



H1 2020 RESULTS

Investor Presentation

September 2020



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1H20 OVERVIEW

Results reflect **challenging period** and dramatic economic outlook

COVID-19 response



Deferred repayments on **K291m** of loans for an initial **3-month period** and provided repayment options for customers requiring support.



Continued to operate throughout state of emergencies and COVID-19 situation to **support our customers**.



Protecting our employees through implementation of COVID-19 safety measures.



Balance sheet strength – well capitalised and prudently provisioned.



Funding grew by 13% compared to 1H19.



1H20 EARNINGS SNAPSHOT

Reflects impact of COVID-19 on customers

Result drivers – group	1H20	Change 1H20 – 2H19	Change 1H20 -1H19
Group Core Operating Profit (PGK'000)*	24,367	(29%)	(65.6%)
NPAT (PGK'000)	23,865	(55.5%)	(69.6%)
Earnings per share (toea)	8	(52.9%)	(68.0%)
Group return on equity %	5.33%	(223bps)	(1089bps)
Return on assets %	1.53%	(67bps)	(309bps)
Expense to income ratio%	41.62%	(188bps)	(728bps)
Net interest margin %	12.15%	(95bps)	(18bps)

* Core operating profits excludes fair value changes arising from revaluation investments, and income tax expense.

** Expense to income ratio excludes any fair value changes of investments and movement in bad debt provisions.



OUR APPROACH

PROTECT
our people,
customers,
tenants and
shareholders

RESET
to meet the
changing
operating
environment

ENGAGE
proactively with
customers,
tenants,
employees and
shareholders

BUILD
for the future



OUR APPROACH

PROTECT

- ▶ Introduced safety measures for staff, customers and tenants
- ▶ Support for our customers
- ▶ Reviewing customer and industry profiles



OUR APPROACH

RESET

- ▶ Aligning customer experience with current economic situation
- ▶ Three-month repayment deferrals were provided on K291m of loans to customers between April and June 2020 and offered repayment options to customers in need
- ▶ Adapting operations to meet changing environment
- ▶ More agile way of working



OUR APPROACH

ENGAGE

- ▶ Providing timely communication to staff, customers and tenants
- ▶ Providing appropriate support to staff, customers and tenants
- ▶ Continued operating and remained accessible



OUR APPROACH

BUILD

- ▶ Monitoring customer behaviour and changing industry dynamics
- ▶ Ongoing customer support
- ▶ Agile operations
- ▶ Prudent approach to risk
- ▶ Focus on liquidity
- ▶ Long term strategic planning and disciplined execution



DIVISIONAL SNAPSHOT

CCP results across its three core operating divisions **experienced challenges** due to COVID-19

1H20 Core earnings (PGK'000)

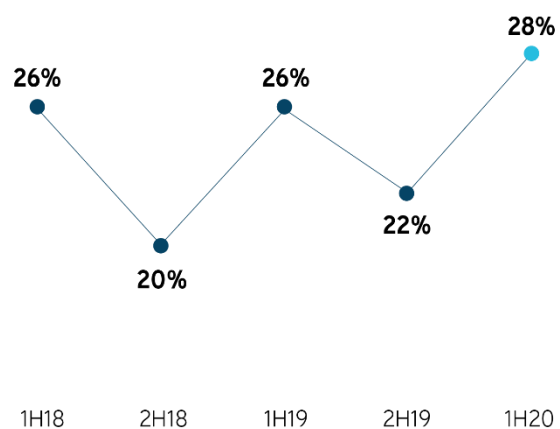
	1H20 As reported	% Change 1H20-1H19 As reported
Finance	(4,220)	(123%)
Property	6,648	(28%)
Investment	34,842	(5%)



