PRELIMINARY REPORT

FINANCIAL HALF YEAR ENDED

30 JUNE 2022

Incorporating the requirements of Appendix 4B (equity accounted)

Appendix 4B

For the Half Year to 30 June 2022

Results for announcement to the market

Comparisons of the current year to 30 June 2022 are with the half year to 30 June 2021.

	Half Year June 2022	Half Year June 2021
Preliminary Report For the half year ended 30 June 2022		
Revenue from ordinary activities (PGK Millions)	**K101.2m**	**K98.0m**
Net profit after tax for the period		
Attributable to equity holders (PGK Millions)	K63.0m	K53.0m
Full Year dividend*		
Ordinary (PGK toea per share)	13.4	18.0***
Interim dividend**		
Ordinary (PGK toea per share)	10.2	4.6

**Prior year final dividend declared during the first half of the next financial year*
***Interim dividend declared during the second half of each financial year.*
****Includes final dividend of 5.8 toea per share and special dividend of 12.2 toea per share.*

Appendix 4B

Directors

The Directors present this report together with the Interim Condensed Consolidated Financial Report for the half year ended 30 June 2022.

Directors:

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

- Richard Sinamoi, Chairman
- Faye-Zina Lalo
- Albert Mellam
- Abigail Chang
- Melchior Togolo
- Stephen Humphries
- Clare Mazzetti (appointed 2 September 2021)
- Daryl Johnson (appointed 24 June 2022)

Ms. Anneka Linge was appointed as Company Secretary on 14 September 2021.

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1. Results overview

1.1 Results Highlights

Highlights	Half Year Ended			Change %
	Jun-22	Dec-21	Jun-21	vs Jun 21
RESULT DRIVERS - GROUP				
Group Core Operating (PGK'000) *	62,933	29,379	49,708	26.6%
NPAT attributable to the shareholders (PGK'000)	62,976	23,881	52,991	18.8%
Expense to Income Ratio**	44.7%	51.3%	46.8%	(2.1%)
Group Return on Equity	13.6%	8.6%	10.9%	2.7%
Return on Asset	4.2%	5.6%	3.3%	0.9%
Earnings Per Share	0.20	0.25	0.17	18.8%
Net Asset Backing Per Share	3.02	2.99	2.96	2.2%
RESULT DRIVERS - FINANCE				
Net Profit After Tax (PGK'000)	17,095	14,429	11,344	50.7%
Net interest margin (%)	12.4%	13.7%	10.9%	1.5%
Net Loan (PGK'000)	402,261	409,544	452,825	(11.2%)
Funding (PGK'000)	439,511	428,337	464,103	(5.3%)
Loan impairment expense/(credit) (PGK'000)	(6,972)	1,640	2,439	(385.9%)
RESULT DRIVERS - PROPERTY				
Core Operating Profit (PGK'000)	5,891	5,223	5,005	17.7%
Occupancy Rates	84.3%	75.0%	74.0%	10.3%
Investment property fair value (PGK'000)	251,358	254,773	253,344	(0.8%)
Rental Yields	12.7%	9.7%	9.3%	3.4%
RESULT DRIVERS - INVESTMENTS				
Fair Value of Listed Investments (PGK'000)	456,158	450,671	452,236	0.9%
Dividend Yield	10.6%	3.2%	8.5%	2.1%
Dividend Income (PGK'000)	48,353	14,565	38,372	26.0%

**Core operating profit excludes tax and fair value changes arising from revaluation*
***Expense to income excludes impairment costs and fair value changes*

1.2 Operating performance and earnings

Credit Corporation has continued to deliver positive results in the first half of financial year 2022, notwithstanding the volatile economic conditions and remnants of the pandemic.

The Group has maintained the rigour that has been adopted over the past few years as it worked through the challenges presented by COVID-19. This has enabled the Group to progress favourably towards achieving its long-term financial, operational, and strategic objectives.

In the first half of financial year 2022 (“1H22”), the Group recorded a 26.6% increase in Core Operating Profit to K62.9m against the prior corresponding period (“pcp”, “1H21”) of K49.7m. Net Profit after Tax (“NPAT”) increased by 18.8% to K63.0m against the pcp.

The positive results benefited from several factors including disciplined control of net interest margins and operating costs, continued focus on collections and credit procedures resulting in lower impairment costs, higher dividend income from the Group’s investment in BSP Financial Group Limited and improved occupancy of its Property investments.

Total operating costs reduced by 18.4% to K30.5m against the pcp, primarily due to improved impairment outcomes. The increase in income, augmented by higher dividend income and improved occupancy rates, were offset to some extent by the continued pressure on interest income as a result of the impacts of COVID-19 restrictions. Nonetheless the expense to income ratio improved by over 200 bps to 44.7% against the pcp.

Consequently, the Group's return on equity improved to 13.6% compared to 10.9% in the pcp, and earnings per share increased to 20.5 toea per share compared to 17.2 toea per share in the pcp.

