

INVESTOR PRESENTATION
1H 2023

Banking on a bright future



1H23 OVERVIEW

Improving Financial Performance

Revenue growth from core activities

- Increase in interest income
- Increase in rental income
- Higher dividend receipts

Growth in operating profit and NPAT

- Revenue growth
- Gains in valuation of investments
- Cost controls across the organisation

Strong financial performance reflects:

- Commitment to sustainable revenue growth
- Prudent cost control
- Strategic focus on generating value for stakeholders

FINANCIAL SUMMARY



Core Operating Profit (COP)

K64.57m

▲ up 2.6%



Net Profit After Tax

K74.26m

▲ up 17.9%



Net Loan Receivables

K437.4m

▲ up 8.7%



Net Interest Margin

12.0%

▼ down 0.5%



Net Asset Backing per Share

K3.11

▲ up 3.0%



Interim Dividends (PNG Toea)

11.0

(1H22 10.2)

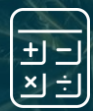
▲ up 7.8%



Total RWC Ratio

36.1%

above minimum requirement of 12%



Deposits

K462.9m

▲ up 5.3%



Earnings per Share (PNG toea)

24.1

▲ up 17.9%

SEGMENT PERFORMANCE (vs PCP)

INVESTMENT

Dividend Income

K50.9m

▲ up 5.4%

PROPERTY

COP

K6.8m

▲ up 15.3%

FINANCE

NPAT

K15.3m

▼ down 10.4%

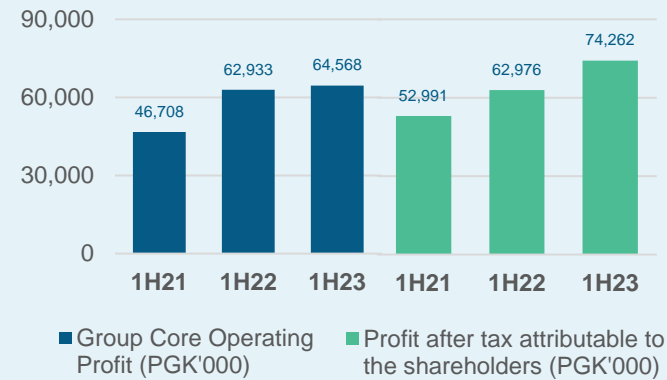
Group Results Overview

Group Highlights	Half year ended		Change %
	JUNE 23	JUNE 22	VS JUNE 22
Group Core Operating Profit (PGK '000)	64,568	62,933	2.6%
NPAT Attributable to Shareholders (PGK '000)	74,262	62,976	17.9%
Expense to Income Ratio	44.1%	44.7%	-0.6%
Group Return on Equity	8.3%	8.4%	-0.1%
Return on Assets	5.3%	5.2%	0.1%
Earnings per Share (PNG toea)	24.1	20.5	17.9%
Dividend per Share (PNG toea)	11.0	10.2	7.8%
Net Asset Backing per Share (PNG Kina)	3.11	3.02	3.0%

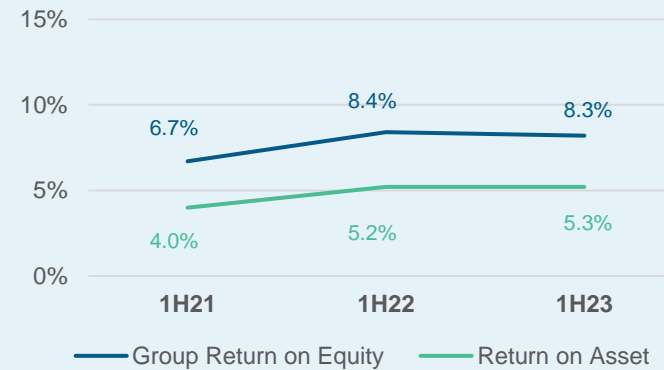
- **Growth of 2.6% in Core Operating Profit and 17.9% in NPAT**
- **Increased investment valuation and dividend receipts**
- **Diligent credit risk management leading to release of excess provisions**
- **Disciplined operating cost management**
- **Improving profitability and dividends**

