



Protect. Adapt. Deliver.



CREDIT CORPORATION
1H21 RESULTS



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HIGHLIGHTS

The Group remains concerned for the second half of 2021 with the impacts of the pandemic across its Pacific points of representation, borders remaining closed, delinquency levels high and the uncertainty as to when borders will reopen to kick-start local economies.

NPAT

K53m

↑ Up
122%

Core operating profit

K49.7m

↑ Up
104%

Earnings per share

17 toea

↑ Up 122.5%

Net asset backing per
share

K2.9

↑ Up
34 bps

Return on equity

10.9%

↑ Up 5.56%

Tier 1 Risk Weighted
Capital Ratio

29%

↑ Up from
28%

Finance segment
NPAT

K11.3m

↑ Increased by 368%

Property segment core
operating profit

K5m

↓ Down
24.7%

Listed Investment
fair value

K452.2m

↑ Up
2.6%



FINANCIAL PERFORMANCE

Metric	H1 FY-21	H1 FY-20	% vs H1 FY-20
RESULT DRIVERS — Group			
Group Core Operating (PGK'000)	49,708	24,367	104.00%
Profit after tax attributable to the shareholders (PGK'000)	52,991	23,865	12.04%
Expense to income ratio*	46.80%	41.62%	5.18%
Group Return on Equity	10.89%	5.33%	5.56%
Return on Asset	3.29%	1.53%	1.76%
Earnings per Share	0.17	0.08	122.50%
Net Asset Backing Per Share	2.96	2.95	0.34%

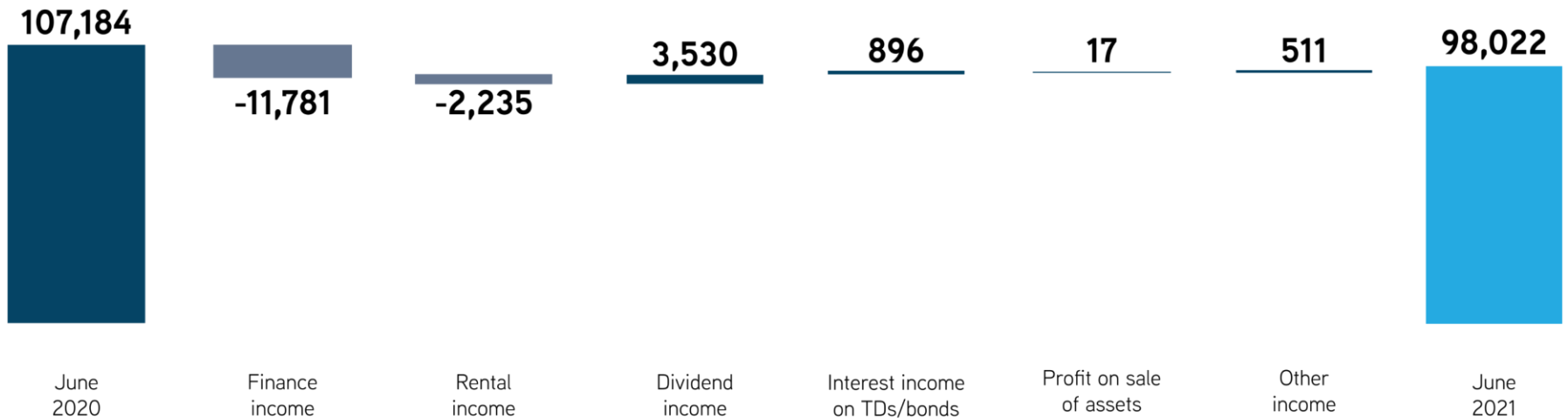
*Excludes impairment cost & fair value movement on investments



TOTAL REVENUE ANALYSIS

(PGK'000)

- Subdued economic conditions due to restrictions placed by authorities with respect to Covid 19 measures impacted on loan book performance and reduced occupancy rates on properties, resulting in lower operating income .