The Group's strong capital position and balance sheet continue to facilitate healthy returns to shareholders. A total of 18.0 toea per share in dividends was paid to shareholders for the financial year 2021 ("FY21"). As the trend of positive results continue into financial year 2022 ("FY22"), the Board has declared an interim dividend of 10.2 toea per share. This compares to 4.6 toea per share paid for 1H21, representing an increase of over 122% in dividend per share ("DPS") against the pcp.

The monitoring of operating expenses, continued focus on collections and credit procedures, and improving sales performance, positions the Group to take advantage of changes to the economic environment in all the jurisdictions in which it operates, and to seize the opportunities presented as the transition out of the COVID-19 pandemic evolves.

A customer and people focus, the cornerstone of the Groups operations, remains. During the height of the pandemic, the Group is proud to have assisted its SME customers, enabling them to continue their operations, and safeguarded the employment of its people. The Group is committed to ensure this focus remains into 2H22 as it invests and progresses areas of strategic importance with the overarching intent of maintaining a strong balance sheet and shareholder value creation.

1.2.1 Finance Segment

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, and long lead times for supply of equipment. 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. In the offshore jurisdictions, supply of equipment continues to remain a challenge with average 'wait periods' of 4-6 months.

Despite this, the Finance Segment remained well capitalised, with a solid liquidity position providing a natural hedge against uncertainty.

The Finance Segment made a net profit after tax of K17.1m, an increase of 50.7% against the pcp. Against 1H21, the net loan book decreased by 11.2% to K402.3m due to a mix of the impacts of operating difficulties faced by our customers, a higher run-off rate and lower sales volume growth. To preserve net interest income, the Group therefore reduced its exposure to high-cost funds resulting in a 29% reduction in finance costs against the pcp to K7.8m.

The Group continues to focus on managing its costs and improving the credit quality of its loan portfolio, including collections, and increasing its sales volumes.

Papua New Guinea (PNG)

Relatively subdued economic activity has continued thus far in 2022. This is not expected to return to pre-Covid-19 levels until the end of the year. The resultant impact of the pandemic including supply chain disruptions, slow start to commencement in activity in the mining sector including delays in implementation of major LNG projects, have contributed to the slow economic growth.

In 1H22, Credit Corporation Finance Limited made a net profit after tax of K2.0m compared to K5.5m in 1H21. The results were impacted by the reducing loan book against pcp. From a growth perspective, the loan portfolio has started to pick up momentum in 1H22 with a strong pipeline to support further growth in the second half.

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

Fiji

Global conditions remain a threat to supply chain, and competition continues to be stiff within the Fiji economy. Despite the re-emergence of COVID-19 which is expected to continue into the later part of the year, economic activity has started to pickup with the opening of the borders seeing an increase in tourist numbers in the first half of 2022.

This has resulted in the revision of the economic growth number for 2022, now projected to be 12.4% from the earlier forecast of 11.3%.

Credit Corporation (Fiji) Pte Limited made a net profit after tax of K12.5m in 1H22 compared to K2.1m in 1H21. The favourable performance is attributed to tight control of expenses and lower impairment costs underpinned by an increased focus on collections and credit procedures 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 continues to remain subdued in 1H22, due to the impact of COVID-19 and the after-effects of the political riots in 2H21. The loan book remains under stress due to the slow economic growth and our business continues to face challenges in recovery of delinquent exposures.

Credit Corporation (Solomon Islands) Limited recorded a net profit after tax of K0.5m, compared to a profit after tax of K1.5m in the pcp. The results were impacted by the flow-on effects of the riots during the second half of 2021, adding to the already stressed economy due to the pandemic. 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 supply chain disruptions, a fall in foreign investment, a significant reduction in tourism earnings and lower employment.

The opening of borders in the second half of 2022 is expected to increase economic activity albeit at a slow rate. As a result, growth projections have been revised to 3.6% for 2022 which is 0.8% higher than the 2021 estimate.

Despite these headwinds the Credit Corporation (Vanuatu) Limited business recorded a net profit after tax of K2.1m in 1H22 compared to K1.9m in the pcp. The Improved performance was mainly attributed to disciplined control of costs and lower impairment charges as an outcome of improved collections.

Credit Corporation (Vanuatu) Limited maintains a strong liquidity position despite the current economic challenges.

1.2.2 Property Segment

The Property division's residential properties have started to see solid growth in occupancy rates as the economy eases out of the pandemic and its associated restrictions.

As border restrictions imposed to address risks associated with the spread of COVID-19 have been relaxed, there has been an increase in economic activity across all industries. Credit Corporation's residential properties have seen an increase in new tenant enquiries, with increased conversions compared to the prior year driving occupancy rates above that reported for FY21.

Occupancy by property during 1H22 was as follows.