Group Results

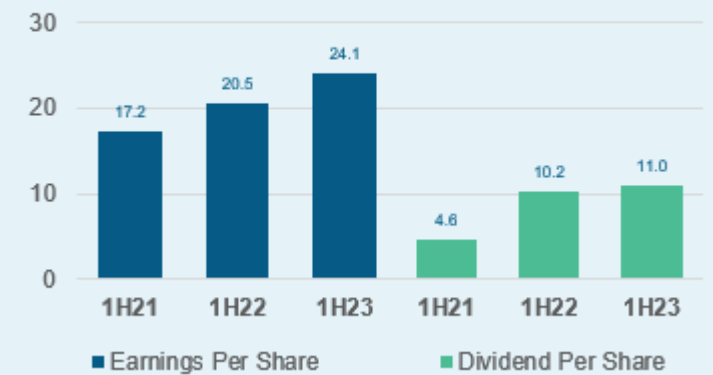
Core Operating Profit and NPAT



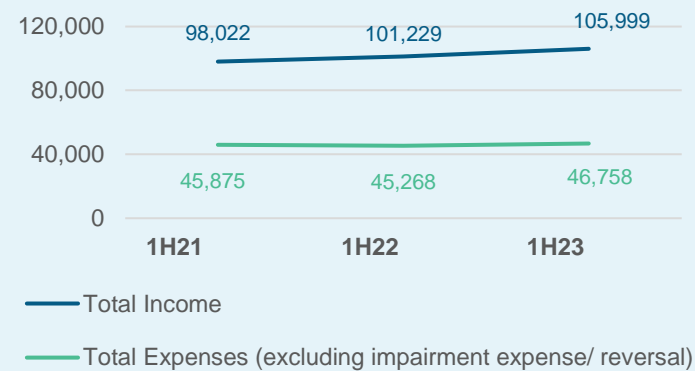
Return on Equity and Return on Assets



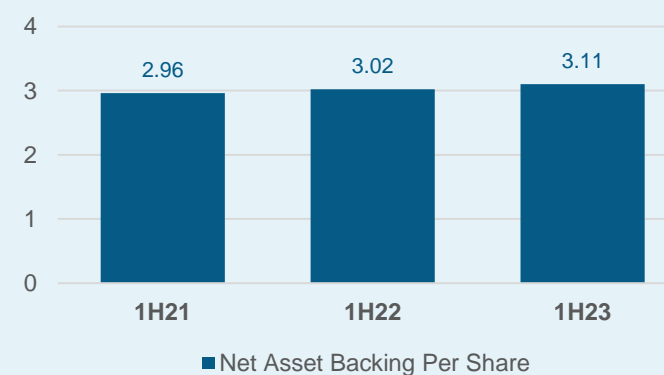
Dividend per Share and Earnings per Share



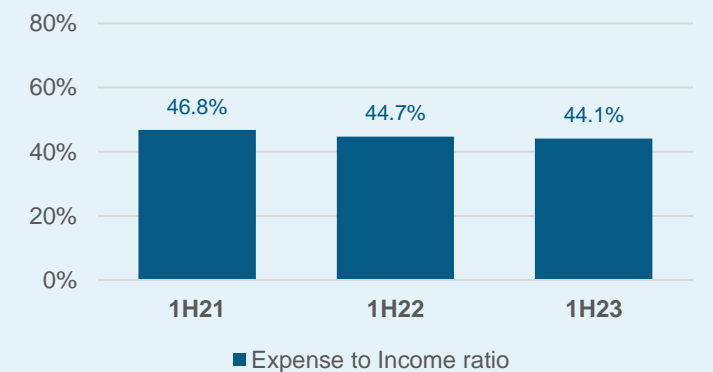
Income and Expense



Net Tangible Assets Per Share



Expense to Income Ratio



Group Results by Country

Country	NPAT (PGK'000)	Core Operating Profit (PGK'000)	Net Assets (PGK'000)	% Total NPAT	% Total COP
PNG	67,966	56,852	825,974	91.52%	88.05%
Fiji	5,435	6,604	97,100	7.32%	10.23%
Solomon Islands	406	657	12,868	0.55%	1.02%
Vanuatu	455	455	22,894	0.61%	0.70%
Total	74,262	64,568	958,836	100.00%	100.00%