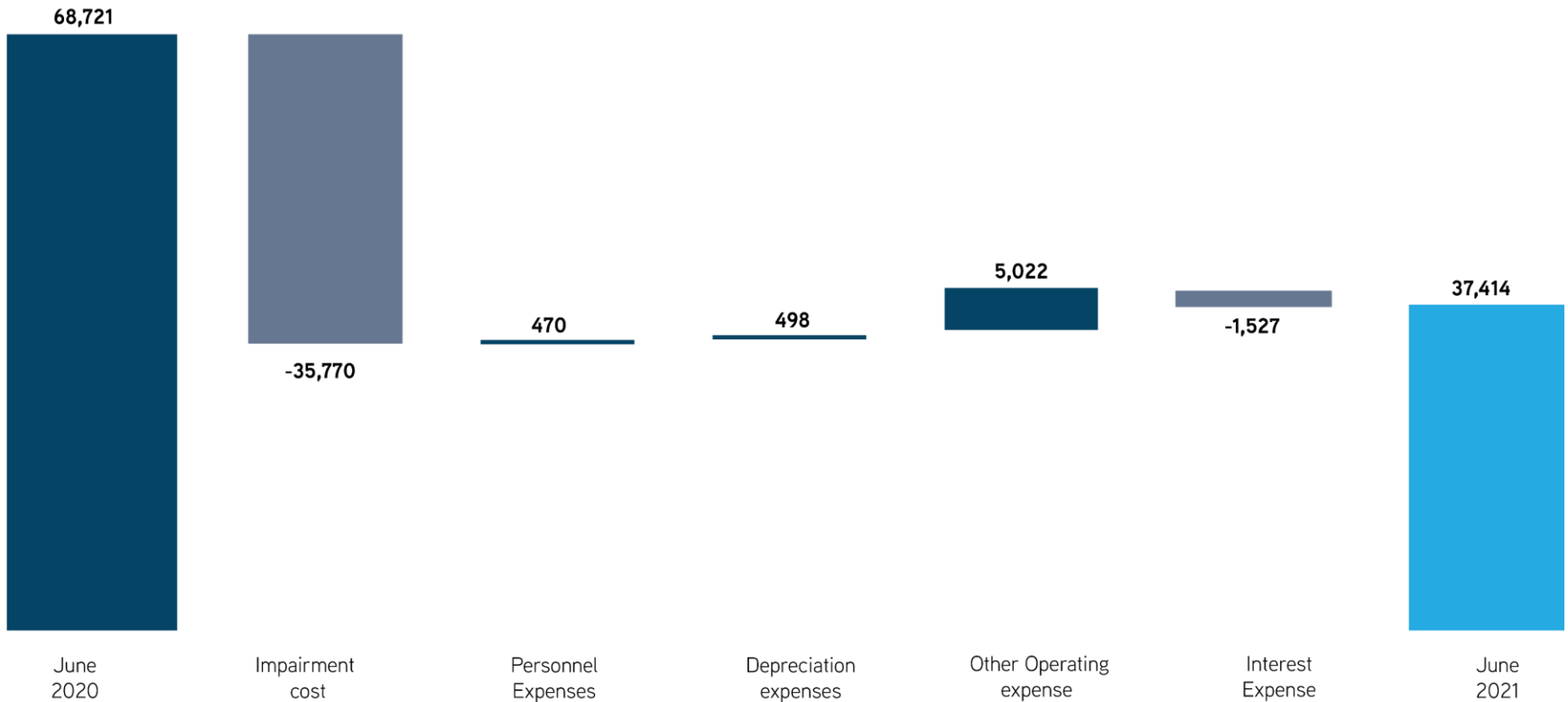




TOTAL EXPENSES ANALYSIS

(PGK'000)

- Loan provisioning levels plateaued in 1H21 due to the Group's prudent approach to take additional provisioning overlays reflecting macro-economic conditions due to COVID-19.



