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■ NCSL Savings & Loan

# Annual Report 2024

financially empowering our members



With an extensive representation nationwide, we bring our services closer to our members.



# Corporate Introduction



## Leading Digital Innovator in the Savings & Loan Industry

NASFUND Contributors Savings & Loans Ltd (NCSL Savings & Loan), is the leading savings & loan society in PNG in providing innovative digital services. We are a member-owned financial institution with over 150,000 financial members who are enjoying our services and products.

NCSL was established in October 2003 by the National Superannuation Fund, NASFUND, to provide non-superannuation financial services to members who share the common bond of being Nasfund contributors. Since the Savings & Loans Amendment Act 2015, this bond has expanded to include non-Nasfund membership.

We are regulated by the Bank of Papua New Guinea, and by the Investment Promotion Authority as a registered company under the Companies Act 1997.

NCSL is a member of the Federation of Savings and Loan Societies (FESALOS).

The Society's core activities are the provision of savings and loans. We administer a secure place for our financial members to save and borrow at a reasonable rate. Our products and services are similar to what banks are offering but at lower rates and fees, and with personalized customer service and community support.

Saving and loans needs of the future are about security and convenience at members' fingertips. Therefore, we embrace technology to drive efficiency in our business and put much focus on the further development of digital channels to deliver our services.

We partner with approximately 1,200 employers and business houses whose employees are our members who mutually own NCSL. We are grateful for the support of those employers who cater to the payment of employee contributions into their respective savings and loan accounts, using our special payment platform.

With an extensive representation nationwide, we bring our services closer to our members, with branches in Alotau, Biella, Buka, Goroka, Kavieng, Kimbe, Kokopo, Lae, Lihir, Lorengau, Madang, Maprik, Mt. Hagen, Popondetta, Port Moresby, Tabubil, Vanimo, Wabag, and Wewak.

Port Moresby and Lae are our largest markets. In both towns we have two branches to serve our members. In Port Moresby Downtown and Waigani and in Lae Top Town and Lae Market.

# + Index

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# Financial Highlights

## Performance

The year of 2024

### Growth Assets

2024	<b>K351.4M</b>	2023	<b>K316.8M</b>	10.9% Increase
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### Net Loan Portfolio

2024	<b>K170.9M</b>	2023	<b>K152.8M</b>	11.9% Increase
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### General Reserves

2024	<b>K26.8M</b>	2023	<b>K25.8M</b>	3.9% Increase
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### Total Membership

2024	<b>154,671</b>	2023	<b>146,765</b>	5.4% Increase
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### Net Income

2024	<b>K5.4M</b>	2023	<b>K9.7M</b>	43.3% Decrease
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### Total Income

2024	<b>K61.3M</b>	2023	<b>K41.M</b>	49.5% Increase
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### Interest Paid to Member Accounts

2024	<b>K9.8M</b>	2023	<b>K11.6M</b>	15.52% Decrease
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The member centric approach is essential for long-term success, business growth, and value creation. To meet the demands of providing fair loans and returns on savings.

# Chair & CEO Report

Impact and Vision for the future



Our resilience, adaptability, and commitment to innovation have positioned us for a long term success. We remain focused on enhancing digital services, strengthening financial inclusion, and continuously improving customer experience.

## EXECUTIVE SUMMARY 2024

During this past year, NCSL achieved significant milestones marked by strong growth and significant development. Compared to 2023, our total assets grew by 10.9% to K351.4 million, whilst our liability portfolio expanded by 12.41% to K317.6 million. This remarkable achievement was made possible by our growing membership base and the continued support of employers who prioritize their employees' financial well-being by ensuring regular contributions for savings and loan repayments.

This year was also consequential in terms of our adoption and implementation of a new Core Savings and Loans System. A rigorous selection process led us to choose a vendor with a solid reputation, extensive experience in financial systems, and a proven track record in Papua New Guinea. Whilst we anticipated potential disruptions as is the case with all Core Savings and Loans System transitions, the extended delay in implementing the contributions process required us to manually process member contributions for nearly three months which in turn caused further downstream effects.

Fortunately, as we write this report, we have successfully navigated past this challenging period. We deeply appreciate the trust and patience our members have shown throughout this transition. Moving forward, we continue to provide training to both employers and members on utilizing our digital platforms, YourNCSL (for employers) and MyNCSL (for members), enabling a more seamless, transparent, and convenient experience.

Our digital transformation initiatives are set to drive operational excellence. Automated processes will significantly reduce turnaround times for loan approvals and account updates, leading to faster and more efficient service delivery. By digitizing routine tasks, our staff can now focus more on personalized member services and strategic initiatives, further enhancing the overall quality of service. Additionally, the expansion of our digital platforms ensures that all members, regardless of location, have 24/7 access to essential financial services, reinforcing our commitment to financial inclusion.

### Key Achievements of 2024

Beyond financial performance, this report highlights key milestones achieved throughout the year:

- **Empowering Members Through Financial Literacy**  
NCSL continued its mission of improving members' financial well-being by offering accessible and affordable products, coupled with financial literacy training.
- **Growth in Employer Partnerships and Memberships**  
– Over 1,000 active employers partnered with NCSL, contributing to membership growth, which now stands at approximately 150,000, of which 15,000 new members were registered in 2024 alone.

- **Increased Savings and Loan Portfolio** – Members' savings deposits increased by 4%, while the loan portfolio grew by 17%, reflecting stronger financial engagement and trust in NCSL's services.
- **Successful Launch of MyNCSL and YourNCSL Platforms** – The introduction of these digital platforms revolutionized member engagement, granting 24/7 account access and enhancing convenience and empowerment.
- **Rapid Digital Adoption** – Over 20,000 members registered on MyNCSL within its first month of launch, demonstrating the platform's user-friendly experience and the growing confidence in NCSL's digital capabilities.
- **Customer Service Excellence** – NCSL successfully conducted its first-ever Customer Service Officers Workshop for 22 senior CSOs, reinforcing service skills and ensuring a superior member experience.
- **Regulatory Compliance and Transparency** – We continued the implementation of new prudential standards introduced by BPNG in 2023. Additionally, in line with the Financial Consumer Protection Bill, we enhanced product transparency, particularly within loan contracts, by providing a detailed breakdown of interest rates and costs.



### Looking Ahead

Despite the challenges faced, 2024 has proven to be a defining year for NCSL. Our resilience, adaptability, and commitment to innovation have positioned us for long-term success. We remain focused on enhancing digital services, strengthening financial inclusion, and continuously improving customer experience. With a strong foundation in place, NCSL is ready to embrace the future—delivering seamless, secure, and innovative financial solutions that empower our members and communities.

The journey ahead is filled with opportunity, and we look forward to another year of growth, transformation, and positive impact. Together, we continue to build a brighter financial future for all.

**Christopher Elphick, NCSL Board Chairman &  
Frans Kootte, NCSL CEO**

# Board of Directors



**Christopher Elphick**

Chairman

Christopher Elphick has served fellow NCSL members and employers as a member of the NCSL board for 7 years. Chairman for 3 years. He also serves on the board of NASFUND where he is a contributing superannuation member and employer.

Christopher runs a local retail family business called FairPrice Furniture. He has a strong commercial background. A history of active service in community, private sector peak-body organizations, and civil society associations. Christopher tries his best to be a productive and engaged citizen.



**Hulala Tokome, MBE**

Deputy Chairman

Hulala Tokome has served on the Board for over 15 years as an Independent Director. He is one of the longest serving Director's on the Board. He also holds various directorships, including Mainland Holdings and Puma Energy entities.

Mr Tokome has held senior management positions with BP, Inter Oil and Puma Energy, PNG. He holds a Bachelor of Accounting Degree from the University of Technology.



**Ian Tarutia, CBE**

Director

Mr Tarutia established NCSL in October 2003 and served as founding Chairman until July 2023. He previously served as CEO of Nasfund for 15 years.

Mr Tarutia holds a Bachelor of Business Economics and Masters of Business Administration Degrees from the University of Papua New Guinea. He is a Fellow of the Australian Institute of Company Directors and a Fellow of the PNG Institute of Directors.

He is currently President of the Papua New Guinea Chamber of Commerce & Industry and a former President of the Papua New Guinea Institute of Directors.



## Sundar Ramarmurthy, ML

Director

Sundar Ramarmurthy has served on the Board now for 4 years. Sundar Ramarmurthy was the Founder & Managing Director of Data Nets Limited. Data Nets Limited was the largest ISP and computer networking company in the Pacific Islands covering both PNG and Fiji. Sundar has significant international experience in Asia, Australia, U.S. and Pacific Markets. Developed and gained considerable experience in dealing with diverse cultures, languages and markets.