1H23 OVERVIEW

Finance



Finance – Results Overview

Finance — Highlights

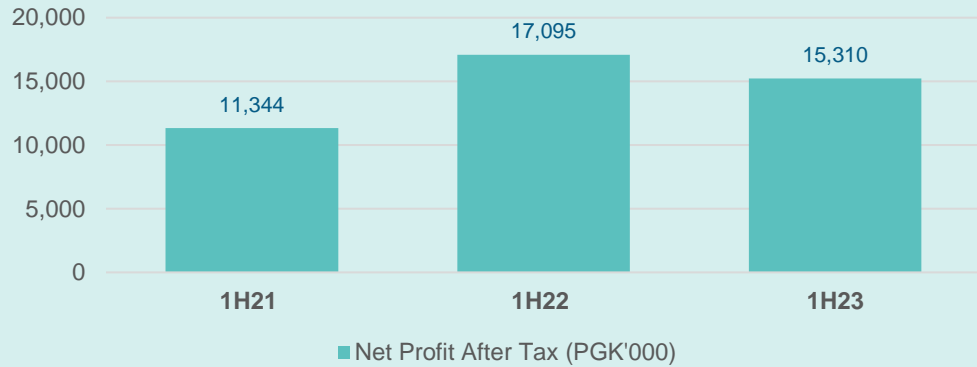
	JUNE 23	PRIOR PERIOD	VS PRIOR PERIOD
Net Profit After Tax (PGK'000)	15,310	17,095	-10.4%
Net Interest Margin (%)	12.0%	12.5%	-0.5%
Loan impairment expense (reversal) (PGK'000)	(5,327)	(6,972)	-23.6%
Net Loan Book (PGK'000)	437,356	402,261	8.7%
Funding (PGK'000)	462,906	439,511	5.3%

Encouraging growth in deposits and lending, compared to prior corresponding period

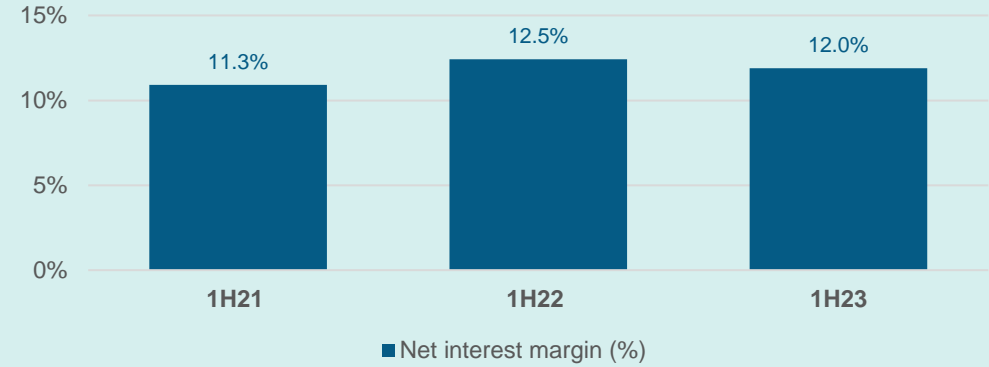
Pressure on Net Interest Margin, lower release of provisions and required increase in staff costs have reduced overall profitability

