

PORT MORESBY STOCK EXCHANGE

WEDNESDAY 16 MARCH 2011

CREDIT CORPORATION (PNG) LIMITED

FINANCIAL RESULTS

YEAR ENDED 31 DECEMBER 2010

The consolidated results for the Credit Corporation (PNG) Limited group were released today by the Chairman of the Board of Directors Mr Garth McIlwain:-

	<u>31 December 2009</u>	<u>31 December 2010</u>
Core operating profit:	45.03 million	68.24 million
Property revaluations:	46.00 million	-
Investment revaluations:	<u>(58.67) million</u>	<u>(24.68) million</u>
Operating profit before tax:	32.36 million	43.56 million
Income Tax	<u>10.71 million</u>	<u>14.07 million</u>
Operating profit after tax	<u><u>K21.65 million</u></u>	<u><u>K29.49 million</u></u>

The group core business cash operating profit of K68.24 million is an excellent result being a 52% increase on the 2009 result of K45.03 million.

Shareholders equity reached K629.17 million and total assets grew to K849.55 million during 2010.

All subsidiary companies in the Credit Corporation (PNG) Limited group continue to operate with strong liquidity and in a well capitalised basis.

Again financing volumes in Papua New Guinea, Fiji and Vanuatu exceeded budget volumes. Reduced volumes for new finance contracts were booked in Solomon Islands, perhaps due to hesitancy in the local business sector during the Solomon Islands national elections. Volumes have now recovered and improving profitability is being achieved.

The prime Port Moresby real estate portfolio – Credit House and the Era Dorina Estate – remain fully tenanted and are contributing strongly to group profitability. This is expected to continue during 2011.

Again the Company's shareholding in Bank South Pacific Limited (BSP) required a negative adjustment to the profit and loss account. During 2010 BSP shares traded on the Port Moresby Stock Exchange dropped from 85 toea to 79 toea. The sum of K24.68 million has been booked against the 2010 results in this regard.

Following the investment revaluation adjustment group net after tax profit of K29.49 million is recorded for 2010, a 36% increase on the 2009 result of K21.65 million.

The buoyant business conditions experienced in the group's core activities – finance and property – during 2010 have carried into 2011. This gives confidence that growth in all facets of the Credit Corporation (PNG) Limited group activity will continue during 2011 and sustain the trend of increasing balance sheet growth and profitability.

Garth McIlwain
Chairman
16 March 2011