Mr Ramarmurthy is now involved in funding and mentoring new startup ventures, with a focus on new technologies in the mobile banking, secure payments environment and affordable solar markets.



## Deborah Onga

Director

Ms Deborah Onga newly appointed Board Member replacing founding member Mr Vera Raga who retired in October 2023.

Deborah is a PNG qualified lawyer. Deborah joined Steamships in March 2018 as a property lawyer and has transitioned to the position of Group Legal Counsel. Deborah has varied legal experience in corporate compliance, employment, property and disputes practices. Prior to joining Steamships, Deborah was employed in the corporate commercial practice at Ashurst PNG.



## Troy Stubbings

Director

An experienced Director in the Pacific Region and over 24 years' senior executive experience in PNG. Mr Troy Stubbings is an Independent Director serving on the Board for 2 years.

Mr Stubbings has a wealth of technical and commercial experience across a wide spectrum of business including Financial Services, Corporate Finance, Investment Banking and Retail sectors. Mr Stubbings is also skilled in Strategic Planning and Business transformation.

Mr Stubbings possesses a Bachelor of Business from the Darling Downs Institute of Advanced Education and a graduate Diploma in Applied Finance and Investment from the Financial Securities Institute of Australasia.

# Corporate Governance

## 1. Audit & Risk Committee (ARC)

The Audit Risk Committee (ARC) assisted the Board in fulfilling its duties by reviewing and overseeing the efficiency and effectiveness of internal controls in line with the ARC Charter. The ARC has responsibility for the oversight of statutory reporting requirements, as well as other financial reporting requirements, internal and external control frameworks and appointment of the external auditor.

The operations of the ARC are governed by the ARC Charter which has been approved by the Board and its functions and authority are in line with Banking Prudential Standard 300 (BPS 300) on Corporate Governance

## 2. External Audit

PricewaterhouseCoopers (PwC) engagement as the Society's External Auditor was extended for a further 2 years in 2024. The appointment of PwC was and is in line with BPS 7/2005 (External Auditors) issued by the Bank of PNG.

## 3. Risk Management

The overall responsibility of Risk Management lies with the NCSL Board, the Board ensures risks are identified, monitored, and managed on a regular basis. The ARC has been delegated the function of risk management by the Board and subsequently provides regular reports and recommendations to the Board on the Risk Management activities of the Society.

NCSL has identified risks that impact our business and established and developed systems, frameworks, policies and procedures to not only strengthen our risk posture but effectively and efficiently manage these risks. A major part of strengthening our Risk Management posture was to create Management Committees including:

- Credit Committee (CC),
- Asset & Liability Committee (ALCO), and
- Tender Committee (TC).

These committees have been enabled by the NCSL Board and report to them via the ARC.

NCSL has in place a Risk Appetite Statement (RAS) and Risk Management Framework approved by the Board which are consistent with BPS300 (Corporate Governance). These documents provide NCSL with a systematic & logical approach to identify and mitigate risks facing NCSL, as well as providing guidance on the regular reporting of risk to Management and Board.

## 4. Internal Audit

NCSL moved away from outsourcing its Internal Audit (IA) function in 2024, bringing this function in-house with the creation of the Internal Audit function and the recruitment of a Senior Internal Auditor. We have developed the relevant IA policies and IA Charter along with a risk-based, 3-year internal audit plan.

The Senior Internal Auditor reports directly to the Chair of the ARC with day-to-day operational reporting to the Head of Risk & Compliance. The ARC is responsible for approving the program and scope of internal and external audit activities each financial year to ensure optimum coverage of the major areas of potential risk.



In the world of business, corporate governance is the guardian of ethics, the protector of trust and the driver of excellence.

~ Muthar Kent ~

**Name**

Christopher Elphick

Hulala Tokome, MBE, FCPA

Sundar Ramamurthy, ML

Troy Stubbings

Ian Tarutia, CBE, FAICD, FPNGID

Deborah Onga

Designation	Year joined NCSL Board	Tenancy (Years)	Board Meeting Attendance (2024)	ARC Meeting Attendance (2024)	IITOC Meeting Attendance (2024)	Special IITOC Meeting Attendance (2024)
Chairman	2016	7	4	-	-	-
Deputy Chairman	2009	14	4	1	4	2
Director	2020	4	4	1	4	2
Director	2021	3	2	3	-	-
Director	2003	20	4	-	4	2
Director	2023	1	3	4	-	-

# Society Information

Principal Place of Business	Level 2, BSP Haus Harbour City, Konedobu Port Moresby, N.C.D Papua New Guinea
Directors	Mr. Ian Tarutia, CBE Mr. Hulala Tokome, MBE Mr. Christopher Elphick Mr. Sundar Ramarmurthy, ML Mr. Troy Stubbings (resigned 2024) Ms. Deborah Onga
Chairman	Mr. Christopher Elphick
Secretary	Ms. Venessa Vee
Auditors	PricewaterhouseCoopers PNG Level 6, PwC Haus Harbour City, Konedobu Port Moresby, NCD Papua New Guinea
Bankers	Bank South Pacific Limited ANZ PNG Limited Westpac PNG Limited Kina Bank
Lawyers	Ms. Venessa Vee Dentons PNG

# Directors' Report

The Directors have pleasure in presenting their report together with the financial statements of NASFUND Contributors Savings and Loan Society Limited (the Society) for the year ended 31 December 2024 and the auditor's report thereon.

**Activities**

The nature of operations and principal activities of the Society are maintaining membership of its members for the purpose of a savings and loan society, processing contributions and loans, and management of investments of the Society.

**Results**

The net profit for the year ended 31 December 2024 was K5,420,497 (2023: 9,711,591).

**Interest**

Interest will be credited to Members' Savings Accounts on the 28 day of April 2025.

**Directors**

The directors of the Society at the date of the report of the Society are listed on page 1. No director of the Society had any material interest in any contract or arrangement with the Society or any related entity during the year ended 31 December 2024 save for deposits and loans. Directors' deposits and loans as at 31 December 2024 amount to K1,198,154 and K188,678 respectively.

**Directors' remuneration**

Directors of the Society's remuneration, including the value of benefits, received during the year, is as follows:

Directors' name	2024		2023	
	Directors fees K	Sitting allowance K	Directors fees K	Sitting allowance K
Mr. Hulala Tokome, MBE	64,000	11,000	36,500	20,000
Mr. Sundar Ramamurthy, ML	59,750	10,000	35,000	22,000
Mr. Troy Stubbings (resigned in 2024)	59,750	5,000	33,500	21,000
Mr. Vera Raga (retired in 2023)	-	-	26,250	12,000
Ms. Deborah Onga	57,000	7,000	24,750	12,000
	<b>240,500</b>	<b>33,000</b>	<b>156,000</b>	<b>87,000</b>
<b>Chairman of the Society</b>				
Mr. Christopher Elphick (Chairman from 4 June 2023)	76,250	4,000	45,000	23,000
Mr. Ian Tarutia, CBE (Chairman until 4 June 2023)	57,000	10,000	41,500	14,000
	<b>373,750</b>	<b>47,000</b>	<b>242,500</b>	<b>124,000</b>

Signed at Port Moresby

For and on behalf of the Board of Directors

Chairman:   
**Mr. Christopher Elphick**

Deputy Chairman:   
**Mr. Hulala Tokome, MBE**

Dated at Port Moresby on this 23rd day of April 2025

# Directors' Declaration

The directors of the Society declare that:

In our opinion, the financial statements set out on pages 18 to 50 are drawn up so as to give a true and fair view of the state of affairs as at 31 December 2024 and the profit for the year ended on that date of the NASFUND Contributors Savings and Loan Society Limited in so far as they concern members of the Society. Further, all Risk Management Systems are in place and operating effectively.

The financial statements have been drawn up in accordance with the requirements of the Papua New Guinea Companies Act 1997 as amended and the requirements of NASFUND Contributors Savings and Loan Society Limited's Board policies.

Signed at Port Moresby

For and on behalf of the Board of Directors

Chairman:   
**Mr. Christopher Elphick**

Deputy Chairman:   
**Mr. Hulala Tokome, MBE**

Dated at Port Moresby on this 23rd day of April 2025



## Independent auditor's report

To the shareholders of NASFUND Contributors Savings and Loan Society Limited

### Report on the audit of the financial statements

#### Our opinion

We have audited the financial statements of NASFUND Contributors Savings and Loan Society Limited (the Company), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements:

- comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and other generally accepted accounting practice in Papua New Guinea; and
- give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and cash flows for the year then ended.