- Era Dorina Estate — occupancy increased to 63% (46% as at December 2021, 46% as at June 2021).
- Era Matana Estate — occupancy increased to 89% (77% as at December 2021, 77% as at June 2021).
- Credit House — occupancy maintained at 100% from June 2021.

Credit House has maintained 100% occupancy driven by lease renewals and extensions from existing commercial tenants plus additional space requirements from a current long-term tenant.

Increased occupancies in the residential estates were further enhanced through tailored marketing campaigns and preferred accommodation supplier agreements to high volume unit tenant companies towards the end of FY21, to entice new tenants. This, coupled with the introduction of tenant value added incentives including increased complimentary Wi-Fi, complimentary tenant airport and local transfers and improved unit offerings for the residential properties, successfully reduced existing tenant turnover and attracted new occupants.

Furthermore, Credit Corporation Properties introduced a new product offering with Serviced Units in FY21, aimed at both long term (more than 12 months) and short term (1 to 12 months). This new inventory offering with its flexibility, has gained traction into 1H22, contributing to the increase in occupancy. The growing market, fuelled by an influx of Aid Agencies and commencement of preparations for mineral and gas project expansions, is expected to further increase occupancy and profitability of the properties division as PNG transitions following the pandemic and National General Election in 2022.

The focus remains on building capacity in available inventory through soft refurbishment as well as in staff resources, and bench strength through additional staff training (external and internal) to continue positive response times in tenant customer services, and reduced turnaround time on maintenance issues. Offering a range of varied market segments with additional flexibility for tenant lease duration will also drive growth in occupancy and revenue.

During 1H22, the properties division has contributed a consolidated core operating profit of K5.9m representing an increase of 18% against the pcp.

1.2.3 Investment Segment

Yields on the Group's investments improved during 1H22, predominantly driven by its BSP shares. The BSP share price increased by 15 toea against FY21 closing price, and as a result the Group booked a valuation increase of K5.5m. The dividend payout ratio from BSP also increased, resulting in improved dividend flow from BSP.

1.2.4 Assets held for sale

On 22 August 2022, CCPNG entered into a sale agreement with Beowulf Limited to sell the Voco Point Commercial Property. As at the reporting period end, the transaction had not been completed and in accordance with IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations this was reclassified from Investment Properties to Assets Held for Sale.

The asset held for sale has been measured at the lower of carrying amount and fair value less costs to sell and is presented separately in the statement of financial position, with any changes accounted for in other comprehensive income in accordance with IFRS 5.

1.3 Key strategic priorities

Following the Board's strategic review in FY21, a new strategic plan was approved for the next 5 years which will set Credit Corporation on a transformational journey.

The strategic plan sets out the pathway for Credit Corporation with the intent of simplifying the group structure as it progresses its way through to becoming a niche commercial bank and a secondary listing on the ASX.

The journey includes divesting non-core assets; making structural changes to optimise the value proposition as a financial services group; and focusing on effective pathways to enhance investor participation in the long term.

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 Westpac's intention to exit the Pacific market. The Board is confident that the opportunity exists for a new entrant in the sector.

1.4 Governance and risk

Throughout the course of 1H22, the Governance framework of Credit Corporation continued to be strengthened through recruitment at Board and Executive Level, as well as a holistic review of the initial Risk Framework (introduced in 2020) and key underlying policies and tools.

At Board level, Daryl Johnson, a seasoned banking executive, was appointed to the board in July 2022. He brings a wealth of experience in the areas of banking, finance, payments, and risk management, both in Australia and internationally, as well as extensive expertise in strategy development and change management.

At Executive Level, the Group Chief Risk Officer (Mr Andre De Bakhapouve) was formally appointed into a permanent role in April 2022, after initially accepting the role in an acting capacity in Q4 2021. Mr Bakhapouve brings significant global banking and risk management expertise to this role.

The initial Risk Management Framework and rollout of the strategy was developed in 2020/21 and endorsed by the Board, however the resignation of the former Group Chief Risk Officer in 2021 and a significant 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 at operational level. In addition, a comprehensive review of the initial Risk Management framework in line with the new business strategic intent was initiated by the Risk team in Q2 2022, and an initial proposal outlining key focus areas for Risk and Governance where further enhancement and resources are required was presented to the Board in June 2022.

The Internal Audit Function was outsourced in 2021 to PricewaterhouseCoopers, who are now operating in conjunction with our in-house risk management function, while we gradually build the capacity and expertise for an in-house internal audit function. Our first group internal auditor was hired in early 2022 (based in Fiji) with recruitment for a Head of Internal Audit currently under way.

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 next comprehensive review is scheduled for Q4 2022.

The management of non-financial risks (including Operational Risk and Compliance) has been identified as a key area of focus for 2022 by the new Group CRO. This area within the Risk Management department has therefore been strengthened by bringing on board additional senior resources. Some of the key projects in 1H22 include: the development of a new comprehensive Risk Register, the introduction of a new business wide ERM Risk Tool, and substantial reduction in the number of outstanding (legacy) Regulatory issues.