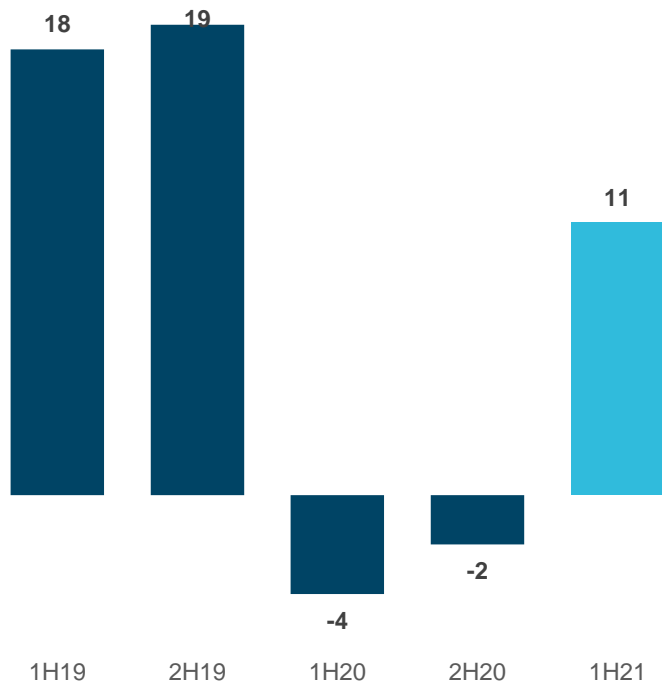


DIVISIONAL SNAPSHOT

	H1 FY-21	H1 FY-20	% vs H1 FY-20
Finance			
Net Profit (Loss) After Tax (PGK'000)	11,344	(4,220)	368.80%
Property			
Core Operating Profit (PGK'000)	5,005	6,648	- 24.72%
Investment			
Fair Value of Listed Investments (PGK'000)	452,236	440,646	2.63%

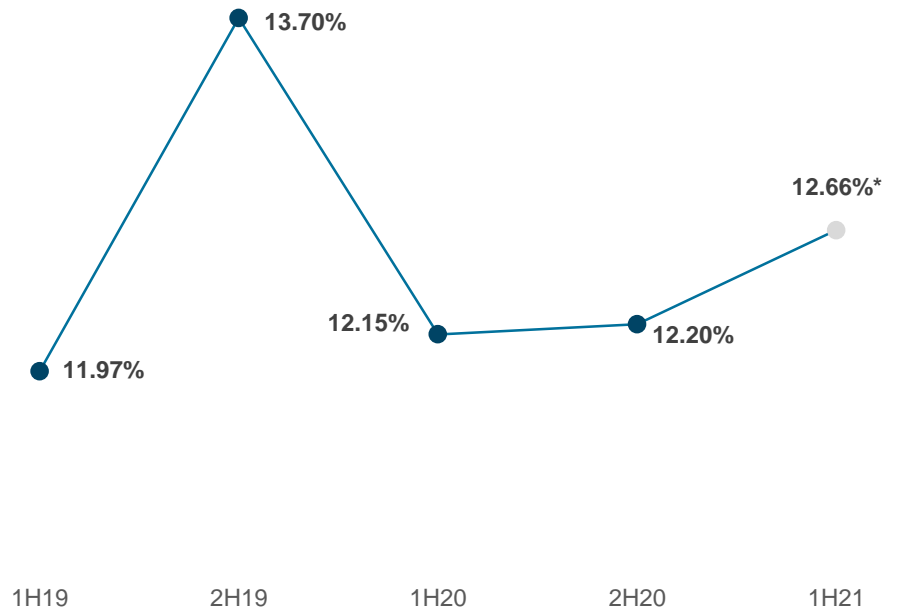
- » Finance segment performance improved due to lower impairment costs.
- » Property segment impacted by lower occupancy in residential properties.
- » Investment fair value reflects increase in valuation of BSP shares.

NPAT (PGK'm)

