



Credit Corporation (PNG) Ltd

Financial Results

31 December 2016

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The 2016 Credit Corporation (PNG) Limited Group results were released today by the Group chairman, Sir Wilson Kamit CBE.

- The Group recorded an operating profit after tax of K98.9 million, up 56% on last year.
- Group total assets reached K1, 249.15 million at year end, a moderate decrease from K1, 260.7 million at the end of 2015.
- Total shareholders' equity at year end was K787.293 million, an increase of K19.768 million from 2015. This equates to Net Asset Backing per Share of K2.50.
- A dividend payment of K44.095 million was distributed to shareholders in August 2016 at the rate of 14 toea per share for 2015, increasing the dividend from 2014.
- Interim dividends for 2016 year were declared and paid in November and December, amounting to K12.596 million at a rate of 3 and 1 toea respectively.

To comply with the international accounting standards, the following fair value adjustments have been made to the 2016 consolidated financial statements:

1. Bank of South Pacific Limited (BSP) shareholding

A positive adjustment largely to recognize the increase from K7.50 to K9.00 in the value of BSP shares traded on the Port Moresby Stock Exchange. A sum of K57.396 million has been booked in this regard.

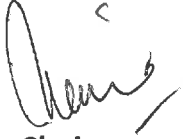
2. Investment Properties

A reduction of K22.052 million has been recognized to account for the fair value adjustment of the various Group investment properties. This recognizes reducing rental levels and current and anticipated vacancy levels in the market.

Despite 2016 being a difficult year in PNG, Credit Corporation (PNG) Limited again achieved solid results. With the slowdown in the PNG economy continuing, low commodity prices and a lack of foreign exchange availability, demand for both our core business of finance and property continue to be under pressure.

Whilst trading prospects for 2017 continue to be challenging the Board is confident that measures are in place that will ensure the best outcome for profitability. Strong liquidity and generous capital remain a feature relative to all group subsidiary companies. This will ensure that the Credit Corporation (PNG) Limited Group retains its respected status amongst the locally owned corporations in the South Pacific.

The strong performance during 2016 confirms the ongoing support by our loyal customer base. This is sincerely appreciated as is the dedication of the executive management and staff.

A handwritten signature in black ink, appearing to read 'Wilson', with a small mark above the first letter.

Chairman

Sir Wilson Kamit, CBE