Embedding a Risk Culture more holistically throughout the entire operations of the group has been identified as the other strategic priority for Risk Management for 2022. To drive Risk Culture holistically, the Risk Function and People and Culture are working jointly to introduce consistent and role type/seniority specific Risk related KPIs for all staff throughout the business for the first time.

Importantly, we continued to support our customers and our people during the pandemic and recent election linked volatility across PNG, including the enhancement of our Business Continuity and Resilience strategy that has been well tested during this 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 half year ended 30 June 2022.

1.5.1 Statutory results

The information below reflects the interim condensed consolidated financial results for Credit Corporation Group for the half year ended 30 June 2022.

Figures in PGK'000s	Half Year Ended			Change %
	Jun-22	Dec-21	Jun-21	vs Jun 21
Finance Income	33,366	39,595	41,958	(20.5%)
Finance cost	(7,775)	(9,210)	(10,900)	(28.7%)
Net Finance income	**25,591**	**30,385**	**31,058**	**(17.6%)**
Other income	67,863	33,076	56,064	21.0%
Fair value gain/(loss) on financial assets	5,487	(1,564)	11,900	(53.9%)
Fair value gain/(loss) on investment properties	-	757	(5,758)	(100.0%)
Net operating income	**98,941**	**62,654**	**93,264**	**6.10%**
Impairment loss/(recovery) on finance receivables	(6,972)	1,640	2,439	(385.9%)
Personnel expenses	13,595	11,947	11,569	17.5%
Depreciation expense	3,410	3,353	3,187	7.0%
Other operating expenses	20,488	17,141	20,219	1.3%
Total expenses	**30,521**	**34,081**	**37,414**	**(18.4%)**
Results from operating activities	**68,420**	**28,573**	**55,850**	**22.5%**
Profit before tax	**68,420**	**28,573**	**55,850**	**22.5%**
Income tax expense (benefit)	5,444	4,692	2,859	(90.4%)
Profit attributable to equity holders of the company	**62,976**	**23,881**	**52,991**	**18.8%**

1.5.2 Net interest margin

Figures in PGK'000s	Half Year Ended			Change %
	Jun-22	Dec-21	Jun-21	vs Jun 21
Average Interest earning assets	442,655	456,997	548,927	(19.4%)
Average yield on interest earning assets (%)	16.0%	17.8%	15.3%	0.7%
Average interest-bearing liabilities	433,924	488,312	498,034	(12.9%)
Average cost on interest bearing liabilities (%)	3.6%	4.1%	4.4%	(0.8%)
Interest spread (%)	12.4%	13.7%	10.9%	1.5%

The Net Interest Margin ("NIM") increased by 150bps to 12.4% for the half year ended 30 June 2022.

Reduction on interest-bearing liabilities also resulted in reduced cost of funds by 80 bps.

1.5.3 Investment fair value movement

Figures in PGK'000s	Half Year Ended			Change %
	Jun-22	Dec-21	Jun-21	vs Jun 21
Property				
Residential property	-	19,126	(15,030)	(100.0%)
Commercial Property	-	(18,369)	9,272	(100.0%)
Total gain/(loss) on property valuation	**-**	**757**	**(5,758)**	**(100.0%)**
Financial Assets				
Listed equity	5,487	(1,564)	11,900	(53.9%)
Share of profits from equity accounted investee	-	-	-	0.0%
Total gain/(loss) on valuation of financial assets	**5,487**	**(1,564)**	**11,900**	**(53.9%)**
Total gain/(loss) on valuation of investments	**5,487**	**(807)**	**6,142**	**(10.7%)**

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 1H22, the Group performed an internal valuation of its properties to confirm their fair market value. As a result, property values were not adjusted due to immaterial difference with the carrying amount and the computed values. The valuation position was attributed to market factors such as rental rates, property prices and yields, average lease tenures and the market outlook.

Investment valuations

The investment portfolio consists of listed equities, predominantly BSP shares. The valuation gain on listed equities was K5.5m at 1H22 compared to a gain of K6.1m in the pcp, representing a decrease of 10.7%. Dividend yield increased by 210bps, mainly due to the increase in 2021 final dividends received from BSP during the half year ended 30 June 2022.

1.5.4 Share of profits from equity accounted investee

Figures in PGK'000s	Half Year Ended			Change %
	Jun-22	Dec-21	Jun-21	vs Jun 21
Investments - equity accounted	8,283	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 1H22 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 1H22, there were no dividends received from CIG.

