PRELIMINARY FINAL REPORT

FINANCIAL YEAR ENDED
31 DECEMBER 2021

Incorporating the requirements of Appendix 4B (equity accounted)

Appendix 4B

For the year ended 31 December 2021

Results for announcement to the market

Comparisons of the current year to 31 December 2021 (“FY21”) are with the year to 31 December 2020 (“FY20”).

Preliminary Final Report for the year ended 31 December 2021	FY21	FY20
Revenue from ordinary activities (PGK Millions)	**K155.9m**	**K142.3m**
Net profit after tax for the period		
Attributable to equity holders (PGK Millions)	K76.9m	K22.0m
Full Year dividend		
Ordinary (PGK toea per share)	5.8	12.0
Special (PGK toea per share)	12.2	-
Interim dividend		
Ordinary (PGK toea per share)	4.6	-

Appendix 4B

For the Year to 31 December 2021 Results for announcement to the market

Directors

The Directors present this report together with the Consolidated Financial Report for the year ended 31 December 2021.

Directors:

The Directors of the Company during or since the end of the year are:

- Mr Richard Sinamoi, Chairman
- Ms Faye-Zina Lalo
- Mr Albert Mellam
- Ms Abigail Chang
- Mr Stephen Humphries (appointed 15 April 2021)
- Sir Mel Togolo (appointed 25 June 2021)
- Ms Clare Mazzetti (appointed 2 September 2021)
- Mr Sydney Yates, (retired 25 June 2021)
- Mr Michael Varapik (resigned 4 February 2021)
- Mr James Kruse (resigned 5 March 2021)

Ms Anneka Linge was appointed Company Secretary on 2 September 2021.

Contents

1. Results overview

CREDIT CORPORATION IS WELL POSITIONED TO ACCELERATE BUSINESS ACTIVITY ALONG WITH IMPLEMENTING ITS REFRESHED STRATEGIC PLAN POST COVID-19

1.1 Results Highlights

	Full Year Ended		
	Dec-21	Dec-20	Change %
RESULT DRIVERS - GROUP			
Group Core Operating Profit (PGK'000)*	79,087	25,663	208.2%
Profit after tax attributable to the shareholders (PGK'000)	76,872	21,996	249.5%
Expense to Income Ratio**	51.3%	50.2%	1.1%
Group Return on Equity	8.6%	2.8%	5.8%
Return on Asset	5.6%	1.7%	3.9%
Earnings Per Share	0.25	0.07	249.5%
Net Asset Backing Per Share	2.99	2.97	0.5%
RESULT DRIVERS - FINANCE			
Net Profit After Tax (PGK'000)	25,773	- 6,053	525.8%
Net interest margin (%)	13.7%	12.8%	0.9%
Net Loan Book (PGK'000)	409,544	504,450	-18.8%
Funding (PGK'000)	428,337	548,287	-21.9%
Loan impairment expense (PGK'000)	4,079	63,374	-93.6%
RESULT DRIVERS - PROPERTY			
Core Operating Profit (PGK'000)	10,228	11,532	-11.3%
Occupancy Rates (Average)	75.0%	76.0%	-1.0%
Investment property fair value (PGK'000)	254,773	258,968	-1.6%
Rental Yields	9.7%	10.1%	-0.3%
RESULT DRIVERS - INVESTMENTS			
Fair Value of Listed Investments (PGK'000)	450,671	440,336	2.3%
Dividend Yield	11.7%	10.0%	1.8%
Dividend Income (PGK'000)	52,937	43,962	20.4%
Share of profit of equity accounted investee (PGK'000)	-	-	-

*Core operating profits excludes fair value changes arising from revaluation of investments, and income tax expense
**Expense to income ratio excludes any fair value changes in the carrying value of investments and movement in bad debt provisions.

1.2 Operating performance and earnings

Credit Corporation has overcome volatile economic conditions to deliver a strong financial performance in the year to 31 December 2021 ("FY21").

Although the past year has presented challenges because of COVID-19, we have continued to take positive steps to achieve our financial, operational and strategic objectives.

In FY21, the Group achieved a 208.2% increase in Core Operating Profit to K79.1m and 249.5% increase in NPAT to K76.9m, compared to the year ended 31 December 2020 ("FY20").

The positive results benefited from disciplined control of net interest margins and operating costs, plus an increased focus on collections and credit procedures, resulting in lower impairment costs.

The Group also received higher dividend income from its investment in BSP Financial Group Limited (previously Bank of South Pacific Limited).

The Group's strong capital position provided the flexibility to return surplus capital to shareholders, and as a result the Credit Corporation Board declared total dividends of 22.6 toea per share in FY21, which included a special dividend of 12.2 toea per share in May last year.

Throughout the course of FY21, the Group continued its focus on supporting customers and keeping our employees safe.

The Group is proud to have helped so many of its SME customers through the pandemic so that they have been able to keep operating and safeguard the employment of its people. All jurisdictions were impacted by COVID-19 restrictions and the Solomon Islands also felt the impacts of recent riots. These external factors provided challenges for our customers and we have sought to support them through these challenges.

New Strategic Pathway

During the year, the Board set a new pathway with a plan for the next five years. This plan will set Credit Corporation on a transition journey from being a diversified finance and investment company into a high performing finance company and eventually entering into banking and becoming a fully-fledged commercial bank. Credit Corporation will seek either organic or inorganic opportunities to achieve this strategic objective.

Segment overview

Lending across the finance segment continued to be impacted by subdued economic activity as a result of restrictions placed by the governments and health authorities in our different operating jurisdictions. In the short-term this has impacted the ability to grow the loan book. Delays in key economic projects in PNG have also impacted lending activities, particularly demand for equipment financing.

The Property division's residential properties have experienced weaker demand due to COVID-19 restrictions causing companies to re-evaluate their staff accommodation requirements, which in turn put pressure on rental rates. However, the Group's commercial property Credit House, maintained occupancy levels at 100%.

Yields on the Group's investments significantly improved during FY21, predominantly driven by its BSP shares. The BSP share price increased by 25 toea and as a result the Group booked a valuation increase of K9.1m. The dividend payout ratio from BSP also increased, resulting in improved dividend flow from BSP.

