



## Credit Corporation (PNG) Ltd Financial Results 31 December 2015

Credit House  
Cuthbertson Street  
P.O. Box 1787  
Port Moresby, N.C.D 121

[www.creditcorporation.com.pg](http://www.creditcorporation.com.pg)  
Office: (675) 321 7066  
Fax: (675) 321 7767

The 2015 Credit Corporation (PNG) Limited group results were released today by the group chairman, Sir Wilson Kamit, CBE.

- Core business cash operating profit from finance, property and dividend revenues was K75.76 million. This compares to the profit of K82.50 million recorded for 2014.
- Group total assets reached K1,165.74 million at year end, a moderate increase from K1,063.42 million at the end of 2014.
- Total shareholders' equity at year end was K743.69 million, an increase from K719.21 million at end 2014. This equates to Net Asset Backing Per Share of K2.36.
- A dividend payment of K41.07 million was distributed to shareholders during August 2015 being at the rate of 13 toea per share thus maintaining the dividend flow set during 2013.

### **Fair value adjustments**

To comply with the international accounting standards the following fair value adjustments have been made to the 2015 consolidated financial statements:

#### ***Bank of South Pacific Limited (BSP) shareholding***

A positive adjustment largely to recognise the increase from K7.14 to K7.50 in the value of BSP shares traded on the Port Moresby Stock Exchange. A sum of K14.10 million has been booked in this regard.

#### ***Investment Properties***

The sum of K18.56 million has been recognised in order to bring to account the fair value of the various group investment properties. This recognises reducing rental levels and current and anticipated vacancy levels in the present market.

After these adjustments a group after tax profit result of K63.14 million is recorded for 2015.

As highlighted in the 2013 and 2014 Annual Reports the challenges continue as the Papua New Guinea economy adjusts to reduced LNG, mining activity, low oil prices and low agriculture commodity volumes and prices. The past year has experienced additional challenges with the closure of the Ok Tedi Mine and reduced coffee production due to serious drought conditions in the Highland Provinces. Foreign exchange earnings have therefore been severely reduced due to the reduction in gold, copper and coffee exports.

Government revenues are therefore under downward pressure with consequent delays in payments for various infrastructure and associated contracted services. However the

established Papua New Guinea private and corporate sectors are quite resilient. Ongoing communication and cooperation by these sectors will ensure ongoing business activity. The recent re-opening of the Ok Tedi Mine and the anticipation of foreign exchange inflows from LNG exports will assist in returning the domestic economy to a more favourable status.

The 2015 results with a core business operating profit result of K75.76 million - whilst being a slight reduction from the 2014 result of K82.50 million - demonstrates the focus by the Board and management to adapt to the fiscal and economic challenges that confront the Papua New Guinea economy from time to time.

Whilst trading prospects for 2016 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.

Chairman

A handwritten signature in dark ink, appearing to read 'Wilson', with a stylized flourish at the end.

Sir Wilson Kamit, CBE