1.5.5 Operating expenses

Figures in PGK'000s	Half Year Ended			Change %
	Jun-22	Dec-21	Jun-21	vs Jun 21
Impairment loss/(recovery) on finance receivables	(6,972)	1,640	2,439	(385.9%)
Personnel expenses	13,595	11,947	11,569	17.5%
Depreciation expense	3,410	3,353	3,187	7.0%
Other operating expenses	20,488	17,140	20,219	1.3%
Total Expenses	**30,521**	**34,081**	**37,414**	**(18.4%)**

Operating expenses decreased by 18.4% compared to HY21. 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 1H22:

- Personnel costs increased by 17.5% 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 7% reflecting investments in IT systems and replacement of end-of-life assets.
- Other operating expenses increased marginally by 1.3%, 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	Half Year Ended			Change %
	Jun-22	Dec-21	Jun-21	vs Jun 21
Loan Balance (net of unearned income)				
· Stage 1 - 12 month ECL	275,455	285,134	282,515	(2.5%)
· Stage 2 - Life time ECL	54,065	57,503	82,446	(34.4%)
· Stage 3 - Life time ECL	161,820	181,894	207,228	(21.9%)
Total loans (Net of unearned income)	**491,339**	**524,532**	**572,189**	**(14.1%)**
Loan Provisions	(89,078)	(114,988)	(119,364)	(25.4%)
Net loan book	**402,261**	**409,544**	**452,825**	**(11.2%)**
Loan impairment expense/(recovery)	**(6,972)**	**1,640**	**2,439**	**(385.9%)**

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.

The reduction in the impairment expense is due to the lower loan balance in the current period compared to the pcp, and overall improvement in the Groups collection and credit procedures.

1.5.7 Group Capital Adequacy

The Group's 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 and Leverage Ratios to ensure the finance businesses are appropriately capitalised. All of the Group's Capital Adequacy Ratios remain comfortably above regulatory requirements.

The Group's financial strength is reflected in its level of capital, with a Tier 1 Capital Ratio of 36%.

The leverage ratio, which is defined as Tier 1 Capital as a percentage of total exposures, stood at 27% in 1H22 compared with 24% at 30 June 2021.

Figures in PGK'000s	Half Year Ended			Change %
	Jun-22	Dec-21	Jun-21	vs Jun 21
Total Risk Weighted Capital	229,000	200,737	204,870	12%
Tier 1 Capital	195,764	184,422	176,115	11%
Tier 2 Capital	33,236	16,316	28,755	16%
Total RWC	**42%**	**40%**	**34%**	**8%**
Tier 1 RWC	**36%**	**37%**	**29%**	**7%**
Leverage Ratio	**27%**	**30%**	**24%**	**3%**

1.5.8 Lending

Figures in PGK'000s	Half Year Ended			Change %
	Jun-22	Dec-21	Jun-21	vs Jun 21
Gross balance	551,678	582,036	633,840	(13.0%)
Unearned income	(60,339)	(57,503)	(61,651)	(2.1%)
Provision	(89,078)	(114,988)	(119,364)	(25.4%)
Net loans	**402,261**	**409,544**	**452,825**	**(11.2%)**

The net loan book reduced by 11.2% in 1H22 reflecting limited loan growth opportunities coupled with a sustained run-off rate.

The Group is committed to quality loan growth as appropriate opportunities arise.

1.5.9 Funding

Figures in PGK'000s	Half Year Ended			Change %
	Jun-22	Dec-21	Jun-21	vs Jun 21
On Call	-	123	124	(100.0%)
1 month	41,100	34,286	37,305	10.2%
2 months	39,236	50,137	44,035	(10.9%)
3 months	28,494	52,636	40,217	(29.1%)
6 months	111,057	91,237	156,572	(29.1%)
12 months	128,526	144,613	132,873	(3.3%)
24 months	91,099	55,305	52,976	72.0%
Total Deposits for Credit Corp	**439,511**	**428,336**	**464,102**	**(5.3%)**

Funding reduced by 5.3% in 1H22 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. Liquidity levels across the Group remain sufficient.

2. Consolidated profit and loss account

		Current period – K''000	Previous corresponding period - K''000
2.1	Sales (or equivalent operating) revenue	47,508	54,071
2.2	Share of +associates' "net profit (loss) attributable to shareholders"	-	-
2.3	Other revenue	59,208	50,092
2.4	**+Operating profit (loss) before abnormal items and tax**	**68,420**	**55,850**
2.5	Abnormal items before tax	-	-
2.6	+Operating profit (loss) before tax	68,420	55,850
2.7	Less tax	(5,444)	(2,859)
2.8	+Operating profit (loss) after tax but before outside +equity interests	62,976	52,991
2.9	Less outside +equity interests	-	-
2.10	**+Operating profit (loss) after tax attributable to shareholders**	**62,976**	**52,991**
2.11	Extraordinary items after tax	-	-
2.12	Less outside +equity interests	-	-
2.13	Extraordinary items after tax attributable to shareholders	-	-
2.14	**Total +operating profit (loss) and extraordinary items after tax**	**62,976**	**52,991**
2.15	+Operating profit (loss) and extraordinary items after tax attributable to outside +equity interests	-	-
2.16	**+Operating profit (loss) and extraordinary items after tax attributable to shareholders**	**62,976**	**52,991**
2.17	Retained profits (accumulated losses) at beginning of financial period	446,922	446,477
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	(5,486)	(7,869)
2.20	Total available for appropriation *(carried forward)*	504,412	491,599
2.21	Dividends provided for or paid Final dividend: 13.4 toea per share / 18.0 toea per share Interim dividend: N/A	(41,263)	(55,428)
2.22	Aggregate of amounts transferred to reserves	-	-
2.23	**Retained profits (accumulated losses) at end of financial period**	**463,149**	**436,171**
2.24	+Operating profit (loss) after tax before outside +equity interests and amortisation of goodwill	62,976	52,991
2.25	Less (plus) outside +equity interests	-	-
2.26	+Operating profit (loss) after tax (before amortisation of goodwill) attributable to shareholders	62,976	52,991