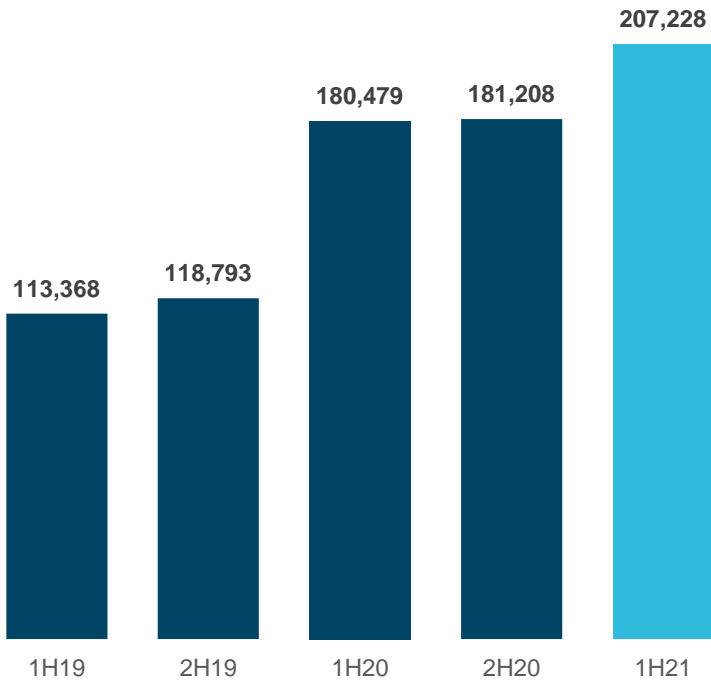


Net interest margins

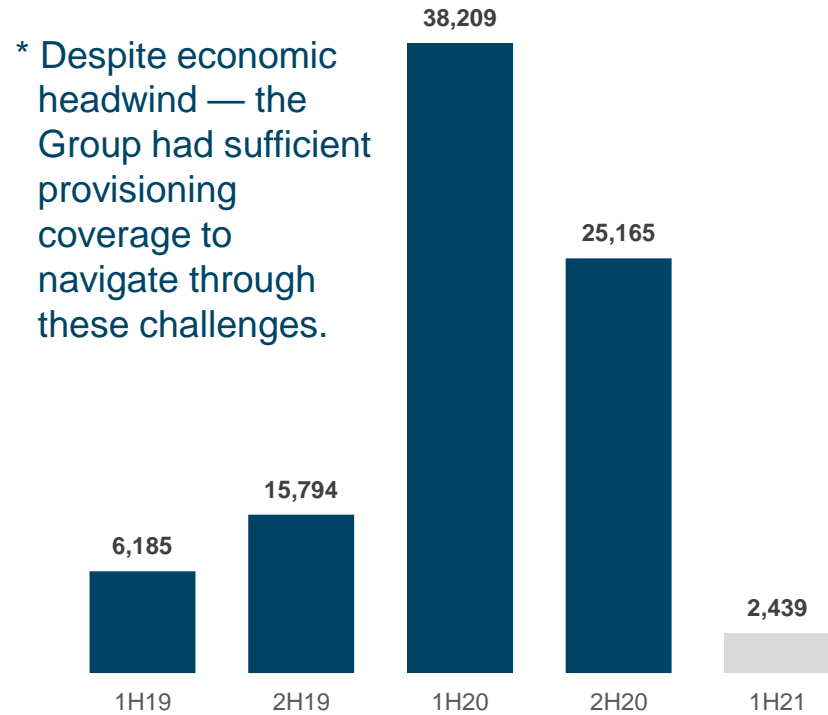
* Margin improvement reflects reduced exposure to high-cost deposits and funds, and investment in GIS with good yields.



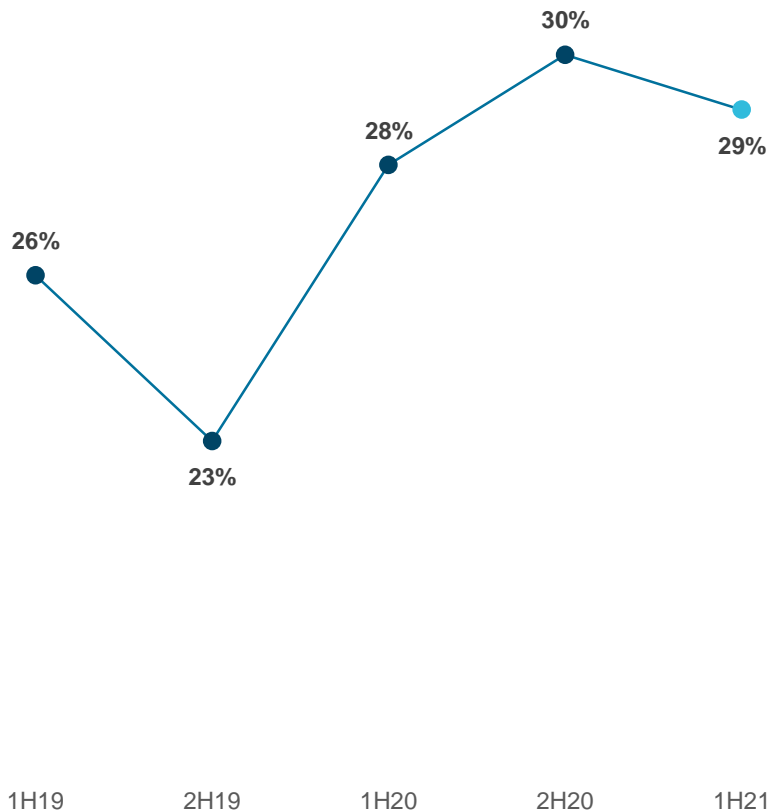
Gross impaired assets (PGK'000)