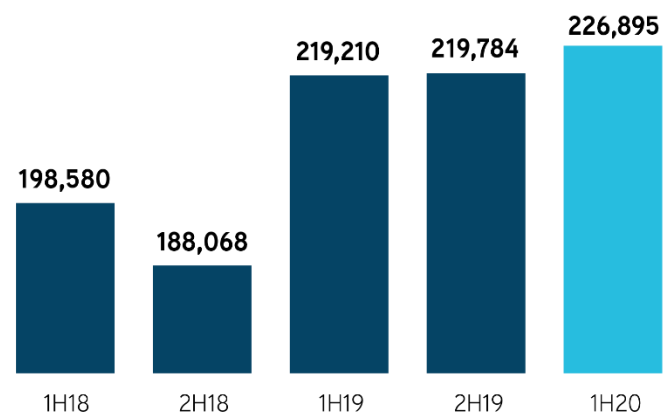
BALANCE SHEET

Strong balance sheet - well capitalised

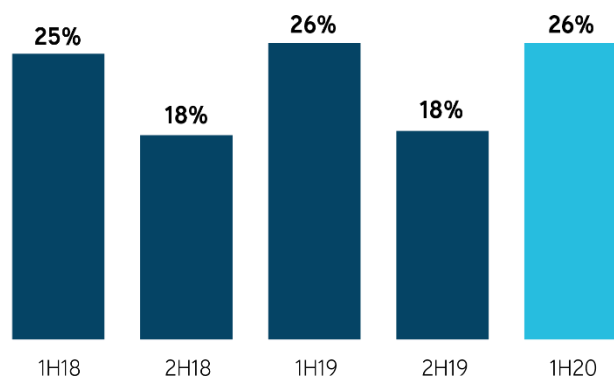
TIER 1 Risk Weighted Capital Ratio



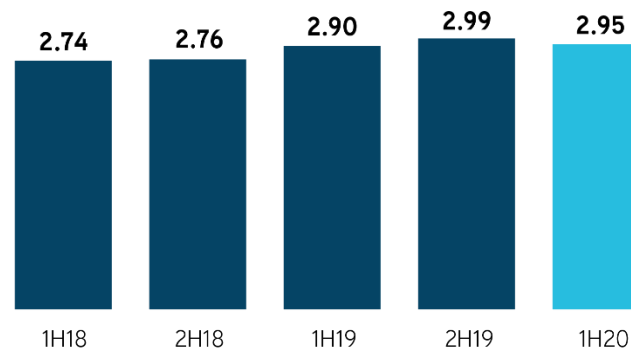
Risk weighted capital (PGK'000)