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. Intangible, abnormal and extraordinary items

		Current period - K'000	Previous corresponding period- K'000
4.1	Consolidated +operating profit after tax attributable to **shareholders** reported for the 1st half year (item 2.10 in the half yearly report)	62,976	52,991
4.2	Consolidated +operating profit after tax attributable to **shareholders** reported for the 2nd half year	N/A	N/A

5. Consolidated balance sheet

		At end of current period K'000	As shown in last +annual report K'000	As in last half yearly report K'000
Current assets				
5.1	Cash	248,750	189,339	209,070
5.2	Receivables – net of portfolio & specific provisions	111,741	319,200	251,652
5.3	Investments	41,715	31,789	20,381
5.4	Inventories	1,077	1,188	1,506
5.5	Other – (Other Debtors & Income & Dividend WTax)	13,922	12,282	5,348
5.6	**Total current assets**	**417,205**	**553,798**	**487,957**
Non-current assets				
5.7	Receivables – net of portfolio & specific provisions	290,520	90,344	201,173
5.8	Investments in +associates	8,283	8,283	8,283
5.9	Other investments	711,350	705,478	737,505
5.10	Inventories	-	-	-
5.11	Exploration and evaluation expenditure capitalised (see para .71 of *AASB 1022*)	-	-	-
5.12	Development properties (+mining entities)	-	-	-
5.13	Other property, plant and equipment (net)	28,281	29,383	31,326
5.14	Intangibles (net)	45	52	-
5.15	Other (deferred tax asset & other debtors)	24,653	28,908	43,808
5.16	**Total non-current assets**	**1,063,132**	**862,448**	**1,022,095**
5.17	**Total assets**	**1,480,337**	**1,416,246**	**1,510,052**
Current liabilities				
5.18	Accounts payable	17,351	12,350	9,483
5.19	Borrowings	42,747	49,609	47,623
5.20	Provisions (Including dividend payable)	45,926	5,640	58,863
5.21	Other (deposits, income tax & IFRS 16 lease liability)	350,148	373,000	408,199
5.22	**Total current liabilities**	**456,172**	**440,599**	**524,168**
Non-Current liabilities				
5.23	Accounts payable	-	-	-
5.24	Borrowings	-	-	-
5.25	Provisions (deferred tax liability)	-	-	13,176
5.26	Other (deposits & IFRS 16 lease liability)	93,056	55,335	61,773
5.27	**Total non-current liabilities**	**93,056**	**55,335**	**74,949**
5.28	**Total liabilities**	**549,228**	**495,934**	**599,117**
5.29	**Net assets**	**931,109**	**920,312**	**910,935**
Equity				
5.30	Capital	21,984	21,984	21,984
5.31	Reserves	445,976	451,406	452,780
5.32	Retained profits	463,149	446,922	436,171
5.33	Equity attributable to shareholders of the parent entity	931,109	920,312	910,935
5.34	Outside +equity interests in controlled entities	-	-	-
5.35	**Total equity**	**931,109**	**920,312**	**910,935**
5.36	Preference capital included as part of 5.33	-	**-**	**-**

6. 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
6.1	Opening balance	NA	NA
6.2	Expenditure incurred during current period	NA	NA
6.3	Expenditure written off during current period	NA	NA
6.4	+Acquisitions, disposals, revaluation increments, etc.	NA	NA
6.5	Expenditure transferred to development properties	NA	NA
6.6	**Closing balance as shown in the consolidated balance sheet**	NA	NA

7. Development properties

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

		Current period - K'000	Previous corresponding period - K'000
7.1	Opening balance	NA	NA
7.2	Expenditure incurred during current period	NA	NA
7.3	Expenditure transferred from exploration and evaluation	NA	NA
7.4	Expenditure written off during current period	NA	NA
7.5	+Acquisitions, disposals, revaluation increments, etc.	NA	NA
7.6	Expenditure transferred to mine properties	NA	NA
7.7	**Closing balance as shown in the consolidated balance sheet**	NA	NA