Loan impairment expense (PGK'000)

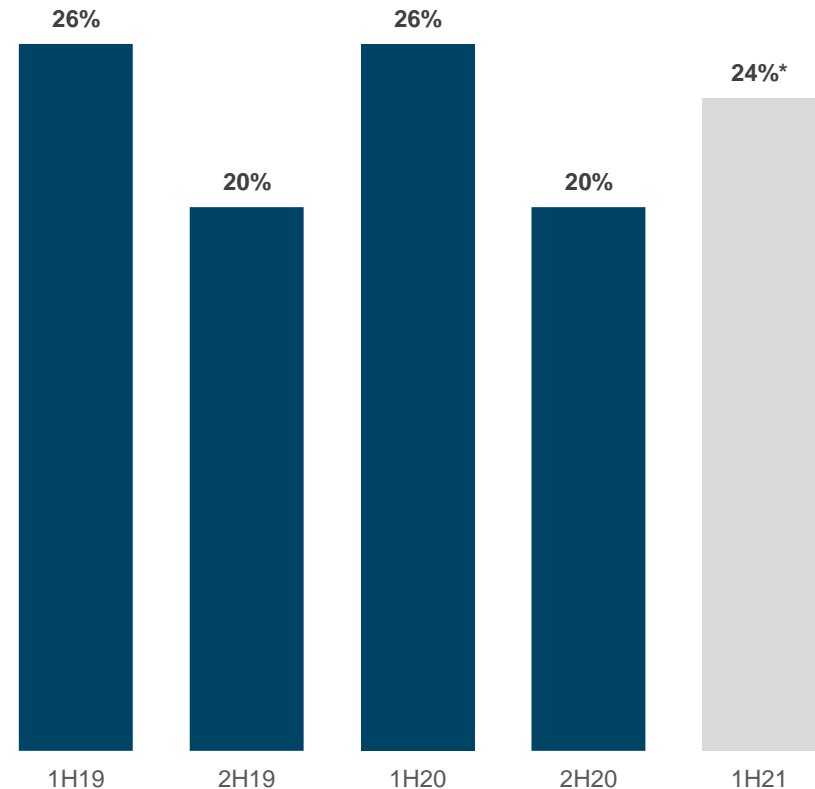


Tier 1 Risk Weighted Capital Ratio



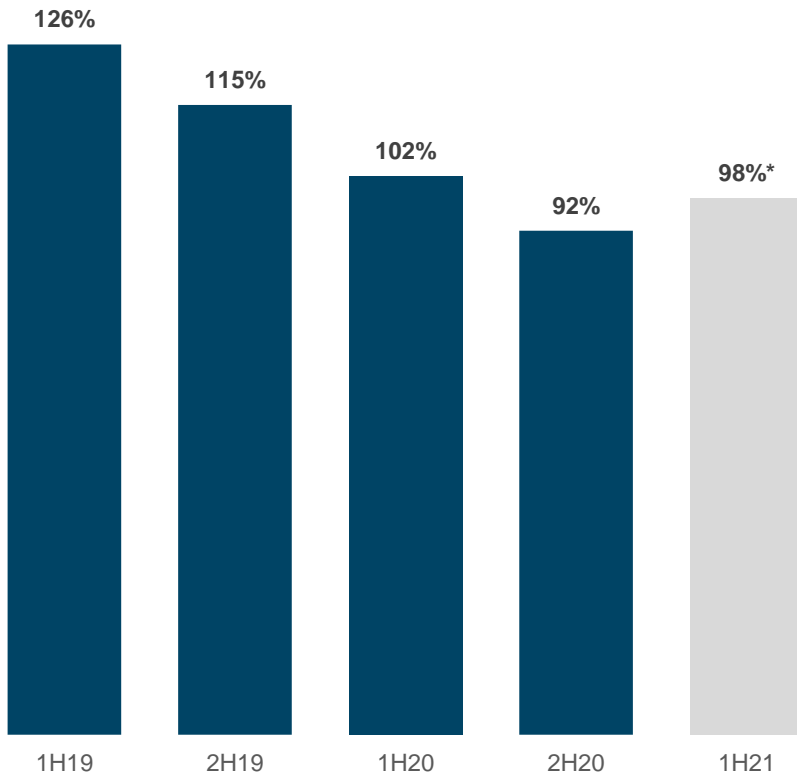
Leverage ratio

* Capital ratios remain above regulatory requirements.