Leverage ratio



Net tangible assets per share

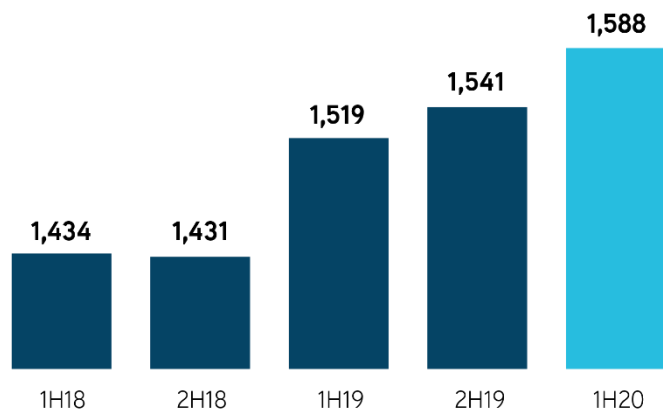




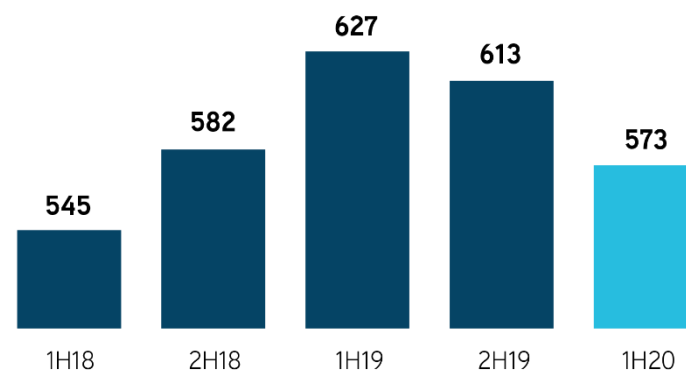
BALANCE SHEET

Strong balance sheet - well capitalised

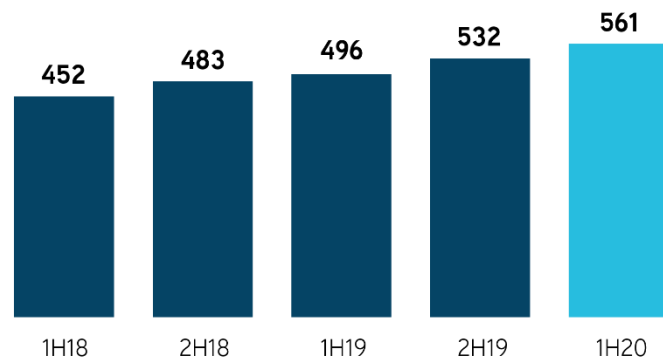
Total assets (PGK'm)



Loans (PGK'm)



Customer deposits (PGK'm)

