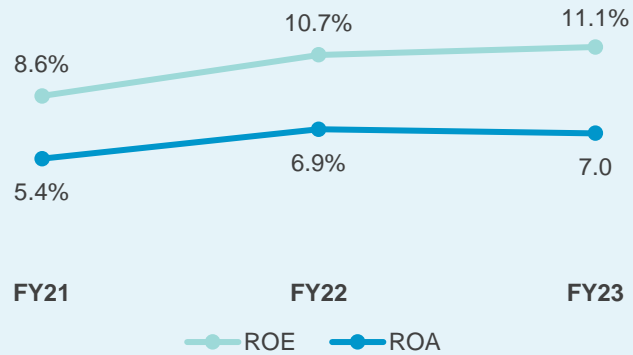
**Core Operating Profit (normalised)**  
**K105.9m**  
 ▲ up 7.1%



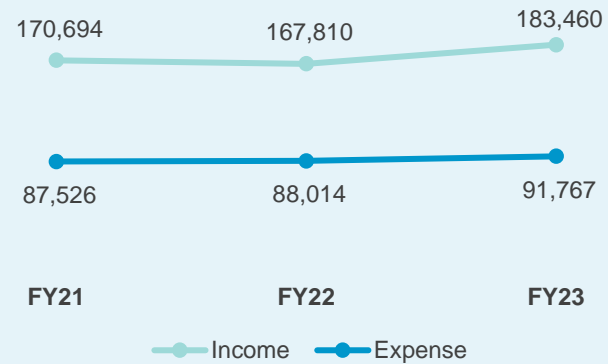
**Dividends per Share and Earnings per Share**



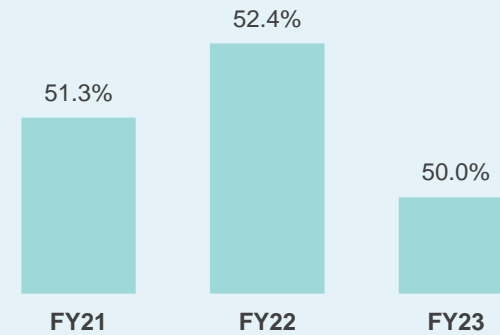
**Returns on Equity and Assets**



**Income and Expenses (PGK'000)**



**Expense to Income Ratio**





# FY2023 OVERVIEW

## Beyond 2023

### Our Vision

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

### Our Outlook

Continued focus on strengthening operational performance through prudent and disciplined management of credit risks; increasing share of wallet with existing customers via expanded digital product offering; upskilling our people; and transitioning to a niche commercial bank.

### Our Values Driven Culture



#### Fellowship

I am genuine, inclusive and collegiate.



#### Integrity

I unflinchingly act with integrity.



#### 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.