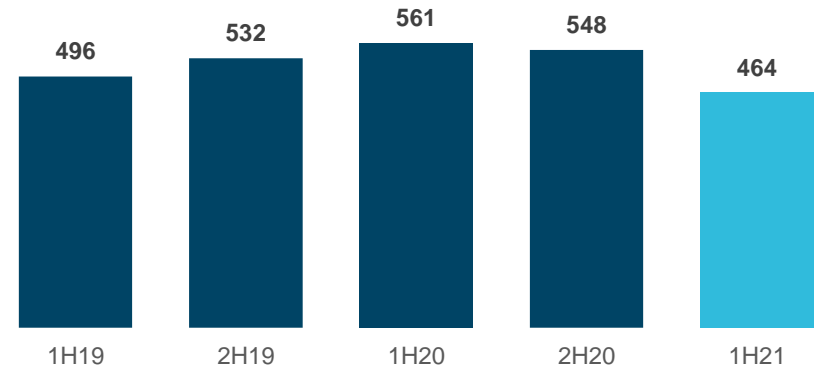


Loan to deposit ratio

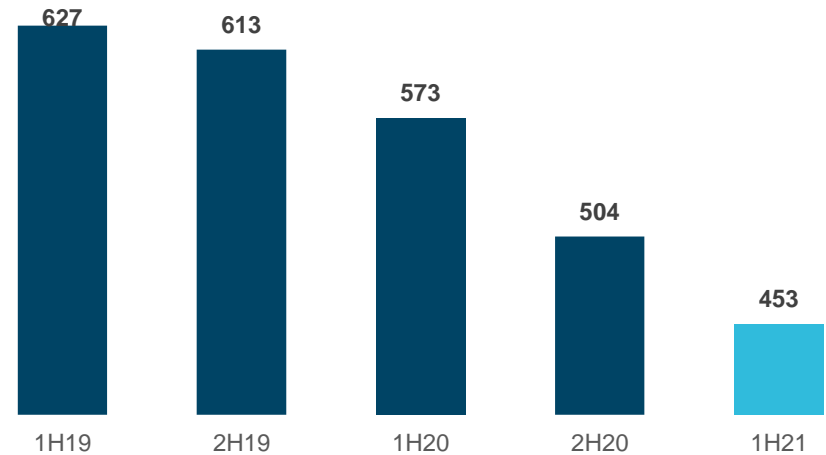
* The Group has sufficient liquidity to take advantage of future opportunities.