Operating performance

Operating costs decreased 43.5% to K71.5m during the period, primarily due to better impairment outcomes. However, due to pressure on revenue as a result of the impacts of COVID-19 restrictions and investment in key strategic initiatives, the Group's expense to income ratio was slightly higher at 51.3% compared to 50.2% in FY20.

The Group's impairment costs reduced significantly to K4.1m in FY21 compared to K63.4m in FY20. The substantial decrease is attributable to disciplined control of expenses and concerted collection efforts during difficult times for our customers. This contributed to an improved FY21 result for the Group despite the COVID-related headwinds.

Accordingly, the Group's return on equity improved to 8.6% compared to 2.8% in FY20.

The Group is well-positioned to take advantage of positive changes to the economic environment in all of the jurisdictions in which we operate, and to seize the opportunities presented as the transition out of the COVID-19 pandemic commences.

The key drivers of the results for each segment are discussed below.

1.2.1 Finance Segment

In FY21, we focussed on adapting to the uncertainties and challenges of the COVID-19 pandemic, while supporting our customers and our people.

The Finance Segment remained well capitalised, with a solid liquidity position and this provided a strong defence against uncertainty.

The Finance Segment made a net profit after tax of K25.8m, while the net loan book declined by 18.8% to K409.5m compared to K504.5m in FY20 reflecting the operating difficulties faced by our customers. The Group reduced its finance costs by 24.7% to K20.1m compared to K26.7m in FY20.

The key focus for the Group in FY21 was to manage costs, improve credit quality of the portfolio, collections and support of distressed customers.

Papua New Guinea (PNG)

COVID-19 remains a persistent threat in PNG due to the low vaccination rate. Economic growth also slowed significantly due to the impact of the pandemic restrictions, the closure of Porgera Mine in 2020 and delays in implementation of major LNG projects.

In FY21, Credit Corporation Finance PNG made a net profit after tax of K12.2m compared to a loss of K12.6m in FY20. The favourable result is largely attributed to tightly managed costs, a significant decrease in impairment costs and additional interest income earned from investments.

The PNG business is well capitalised and has a strong liquidity position.

The PNG economy is expected to grow by 5.4% in real terms in 2022 according to National Budget estimates, underpinned by major infrastructure projects, following a subdued recovery of 1.5% in 2021.

Fiji

The COVID-19 pandemic led to the collapse of Fiji's tourism industry, and the second wave of the Delta variant of COVID-19 continued to hamper Fiji's economic recovery for a significant part of FY21.

Fiji's Acting Prime Minister Mr Aiyaz Sayed-Khaiyum said early in 2022 that the Macroeconomic Committee recently revised economic growth numbers with double-digit growth projected for this year. Mr Sayed-Khaiyum said 11.3% growth is projected for this year, 8.5% growth in 2023 and 7.7% growth in 2024.

Credit Corporation Fiji made a net profit after tax of K10.5m in FY21 compared to K2.5m in FY20. The favourable performance is attributed to tight control of expenses and lower impairment costs on the back of concerted collection efforts and was achieved despite the headwinds caused by COVID-19.

The Fiji business remains in a strong position to weather the impacts of this situation given it is well capitalised with a comfortable liquidity position.

Solomon Islands

The Solomon Islands economy remained subdued in FY21, due to the impact of COVID-19 and most recently political riots. The loan book remains under stress due to the slow economic growth and our business continues to face challenges in recovery of delinquent exposures.

Nonetheless, the FY21 results for CC Solomon Islands are an improvement on FY20 with a net loss after tax of K2.7m. This result is attributed to concerted collections and recovery efforts. The business remains in a strong liquidity position.

Vanuatu

The prolonged closure of the border due to the COVID-19 threat has severely impacted the Vanuatu economy. Key challenges have included difficult access to export markets, a fall in foreign investment, a significant reduction in tourism earnings and lower employment.

Despite these headwinds the CC Vanuatu business recorded a net profit after tax of K4.7m. The Improved performance was mainly attributed to disciplined control of costs.

CC Vanuatu maintains a strong liquidity position despite the current economic challenges.

1.2.2 Property Segment

During FY21, Era Dorina & Era Matana Estates continued to be affected by the negative impacts of the COVID-19 pandemic. This resulted in declining occupancies driven by a continuation of departing tenants as companies right sized or restructured. Similar effects on competitors also placed downward pressure on rental rates and some looked to reduce rental rates to attract new business.

Credit House maintained near full occupancy for FY21 driven by lease extensions for additional periods for existing tenants as well as new tenants taking up available tenancies.

A tough PNG economy has also impacted many companies that have downsized/rightsized, which in turn has reduced the need for residential accommodation and therefore, revenue for the Properties Division.

The delay in starts to Aid Funded projects because of COVID-19 also led to delays in new tenants arriving as had been forecast in 2021.

Occupancy by property was as follows.

- Era Dorina — occupancy decreased to 46% for FY21 (52% in FY20).
- Era Matana — occupancy decreased to 80% for FY21 (84% in FY20).
- Credit House — occupancy increased to 100% for FY21 (95% in FY20).

Average occupancy levels for the property division decreased slightly to 75% during FY21 compared to 76% in FY20. Credit House ended FY21 at 100% occupancy.

Towards the end of FY21 positive growth was recorded for Era Dorina and Era Matana Estates and the forecast is for continued growth into FY22. Occupancy levels at the residential properties are expected to regain lost ground in FY22, after the departure of tenants in FY20 and FY21.

Era Dorina has been positioned as a family friendly residential complex and due to COVID-19 has experienced a significant loss of tenant families who chose to relocate to Australia during the pandemic. While still offering complimentary Wi-Fi, IPTV and improved tenant entertainment, the current need for family accommodation has decreased in Port Moresby given the ongoing uncertainty.

In response, Credit Corporation introduced a new product offering in Serviced Units, aimed at both long term (more than 12 months) and short term (3 to 12 months). Linking into this growing market and fuelled by an influx of Aid Agencies, this is expected to increase occupancy and profitability to the properties division as PNG begins to transition following the pandemic.

To date, this new offering has seen positive growth in filling a proportion of the lost market from the departure of COVID-19 impacted tenants and as a replacement for family style accommodation requirements.

Era Dorina and Era Matana are also being positioned for the future with the projected mineral and gas project expansions and large AID funded projects in PNG.