8. Consolidated statement of cash flows

		Current period – K''000	Previous corresponding period - K''000
Cash flows related to operating activities			
8.1	Receipts from customers	50,374	56,805
8.2	Payments to suppliers and employees	(35,776)	(34,817)
8.3	Dividends received from +associates	-	-
8.4	Other dividends received	48,352	38,372
8.5	Interest and other items of similar nature received	-	-
8.6	Interest and other costs of finance paid	(7,775)	(10,900)
8.7	Income taxes paid	(2,577)	(954)

		Current period – K''000	Previous corresponding period - K''000
8.8	Other (provide details if material) – movements in loans advanced and deposits by finance entities	24,967	(34,997)
8.9	**Net operating cash flows**	**77,565**	**13,509**
Cash flows related to investing activities			
8.10	Payment for purchases of property, plant and equipment	(1,724)	(3,919)
8.11	Proceeds from sale of property, plant and equipment	216	419
8.12	Payment for purchases of equity investments	-	-
8.13	Proceeds from sale of equity investments	-	-
8.14	Loans to other entities	-	-
8.15	Loans repaid by other entities	-	-
8.16	Other (provide details if material) - (short term investments & interest income from funds deposited, including acquisition of investment property, interest income from other investments)	(8,159)	(30,043)
8.17	**Net investing cash flows**	**(9,667)**	**(33,543)**
Cash flows related to financing activities			
8.18	Proceeds from issues of securities (shares, options, etc.)	-	-
8.19	Proceeds from borrowings	-	-
8.20	Repayment of borrowings	(2,487)	(2,270)
8.21	Dividends paid	-	-
8.22	Other (provide details if material)	(1,147)	(1,364)
8.23	**Net financing cash flows**	**(3,634)**	**(3,634)**
8.24	**Net increase (decrease) in cash held**	**64,264**	**(23,668)**
8.25	Cash at beginning of period *(see Reconciliation of cash)*	189,339	234,358
8.26	Exchange rate adjustments to item 5.1.	(4,853)	(1,620)
8.27	**Cash at end of period** *(see Reconciliation of cash)*	**248,750**	**209,070**

9. Non-cash financing and investing activities

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

10. 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
10.1	Cash on hand and at bank	248,750	209,070
10.2	Deposits at call	-	-
10.3	Bank Overdraft	-	-
10.4	Other	-	-
10.5	Total cash at the end of period (item 7.27)	248,750	209,070

11. Ratios

		Current period - K'000	Previous corresponding period- K'000
11.1	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)	144.0%	103.3%
11.2	Profit after tax/ equity interests Consolidated operating profit (loss) after tax attributable to shareholders (item 2.10) as a percentage of equity (similarly attributable) at the end of the period (item 5.33)	6.8%	5.8%

12. Earnings per security (EPS)

		Current period	Previous corresponding period
12.1	Calculation of the following in accordance with IAS 33: Earnings per Share		
	(a) Basic EPS (Toea per share)	0.20	0.17
	(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

13. NTA backing

		Current period - K'000	Previous corresponding period - K'000
13.1	+Net tangible asset backing per +ordinary security	K3.02	K2.96

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

		Current period - K'000	Previous corresponding period - K'000
14.1	Interest revenue included in determining item 2.4	33,366	41,958
14.2	Interest revenue included in item 13.1 but not yet received	-	-
14.3	Interest expense included in item 2.4 (include all forms of interest, lease finance charges, etc.)	(7,775)	(10,900)
14.4	Interest costs excluded from item 13.3 and capitalised in asset values	-	-
14.5	Outlays	-	-
14.6	Depreciation and amortisation (excluding amortisation of intangibles)	(3,410)	(3,187)

15. Control gained over 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) since the date in the current period on which control was +acquired	K
15.3	Date from which such profit has been calculated	N/A
15.4	+Operating profit (loss) and extraordinary items after tax of the entity (or group of entities) for the whole of the previous corresponding period	K

16. Loss of control of entities having material effect

16.1	Name of entity (or group of entities)	NA
16.2	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
16.3	Date to which the profit (loss) in item 16.2 has been calculated	N/A
16.4	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
16.5	Contribution to consolidated +operating profit (loss) and extraordinary items from sale of interest leading to loss of control	K

17. 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.