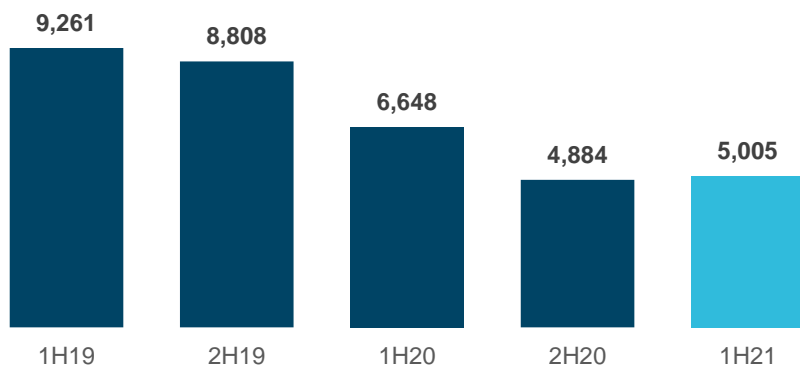
Customer deposits (PGK'm)



Loans (PGK'm)

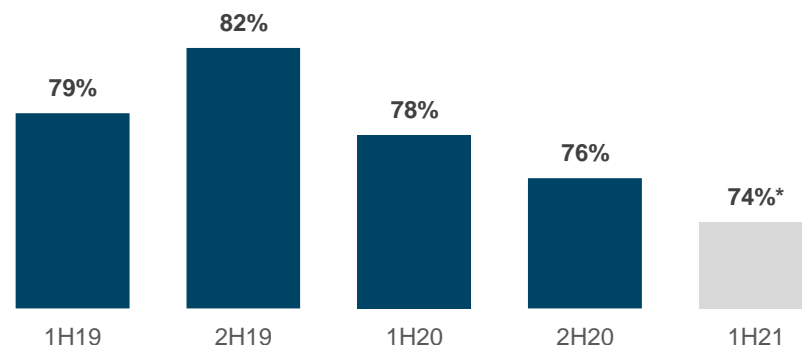


Property core operating profit (PGK'000)

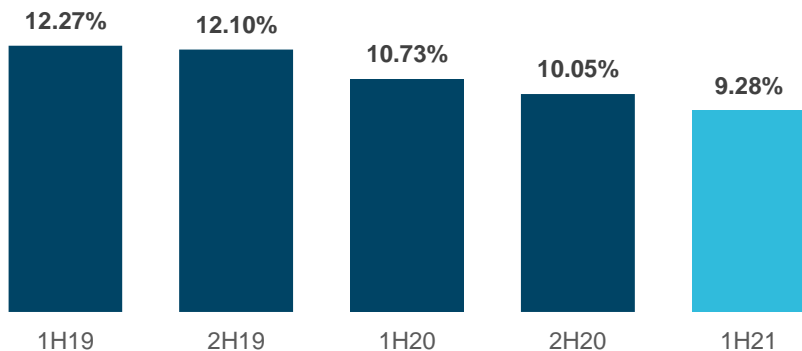


Occupancy rates

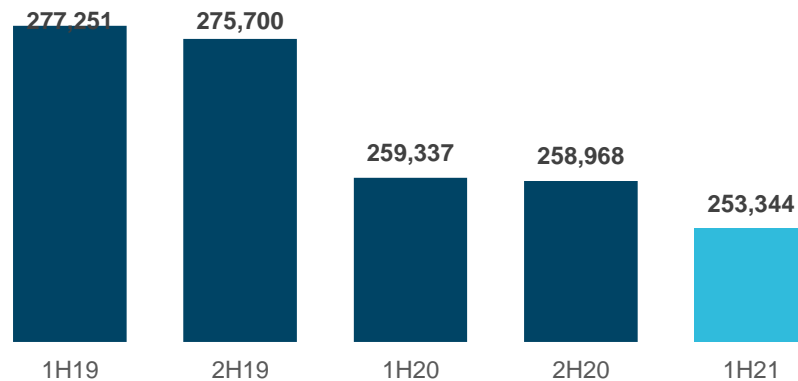
* Lower occupancy in residential properties impacted performance of property segment.