Towards the end of FY21 tailored marketing campaigns to entice new tenants were introduced as were incentives to maintain existing tenants through increased complimentary Wi-Fi, complimentary tenant airport and local transfers and improved unit offerings.

In FY22, we are confident that Credit House will remain at 100% occupancy given the nature of our tenant contracts, albeit with some reduction in average rates so as to secure lease renewals for longer durations.

The focus remains on building capacity in staff resources, and bench strength through additional staff training (external and internal) in order to continue positive response times in tenant customer services, and reduced turnaround time on maintenance issues.

1.2.3 Investment Segment

The investment portfolio consists of listed equities, predominantly BSP shares. The valuation of shares in BSP increased by 2.1% compared to FY20 and the overall dividend yield increased by 180bps, mainly due to the increase in dividends received from BSP in FY21.

1.2.4 Property Valuations

In the first half of 2021, the Group performed an internal assessment of its properties in light of the uncertainties posed by COVID-19. As a result of this internal assessment, property carrying values were reduced by K5.0m. The valuation position reflected market factors such as rental rates, property prices and yields, average lease tenures and future outlook.

Subsequently, in December 2021 an external, independent valuation was conducted. The external valuation indicated an upward trend in the value of the Credit Corporation properties portfolio. Despite the favourable outcome, Credit Corporation retained its carrying values as a prudent measure, reflecting the ongoing economic uncertainty in PNG.

Credit Corporation properties remain a premium product in the market. Although occupancy in the commercial property Credit House was at 100%, vacancy rates of the residential properties have been challenged as a result of the pandemic. Due to lower demand, the ability to fill these vacancies has been challenging. However, there has been renewed interest in these properties from aid and donor agencies, together with large project operators as mobilisation of resources begins ahead of project commencement.

The carrying value* of the Group's properties is summarised below:

Investment Property	Valuation Basis	Dec-21 K'000	Dec-20 K'000	Mov't K'000
Era Dorina	Direct Capitalisation	113,090	126,286	(13,196)
Credit House	Direct Capitalisation	81,434	72,149	9,285
Era Matana	Direct Capitalisation	52,450	52,733	(283)
Gerehu Land	Replacement Cost	4,000	4,000	-
Credit Corporation Property - Lae	Direct Capitalisation	3,800	3,800	-
		254,774	**258,968**	**(4,194)**

* inclusive of other assets such as furniture and fixtures

1.3 Key strategic priorities

The Board approved a new strategic pathway for the Group in the second half of FY21.

The strategic plan for the next five years from 2022 to 2027 sets out the pathway for Credit Corporation to transition from being a diversified finance company into a high performing finance company, and eventually entering into banking and becoming a fully-fledged commercial bank through either organic and/or inorganic pathways.

There have been a number of developments in the banking and finance sector in the region which have potential to reshape the industry landscape. These developments include the listing of BSP shares on the ASX and the unsuccessful Westpac Pacific acquisition by Kina Bank. The Board is confident that the opportunity exists for a new entrant in the sector.

In June 2021, the Group announced the closure of its Timor Leste business due to ongoing operational complexities in that country. The closure has progressed as planned with full exit imminent.

1.4 Governance and risk

Throughout the course of FY21, the Governance framework of Credit Corporation was strengthened through recruitment at Board and Executive Level.

At Board level, changes included the resignation of former Chair Mr Syd Yates and the election of Mr Richard Sinamoi as the new Chairman shortly afterwards. Other resignations included Directors Mr James Kruse and Mr Michael Varapik. Directors Mr Stephen Humphries, Sir Mel Togolo, and Ms Claire Mazzetti were recruited to the Board during FY21. These Directors bring a wealth of financial services and industry knowledge, significant business experience and appropriate qualifications. Composition of the various Board sub-committees was also reviewed in September 2021 following the appointment of the new Directors.

At Executive Level, the Group Chief Executive Officer, Group Chief Risk Officer and the Company Secretary resigned from their roles. All positions were promptly filled on either a permanent or acting basis. Mr Danny Robinson who joined Credit Corporation in 2020 as Group Chief Operating Officer was formally appointed as Group Chief Executive Officer in September 2021, after initially accepting the role in an acting capacity.

The Company Secretary position has been filled by Ms Anneka Linge with Ms Emily Polum appointed to be the Acting Group Chief Risk Officer in August 2021. The Group Chief Risk Officer role is yet to be filled on a permanent basis. This role is expected to be filled in the second quarter of FY22 as a suitable candidate has already been identified. The business has also recruited a consultant, Mr Andre De Bakhapouve on a six-month contract to be the Risk Advisor to the Group Chief Executive Officer and to assist the Acting Chief Risk Officer with management of the Risk function. Mr Bakhapouve brings significant global risk management expertise to this role.

The Risk Management Framework and rollout strategy was developed in FY20 and endorsed by the Board, however the resignation of the former Group Chief Risk Officer in early 2021 and a number of vacancies in the Risk Department, has slowed its implementation. Nonetheless, there has been significant progress in terms of collecting data, monitoring and reviewing key risk areas of the business. The Internal Audit Function was outsourced during the year to PricewaterhouseCoopers who will operate in conjunction with our in-house risk management function.

The Risk Appetite Statements for the Group are subject to regular review with the objective of establishing more appropriate quantitative and qualitative measures to assist the Board in managing risk more holistically, and with agility so that it can react to developing market conditions, and business priorities across our jurisdictions on a timely basis.

The management of non-financial risks (including Operational Risk and Compliance) has been identified as a key area of focus. This area within the Risk Management department has therefore been strengthened by bringing on board additional senior resources during Q4 FY21. Embedding a Risk Culture more holistically throughout the entire operations of the group has been identified as strategic priority for Risk Management for FY22.

Importantly, we continued to support our customers and our people during the pandemic, including the implementation of a new Business Continuity and Resilience strategy that has already been well tested during the year.

1.4.1 Future performance, forward looking statements

The information in this document is for general information only. To the extent that certain statements contained in this document may constitute "forward-looking statements" or statements about "future matters", the information reflects the Group's intent, views or expectations at the date of this document. Subject to any continuing obligations under applicable law or any relevant listing rules of the PNGX, the Group disclaims any obligation or undertaking to disseminate any updates or revisions to this information over time. Any forward-looking statements, including projections, guidance on future revenues, earnings and estimates, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group's actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements.