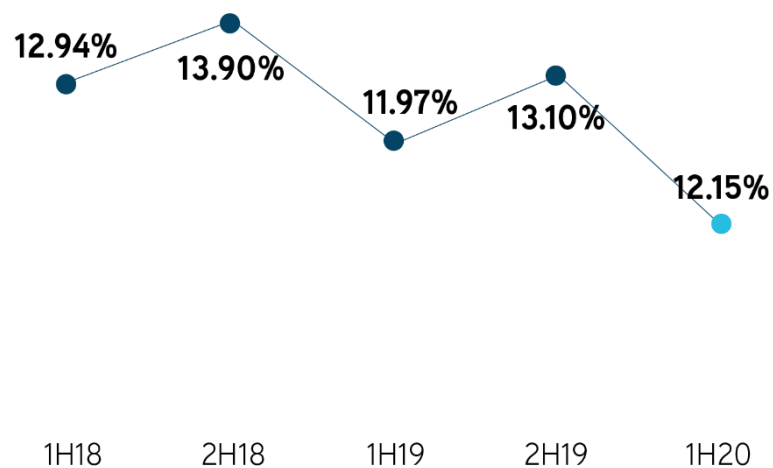




BALANCE SHEET

Margins well managed – despite impacts of COVID-19

Net interest margin

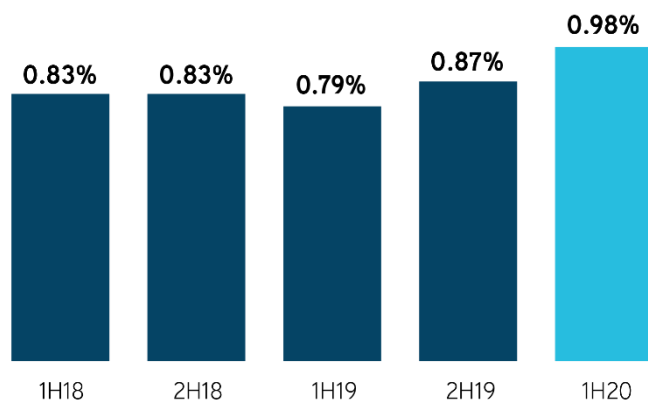




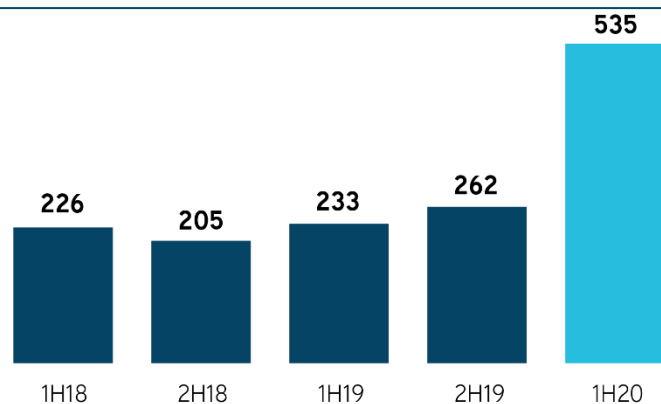
FUNDING AND LIQUIDITY

Margins well managed – despite impacts of COVID-19

Customer deposit to loan ratio



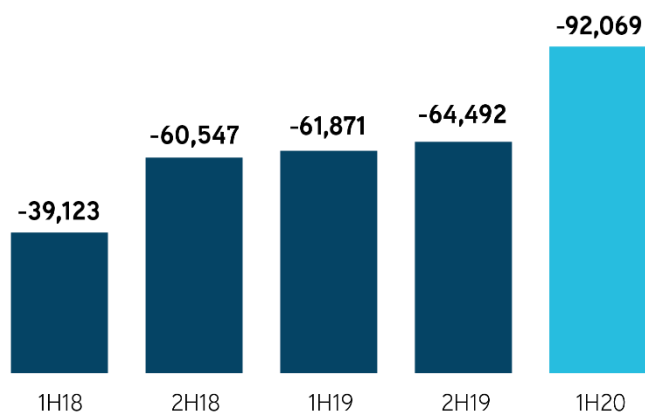
Total liquid assets (PGK'm)



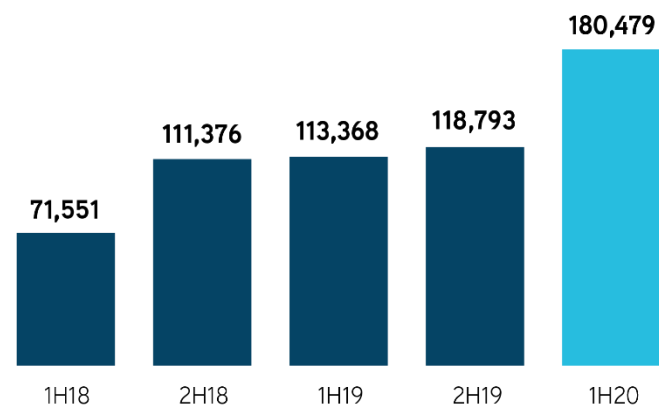


CREDIT QUALITY

Total provision charge (PGK'000)



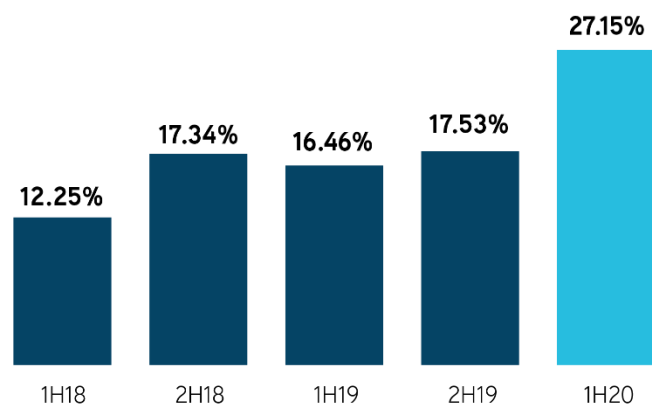
Gross impaired assets (PGK'000)



