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**PORT MORESBY STOCK EXCHANGE
10AM FRIDAY 27 MARCH 2009**

CREDIT CORPORATION (PNG) LIMITED

**Financial Results
31 December 2008**

The consolidated results for the year ended 31 December 2008 for the Credit Corporation (PNG) Limited group were released today by the Chairman, Board of Directors, Mr Garth McIlwain.

- Group after tax profit of K144,033,407 was achieved. This compares with the sum of K187,036,567 recorded for 2007;
- Group total assets reached K779,743,506, a significant increase on the level of K681,383,423 recorded for 2007;
- Total shareholders equity increased by 26.99% to K614,735,834 during 2008,

The core business results – finance and property – continued their trend of improved profitability during 2008. Profits from these two core business activities increased by 21.51% during 2008. The relative results were K36.80 million during 2007 and K44.72 million during 2008.


The long term strategic investment in Bank of South Pacific Limited again made a significant contribution of K114,410,964, although somewhat lower than 2007 when a contribution K141,664,918 was recorded. These contributions simply reflect the year on year increase in the Bank South Pacific Limited share price as traded on the Port Moresby Stock Exchange. Credit Corporation (PNG) Limited is the holder of over 9% of the capital structure of Bank South Pacific. Apart from the negative world wide sentiment in respect to listed equities – this perhaps also having a negative effect on investor confidence in local shares – it may well be that a level of value maturity is now becoming evident with shares listed on the Port Moresby Stock Exchange. Similar large profit contributions from the Bank South Pacific Limited shareholding value that have featured during recent years may not be forthcoming in the future – rather a steady increase in the Bank's capitalisation may be anticipated as Bank South Pacific Limited continues its impressive growth record as Papua New Guinea's largest commercial bank.

"The Pacific's Financier"

Mr McIlwain deems it appropriate to briefly comment on the world wide economic challenges that developed rapidly during late 2008. Papua New Guinea will be affected by the world slowdown. Prices of some export commodities will reduce as worldwide demand softens, however Papua New Guinea is fortunate. A strong level of foreign exchange reserves and prudent monetary policy settings adopted by the Bank of Papua New Guinea, together with a strong and well regulated banking and finance system give considerable comfort that Papua New Guinea is better placed than many nations to meet the challenges that may be presented by the global economic downturn. Furthermore past periods of domestic economic downturn in Papua New Guinea have witnessed a very resilient private sector that quickly adapts to changing business conditions.

So far as prospects for 2009 are concerned Mr McIlwain advises that the first quarter 2009 core business operating profit result exceeds the 2008 profit for the same period. The Company and each subsidiary remain very well capitalised with strong liquidity and established prudent operating strategies to meet the challenges of 2009. Credit Corporation is the largest traditional financier in Papua New Guinea and Fiji and the sole financier in both Solomon Islands and Vanuatu. This strong presence gives considerable comfort for the years ahead.

Mr McIlwain acknowledged the support of the Company's customers and shareholders, and the role of a dedicated management team supported by a willing staff, and looks forward to the challenges of 2009 and to again reporting acceptable results to the shareholders and the market.


Garth McIlwain
Port Moresby
26th March 2009