1.4.2 Rounding

All amounts in this report have been rounded to the nearest million Kina, unless otherwise stated.

1.5 Results for the year ended 31 December 2021.

1.5.1 Statutory results

The information below reflects the audited consolidated financial results for Credit Corporation Group for the financial year ended 31 December 2021.

Figures in PGK'000s	Full Year Ended		
	Dec-21	Dec-20	Change %
Finance Income	81,553	98,938	-17.6%
Finance cost	(20,110)	(26,696)	24.7%
Net Finance income	61,443	72,242	-14.9%
Other income	89,141	79,902	11.6%
Fair value gain/(loss) on financial assets	10,336	6,926	49.2%
Fair value loss on investment properties	(5,001)	(16,777)	70.2%
Net operating income	**155,917**	**142,293**	**9.6%**
Impairment loss on finance receivables	4,079	63,374	93.6%
Personnel expenses	23,516	22,117	-6.3%
Depreciation expense	6,540	5,502	-18.9%
Other operating expenses	37,359	35,488	-5.3%
Total expenses	**71,495**	**126,481**	**43.5%**
Results from operating activities	**84,422**	**15,812**	**433.9%**
Share of profit of equity accounted investee (net of tax)	-	-	0.0%
Profit before tax	**84,422**	**15,812**	**433.9%**
Income tax (benefit) / expense	7,551	(6,184)	222.1%
Profit attributable to equity holders of the company	**76,872**	**21,996**	**249.5%**

1.5.2 Net interest margin

Figures in PGK'000s	Full Year Ended		
	Dec-21	Dec-20	Change %
Average Interest earning assets	456,997	558,780	-18.2%
Average yield on interest earning assets (%)	17.8%	17.7%	0.1%
Average interest bearing liabilities	488,312	540,126	-9.6%
Average cost on interest bearing liabilities (%)	4.1%	4.9%	-0.8%
Interest spread (%)*	13.7%	12.8%	0.9%

The Net Interest Margin ("NIM") increased by 90bps to 13.7% for the full year ended 31 December 2021.

In response to market conditions, the Group reduced its exposure to high-cost excess deposits. As a result, this improved the costs of funds by 80bps.

1.5.3 Investment fair value movement

Figures in PGK'000s	Full Year Ended		
	Dec-21	Dec-20	Change %
Property			
Residential property	4,097	(15,854)	-125.8%
Commercial Property	(9,097)	(924)	884.6%
Total gain/(loss) on property valuation	**(5,001)**	**(16,778)**	**-70.2%**
Financial Assets			
Listed equity	10,336	6,926	49.2%
Share of profits from equity accounted investee	-	-	0.0%
Total gain/(loss) on valuation of financial assets	**10,336**	**6,926**	**49.2%**
Total gain/(loss) on valuation of investments	**5,334**	**(9,851)**	**-154.1%**

Property valuations

The Group undertakes external revaluations on investment properties at the end of every three-year period, which is in line with the requirements of IAS 40 *Investment Property* and IFRS 13 *Fair Value Measurement.*

During 1H21, the Group performed an internal valuation of its properties in light of the uncertainties posed by COVID-19. As a result, property values were reduced by K5.0m. The valuation position was attributed to market factors such as rental rates, property prices and yields, average lease tenures and the market outlook.

The Group subsequently engaged an external valuer to perform a valuation of its properties for the period ended 31 December 2021. The outcome of the external valuation was favourable, however Credit Corporation decided not to adopt those favourable valuation results given the ongoing COVID-related and economic uncertainty in PNG.

Investment valuations

The investment portfolio consists of listed equities, predominantly BSP shares. The valuation of the listed equities portfolio increased by 2.1% compared to FY20 and the dividend yield increased by 180bps, mainly due to the increase in dividends received from BSP during the year ended 31 December 2021.

1.5.4 Share of profits from equity accounted investee

Figures in PGK'000s	Full Year Ended		
	Dec-21	Dec-20	Change %
Investments - equity accounted	8,283	8,283	0%
Share of profit of equity accounted investee (net of tax)	-	-	-

Equity accounted investments comprise the Group's 25% investment in Capital Insurance Group ("CIG"). Through this shareholding, the Group has determined that it has significant influence but does not have a controlling vote on the Board of CIG. The Group therefore accounts for its interest in CIG using the equity accounting method.

For the purposes of reporting the FY21 results, the Group performed an independent assessment of the value of its investment in CIG. Based on this assessment, the Group has determined there has been no material change to the value of this investment.

During FY21, there were no dividends received from CIG.

1.5.5 Operating expenses

Figures in PGK'000s	Full Year Ended		
	Dec-21	Dec-20	Change %
Impairment loss on finance receivables	4,079	63,374	93.6%
Personnel expenses	23,516	22,116	-6.3%
Depreciation expense	6,540	5,502	-18.9%
Other operating expenses	37,359	35,488	-5.3%
Total Expenses	71,495	126,480	43.5%

Operating expenses decreased by 43.5% compared to FY21 and this was largely attributable to a significant decrease in loan impairment costs. The improvement in impairment costs is further explained in the Asset Quality and Impairment section.

The following expense items increased in FY21:

- Personnel costs increased by 6.3% due to recruitment of new roles as the Group embarked on further investment in capabilities to support growth, risk and governance and compliance functions.
- Depreciation expense increased by 18.9% reflecting investments in IT systems and replacement of end-of-life assets.
- Other operating expenses increased by 5.3% due to the Group's engagement with various external professional service firms to assist with improving its technology platforms, systems, process automation and boosting capability, and to pursue its strategic agenda.

1.5.6 Asset quality and impairment

Figures in PGK'000s	Full Year Ended		
	Dec-21	Dec-20	Change %
Loan Balance (net of unearned income)			
· Stage 1 -12 month ECL	285,134	344,687	-17.3%
· Stage 2 - Life time ECL	57,503	97,708	-41.1%
· Stage 3 - Life time ECL	181,894	181,209	0.4%
Total loans (Net of unearned income)	524,532	623,604	-15.9%
Loan Provisions	(114,988)	(119,154)	-3.5%
Net loan book	409,544	504,450	-18.8%
Loan impairment expense	4,079	63,374	-93.6%

In line with the requirements of IFRS 9, the Group has assessed each customer to ensure their credit quality is reflected appropriately, with regard to the measurement of expected credit losses.