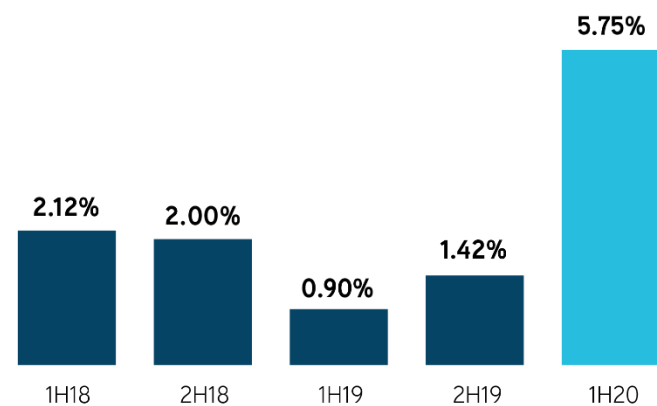


CREDIT QUALITY

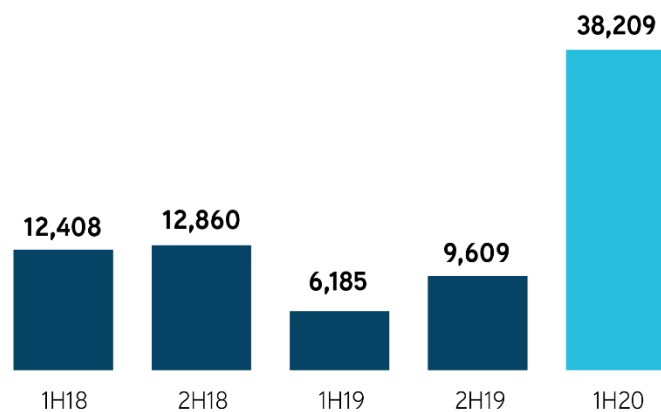
Impaired assets % of gross loans



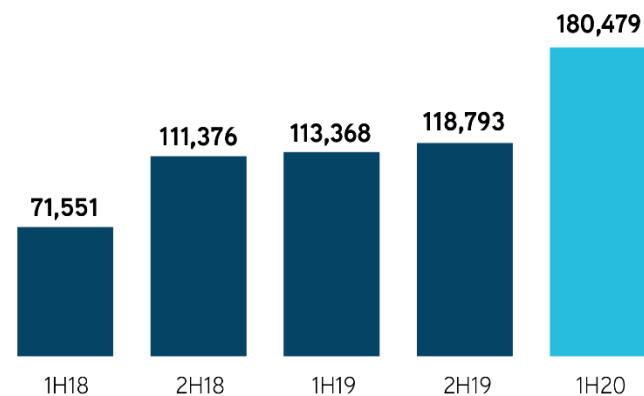
Impairment expense % of gross loans
(PGK'000)



Loan impairment expense (PGK'000)

