



PNGX Announcement

10 February 2023

Credit Corporation granted “Approval in Principle” for a banking licence by Bank of PNG

Credit Corporation Finance Limited (CCF), a subsidiary of Credit Corporation (PNG) Limited, has today advised that the Bank of PNG has granted CCF an “Approval in Principle” for a banking licence.

Credit Corporation PNG Chairman, Dr Albert Mellam said the Bank of PNG had offered an “Approval in Principle” for a period of 12 months to transition CCF’s current licence from a financial institution to a commercial bank.

“We are working with the Bank of PNG on the necessary steps we will be taking in preparation for our launch as a new PNG bank next year,” he said.

Dr Mellam said the granting of an “Approval in Principle” was a key milestone in the Group’s new strategic direction, which includes becoming a fully-fledged niche commercial bank and ultimately aiming to list on the ASX.

“We are well positioned to become a new bank for PNG given we have been lending for 45 years in PNG and we have a Board and senior executive team, which includes strong financial services and banking experience. We have a strong understanding of the local market and what is required to be a successful financial services company,” he said.

“We have already made some significant investment decisions to set ourselves up for success, including upgrading our core banking system, introducing a new web-based application, and enhancing our processes, while recruiting new talent and upskilling our people.”

Dr Mellam said Credit Corporation provided an ongoing commitment to delivering a high level of service to the people of PNG.

“We are proud of our heritage, which will enable us to become a truly home-grown PNG bank. PNG needs more banking competition to help reduce costs and expand services such as e-banking for customers,” he said.

“We believe there are clear future opportunities with demand from SMEs and commercial business customers and the emerging middle market.

“We’ve been able to support these types of businesses and individuals with equipment loans and as a bank we will be able to extend our support for them along the entire customer journey as they succeed in business and require more products and services.”



Dr Mellam said the Group had recently launched a new executive car loan product targeting executives. This is a zero-equity car loan product for those executives who can afford to borrow 100 per cent of the car price.

“There has been good interest shown in this product and these are the types of convenient and affordable products and services we want to provide to new banking customers.”

Dr Mellam said the granting of the “Approval in Principle” came at a time when Credit Corporation’s financial and operational performance continued to strengthen following the impacts of COVID-19 on the economy and financial services sector.

“The Group’s financial strength provides a strong foundation as the Group transitions to capitalise on this opportunity,” Dr Mellam said.

“We will continue to focus our efforts on becoming a more modern and relevant financial services group while strengthening our competitive position to generate long-term value for shareholders.”

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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