Due to reduced economic activity across key markets and key industries, the Group expects that the ability of some customers to return to normal activities will be challenging. Accordingly, the Group considers that its assessment of expected credit losses must be prudent with sufficient provisions maintained to cater for uncertainties based on observable data.

1.5.7 Group Capital Adequacy

Group Capital Adequacy is based on the prudential requirements of the respective Central Banks in Papua New Guinea, Fiji, Solomon Islands and Vanuatu. The prudential standards in these jurisdictions prescribe the Capital Adequacy Ratios and Leverage Ratios to ensure the finance businesses are appropriately capitalised. All of the Group's Capital Adequacy Ratios remained comfortably above regulatory requirements.

The Group's financial strength is reflected in its level of capital, with a Tier 1 Capital Ratio of 36.8%.

The leverage ratio, which is defined as Tier 1 Capital as a percentage of total exposures, stood at 29.8% in FY21 compared with 23.8% at 31 December 2020.

Figures in PGK'000s	Full Year Ended	
	Dec-21	Dec-20
Total Risk Weighted Capital	200,737	205,004
Tier 1 Capital	184,422	187,080
Tier 2 Capital	16,316	17,925
Total RWC	40.1%	32.6%
Tier 1 RWC	36.8%	29.7%
Leverage Ratio	29.8%	23.8%

1.5.8 Lending

Figures in PGK'000s	Full Year Ended		
	Dec-21	Dec-20	Change %
Gross balance	582,036	698,038	-16.6%
Unearned income	(57,503)	(74,434)	-22.7%
Provision	(114,988)	(119,154)	-3.5%
Net loans	409,544	504,450	-18.8%

The net loan book reduced by 18.8% in FY21 reflecting limited loan growth opportunities coupled with a sustained run-off rate.

In light of current uncertainties, the Group is committed to quality loan growth as appropriate opportunities arise.

1.5.9 Funding

Figures in PGK'000s	Full Year Ended		
	Dec-21	Dec-20	Change %
On Call	123	581	-78.8%
1 month	34,286	58,389	-41.3%
2 months	50,137	67,520	-25.7%
3 months	52,636	78,593	-33.0%
6 months	91,237	111,325	-18.0%
12 months	144,613	181,540	-20.3%
24 months	55,305	50,339	9.9%
Total Deposits for Credit Corp	428,336	548,288	-21.9%

Funding reduced by 21.9% in FY21 in line with the Group's initiative to reduce the cost of funds by decreasing average interest rates, which also resulted in a reduction in the Deposit portfolio. Notwithstanding these factors, the Group maintains sufficient liquidity to cope with uncertainties posed by COVID-19.

2. Consolidated profit and loss account

		Current period – K''000	Previous corresponding period - K''000
2.1	Sales (or equivalent operating) revenue	106,540	125,812
2.2	Share of +associates' "net profit (loss) attributable to shareholders" (equal to item 23.7)	-	-
2.3	Other revenue	69,487	43,175
2.4	**+Operating profit before abnormal items and tax**	84,422	15,812
2.5	Abnormal items before tax (detail in item 3.4)		
2.6	+Operating profit before tax (items 2.4 + 2.5)	84,422	15,812
2.7	Add (Less) tax	(7,551)	6,184
2.8	+Operating profit after tax but before outside +equity interests	76,872	21,996
2.9	Less outside +equity interests	-	-
2.10	**+Operating profit after tax attributable to shareholders**	76,872	21,996
2.11	Extraordinary items after tax (detail in item 3.6)	-	-
2.12	Less outside +equity interests	-	-
2.13	Extraordinary items after tax attributable to **shareholder**s	-	-
2.14	**Total +operating profit and extraordinary items after tax** (items 2.8 + 2.11)	**76,872**	**21,996**
2.15	+Operating profit (loss) and extraordinary items after tax attributable to outside +equity interests (items 2.8 + 2.12)	-	-
2.16	**+Operating profit (loss) and extraordinary items after tax attributable to shareholders** (items 2.10 + 2.13)	**76,872**	**21,996**
2.17	Retained profits at beginning of financial period	446,477	456,616
2.18	If change in accounting policy as set out in clause 11 of AASB 1018 Profit and Loss Accounts, adjustments as required by that clause (include brief description) Adjustment from implementation of IFRS 9	-	-
2.19	Aggregate of amounts transferred from reserves	(4,148)	4,817
2.20	Total available for appropriation *(carried forward)*	516,513	483,429
2.21	Dividends provided for or paid Final Dividend: K0.18 per share (2020: K0.12 per share) Interim Dividend: K0.046 (2020: Nil per share)	(69,592)	(36,952) -
2.22	Aggregate of amounts transferred to reserves	-	-
2.23	**Retained profits (accumulated losses) at end of financial period**	**446,921**	**446,477**
2.24	+Operating profit after tax before outside +equity interests (items 2.8) and amortisation of goodwill	**76,872**	**21,996**
2.25	Less (plus) outside +equity interests	-	-
2.26	+Operating profit after tax (before amortisation of goodwill) attributable to shareholders	**76,872**	**21,996**

3. Intangible, abnormal and extraordinary items

		Consolidated - current period			
		Before tax K'000	Related tax K'000	Related outside +equity interests K'000	Amount (after tax) attributable to shareholders K'000
3.1	Amortisation of goodwill	-	-	-	-
3.2	Amortisation of other intangibles	-	-	-	-
3.3	**Total amortisation of intangibles**	-	-	-	-
3.4	Abnormal items	-	-	-	-
3.5	**Total abnormal items**	-	-	-	-
3.6	Extraordinary items	-	-	-	-
3.7	**Total extraordinary items**	-	-	-	-