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#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, that are relevant to our audit of the financial statements in Papua New Guinea, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor we have no relationship with, or interests in, the Company.

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#### Information other than the financial statements and auditor's report

The directors are responsible for the annual report which includes other information. Our opinion on the financial statements does not cover the other information included in the annual report and we do not and will not express any form of assurance conclusion on the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



### Responsibilities of the directors for the financial statements

The directors are responsible, on behalf of the Company, for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and other generally accepted accounting practice in Papua New Guinea and the Companies Act 1997 and the Savings and Loans Society Act 2015, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during our audit.



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## Report on other legal and regulatory requirements

The Companies Act 1997 requires that in carrying out our audit we consider and report on the following matters. We confirm in relation to our audit of the financial statements for the year ended 31 December 2024:

- We have obtained all the information and explanations that we have required;
- In our opinion, proper accounting records have been kept by the Company as far as appears from an examination of those records.

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## Who we report to

This report is made solely to the Company's shareholders, as a body, in accordance with the Companies Act 1997. Our audit work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in an auditor's report and for no other purpose. We do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

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*PricewaterhouseCoopers*

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Jonathan Seeto', written over a faint, light-colored signature line.

Jonathan Seeto  
Partner  
Registered under the Accountants Act 1996

Port Moresby  
24 April 2025

# Statement of Financial Position

As At 31 December 2024

ASSETS	Note	2024 PGK	2023 PGK
Cash and cash equivalents	21	32,188,338	13,062,315
Prepayments and other receivables	8	7,229,662	4,123,846
Term deposits	6(d)	11,642,025	41,370,733
Treasury bills	6(e)	13,090,810	-
Quoted equity investments at fair value through profit and loss	6(b)	4,185,000	3,100,000
Unquoted equity investments at fair value through profit and loss	6(c)	160,000	160,000
Government inscribed stock at amortised cost	6(a)	105,456,678	90,963,481
Loans due from members	7	170,863,479	152,825,509
Property and equipment	5	6,616,535	11,214,497
<b>TOTAL ASSETS</b>		<b>351,432,527</b>	<b>316,820,381</b>
<b>LIABILITIES</b>			
Trade and other payables	10	6,091,973	4,214,193
Rental bonds payable		-	2,167
Employee provisions	9	1,977,247	1,110,543
Lease liabilities	12	-	747,772
Member savings	11	309,531,542	274,450,249
<b>TOTAL LIABILITIES</b>		<b>317,600,762</b>	<b>280,524,924</b>
<b>NET ASSETS</b>		<b>33,831,765</b>	<b>36,295,457</b>
<b>EQUITY</b>			
Issued capital	13	154,671	146,765
Reserves	14	26,845,932	25,761,834
Retained earnings		6,831,162	10,386,858
<b>TOTAL EQUITY</b>		<b>33,831,765</b>	<b>36,295,457</b>

Signed at Port Moresby

For and on behalf of the Board of Directors

Chairman:   
**Mr. Christopher Elphick**

Deputy Chairman:   
**Mr. Hulala Tokome, MBE**

Dated at Port Moresby on this 23rd day of April 2025

# Statement of Profit or Loss Other Comprehensive Income

For the Year Ended 31 December 2024

	Note	2024 PGK	2023 PGK
<b>Income from lending</b>			
Interest income from lending		38,694,129	20,137,834
<b>Income from investments</b>			
(Loss)/gain on fair valuation of investments	6	1,085,000	232,500
Interest income		11,391,282	11,755,587
Rental income		-	25,155
Dividend income		389,050	361,500
		<b>12,865,332</b>	<b>12,374,742</b>
<b>Other income</b>			
Loan fees		5,257,216	4,196,685
New membership fees		308,312	203,516
Withdrawal fees		52,310	66,453
Recoveries of previously written-off debts		174,007	143,094
Sundry income		3,974,085	3,948,352
		<b>9,765,930</b>	<b>8,558,100</b>
<b>Total income</b>		<b>61,325,391</b>	<b>41,070,676</b>
<b>Expenditure</b>			
Administration expenses	15	(14,399,852)	(11,956,646)
Employee benefits expense	16	(16,046,553)	(9,172,451)
Provision for doubtful debts and bad debts written off	7	(10,779,735)	(2,852,366)
Depreciation	5	(2,885,894)	(3,452,251)
Property repairs and maintenance		(193,314)	(183,609)
Interest to members		(5,467,310)	(3,741,762)
Cost of new core banking system (CBS)		(6,132,236)	-
<b>Total expenses</b>		<b>(55,904,894)</b>	<b>(31,359,085)</b>
<b>Profit from operations before tax</b>		5,420,497	9,711,591
Income tax expense	4(e)	-	-
<b>Profit for the year</b>		5,420,497	9,711,591
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>5,420,497</b>	<b>9,711,591</b>

# Statement of Changes in Equity

For the Year Ended 31 December 2024

2023	Ordinary shares PGK	Statutory Reserve PGK	Retained Earnings PGK	Total PGK
<b>Balance at 1 January 2023</b>	<b>142,340</b>	<b>23,819,516</b>	<b>14,563,079</b>	<b>38,524,935</b>
Total comprehensive income for the year	-	-	9,711,591	9,711,591
Net member contributions received	4,425	-	-	4,425
Net transfer between reserves	-	1,942,318	(1,942,318)	-
Interest credited to member savings deposits relating to 2023 profits	-	-	(11,945,494)	(11,945,494)
<b>Balance at 31 December 2023</b>	<b>146,765</b>	<b>25,761,834</b>	<b>10,386,858</b>	<b>36,295,457</b>

2024	Ordinary shares PGK	Statutory Reserve PGK	Retained Earnings PGK	Total PGK
<b>Balance at 1 January 2024</b>	<b>146,765</b>	<b>25,761,834</b>	<b>10,386,858</b>	<b>36,295,457</b>
Total comprehensive income for the year	-	-	5,420,497	5,420,497
Net member contributions received	7,906	-	-	7,906
Net transfer between reserves	-	1,084,098	(1,084,098)	-
Interest credited to member savings deposits relating to 2024 profits	-	-	(7,892,095)	(7,892,095)
<b>Balance at 31 December 2024</b>	<b>154,671</b>	<b>26,845,932</b>	<b>6,831,162</b>	<b>33,831,765</b>

# Statement of Cash Flows

For the Year Ended 31 December 2024

CASH FLOWS FROM OPERATING ACTIVITIES:	Note	2024 PGK	2023 PGK
Interest received from members' loans		37,053,820	20,137,834
Interest received from government debt securities and term deposits		8,986,104	10,175,517
Rental income received		-	25,155
Dividend income received		389,050	361,500
Fee income received		9,591,924	8,415,006
Expenses paid to suppliers		(14,032,957)	(8,350,736)
Interest paid to members		(5,467,310)	(3,741,762)
Expenses paid to staff		(15,179,849)	(9,212,111)
<b>Operating cash flow before changes in operating assets</b>		<b>21,340,782</b>	<b>17,810,403</b>
Loans issued to members		(49,379,954)	(44,373,747)
Loan repayments by members		20,562,249	28,089,030
Investment in interest-bearing deposits		(24,732,835)	(41,370,733)
Redemption of interest-bearing deposits		41,370,733	32,977,022
Purchase debt investments		(14,499,432)	-
Redemption of debt investments		-	11,000,000
Net member savings and deposits received		27,189,198	(5,354,530)
Lease payments - interest on lease liability	12	(63,612)	(30,772)
<b>Net cash (used in) / provided by operating activities</b>		<b>21,787,229</b>	<b>(1,253,327)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Aquisition of property and equipment	5	(1,984,852)	(3,723,645)
Proceeds from sale of investment property		-	1,100,000
<b>Net cash used in investing activities</b>		<b>(1,984,852)</b>	<b>(2,623,645)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Lease payments - lease liability principal	12	(684,260)	(467,168)
Net member capital contribution received		7,906	4,425
<b>Net cash used in financing activities</b>		<b>(676,354)</b>	<b>(462,743)</b>
Net increase in cash and cash equivalents held		19,126,023	(4,339,715)
Cash and cash equivalents at beginning of year		13,062,315	17,402,030
<b>Cash and cash equivalents at end of financial year</b>	21	<b>32,188,338</b>	<b>13,062,315</b>

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# Notes to the Financial Statements

For the Year Ended 31 December 2024

## 1 Reporting

NASFUND Contributors Savings and Loan Society Limited (The 'Society') is domiciled in Papua New Guinea. The Society's registered office is at Level 2, BSP Haus, Harbour City, Konedobu, Port Moresby, Moresby South, NCD, Papua New Guinea. The Society is primarily involved in retail banking activities including receiving deposits and issuing loans.