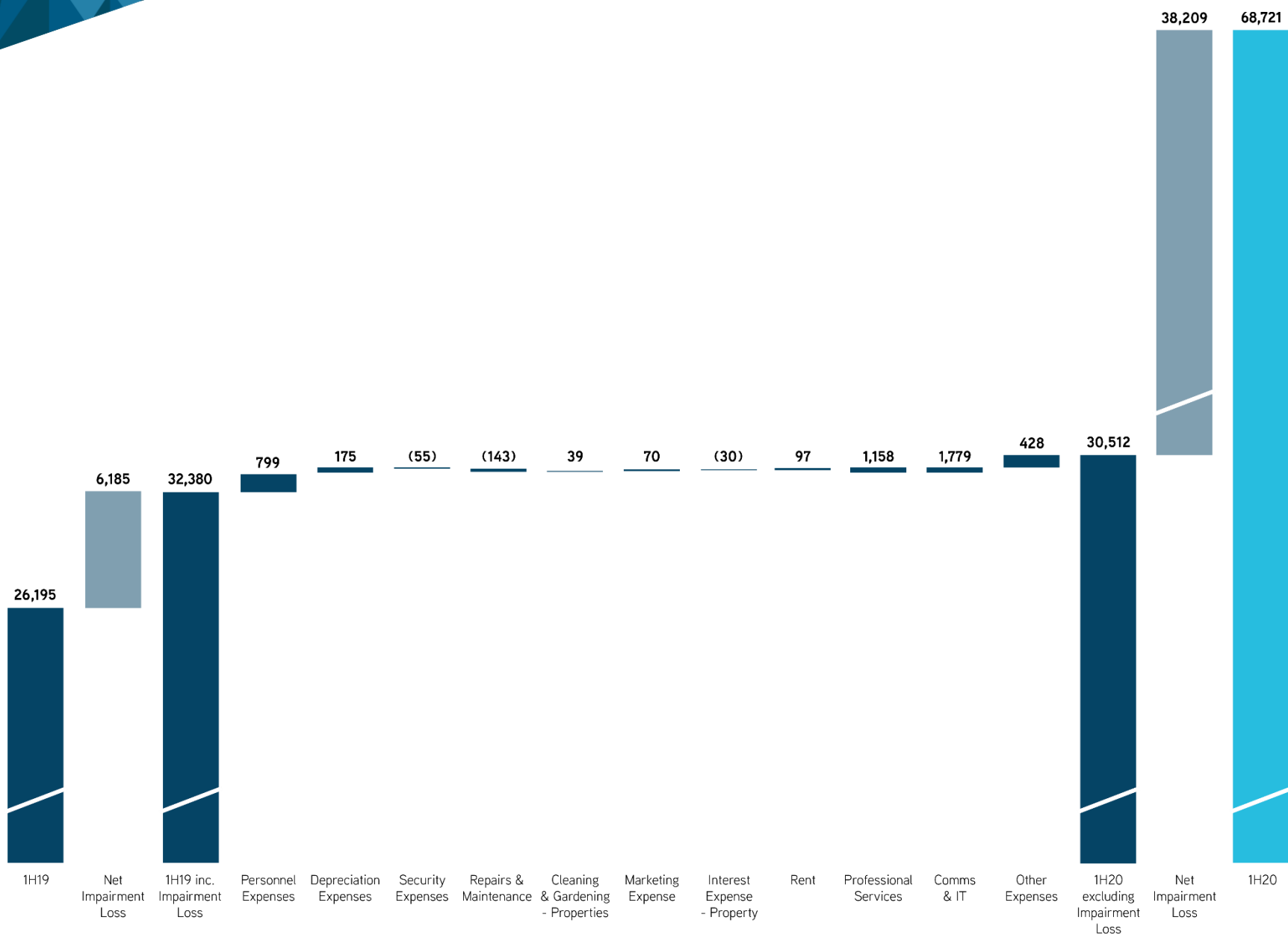


Arrears (PGK'000)





EXPENSES (PGK'000)

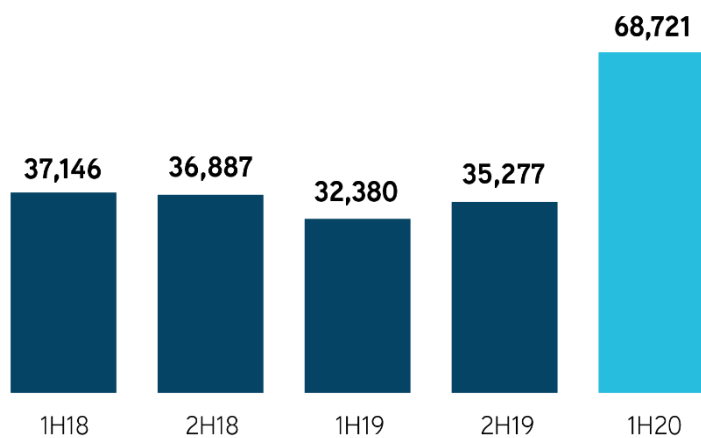




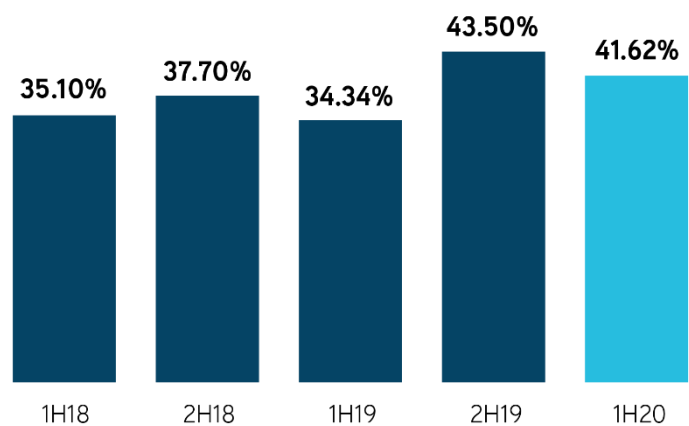
EXPENSES

Continuing operations

Total expenses (PGK'000)