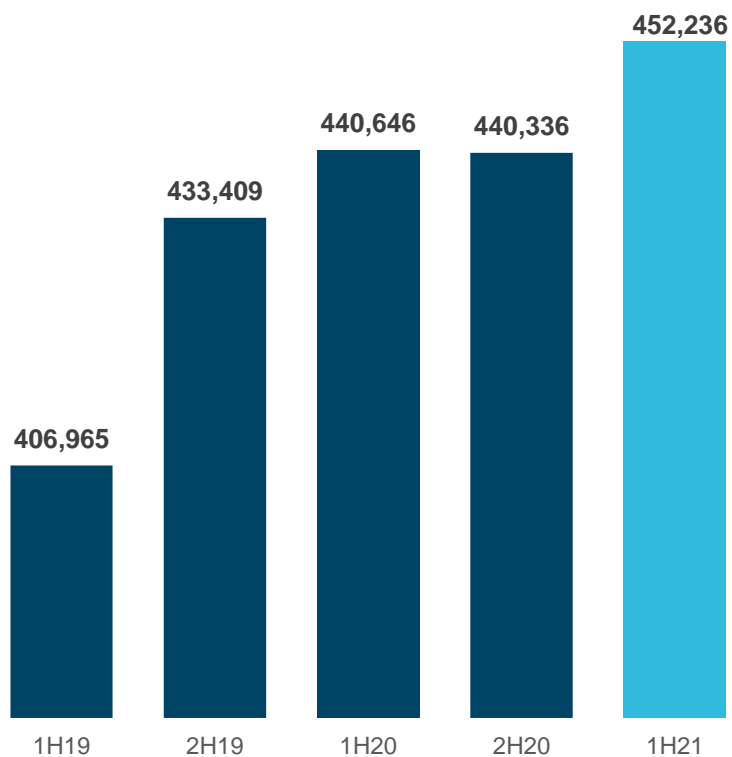
Rental yields



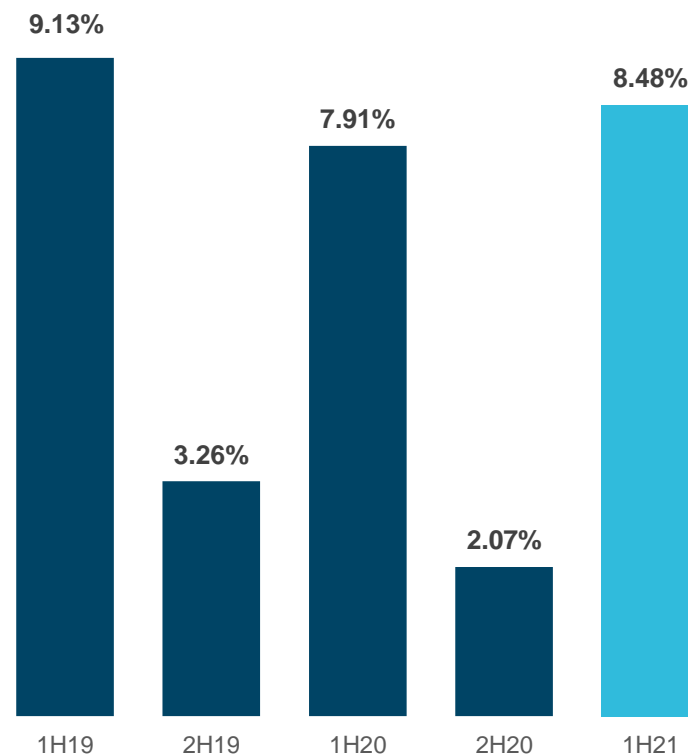
Fair Value of investment properties (PGK'000)



Fair value of listed investments (PGK'000)



Dividend yields from listed investments





MACRO OUTLOOK

- » Risks remain due to uneven recovery of economies throughout the Pacific.
- » COVID-19 vaccination rates remain key to most Pacific states' plans for reopening.
- » Most Pacific countries are hoping to vaccinate at least 80 per cent of their populations before they start to reopen borders.
- » Governments in the Pacific have implemented a range of programs to help stimulate the economy, ranging from infrastructure projects to agricultural subsidy schemes.



BEYOND 2021

OUR VISION

- » To be the best performing financier in every market in which we operate in terms of customer experience and profitability.

OUR STRATEGIC PRIORITIES

- » Resetting strategic direction, making progress with more to do
- » Organic and inorganic growth for stakeholder return
- » Improving and strengthening existing business
- » Expanding our product suite
- » Focused and disciplined execution