The financial statements were authorised for issue by the directors on 23 April 2025. The directors have the power to amend and reissue the financial statements.

## 2 Basis of preparation of financial statements

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### (a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board. The financial statements are presented in Kina, which is also the functional currency. Fair value accounting is used for investments at fair value through profit and loss, and investment properties. In all other cases, a historical cost basis of accounting is used. The Society operates as one segment and in one geographical location being Papua New Guinea.

### (b) Statement of Compliance

The financial statements of the Society have been prepared in accordance with the accounting provisions of the IFRS and the Papua New Guinea Companies Act 1997. IFRS are Standards and Interpretations adopted by the International Accounting Standards Board (IASB).

## 3 New standards and interpretations

### (3.1) New and amended standards, and interpretations mandatory for the first time for the financial year ended 31 December 2024

- Amendment to IAS 1 – Non-current liabilities with covenants
- Amendment to IFRS 16 – Lease on sale and leaseback
- Amendment to IAS 7 and IFRS 7 – Supplier finance

These changes did not have any material impact on the company.

### (3.2) New standards, amendments and interpretations issued but not effective for the financial year ended 31 December 2024 and not early adopted

- Amendment to IAS 1 – Non-current liabilities with covenants
- Amendment to IFRS 16 – Lease on sale and leaseback
- Amendment to IAS 7 and IFRS 7 – Supplier finance

*New IFRS sustainability disclosure standards effective after 31 December 2024 (subject to endorsement by the Accounting Standards Board of Papua New Guinea)*

- IFRS S1, 'General requirements for disclosure of sustainability-related financial information'
- IFRS S2, 'Climate-related disclosures'

The entity has conducted investigations and does not consider that there are any measurement or recognition issues arising from the release of these new pronouncements that will have a significant impact on the reported financial position or financial performance of the entity.

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# Notes to the Financial Statements

For the Year Ended 31 December 2024

## 4 Material accounting policies

### (a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Society and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

#### Interest income and expense

Interest income and expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Society estimates future cash flows considering all contractual terms of the financial instrument, but not the Estimated Credit Loss (ECL). For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

#### Fees and Commission

Fees and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate. If loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fee is recognised on a straight-line basis over the commitment period.

Other fees including account servicing fees are recognised as the related services are performed.

A contract with a customer that results in a recognised financial instrument in the Society's financial statements may be partially in the scope of IFRS 15, Revenue from contracts with customers. If this is the case, then the Society first applies IFRS 9, Financial Instruments to separate and measure the part of the contract that is in the scope of IFRS 9, Financial Instruments and then applies IFRS 15, Revenue from contracts with customers to the residual.

Other fee expenses relate mainly to transaction and service fees, which are expensed as the services are received.

#### Dividend Income

Dividend income is recognised when the right to receive income is established. Usually, this is the ex-dividend date for quoted equity securities. Dividends are presented in net trading income, net income from other financial instrument at FVTPL or other revenue based on the underlying classification of the equity investment.

### (b) Leases

At inception of a contract, the Society assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Society uses the definition of a lease in IFRS 16, Leases.

#### As a lessee

At commencement or on modification of a contract that contains a lease component, the Society allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Society recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimated of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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# Notes to the Financial Statements

For the Year Ended 31 December 2024

## 4 Material accounting policies (continued)

### (b) Leases (continued)

#### As a lessee (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Society by the end of the lease term or the cost of the right-of-use asset reflects that the Society will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Society's incremental borrowing rate. Generally, the Society uses its incremental borrowing rate as the discount rate. The Society determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Society is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Society is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Society's estimate of the amount expected to be payable under a residual value guarantee, if the Society changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Society presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'lease liabilities' in the statement of financial position.

#### Short-term leases and leases of low-value assets

The Society has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Society recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### As a lessor

When the Society acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Society makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Society considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Society applies IFRS 15 to allocate the consideration in the contract. The Society recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'. However, when the Society was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

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# Notes to the Financial Statements

For the Year Ended 31 December 2024

## 4 Material accounting policies (continued)

### (c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at the Society, and other short-term highly liquid investments with initial maturities of less than three months, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

### (d) Property and equipment

Property, plant and equipment is measured on the cost basis less depreciation and impairment losses. The cost of improvements to leasehold premises is capitalised and amortised over the estimated useful life of the improvement concerned.

Depreciation is calculated on a straight-line basis from the date of acquisition at rates appropriate to the estimated useful lives as follows:

Office equipment	4 to 10 years
Furniture and fittings	5 to 15 years
Motor vehicles	3 to 6 years
Leasehold improvements	10 to 14 years

Gains or losses on disposal (being the difference between the carrying amount at the time of sale or disposal and the proceeds of disposal) are taken to income in the year. Computer software licences are acquired and are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Computer software is carried at cost less accumulated amortisation and impairment losses.

### (e) Tax exemption

The Society is exempt from income tax under section 40A of the Income Tax Act 1959.

### (f) Computer Software

Computer software licences are acquired and are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Computer software is carried at cost less accumulated amortisation and impairment losses.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the creation of identifiable and systems products controlled by the Society, and that are expected to generate economic benefits beyond 1 year, are recognised as intangible assets. Other development expenditures are recognised as an expense as incurred.

Amortisation on computer software is calculated using the straight-line method to allocate their cost to their residual values over the estimated useful lives which range between 4 and 10 years. The assets' useful lives are annually reviewed and adjusted where appropriate.

# Notes to the Financial Statements

For the Year Ended 31 December 2024

## 4 Material accounting policies (continued)

### (g) Investment property

Investment property is initially measured at cost and subsequently at fair value, with any change therein recognised in profit or loss within change in fair value of investment. When the use of a property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

### (h) Impairment of non-financial assets

Equipment and other non-financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

### (i) Provisions

A provision is recognised if, as a result of a past event, the Society has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

### (j) Employee benefits

Employee provisions comprise liabilities for employee benefits arising from services rendered by employees to balance date. Employee benefits have maturities of both less than one year and greater than one year and have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Superannuation contributions are made by

the Society to defined contribution superannuation funds and are charged as expenses when incurred.

### (k) Reserves

The Society maintains the following equity reserves:

- Member capital represents contributions members have made to the Society on initiation or creation of their savings account. Member capital is refundable to the member on cessation of their membership with the Society.
- General reserve/statutory reserve represents a statutory minimum of twenty percent (20%) of each year's net earnings before declaring interest on deposits and dividends. If the reserve is greater than 10% of total liabilities then 20% of net earnings is not required to be transferred.

## (l) Financial assets and financial liabilities

### (i) Recognition and initial measurement

The Society initially recognises loans and advances, deposits, debt instruments and financial liabilities on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Society becomes a party to the contractual provisions of the instrument at initial recognition and differs from the transaction price.

### (ii) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows
- the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payment for principal and interest (SPPI).

# Notes to the Financial Statements

For the Year Ended 31 December 2024

## 4 Material accounting policies (continued)

### (i) Financial assets and financial liabilities (continued)

#### (ii) Classification (continued)

A debt instrument is measured at FVOCI only if it meets both conditions and it is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Society may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Society may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

In order for a financial asset to be classified and measured at amortised cost, The Company makes assessment of the business model and whether the cashflows are 'solely payments of principal and interest'.

#### *Business model assessment*

The Society makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. Factors considered include:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of assets;
- How the performance of the portfolio is evaluated and reported to the Society's management;

- The risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- How managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or contractual cash flows collected); and
- The frequency, volume and timing of sales in prior period, the reasons for such sales and its expectation about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Society's stated objective for managing the financial assets is achieved and how cash flows are realised.

The Society's business comprises primarily loans to members that are held for collecting contractual cash flows.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

*Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI).*

For this assessment, 'principal' is defined as the fair value of the financial assets on initial recognition.

'Interest' is defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding during a particular period and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Society considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or contractual cash flows such that it would not meet this condition. In making the assessment, the Society considers contingent events that would change the amount and timing of cash flows.

# Notes to the Financial Statements

For the Year Ended 31 December 2024

## 4 Material accounting policies (continued)

### (i) Financial assets and financial liabilities (continued)

#### (ii) Classification (continued)

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. This classification is applied to financial liabilities held for trading and other financial liabilities designated as such at initial recognition. This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss.