Finance Segment Performance

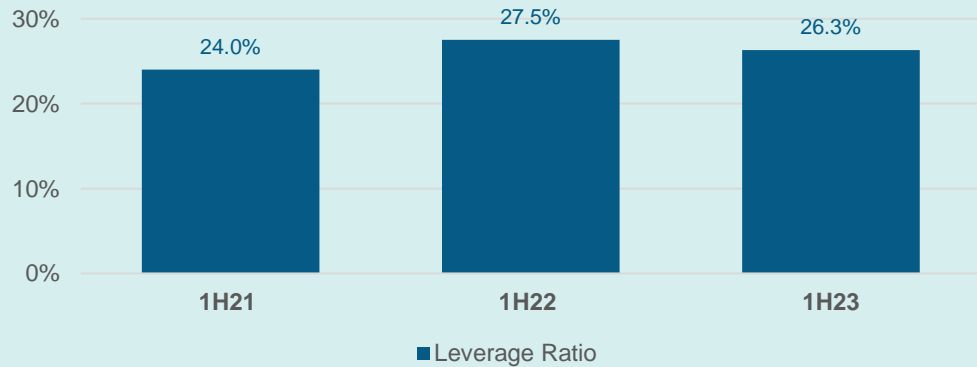
NPAT



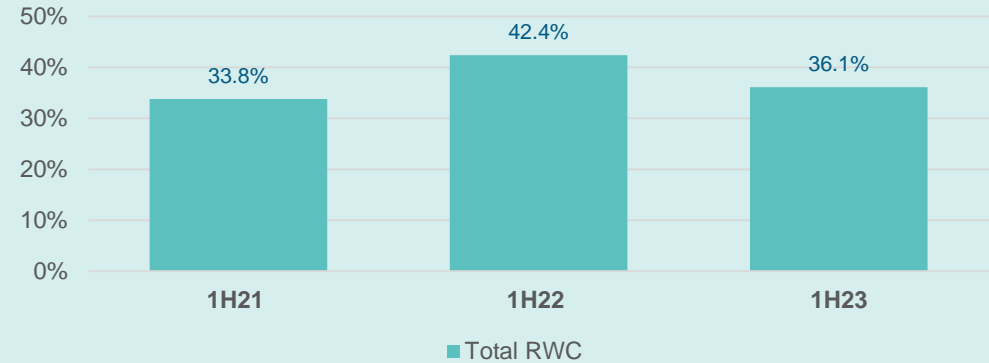
Net Interest Margin



Leverage Ratio

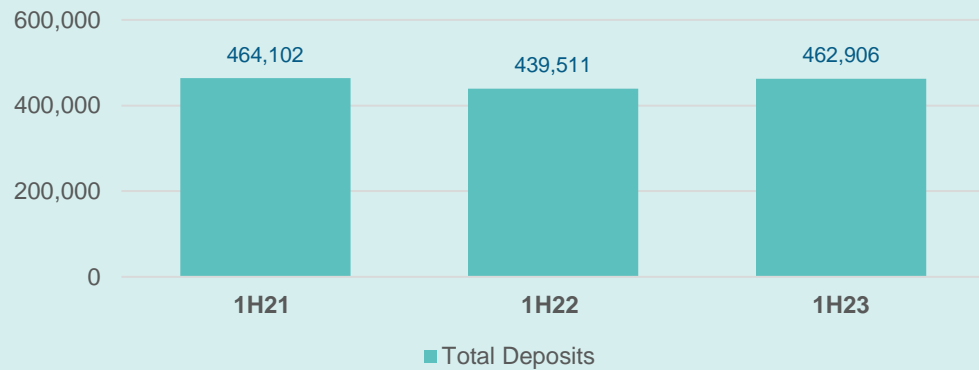


Total Risk Weighted Capital (RWC) Ratio

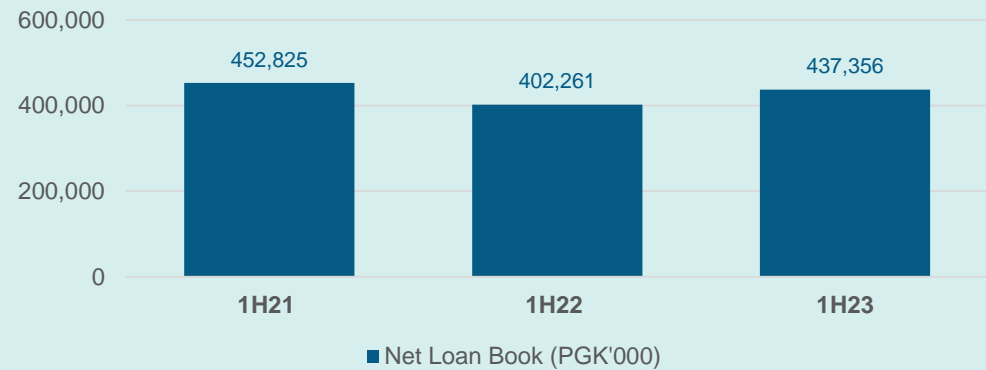


Finance Segment Performance

Customer Deposits