Expense to income ratio

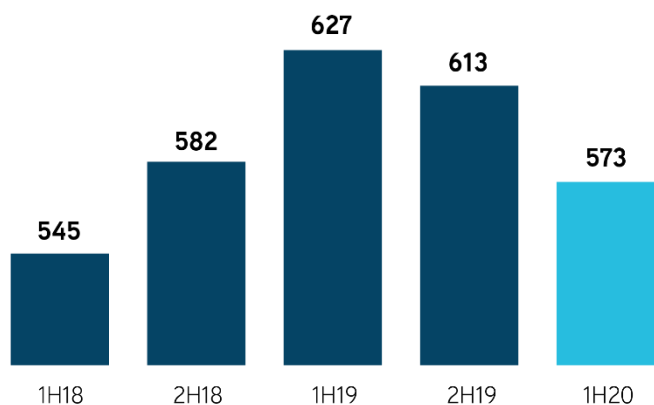




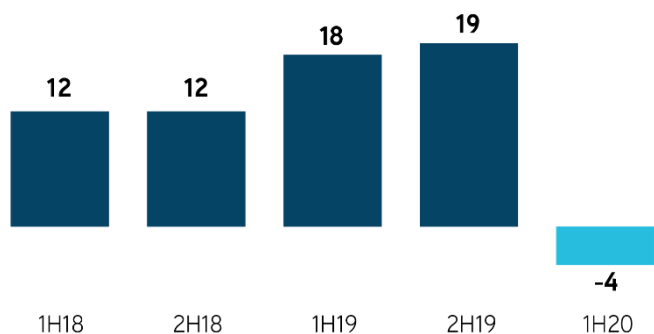
FINANCE SEGMENT

CCP's Finance Segment was **significantly impacted** as a result of the COVID-19 pandemic restrictions introduced across all jurisdictions

Net loans (PGK'm)



NPAT (PGK'm)

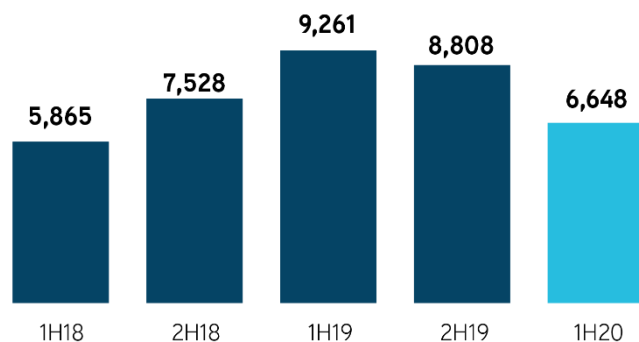




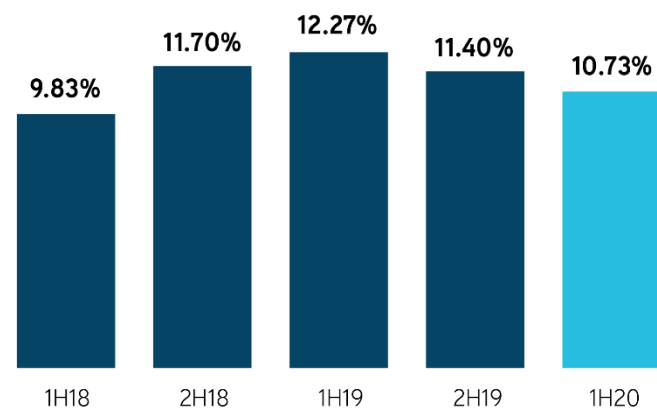
PROPERTY SEGMENT

COVID-19 placed **downward pressure** on rental rates and increased rental abatements

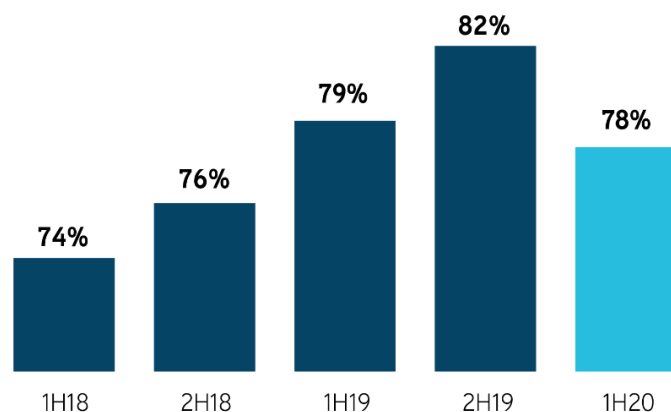
Property core operating profit (PGK'000)



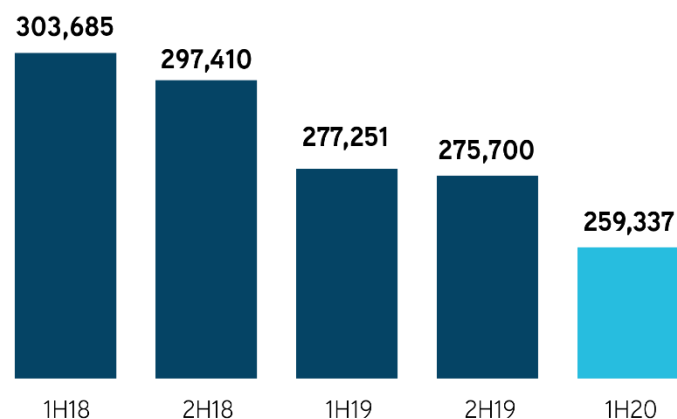
Rental yields



Occupancy rates



Fair value of investment properties (PGK'000)