#### (iii) Derecognition

##### Financial assets

The Society derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Society neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of:

- (i) the consideration received (including any new asset obtained less any new liability assumed) and
- (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Society is recognised as a separate asset or liability.

##### Financial liabilities

The Society derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

### (iv) Modifications of financial assets and financial liabilities (continued)

#### Financial assets

If the terms of a financial asset are modified, then the Society evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired.

In the case the original financial asset is derecognised, and a new financial asset is recognised at fair value plus any eligible transaction costs any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- Other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Society plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place.

This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Society first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and modification fees received adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

# Notes to the Financial Statements

For the Year Ended 31 December 2024

## 4 Material accounting policies (continued)

### (i) Financial assets and financial liabilities (continued)

#### (iv) Modification of financial assets and financial liabilities (continued)

##### Financial liabilities

The Society derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining terms of the modified financial liability by re-computing the effective interest rate on the instrument.

#### (v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Society currently has a legally enforceable right to set off the amounts and it intends either to settle them on a basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS Standards, or for gains and losses arising from a group of similar transactions such as in the Society's trading activity.

#### (vi) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its

absence, the most advantageous market to which the Society has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Society measures the fair value of the instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability takes place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Society uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument or initial recognition is normally the transaction price being the fair value of the consideration given or received.

If the Society determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the difference, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price.

Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is wholly supported by observable market data or the transaction is closed out.

The fair value of a financial liability with a demand feature (e.g., a demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Society recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred. There have been no transfers between the fair value hierarchy during the year.

# Notes to the Financial Statements

For the Year Ended 31 December 2024

## 4 Material accounting policies (continued)

### (I) Financial assets and financial liabilities (continued)

#### (vii) Impairment

The Society recognises the loss allowances for ECL on the following financial instruments that are not measured at FVTPL.

- Financial assets that are debt instruments
- Loans receivables
- Financial guarantee contracts issued; and
- Loan commitments issued

No impairment loss is recognised on equity investments.

Loss allowances for loans are measured at an amount equal to 12-month ECL and lifetime ECL. The Society measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12 months ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

The Society considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Society does not apply the low credit risk exemption to any other financial instruments.

12-month ECL are portions of lifetime ECL that result from default events on a financial instrument that are possible within the 12-months after the reporting date. Financial instruments for which 12-month ECL are recognised are referred to as 'Stage 1 financial instruments'. Financial instruments allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit impaired.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument or the maximum contractual period of exposure. Financial instruments for which lifetime ECL are recognised but that are not credit-impaired are referred to as 'Stage 2 financial instruments'. Financial instruments allocated to Stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit impaired.

Financial instruments for which lifetime ECL are recognised and that are credit-impaired are referred to as 'Stage 3 financial instruments'.

#### Credit-impaired financial assets

At each reporting date, the Society assesses whether financial assets carried at amortised cost and debt instrument financial assets carried at FVOCI are credit impaired (referred to as 'Stage 3 financial asset'), when one or more events have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or borrower's employer.
- Borrower is deceased
- Borrower is unemployed
- a breach of contract such as a default or past-due event (past 90 days).
- it is becoming probable that the borrower or borrower's employer will enter bankruptcy

A loan that has been renegotiated due to deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

In addition, a loan that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.

In making an assessment of whether an investment in sovereign debt is credit impaired, the Society considers the following factors.

- The market's assessment of creditworthiness as reflected in bond yields.
- The rating agencies' assessment of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses.

#### Measurement of ECL

ECL are a probability-weighted-estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Society expects to receive);

# Notes to the Financial Statements

For the Year Ended 31 December 2024

## 4 Material accounting policies (continued)

### (l) Financial assets and financial liabilities (continued)

#### Measurement of ECL (continued)

- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;

#### Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Society determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are recognised when cash is received and are included in other income in the statement of profit or loss.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Society's procedures for recovery of amounts due.

### (m) Critical accounting and judgement in applying accounting policies

In conformity with IFRS, the preparation of financial statements for the Society requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions that may be undertaken in the future, actual results may ultimately differ from estimates.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below;

#### a) Liquidity requirements

The financial statements have been prepared on a going concern basis which assumes that the Society will be able to meet its liabilities and obligations as and when they fall due in the normal course of the business. As at 31 December 2024 the Society had

an at call liquidity net deficiency of K277.3 million (2023: K261.4 million). This net deficiency is predominantly due to member deposits being fully categorised as liability exposure at call.

Funds received from members' savings have been invested in long term investment opportunities, resulting in the apparent maturity mismatch. The savings are fully secured or partially secured against Loans to members (where members have taken out Loans with the Society) as such those savings secured to loans cannot be fully withdrawn.

While member savings are at call, there are processes in place to control the volume of withdrawals. Having assessed the Society's ability to generate positive cash flows as well as the likely timing of member withdrawals, of which there has been no history of significant withdrawals, the at call liquidity net deficiency is not expected to affect the Society's ability to meet its operational and financial obligations and the going concern assumption is considered appropriate in the preparation of these financial statements.

#### b) Impairment losses on loans and advances to customers

The measurement of the expected credit loss allowance for loans and advances to customers is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Detailed information about the judgements and estimates made by the Society in the above areas are set out in note 23.

Loan losses (write-offs) are charged against the allowances for loan losses when management believes that the principal is unlikely to be collected.

# Notes to the Financial Statements

For the Year Ended 31 December 2024

## 5 Property and equipment

### (a) Movements in carrying amounts of property and equipment

2024	Capital Works in Progress PGK	Furniture, Fixtures and Fittings PGK	Motor Vehicles PGK	Computer Equipment PGK	Computer Software PGK	Leasehold Improvements PGK	Right-of-Use Property PGK	Total PGK
<b>Cost</b>								
At 01 January 2024	3,860,866	401,863	2,833,799	8,693,230	6,643,534	1,415,919	1,766,771	25,615,982
Additions	-	872,778	54,001	398,334	659,739	-	-	1,984,852
Disposal	(3,696,920)	-	(144,472)	-	-	-	-	(3,841,392)
<b>At 31 December 2024</b>	<b>163,946</b>	<b>1,274,641</b>	<b>2,743,328</b>	<b>9,091,564</b>	<b>7,303,273</b>	<b>1,415,919</b>	<b>1,766,771</b>	<b>23,759,442</b>
<b>Accumulated depreciation</b>								
At 01 January 2024	-	192,573	2,171,418	6,400,479	3,739,943	719,226	1,177,846	14,401,485
Disposal	-	-	(144,472)	-	-	-	-	(144,472)
Charges for the year	-	45,606	328,022	1,137,722	679,425	106,194	588,925	2,885,894
<b>At 31 December 2024</b>	<b>-</b>	<b>238,179</b>	<b>2,354,968</b>	<b>7,538,201</b>	<b>4,419,368</b>	<b>825,420</b>	<b>1,766,771</b>	<b>17,142,907</b>
<b>Carrying amount at 31 December 2024</b>	<b>163,946</b>	<b>1,036,462</b>	<b>388,360</b>	<b>1,553,363</b>	<b>2,883,905</b>	<b>590,499</b>	<b>-</b>	<b>6,616,535</b>
<b>2023</b>								
<b>Cost</b>								
At 01 January 2023	2,605,652	333,274	2,267,446	7,860,478	6,594,896	1,415,919	1,766,771	22,844,436
Additions	2,138,513	68,589	635,153	832,752	48,638	-	-	3,723,645
Disposal	(883,299)	-	(68,800)	-	-	-	-	(952,099)
<b>At 31 December 2023</b>	<b>3,860,866</b>	<b>401,863</b>	<b>2,833,799</b>	<b>8,693,230</b>	<b>6,643,534</b>	<b>1,415,919</b>	<b>1,766,771</b>	<b>25,615,982</b>
<b>Accumulated depreciation</b>								
At 01 January 2023	-	166,530	1,544,597	5,028,554	3,076,400	613,029	588,924	11,018,034
Disposal	-	-	(68,800)	-	-	-	-	(68,800)
Charges for the year	-	26,043	695,621	1,371,925	663,643	106,197	588,922	3,452,251
<b>At 31 December 2023</b>	<b>-</b>	<b>192,573</b>	<b>2,171,418</b>	<b>6,400,479</b>	<b>3,739,943</b>	<b>719,226</b>	<b>1,177,846</b>	<b>14,401,485</b>
<b>Carrying amount at 31 December 2023</b>	<b>3,860,866</b>	<b>209,290</b>	<b>662,381</b>	<b>2,292,751</b>	<b>2,903,591</b>	<b>696,693</b>	<b>588,925</b>	<b>11,214,497</b>