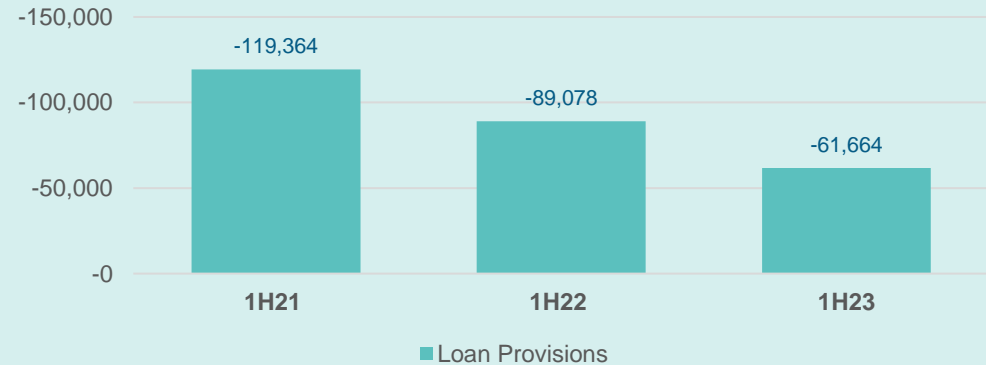
Net Loans



Loan to Deposit Ratio

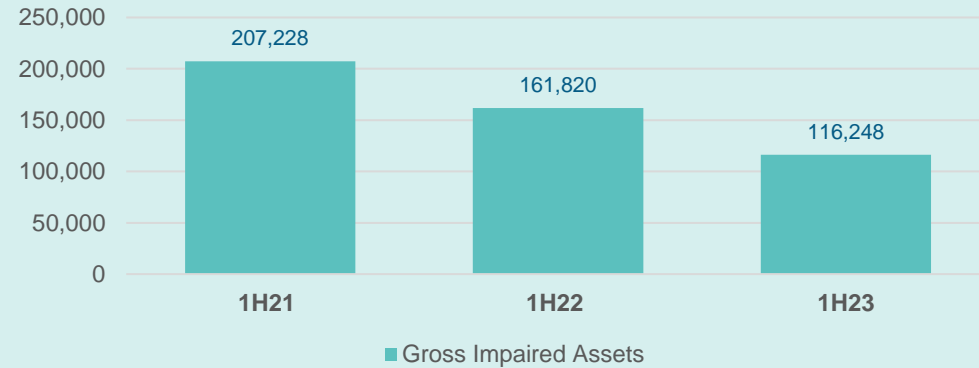


Total Provisions

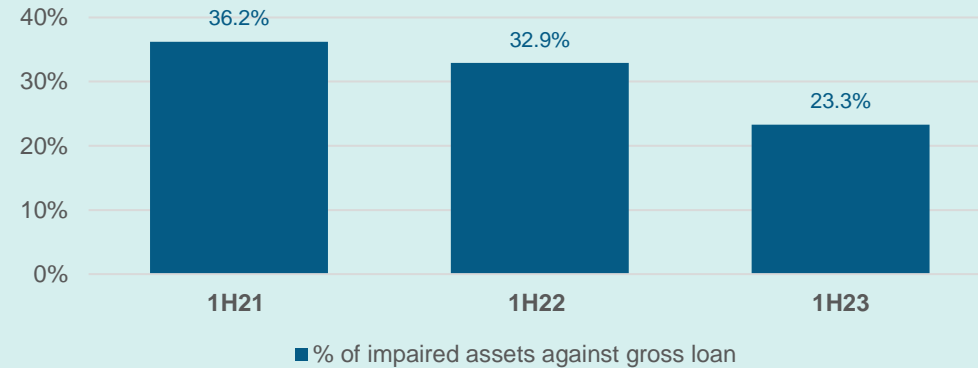


Finance Segment Performance

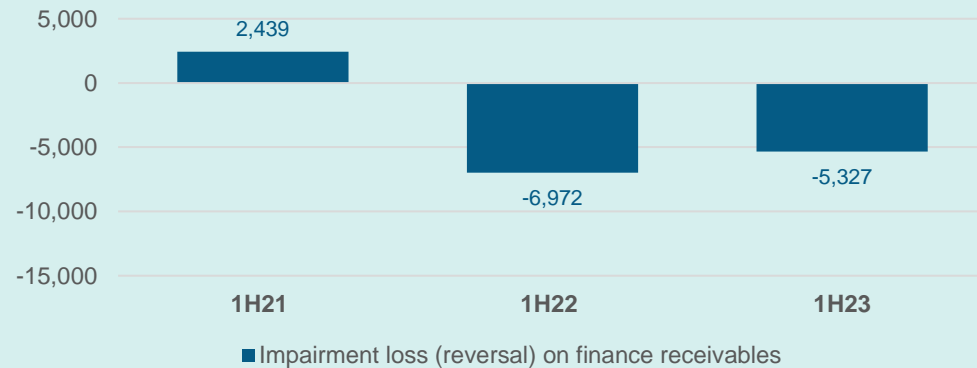
Gross Impaired Assets



Impaired Assets % of Gross Loans



Loan Impairment Expense (Reversal)