4. Consolidated balance sheet

		At end of current period K'000	As shown in last +annual report K'000
4.1	Cash	189,339	234,358
4.2	Receivables – net of portfolio & specific provisions	319,200	289,110
4.3	Investments	31,789	20,033
4.4	Inventories	1,188	1,582
4.5	Other assets	12,282	7,200
4.6	**Total current assets**	**553,798**	**552,283**
4.7	Receivables – net of portfolio & specific provisions	90,344	215,340
4.8	Investments in +associates	8,283	8,283
4.9	Other investments	705,478	699,336
4.10	Inventories	-	-
4.11	Exploration and evaluation expenditure capitalised	-	-
4.12	Development properties (+mining entities)	-	-
4.13	Other property, plant and equipment (net)	29,383	28,535
4.14	Intangibles (net)	52	9
4.15	Other (net deferred tax assets)	28,908	28,860
4.16	**Total non-current assets**	**862,448**	**980,363**
4.17	**Total assets**	**1,416,246**	**1,532,646**
4.18	Accounts payable	12,350	13,272
4.19	Borrowings	49,609	49,988
4.20	Provisions	5,640	3,204
4.21	Customer Deposits	373,001	498,550
4.22	**Total current liabilities**	**440,600**	**565,014**
4.23	Accounts payable	-	-
4.24	Borrowings	-	-
4.25	Deferred tax liability	-	-
4.26	Customer Deposits	55,335	51,913
4.27	**Total non-current liabilities**	**55,335**	**51,913**
4.28	**Total liabilities**	**495,935**	**616,927**
4.29	**Net assets**	**920,311**	**915,719**
4.30	Capital	21,984	21,984
4.31	Reserves	451,406	447,258

		At end of current period K'000	As shown in last +annual report K'000
4.32	Retained profits	446,921	446,477
4.33	Equity attributable to **shareholder**s of the parent entity	920,311	915,719
4.34	Outside +equity interests in controlled entities	-	-
4.35	**Total equity**	**920,311**	**915,719**
4.36	Preference capital included as part of 4.33	-	**-**

5. Exploration and evaluation expenditure capitalised

To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit.

		Current period - K'000	Previous corresponding period - K'000
5.1	Opening balance	NA	NA
5.2	Expenditure incurred during current period	NA	NA
5.3	Expenditure written off during current period	NA	NA
5.4	+Acquisitions, disposals, revaluation increments, etc.	NA	NA
5.5	Expenditure transferred to development properties	NA	NA
5.6	**Closing balance as shown in the consolidated balance sheet**	NA	NA

6. Development properties

(To be completed only by entities with mining interests if amounts are material)

		Current period - K'000	Previous corresponding period - K'000
6.1	Opening balance	NA	NA
6.2	Expenditure incurred during current period	NA	NA
6.3	Expenditure transferred from exploration and evaluation	NA	NA
6.4	Expenditure written off during current period	NA	NA
6.5	+Acquisitions, disposals, revaluation increments, etc.	NA	NA
6.6	Expenditure transferred to mine properties	NA	NA
6.7	**Closing balance as shown in the consolidated balance sheet**	NA	NA

7. Consolidated statement of cash flows

		Current period - K'000	Previous corresponding period - K'000
Cash flows related to operating activities			
7.1	Receipts from customers	115,092	133,097
7.2	Payments to suppliers and employees	(57,998)	(54,354)
7.3	Dividends received from +associates	-	-
7.4	Other dividends received	52,937	43,962
7.5	Interest and other items of similar nature received	-	-

		Current period - K'000	Previous corresponding period - K'000
7.6	Interest and other costs of finance paid	(20,111)	(26,696)
7.7	Income taxes paid	(10,492)	(9,352)
7.8	Other (provide details if material) – Movements in loans advanced and deposits by finance entities	(31,092)	61,608
7.9	**Net operating cash flows**	48,337	**148,265**
7.10	Payment for purchases of property, plant and equipment	(5,089)	(3,620)
7.11	Proceeds from sale of property, plant and equipment	443	350
7.12	Payment for purchases of equity investments	-	-
7.13	Proceeds from sale of equity investments	-	-
7.14	Loans to other entities	-	-
7.15	Loans repaid by other entities	-	-
7.16	Other - short term investments & interest income from funds deposited, including acquisition of investment property, interest income from other investments	(9,913)	(15,327)
7.17	**Net investing cash flows**	**(14,559)**	**(18,597)**
7.18	Proceeds from issues of +securities (shares, options, etc.)	-	-
7.19	Proceeds from borrowings	-	-
7.20	Repayment of borrowings	(4,600)	(4,600)
7.21	Dividends paid	(69,592)	(36,952)
7.22	Other	(2,914)	(2,915)
7.23	**Net financing cash flows**	**(77,106)**	**(44,467)**
7.24	**Net increase (decrease) in cash held**	**(43,328)**	**85,201**
7.25	Cash at beginning of period *(see Reconciliation of cash)*	234,358	140,138
7.26	Exchange rate adjustments to item 9.5	(1,691)	9,019
7.27	**Cash at end of period** *(see Reconciliation of cash)*	**189,339**	**234,358**

8. Non-cash financing and investing activities

There were no non-cash financing and investing during the period.

9. Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current period - K'000	Previous corresponding period - K'000
9.1	Cash on hand and at bank	158,808	201,852
9.2	Deposits at call	-	-
9.3	Bank overdraft	-	-
9.4	Other	30,531	32,506
9.5	**Total cash at end of period** (item 7.27)	**189,339**	**234,358**

10. Ratios

		Current period - K'000	Previous corresponding period - K'000
10.1	**Profit before abnormal items and tax / sales** Consolidated +operating profit (loss) before abnormal items and tax (item 2.4) as a percentage of sales revenue (item 2.1)	79.2%	12.6%
10.2	**Profit after tax / +equity interests** Consolidated +operating profit (loss) after tax attributable to **shareholder**s (item 2.10) as a percentage of equity (similarly attributable) at the end of the period (item 4.33)	8.4%	2.4%

11. Earnings per security (EPS)

		Current period	Previous corresponding period
11.1	Calculation of the following in accordance with *IAS 33: Earnings per Share*		
	(a) Basic EPS (Toea per share)	0.25	0.07
	(b) Diluted EPS (if materially different from (a)	Same as above	Same as above
	(c) Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS	307,936,332	307,936,332

12. NTA backing

		Current period - K'000	Previous corresponding period - K'000
12.1	+Net tangible asset backing per +ordinary security	K2.99	K2.97