# Notes to the Financial Statements

For the Year Ended 31 December 2024

## 6 Investment securities, government inscribed stock and term deposits

	Notes	2024 PGK	2023 PGK
Government inscribed stock at amortised cost	(a)	105,456,678	90,963,481
Quoted equity investments at FVTPL	(b)	4,185,000	3,100,000
Unquoted equity investments at FVTPL	(c)	160,000	160,000
Term deposits - maturity periods of greater than 90 days	(d)	11,642,025	41,370,733
Treasury bills	(e)	13,090,810	-
		<b>134,534,513</b>	<b>135,594,214</b>

### (a) Government inscribed stock at amortised cost

The book value comprises of:

	2024 PGK	2023 PGK
Face value of government inscribed stock (i)	104,100,000	89,600,000
Unamortised premiums	2,064,956	2,080,362
Unamortised discounts	(57,760)	(66,363)
	106,107,196	91,613,999
Less: provision for doubtful debt	(650,518)	(650,518)
	<b>105,456,678</b>	<b>90,963,481</b>

Government inscribed stock are shown net of unamortised discounts / premiums on acquisition which are amortised over the life of the stock. Government inscribed stock have coupon rates ranging from 4.70% to 14.00% and yield rates ranging from 4.70% to 15.40%.

# Notes to the Financial Statements

For the Year Ended 31 December 2024

## (i) Reconciliation of the face value of government inscribed stock

Maturity Year	2024			2023		
	Coupon rates %	Yield rates %	Face value PGK	Coupon rates %	Yield rates %	Face value PGK
2024	-	-	-	5.0	4.5	1,000,000
2025	11.50	1.45	4,000,000	11.5 to 12.5	11.45 to 12.5	6,000,000
2026	5.35	5.09	2,000,000	5.35	5.09	2,000,000
2027	5.60 to 14.00	5.27 to 14.00	29,160,000	5.6 to 14.0	5.27 to 14.0	29,160,000
2028	12.50	12.50	20,000,000	12.5	12.5	18,000,000
2029	4.70 to 12.00	4.70 to 11.50	16,250,000	6.0 to 12.00	5.9 to 11.5	15,250,000
2030	6.50 to 7.20	6.15 to 6.90	3,000,000	6.5 to 7.2	6.15 to 6.9	3,000,000
2031	5.40 to 12.50	5.40 to 15.40	12,690,000	6.75 to 12.5	6.3 to 15.4	11,690,000
2032	5.50 to 7.50	5.50 to 7.50	4,500,000	7.00 to 7.5	6.6 to 7.0	3,500,000
2033	5.70	5.68	5,000,000	-	-	-
2034	5.90	5.70 to 5.90	7,500,000	-	-	-
			104,100,000			89,600,000

## 6 Investment securities, government inscribed stock and term deposits

### (b) Quoted equity investments at FVTPL

	2023 PGK	Fair value movement PGK	Disposal PGK	2024 PGK
Credit Corporation (PNG) Limited	3,100,000	1,085,000	-	4,185,000
PNG Air Limited	-	-	-	-
	3,100,000	1,085,000	-	4,185,000

### Reconciliation of movement in quoted investments is as follows:

	2024 PGK	2023 PGK
Balance at 01 January	3,100,000	2,867,500
Net (loss)/gain on financial assets at FVTPL	1,085,000	232,500
<b>Balance at 31 December</b>	<b>4,185,000</b>	<b>3,100,000</b>

# Notes to the Financial Statements

For the Year Ended 31 December 2024

## (c) Unquoted equity investments at FVTPL

	2024 PGK	2023 PGK
Investment in CloudApp Limited	160,000	160,000

The Society acquired 51% of the shares in CloudApp Limited ('CloudApp') at no consideration in 2017. CloudApp is a software development and retail company. There were no material changes in the fair value for 2024.

## (d) Term deposits

	2024 PGK	2023 PGK
Term deposits - maturity periods of greater than 90 days (Private banking institutions)	11,642,025	41,370,733
	<b>11,642,025</b>	<b>41,370,733</b>

## (e) Treasury bills

	2024 PGK	2023 PGK
Treasury bills (Bank of Papua New Guinea)	13,090,810	-
	<b>13,090,810</b>	<b>-</b>

## 7 Loans due from members

	2024 PGK	2023 PGK
Loans due from members	185,146,788	157,576,586
Less: provision for doubtful debt	(14,283,309)	(4,751,077)
	<b>170,863,479</b>	<b>152,825,509</b>

Repayments are received on a fortnightly and monthly basis. The minimum loan is K200. Board approval is required for loans granted over K200,000. The movement in the provision for doubtful debts was as follows:

	2024 PGK	2023 PGK
<b>Balance at 01 January</b>	<b>4,751,077</b>	<b>2,978,568</b>
Provision charges to profit and loss	10,779,735	2,852,366
Bad debts written off during the year	(1,247,503)	(1,079,857)
Net movement in provision for bad debts	9,532,232	1,772,509
<b>Balance at 31 December</b>	<b>14,283,309</b>	<b>4,751,077</b>

# Notes to the Financial Statements

## For the Year Ended 31 December 2024

The unsecured exposure on overdue balances as at 31 December 2024 is K55,977,485 (2023: K11,283,828). The ageing of the unsecured exposure on overdue balances is as follows:

	2024 PGK	2023 PGK
1 - 29 days overdue	28,318,617	6,003,717
30 - 59 days overdue	21,142,859	1,562,708
60 - 89 days overdue	870,172	811,706
90+ days overdue	5,645,937	2,905,697
	<b>55,977,485</b>	<b>11,283,828</b>

### 8 Prepayments and other receivables

	2024 PGK	2023 PGK
Accrued interest	3,069,707	2,575,719
Staff related receivables	262,196	439,784
Security deposits	62,840	46,250
Prepayments	3,834,919	1,062,093
	<b>7,229,662</b>	<b>4,123,846</b>

Accrued interest represents interest accrued on Government inscribed stock (Note 6) and interest-bearing deposits (Note 21). Accrued interest on loans is captured in the loan balance.

### 9 Employee provisions

	2024 PGK	2023 PGK
Provision for annual leave	948,487	404,723
Provision for long service leave	1,028,760	705,820
	<b>1,977,247</b>	<b>1,110,543</b>

### 10 Trade and other payables

	2024 PGK	2023 PGK
Creditors and accruals	5,514,841	3,622,249
Amount payable to NASFUND	68,041	96,822
Other payables	509,091	495,122
	<b>6,091,973</b>	<b>4,214,193</b>

Other payables are non-interest bearing and are generally payable within 60 days.

# Notes to the Financial Statements

For the Year Ended 31 December 2024

## 11 Members' savings

	2024 PGK	2023 PGK
Members' savings	309,521,386	273,975,712
Unallocated contributions	10,156	474,537
	<b>309,531,542</b>	<b>274,450,249</b>

The Society commenced payment of monthly interest to members in prior years. This interest differs from the year end distributions declared by the Society, as its purpose is to attract and retain member savings and capital. The interest was also paid during the year ended 31 December 2024. As at 28 April 2025, the Board of Directors declared and distributed to members interest at a rate of 3.52% (2023: 6.0%) totalling K9,803,708 (2023: K11,945,494). The distribution made in 2024 was out of 2023 year-end profits.

This profit distribution is apportioned based on the daily savings balance of the members' accounts for the year. This distribution differs from the monthly interest payments and is equity in nature. The Society has a policy of actively identifying the details of unallocated deposits. It is not always possible to obtain these if the appropriate details have not been included in the transactions.