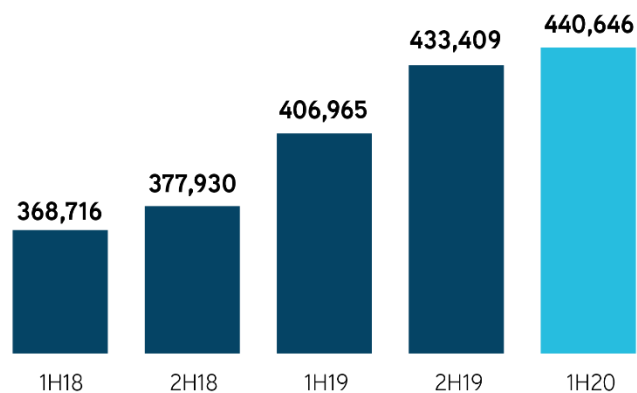




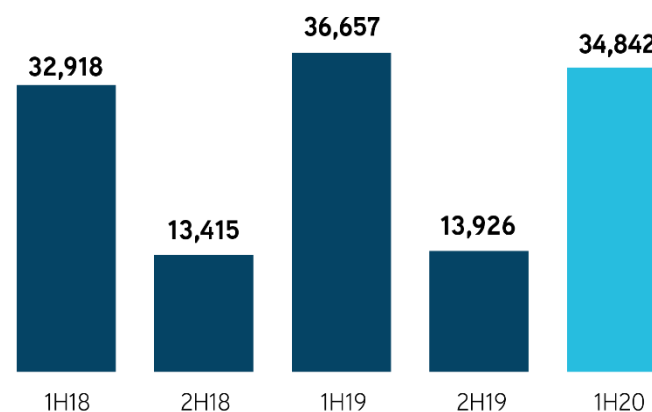
INVESTMENT SEGMENT

Value of listed **investments improved**

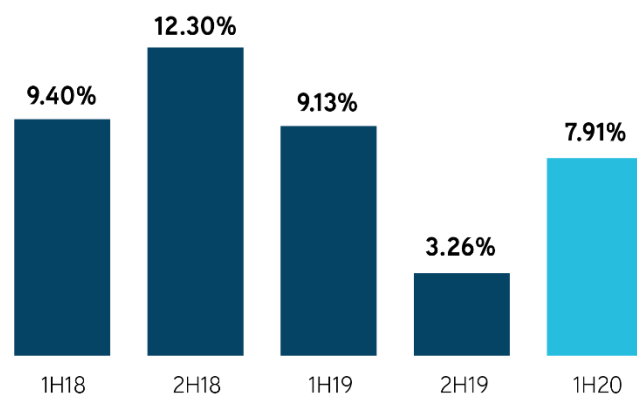
Fair value of listed investments (PGK'000)



Dividend income from listed investments (PGK'000)



Dividend yields from listed investments





OUR STRATEGY

Strategic Priorities

- ▶ Supporting customers and ensuring staff health and well-being.
- ▶ Focusing on agile balance sheet with strong liquidity.
- ▶ Ensuring strong relationships with customers, institutional shareholders, banking partners and regulators.
- ▶ Ongoing strengthening approach to risk management.
- ▶ Ongoing review and optimisation of investment portfolio.



OUTLOOK

- ▶ Entered the COVID-19 situation in a strong position financially, operationally, and culturally
- ▶ It is presently difficult to predict the depth of the economic impact and the duration of the recovery
- ▶ Continue to focus on our clear strategic direction, a prudent approach to risk, and disciplined operational execution
- ▶ Our long-term strategy remains in place and we are in a strong position to manage our way through this crisis.
- ▶ Well placed to take full advantage of any uplift as the global and domestic economic conditions improve.