13. Details of specific receipts/outlays, revenues/expenses

		Current period - K'000	Previous corresponding period - K'000
13.1	Interest revenue included in determining item 2.4	81,553	98,684
13.2	Interest revenue included in item 13.1 but not yet received	-	-
13.3	Interest expense included in item 2.4 (include all forms of interest, lease finance charges, etc.)	(20,111)	(26,696)
13.4	Interest costs excluded from item 13.3 and capitalised in asset values	-	-
13.5	Outlays	-	-
13.6	Depreciation and amortisation (excluding amortisation of intangibles)	(6,540)	(5,502)

14. Control gained over entities having material effect

14.1	Name of entity (or group of entities)	NA
14.2	Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) since the date in the current period on which control was +acquired	K
14.3	Date from which such profit has been calculated	
14.4	+Operating profit (loss) and extraordinary items after tax of the entity (or group of entities) for the whole of the previous corresponding period	K

15. Loss of control of entities having material effect

15.1	Name of entity (or group of entities)	NA
15.2	Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) for the current period to the date of loss of control	K
15.3	Date to which the profit (loss) in item 15.2 has been calculated	
15.4	Consolidated +operating profit (loss) and extraordinary items after tax of the entity (or group of entities) while controlled during the whole of the previous corresponding period	K
15.5	Contribution to consolidated +operating profit (loss) and extraordinary items from sale of interest leading to loss of control	K

16. Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with IFRS 8: Financial Reporting by Segments. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this report. However, the following is the presentation adopted in the Appendices to IFRS 8 and indicates which amounts should agree with items included elsewhere in this report.

17. Dividends (in the case of a trust, distributions)

17.1	Date the dividend (distribution) is payable	28 July 2022
17.2	+Record date to determine entitlements to the dividend (distribution) (i.e., on the basis of registrable transfers received up to 5.00 pm	07 June 2022
17.3	If it is a final dividend, has it been declared? *(Preliminary final report only)*	Yes

18. Amount per security

			Amount per +security	K'000s
18.4	*(Preliminary final report only)* **Final dividend:**	Ordinary Special	Toea 5.8 per share Toea 12.2 per share	55,428
18.5		Previous year	Toea 12 per share	36,952
18.6	*(Half yearly and preliminary final reports)* **Interim dividend:**	Current year	Toea 4.6 per share	14,164
18.7		Previous year	n/a	n/a

19. Total dividend (distribution) per security (interim plus final)

(Preliminary final report only)

		Current year	Previous year
19.8	+Ordinary securities	K0.23	K0.12
19.9	Preference +securities	-	-

20. Half yearly report - interim dividend (distribution) on all securities *or*

21. Preliminary final report - final dividend (distribution) on all securities

		Current period - K'000	Previous corresponding period - K'000
21.1	+Ordinary securities	69,592	36,952
21.2	Preference +securities	-	-
21.3	**Total**	**69,592**	**36,952**

The +dividend or distribution plans shown below are in operation.

-

The last date(s) for receipt of election notices for the +dividend or distribution plans	-

Any other disclosures in relation to dividends (distributions)

-

22. Details of aggregate share of profits (losses) of associates

Entity's share of associates'		Current period - K'000	Previous corresponding period - K'000
22.1	+Operating profit (loss) before income tax	-	-
22.2	Income tax expense	-	-
22.3	+Operating profit (loss) after income tax	-	-
22.4	Extraordinary items net of tax	-	-
22.5	Net profit (loss)	-	-
22.6	Outside +equity interests	-	-
22.7	Net profit (loss) attributable to shareholders	-	-

23. Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities.

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to +operating profit (loss) and extraordinary items after tax (item 2.14)	
23.1 Equity accounted +associated entities	**Current period**	**Previous corresponding period**	**Current period – K'000**	**Previous corresponding period – K'000**
Capital Insurance Group	25%	25%	-	-
23.2 Total	25%	25%	-	-
23.3 Other material interests	-	-	-	-
23.4 Total	25%	25%	-	-

24. Issued and quoted securities at end of current period

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

Category of +securities		Number issued	Number quoted	Amount paid per share (toea)	
24.1	**Preference +securities** *(description)*	-	-		
24.2	Issued during current period	-	-		
24.3	**+Ordinary securities** **Shares**	307,936,332	307,936,332		
24.4	Issued during current period (dividend reinvestment)	-	-		
24.5	**+Convertible debt securities** *(description and conversion factor)*	-	-		
24.6	Issued during current period	-	-		
24.7	**Options** *(description and conversion factor)*	-	-	*Exercise price*	*Expiry date (if any)*
24.8	Issued during current period	-	-	-	-
24.9	Exercised during current period	-	-	-	-
24.10	Expired during current period	-	-	-	-
24.11	**Debentures** *(totals only)*	-	-		
24.12	**Unsecured notes** *(totals only)*	-	-		

25. Comments by directors

Comments on the following matters are required by PNGX or, in relation to the half yearly report, by IAS 34: Half-Year Accounts and Consolidated Accounts. The comments do not take the place of the directors' report (as required by the Companies Act 1997) and may be incorporated into the directors' report. For both half-yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.

Material factors affecting the revenues and expenses of the economic entity for the current period

N/A

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

Changes in accounting policies since the last +annual report are disclosed as follows.

(Disclose changes in the half yearly report in accordance with paragraph 15(c) of IAS 34: Half-Year Accounts and Consolidated Accounts. Disclose changes in the preliminary final report in accordance with IAS 1: Accounting Policies-Disclosure.)

-

26. Additional disclosure for trusts

26.1	Number of +units held by the management company or a +related party of it	NA
26.2	A statement of the fees and commissions payable to the management company. Identify: • initial service charges • management fees • other fees	

27. Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:	
Place	Hilton Hotel, Port Moresby
Date	24 June 2022
Time	10:00am
Approximate date the +annual report will be available	20 May 2022

28. Compliance statement

1. This report has been prepared under accounting policies which comply with accounting standards approved by the Accounting Standards Board pursuant to the Companies Act 1997 or other standards acceptable to PNGX (see note 13).

Identify other standards used	None

2. This report, and the financial statements prepared under the Companies Act 1997 (if separate), use the same accounting policies.

