



PNGX Announcement

24 May 2021

Credit Corporation continues its long history of declaring dividends for shareholders

The Board of Credit Corporation PNG is pleased to announce that it has declared a total dividend of 18 toea per share including a special dividend of 12.2 toea per share in respect of the FY20 financial year.

The Board has elected to pass through all the net proceeds from the dividend received by the Group from its investment in Bank of South Pacific to shareholders. The final FY 20 dividend of 5.8 toea represents a full year payout ratio of 70 percent of core operating profit and continues the Group's strong track record of dividend payments over the past 42 years.

Shareholders are to be paid:

- a final dividend of 5.8 toea per ordinary share; and
- a special dividend of 12.2 toea per ordinary share.

The planned processing dates for the dividends are:

- Ex-date: 31st May 2021
- Record Date: 7th June 2021
- Payout Date: 28th July 2021

Credit Corporation Chairman Syd Yates said: "During 2020, the Group and our people displayed incredible resilience. Throughout the pandemic we are proud that we maintained a strong commitment to supporting the PNG SME market and to retaining all of our people in the face of the pandemic challenge.

"The Group also adopted a prudent approach by increasing impairment provisions during FY20 and the Board decided not to pay an interim dividend for the FY20 financial year, given the economic uncertainty at that time.

"As a result of this approach, the Group has maintained the strength of its balance sheet, remains well capitalised and its liquidity and funding metrics are considerably above regulatory requirements."

Mr Yates said given these positive factors, the Board has determined a 5.8 toea final dividend per share was to be paid from the Group's FY20 core operating profit.

"The special dividend reflects our ongoing dedication to a robust dividend payout ratio and demonstrates our commitment to delivering shareholder value and our continued efforts to actively manage our capital," he said.

"We believe that this special dividend is an appropriate way to reward shareholders for their ongoing support."

Mr Yates said Credit Corporation continued to adopt a prudent approach to actively managing its loan portfolio. While assisting our valued customers as their businesses rebounded from the COVID related challenges, the Group is also implementing recovery strategies and managing any stressed exposures.

He said Credit Corporation also remained focused on assessing the best use of capital, and also on exploring new strategic opportunities for the Group.

ENDS



For further information, interviews or images contact:

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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