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

18.1	Date the dividend (distribution) is payable	18 November 2022
18.2	+Record date to determine entitlements to the dividend (distribution) (i.e., on the basis of registrable transfers received up to 6.00 pm	27 September 2022
18.3	If it is a final dividend, has it been declared? *(Preliminary final report only)*	N/A

19. Amount per security

			Amount per +security	K'000s
19.1	*(Preliminary final report only)* **Final dividend:**	Current Year - Ordinary	N/A	N/A
19.2		Previous Year - Ordinary	N/A	N/A
19.3	*(Half yearly and preliminary final reports)* **Interim dividend:**	Current year - Ordinary	Toea 10.2 per share	31,466
19.4		Previous year	Toea 4.6 per share	14,164

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

(Preliminary final report only)

		Current year	Previous year
20.1	+Ordinary securities	N/A	N/A
20.2	Preference +securities	-	-

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

		Current period - K'000	Previous corresponding period - K'000
21.1	+Ordinary securities	31,466	14,164
21.2	Preference +securities	-	-
21.3	**Total**	**31,466**	**14,164**

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

		Current period - K'000	Previous corresponding period - K'000
22.1	+Ordinary securities	N/A	N/A
22.2	Preference +securities	N/A	N/A
22.3	**Total**	**N/A**	**N/A**

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)

-

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

Entity's share of associates'		Current period - K'000	Previous corresponding period - K'000
23.1	+Operating profit (loss) before income tax	-	-
23.2	Income tax expense	-	-
23.3	+Operating profit (loss) after income tax	-	-
23.4	Extraordinary items net of tax	-	-
23.5	Net profit (loss)	-	-
23.6	Outside +equity interests	-	-
23.7	Net profit (loss) attributable to shareholders	-	-

24. 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)	
24.1 Equity accounted +associated entities	**Current period**	**Previous corresponding period**	**Current period – K'000**	**Previous corresponding period – K'000**
Capital Insurance Group	25%	25%	-	-
24.2 Total	25%	25%	-	-
24.3 Other material interests	-	-	-	-
24.4 Total	25%	25%	-	-

25. 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)	
25.1	**Preference +securities** *(description)*	-	-		
25.2	Issued during current period	-	-		
25.3	**+Ordinary securities** **Shares**	307,936,332	307,936,332		
25.4	Issued during current period (dividend reinvestment)	-	-		
25.5	**+Convertible debt securities** *(description and conversion factor)*	-	-		
25.6	Issued during current period	-	-		
25.7	**Options** *(description and conversion factor)*	-	-	*Exercise price*	*Expiry date (if any)*
25.8	Issued during current period	-	-	-	-
25.9	Exercised during current period	-	-	-	-
25.10	Expired during current period	-	-	-	-
25.11	**Debentures** *(totals only)*	-	-		
25.12	**Unsecured notes** *(totals only)*	-	-		

26. 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.)

-None

27. Additional disclosure for trusts

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

28. Annual meeting

(Preliminary final report only)

The annual meeting* will be held as follows:

Place	N/A
Date	N/A
Time	N/A
Approximate date the +annual report will be available	N/A

29. 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: 13 September 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.

30. Reports for industry and geographical segments

	General finance, leasing and hire purchase	Property investment	Investment company	TOTAL
	K'000	K'000	K'000	K'000
Revenue	36,334	16,360	48,535	101,229
Inter-segment revenue	1,219	2,513	7,842	11,574
Finance costs	(7,775)	-	-	(7,775)
Fair value (loss)/gain	-	-	5,487	5,487
Depreciation	(1,642)	(1,385)	(383)	(3,410)
Reportable segment profit before income tax	20,562	6,562	48,434	75,558
Share of profit of equity-method investee	-	-	-	-
Reportable segment assets	734,321	283,983	948,281	1,966,585
Investment in associate	-	-	8,283	8,283
Reportable segment liabilities	489,603	115,169	82,841	687,253

Revenues	**2022**	**2021**
Total revenue for reportable segments	112,803	187,774
Fair value (loss)/gain	5,487	5,335
Finance costs	(7,775)	(20,110)
Elimination of inter-segment revenue	(11,574)	(17,082)
Net operating income	**98,940**	**155,917**
Revenue only	118,290	193,109
Profit or loss		
Total profit or loss for reportable segments	75,558	92,465
Elimination of inter-segment profit	(7,139)	(8,043)
Share of profit of equity-accounted investee	-	-
Consolidated profit before tax	**68,420**	**84,422**
Assets		
Total assets for reportable segments	1,966,585	1,897,576
Investment in equity-accounted investee	8,283	8,283
Elimination of intercompany balance	(126,566)	(66,522)
Elimination of investment in subsidiaries	(367,965)	(423,090)
Consolidated total assets	**1,480,337**	**1,416,247**
Liabilities		
Total liabilities for reportable segments	687,253	629,575
Elimination of intercompany balances	(138,025)	(133,640)
Consolidated total liabilities	**549,228**	**495,934**

Geographical segments	**Revenue**		**Net Assets**	
	K'000	K'000	K'000	K'000
	2022	2021	2022	2021
PNG	82,349	125,666	805,115	793,648
FJ	13,429	23,637	87,675	85,817
SI	1,061	1,444	16,363	14,249
Vanuatu	2,101	5,170	21,957	26,598
Total	**98,940**	**155,917**	**931,109**	**920,312**