## 12 Leases and Right of use assets

### (a) Leases as Lessee

The property leases represents leases of land and buildings. The leases provide for rent increments at 8% annually. The Society is restricted from entering into any sub-lease arrangements. Information about leases for which the Society is a lessee is presented below:

#### (i) Right-of-use assets

	2024 PGK	2023 PGK
Balance at 01 January	588,925	1,177,847
Additions / (Lease modifications)	-	-
Lease modification	-	-
Depreciation charge for the year	(588,925)	(588,922)
Balance at 31 December	-	588,925

#### (ii) Lease Liability

	2024 PGK	2023 PGK
Balance at 01 January	747,772	1,214,940
Additions	-	-
Lease payments	(811,284)	(497,940)
Lease modifications	-	-
Finance Cost	63,512	30,772
Balance at 31 December	-	747,772

# Notes to the Financial Statements

For the Year Ended 31 December 2024

## Lease liabilities included in statement of financial position:

	2024 PGK	2023 PGK
Current	-	747,772
Non-current	-	-
<b>Balance at 31 December</b>	<b>-</b>	<b>747,772</b>

## Maturity analysis - Contractual undiscounted cash flow

	2024 PGK	2023 PGK
Less than one year	-	758,858
Between one and five years	-	-
More than five years	-	-
<b>Total undiscounted lease liabilities at 31 December</b>	<b>-</b>	<b>758,858</b>
Unearned interest on lease liabilities	-	(11,086)
	<b>-</b>	<b>747,772</b>

### (iii) Amount recognised in profit or loss

	2024 PGK	2023 PGK
Depreciation expense on right of use assets	588,924	588,924
Interest on lease liabilities	63,512	30,772

### (iv) Amounts recognised in statement of cash flows

	2024 PGK	2023 PGK
Total cash outflow for leases	(811,284)	(497,940)

The property lease contains extension option exercisable by the Society before the end of the lease period. The Society have considered all extension options in the lease calculation.

## (b) Leases as lessor

The Society leased out its investment property consisting of an owned property. The property was sold during the year. All leases are classified as operating leases from a lessor perspective.

### (i) Operating lease

Rental income recognised by the Society during 2024 was nil (2023: K25,155).

# Notes to the Financial Statements

For the Year Ended 31 December 2024

## 13 Share Capital Issued ordinary share capital

	2024 PGK	2023 PGK
Share on issue at 01 January	146,765	142,340
Net movement in share capital	7,906	4,425
	<b>154,671</b>	<b>146,765</b>

Under the Savings and Loan Societies (Amendment) Act 1995, each member is required to purchase a share at K1 on joining the Society. Upon exiting the Society, the member may redeem the K1.

## 14 Statutory reserve

	2024 PGK	2023 PGK
Balance at 01 January	25,761,834	23,819,516
Statutory transfer of net profit for the year	1,084,098	1,942,318
	<b>26,845,932</b>	<b>25,761,834</b>

The Savings and Loan Societies (Amendment) Act 2015, requires a Society to transfer 20% of its profits earned in a financial year to the statutory reserve. The Society is not required to maintain a reserve balance exceeding 10% of total liabilities.

## 15 Administration expenses

	2024 PGK	2023 PGK
Advertising and marketing	408,919	706,791
Auditors remuneration	213,000	205,000
Bank charges	120,604	204,601
Computer, software support and communication	4,090,697	3,673,226
Directors fees	395,737	338,164
Directors sitting fees and expenses	94,589	184,404
Motor vehicle expenses	404,520	334,321
Printing and postage	147,758	27,999
Professional and consulting fees	3,232,172	3,206,216
Rental expenses	60,690	34,294
Security charges	107,297	107,072
Travel	968,070	384,051
Insurance	211,232	268,182
Telecommunication	808,020	595,398
Promotion and merchandising	113,008	57,099
Other office expenses	3,023,539	1,629,828
	<b>14,399,852</b>	<b>11,956,646</b>

# Notes to the Financial Statements

For the Year Ended 31 December 2024

## 16 Employee benefit expense

	2024 PGK	2023 PGK
Base	10,053,482	5,650,645
Superannuation	570,670	429,108
Long service leave	655,841	125,760
Other benefits and expenses	4,766,560	2,966,938
	<b>16,046,553</b>	<b>9,172,451</b>

## 17 Employee benefits plans

The Society contributes to the National Superannuation Fund of Papua New Guinea ("NASFUND") on behalf of its employees.

All employees are members of NASFUND. This fund is an accumulation benefit fund whereby the Society matches contributions to the fund made by employees up to 10% of the employee's base salary. Employee contributions are based on 6% of their gross salaries. During 2024, the Society expensed K570,670 in contributions (2023: K429,108)

## 18 Related party transactions

Related parties represent major shareholders, directors and key management personnel of the Society and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Board of Directors.

Transactions with related parties during the year are as follows:

### (a) Loans to staff and directors

Member loans made to NCSL staff and directors are in the ordinary course of business in accordance with the Society Rules. The total value of these loans as at 31 December 2024 was as follows:

	2024 PGK	2023 PGK
Loans to related parties	1,769,600	1,419,097

The interest rate, security and repayment terms on these loans are no different to the normal terms and conditions extended to the general membership.

### (b) National Superannuation Fund (NASFUND)

NASFUND is a related party due to common Directors between NASFUND and the Society.

	2024 PGK	2023 PGK
Amount payable to NASFUND (Note 11)	68,041	96,822

Rent of K809,696 (2023: K668,714) was charged to the Society by NASFUND.

# Notes to the Financial Statements

For the Year Ended 31 December 2024

## (c) CloudApp Limited

CloudApp Limited is a related party of the Society. The society holds 51% of the shares of the entity and there are common directors between the entities. In 2016, the Society purchased a Core Banking System valued K3.5 million from CloudApp Limited, which was further enhanced throughout 2018 and 2019 after being launched in late 2016.

## (d) Compensation of key management personnel

The remuneration of directors and members of key management during the period was as follows:

	2024 PGK	2023 PGK
Salaries, wages and other short-term benefits	6,116,043	2,726,652
Long-service leave	135,187	287,421
Superannuation	167,800	159,691
	<b>6,419,030</b>	<b>3,173,764</b>

The number of employees whose total remuneration and other benefits received, exceeding K100,000 and falling within each relevant K50,000 banding.

	2024 PGK	2023 PGK
K100,000 - K149,999	8	2
K150,000 - K199,999	7	6
K200,000 - K249,999	7	1
K250,000 - K299,999	5	1
K300,000 - K349,999	-	-
K350,000 - K399,999	1	1
K400,000 - K449,000	1	-
K500,000 and K1,000,000	1	-
K1,000,000 and above	2	2
	<b>32</b>	<b>13</b>

### Directors during the year

Mr. Christopher Elphick (Chairman)  
Mr. Ian Tarutia, CBE  
Mr. Hulala Tokome, MBE  
Mr. Sundar Ramarmurthy  
Ms. Deborah Onga

### Executives during the year

Frans Kootte (Chief Executive Officer)  
Robert Loggia (GM Operations and IT)  
Shane Kennedy (Deputy General Manager ICT and Operations)  
Maranuf Tataeng (Chief Member Services Officer)  
Bernard Matlaun (Lending Manager)  
Edwin Mondo (Finance Manager)  
Henry Pupu (HR Manager)  
John Pulu (Head of ICT)  
Kisakiu Poawai (Head of Risk and Compliance)  
Gila Ebenosi (Head of Digital Services)  
Venessa Vee (Head of Legal and Company Secretary)

# Notes to the Financial Statements

For the Year Ended 31 December 2024

## 19 Contingencies and commitments

The Society did not have any material commitments or contingencies at the year-end (2023: nil).

## 20 Subsequent events

No material subsequent events have occurred between the end of the financial year and the date of signing of the financial statements other than noted below:

- (a) On the 28 April 2025, the Society's Board of Directors declared and distributed to members interest at a rate of 3.52% totalling K9,803,708.

## 21 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand and at bank and short-term deposits at call, net of outstanding bank overdrafts. Cash and cash equivalents as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	2024 PGK	2023 PGK
Cash at bank	32,188,338	12,995,890
Term deposits with maturity of less than 3 months	-	66,425
	<b>32,188,338</b>	<b>13,062,315</b>

## 22 Financial instruments

### Risk management framework

The Society's board of directors has overall responsibility for the establishment and oversight of the Society's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Society's risk management policies. The committee reports regularly to the board of directors on its activities. The Society's risk management policies are established to identify and analyse the risks faced by the Society, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Society's activities. The Society, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

### (a) Credit risk

#### (i) Credit risk management

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk for loans and receivables at the reporting date is concentrated in Papua New Guinea. Credit risk is the risk of financial loss to the Society if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Society's receivables from customers and investments in debt securities. The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

# Notes to the Financial Statements

## For the Year Ended 31 December 2024

The Society structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, the limit is the member savings available when the financial asset is issued. Such risks are monitored on a revolving basis and subject to an annual or more frequent review. Limits on the level of credit risk are approved quarterly by the Credit Manager.

The Society measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). The Society also uses the ageing of loans to manage and measure credit risk. The ageing is matched to the IFRS 9 Staging as noted below:

Ageing Analysis	Description	Description
Less than 30 days	Average risk	Standard Monitoring (Stage 1)
31 - 90 days	Special mention	Special Monitoring (Stage 2)
More than 91 days	Substandard, Doubtful & Loss	Default (Stage 3)

### Credit Risk Concentrations

The Society only provides loans to individuals who are members of the Society.