3. This report does give a true and fair view of the matters disclosed (see note 2).

4. This report is based on financial statements to which one of the following applies.
(Tick one)

✓	The financial statements have been audited.	☐	The financial statements have been subject to review.
☐	The financial statements are in the process of being audited or subject to review.	☐	The financial statements have *not* yet been audited or reviewed.

5. If the audit report or review by the auditor is not attached, details of any qualifications will follow immediately they are available.

6. The entity has a formally constituted audit committee.

Sign here: .... Date: 14/03/2022
(Chairman)

Print name: **RICHARD SINAMOI**

Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section.

2. **True and fair view** If this report does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.

3. **Consolidated profit and loss account**

   Item 2.1 The definition of "operating revenue" and an explanation of "sales revenue" (or its equivalent) and "other revenue" are set out in *IFRS 15: Revenue from Contracts with Customers*.

   Item 2.2 'Share of +associates' "net profit (loss) attributable to shareholders"' would form part of "other revenue" in *IAS 28* to the extent that a profit is to be reported. PNGX has elected to require disclosure of a share of a loss in the same location for consistency of presentation.

   Item 2.4 "+operating profit (loss) before abnormal items and tax" is calculated before dealing with outside +equity interests and extraordinary items, but after deducting interest on borrowings, depreciation and amortisation.

   Item 2.7 This item refers to the total tax attributable to the amount shown in item 2.6. Tax includes income tax (if any) but excludes taxes treated as operating expenses.

4. **Income tax** If the amount provided for income tax in this report differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.

5. **Consolidated balance sheet**

   a. Format
   The format of the consolidated balance sheet should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *IFRS 10 Consolidated financial statements*.

   b. Basis of revaluation
   If there has been a material revaluation of non-current assets (including investments) since the last +annual report, the entity must describe the basis of revaluation adopted. The description must meet the requirements of IAS 40 *Investment property*. If the entity has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.

6. **Statement of cash flows** For definitions of "cash" and other terms used in this report see *IAS 7: Statement of Cash Flows*. Entities should follow the form as closely as possible, but variations are permitted if the directors (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *IAS 1*. +Mining exploration entities may use the form of cash flow statement in Appendix 5B.

7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the +ordinary securities (i.e., all liabilities, preference shares, outside +equity interests etc.). +Mining entities are *not* required to state a +net tangible asset backing per +ordinary security.

8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the consolidated financial statements. Details must include the contribution for each gain or loss that increased or

decreased the entity's consolidated +operating profit (loss) and extraordinary items after tax by more than 5% compared to the previous corresponding period.

9. **Rounding of figures** This report anticipates that the information required is given to the nearest K1,000. However, an entity may report exact figures, if the K'000 headings are amended.

10. **Comparative figures** Comparative figures are the unadjusted figures from the previous corresponding period. However, if there is a lack of comparability, a note explaining the position should be attached.

11. **Comparative figures when equity accounted information first included in the accounts** There will be a lack of comparability in the figures for the previous corresponding period when equity accounted information is first included if this information has a material effect on the consolidated accounts. If it does have a material effect, attach a note providing a better comparison by restating "+Operating profit (loss) after tax attributable to shareholders" (item 2.10) and "Investments in +associates" (item 23) for the previous corresponding period to incorporate equity accounted information. In addition, as required by Note 1, no directional or percentage changes in profit are to be reported in the "For announcement to the market" section. Where the disclosures were not previously required in Appendix 4B, no comparatives need be shown.

12. **Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the reports. The information may be an expansion of the material contained in this report, or contained in a note attached to the report. The requirement under the listing rules for an entity to complete this report does not prevent the entity issuing reports more frequently. Additional material lodged with the +Registrar under the Companies Act 1997 must also be given to PNGX. For example, a directors' report and statement, if lodged with the +Registrar, must be given to PNGX.

13. **Accounting Standards** PNGX may for foreign entities accept, for example, the use of accounting standards not approved under the Companies Act 1997 if the entity is not subject to, or is exempted from, the requirements of Section 390 of the Companies Act 1997.

29. Reports for industry and geographical segments

	General finance, leasing and hire purchase K'000	Property investment K'000	Investment company K'000	Total K'000
Revenue	88,550	29,205	52,937	170,692
Inter-segment revenue	2,463	4,495	10,124	17,082
Finance costs	(20,110)	-	-	(20,110)
Fair value (loss)/gain	-	(5,001)	10,336	5,335
Depreciation	(3,254)	(2,650)	(637)	(6,541)
Reportable segment profit before income tax	32,735	5,773	45,914	84,422
Share of profit of equity-method investee	-	-	-	-
Reportable segment assets	661,983	282,185	472,078	1,416,246
Investment in associate	-	-	8,283	8,283
Reportable segment liabilities	440,867	51,751	3,317	495,935

Reconciliation of reportable segment revenues, profits or loss, assets and liabilities:

	2021 K'000	2020 K'000
Revenues		
Total revenue for reportable segments	187,774	187,499
Fair value (loss)/gain	5,335	(9,851)
Finance costs	(20,110)	(26,696)
Elimination of inter-segment revenue	(17,082)	(8,659)
Net operating income	**155,917**	**142,293**
Profit or loss		
Total profit or loss for reportable segments	92,465	16,950
Elimination of inter-segment profit	(8,043)	(1,138)
Share of profit of equity-accounted investee	-	-
Consolidated profit before tax	**84,422**	**15,812**
Assets		
Total assets for reportable segments	1,897,576	1,968,478
Investment in equity-accounted investee	8,283	8,283
Elimination of intercompany balance	(66,522)	(94,097)
Elimination of investment in subsidiaries	(423,090)	(335,728)
Consolidated total assets	**1,416,246**	**1,546,936**
Liabilities		
Total liabilities for reportable segments	629,575	733,903
Elimination of intercompany balances	(133,640)	(102,686)
Consolidated total liabilities	**495,935**	**631,217**

Geographical segments	**Revenue (K'000)**		**Net Assets (K'000)**	
	2021	**2020**	**2021**	**2020**
Papua New Guinea	125,666	99,183	793,648	794,454
Fiji	23,637	28,497	85,817	80,617
Solomon Islands	1,444	4,336	14,249	17,688
Vanuatu	5,170	10,277	26,598	22,960
Total	**155,917**	**142,293**	**920,311**	**915,719**