



PNGX Announcement

11 December 2020

Credit Corporation provides 1H20 dividend update

Credit Corporation PNG today announced its Board had decided not to pay an interim dividend for the FY20 financial year given the economic uncertainty because of COVID-19.

In assessing its options, the Board considered Credit Corporation's dividend policy, capital strength, potential impacts on capital because of increased provisioning resulting from COVID-19 -related economic effects and credit stress testing scenarios.

Credit Corporation Chairman Syd Yates said: "In the current environment, financial services companies around the world face added challenges to their capital resilience, including loan repayment deferrals, which are presently subject to regulatory concessions, along with the financial impact of COVID-19."

"The Board's decision on the FY20 interim dividend is prudent given its desire to preserve a strong balance sheet and considering the present economic circumstances."

Mr Yates said the decision did not relate to Credit Corporation's current financial position as the Group's liquidity, funding and capital measures remain comfortably above regulatory and operational requirements.

"Our balance sheet remains strong and we have maintained our focus on continued balance sheet growth," Mr Yates said.

"COVID-19 has clearly impacted our performance, as it has most organisations around the world, however the work done over the past year to refocus our business, strengthen our balance sheet as well as developing more agile and resilient operations means we are well-prepared to support customers and our people going forward.

ENDS

For further information, interviews or images contact:

Peter Aitsi, Chief Executive Officer, (675) 7111 1429 or paitsi@creditcorporation.com.pg

About Credit Corporation (PNG) Ltd:

Credit Corporation (PNG) Limited commenced business in 1978 as a general finance company. It has grown successfully to become recognised as one of Papua New Guinea's most progressive institutions. For more information about Credit Corporation PNG visit: www.creditcorporation.com.pg