1H23 OVERVIEW

Property

Property – Results Overview

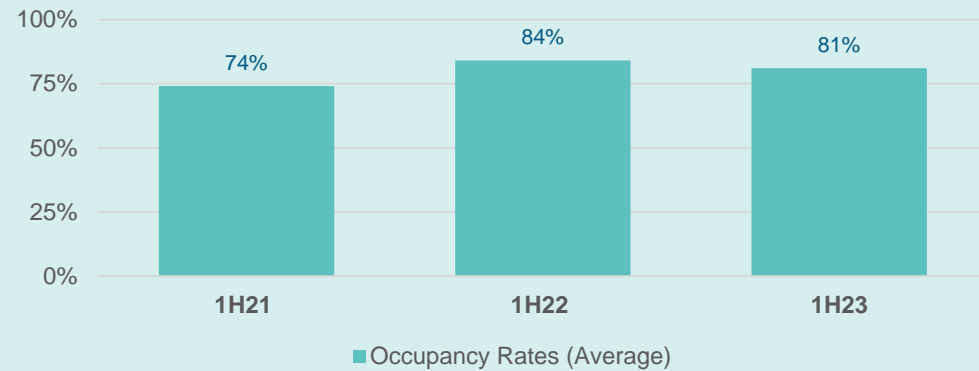
Property — Highlights

	JUNE 23	PRIOR PERIOD	VS PRIOR PERIOD
Core Operating Profit (PGK '000)	6,791	5,891	15.3%
Occupancy Rate (%)	81%	84%	-3.0%
Rental Yields (%)	13.1%	12.7%	0.4%
Fair Value of Property Investments (PGK'000)	247,273	251,358	-1.6%

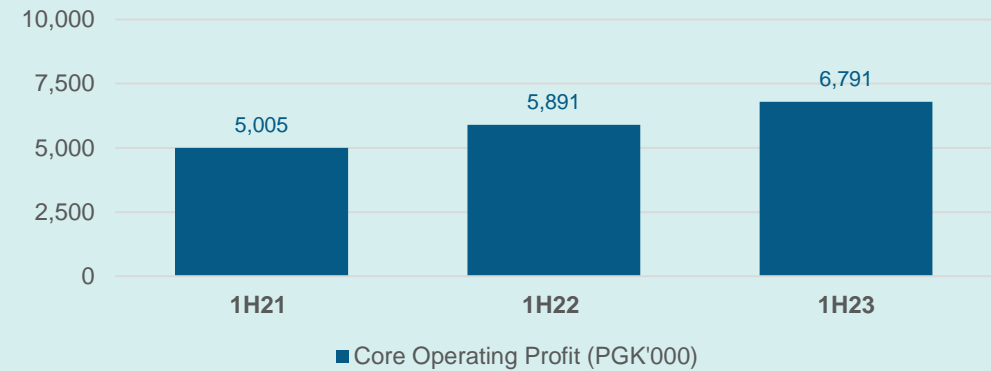
Increase in rental income supported improvement in Core Operating Profit for Property segment, compared to prior corresponding period.

Property Segment Performance

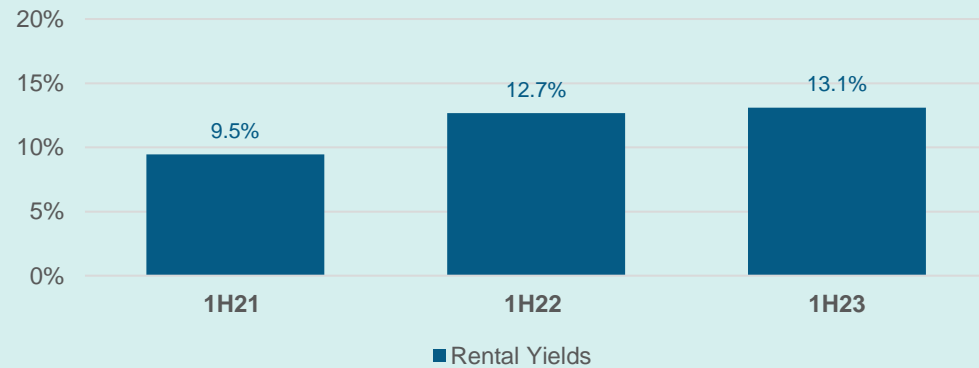
Occupancy Rate (Average)



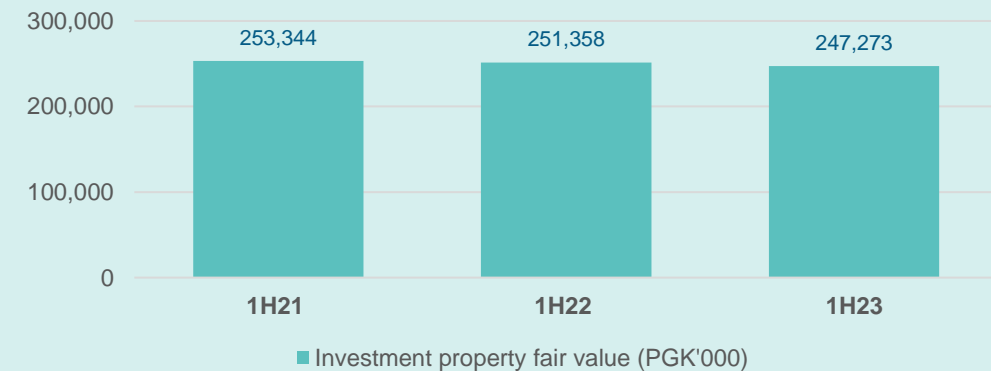
Property Core Operating Profit (PGK'000)



Rental Yields



Fair Value of Investment Property (PGK'000)



1H23 OVERVIEW

Investment



Investment – Results Overview

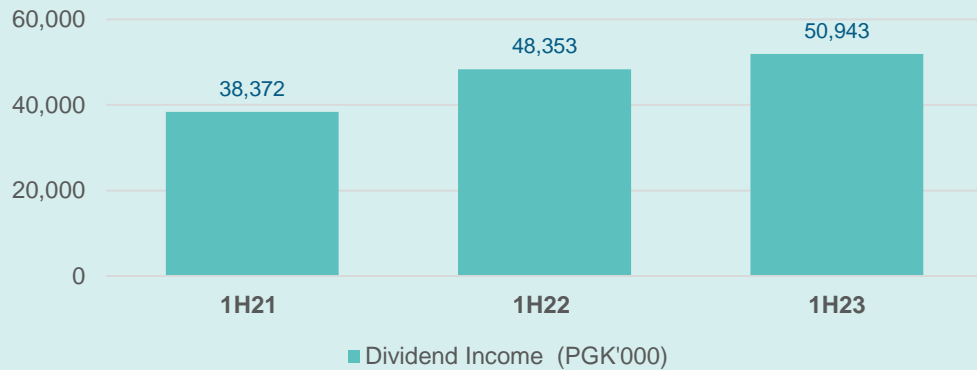
Investments — Highlights

	JUNE 23	PRIOR PERIOD	VS PRIOR PERIOD
Fair Value of Listed Investments (PGK '000)	471,559	456,158	3.4%
Fair Value of Unlisted Investments (PGK '000)	11,758	8,317	41.4%
Dividend Yield	10.8%	10.6%	0.2%
Dividend Income	50,943	48,353	5.4%

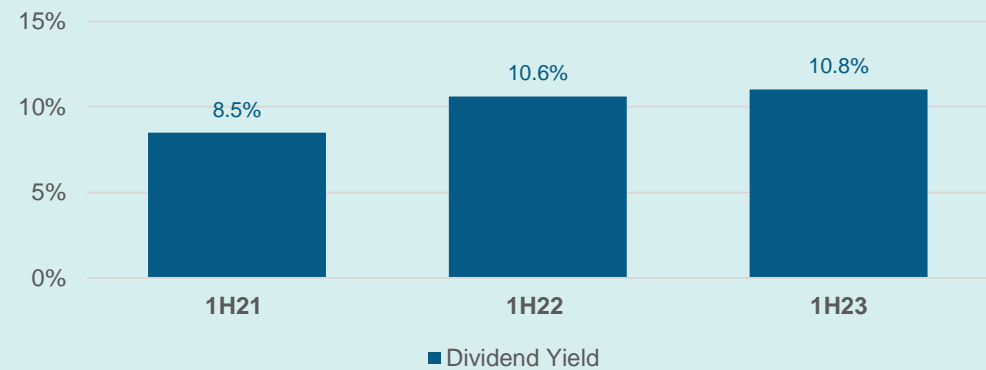
Positive results driven by improved share price performance of investments coupled with higher dividend receipts, compared to the prior corresponding period

Investment Segment Performance

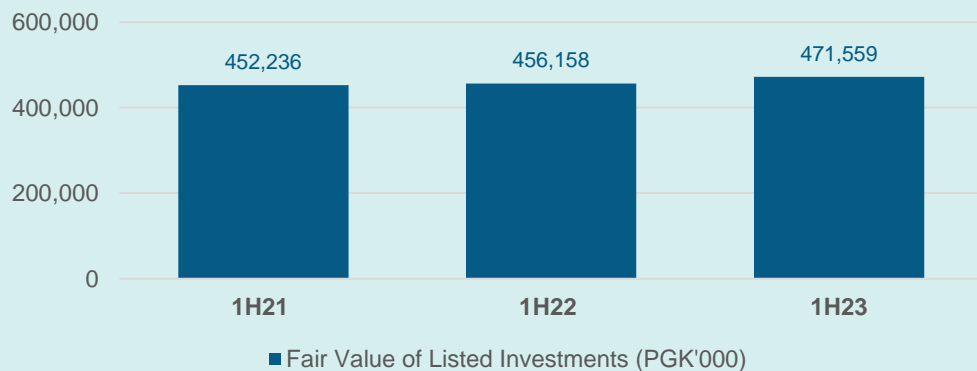
Dividend Income from Listed Investments (PGK'000)



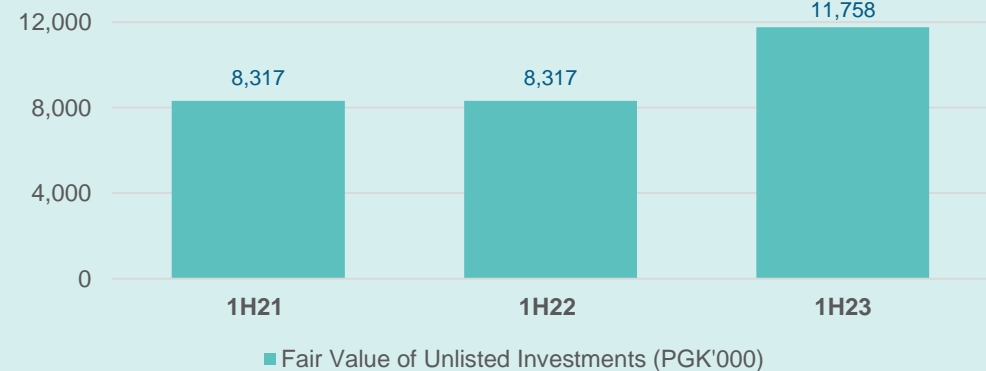
Dividend Yields from Listed Investments



Fair Value of Listed Investments (PGK'000)



Fair Value of Unlisted Investments (PGK'000)



1H23 OVERVIEW

Outlook



Outlook

- PNG domestic demand is expected to support short-term growth amid easing inflationary pressures and increased public investment
- General outlook remains positive with continuing increased activity in Fiji tourism sector
- Solomon Islands growth expectations are driven by the 2023 Pacific Games and financial support provided by donors for large-scale infrastructure projects
- Vanuatu slowly recovering from natural disasters that weakened the outlook for 2023

1H23 OVERVIEW

Beyond 2023

Our Vision

To be recognised as one of the leading financial services groups in the South Pacific

Our Strategic Intent

- Enhance finance business
- Become a niche commercial bank
- Divest non-core assets
- Secondary listing on ASX

Our Values Driven Culture



Fellowship

I am genuine, inclusive and collegiate.



Integrity

I unflinchingly act with integrity.



Growth

I proactively collaborate and challenge myself and my colleagues to continually innovate, adapt and grow.



Impact

I am accountable to deliver to our customers and empowered to find impactful solutions and execute with excellence.



Customer obsessed

Everything I do, every decision I make, I make with the customer in mind, helping them to fund their future and achieve their dreams.