#### (ii) Expected credit loss measurement

IFRS 9 outlines a 'three-stage' model for impairment of financial assets based on changes in credit quality since initial recognition, as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Society;
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired;
- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3';
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis; and
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information.

The key judgements and assumptions adopted by the Society in addressing the requirements of the standard are discussed below:

### Inputs, assumptions and techniques used for estimating impairment

#### Significant increase in credit risk

When determining whether the risk of default on the financial instrument has increased significantly since initial recognition, the Society considers both quantitative and qualitative information and analysis, based on the Society's historical experience and expert credit assessment and including forward-looking information.

The Society uses three criteria for determining whether there has been a significant increase in credit risk:

- a quantitative test
  - The financial instrument is considered to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.
- qualitative indicators
  - Early signs of cash flow/liquidity problems such as delay in submitting repayments and savings by the members employer
  - Significant adverse changes in financial and/or economic conditions in which the member and members employer operates.
  - Actual or expected forbearance or restructuring by the member or members employer.

# Notes to the Financial Statements

For the Year Ended 31 December 2024

## Credit risk (continued)

### (ii) Expected credit loss measurement (continued)

The criteria above have been applied to all financial instruments held by the Society and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Society's expected loss calculations.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria at the reporting date.

#### Definition of default

The Society considers a financial asset to be a default when:

- the borrower is unlikely to pay its credit obligations to the Society in full, without recourse by the Society to action such as realising security;
- the borrower is more than 90 days past due on any material credit obligation to the Society; and
- it is becoming probable that the borrower's employer's business is under distress.

In assessing whether a borrower is in default, the Society considers indicators that are:

- Qualitative: breaches of covenants;
- Quantitative: overdue status and non-payment on another obligation of the same issuer to the Society; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is a default and their significance may vary over time to reflect changes in circumstances.

#### Incorporation of forward-looking information

The Society incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL.

The Society formulates three economic scenarios: a base case, which is the central scenario developed internally based on consensus forecasts, and two less likely scenarios, one upside and one downside scenario. The central scenario is aligned with information used by the Society for other purposes such as strategic planning and budgeting.

	Upside PGK	2024 Central PGK	Downside PGK	Upside PGK	2023 Central PGK	Upside PGK
Scenario probability weighting	10%	80%	10%	10%	80%	10%
ECL impact	8,104,043	13,578,462	18,201,405	3,326,795	4,775,731	5,978,120

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have also been considered, but are not deemed to have a material impact and therefore no adjustment has been made to the ECL for such factors. This is reviewed and monitored for appropriateness on an annual basis.

#### Sensitivity of ECL to future economic conditions

The ECL are sensitive to judgments and assumptions made regarding formulation of forward-looking scenarios and how much scenarios are incorporated into the calculations. Management performs a sensitivity analysis of significant assumptions by considering impact of their possible changes in different scenarios and concluded that changes in GDP growth rate and unemployment rate do not significantly affect the level of impairment provision given the following:

# Notes to the Financial Statements

For the Year Ended 31 December 2024

## Credit risk (continued)

### (ii) Expected credit loss measurement (continued)

- If the weight of the downside scenario increases to 20% (i.e. weight of central scenario decreases to 70%), as a result of lower GDP growth rate and higher unemployment rate, the impairment provision would increase by K462 thousand;
- If the weight of the upside scenario would increase to 20% (i.e. weight of the central scenario would decrease to 70%), as a result of higher GDP growth rate and lower unemployment rate, the impairment provision would decrease by K547 thousand.

### (iii) Provision for impairment losses

#### Loss allowance

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses is the product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- EAD is based on the amounts the Society expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). The Society derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default.
- LGD represents the Society's expectation of the extent of loss on a defaulted exposure. LGD is the magnitude of the likely loss if there is a default. The Society estimates LGD parameters based on the history of cure of defaulted counterparties and the savings deposits held against defaulted counterparties. The LGD models consider the structure, collateral, cure rates achieved in past periods, member savings held and recovery costs of any collateral that is integral to the financial asset.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Society measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Society considers a longer period. The maximum contractual period extends to the date at which the Society has the right to require repayment of an advance or terminate a loan commitment or guarantee.

The provision for impairment losses recognised in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions; and
- Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period.

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument. The basis for determining transfers due to changes in credit risk is set out in our accounting policy:

# Notes to the Financial Statements

For the Year Ended 31 December 2024

## 22 Financial instruments (continued)

### (a) Credit risk (continued)

#### (iii) Provision for impairment losses (continued)

#### Reconciliation of ECL and EAD on Loans:

2023 Reconciliation	Stage 1		Stage 2		Stage 3		Total	
	EAD PGK	ECL PGK	EAD PGK	ECL PGK	EAD PGK	ECL PGK	EAD PGK	ECL PGK
<b>Balance at 1 January 2023</b>	130,206,506	1,166,398	6,544,540	847,217	5,620,681	964,953	142,371,727	2,978,568
Transfer to Stage 1	3,828,522	325,225	(2,499,761)	(218,842)	(1,328,761)	(106,383)	-	-
Transfer to Stage 2	(4,962,924)	(85,022)	5,366,882	152,869	(403,958)	(67,847)	-	-
Transfer to Stage 3	(2,245,143)	(68,436)	(1,255,786)	(281,359)	3,500,929	349,795	-	-
Net remeasurement of loss allowance	-	(149,096)	-	(193,803)	-	(236,775)	-	(579,674)
New financial assets originated	42,586,276	897,726	1,717,010	238,777	70,461	36,765	44,373,747	1,173,268
Financial assets paid / matured	(21,300,397)	-	(1,588,584)	-	(2,941,360)	-	(25,830,341)	-
Net remeasurement on transfers between Stages	(1,350,734)	(286,953)	(698,197)	294,363	(1,289,616)	1,171,505	(3,338,547)	1,178,915
<b>Balance at 31 December 2023</b>	<b>146,762,106</b>	<b>1,799,842</b>	<b>7,586,104</b>	<b>839,222</b>	<b>3,228,376</b>	<b>2,112,013</b>	<b>157,576,586</b>	<b>4,751,077</b>

2024 Reconciliation	Stage 1		Stage 2		Stage 3		Total	
	EAD PGK	ECL PGK	EAD PGK	ECL PGK	EAD PGK	ECL PGK	EAD PGK	ECL PGK
<b>Balance at 1 January 2024</b>	146,762,106	1,799,842	7,586,104	839,222	3,228,376	2,112,013	157,576,586	4,751,077
Transfer to Stage 1	2,038,517	200,678	(1,925,922)	(146,077)	(112,595)	(54,601)	-	-
Transfer to Stage 2	(48,104,818)	(618,872)	48,277,228	713,746	(172,410)	(94,874)	-	-
Transfer to Stage 3	(3,997,693)	(120,641)	(2,360,450)	(451,224)	6,358,143	571,865	-	-
Net remeasurement of loss allowance	-	(224,151)	-	(75,400)	-	(495,829)	-	(795,380)
New financial assets originated	34,883,028	2,684,712	17,861,104	1,687,826	1,210,031	201,671	53,954,163	4,574,209
Financial assets paid / matured	(24,980,667)	-	(1,975,269)	-	(675,899)	-	(27,631,835)	-
Net remeasurement on transfers between Stages	(1,347,520)	(128,913)	2,988,134	3,648,782	(392,740)	2,233,534	1,247,874	5,753,403
<b>Balance at 31 December 2024</b>	<b>105,252,953</b>	<b>3,592,655</b>	<b>70,450,929</b>	<b>6,216,875</b>	<b>9,442,906</b>	<b>4,473,779</b>	<b>185,146,788</b>	<b>14,283,309</b>

# Notes to the Financial Statements

For the Year Ended 31 December 2024

## 22 Financial instruments (continued)

### (a) Credit risk (continued)

#### (iii) Provision for impairment losses (continued)

#### Summary of the EAD and ECL – Loans:

2024	EAD PGK	ECL PGK	Net carrying amount PGK
Stage 1 - 12 month ECL	105,252,953	3,592,655	101,660,298
Stage 2 - Life time ECL	70,450,929	6,216,875	64,234,054
Stage 3 - Life time ECL	9,442,906	4,473,779	4,969,127
<b>Balance at 31 December 2024</b>	<b>185,146,788</b>	<b>14,283,309</b>	<b>170,863,479</b>

2023	EAD PGK	ECL PGK	Net carrying amount PGK
Stage 1 - 12 month ECL	146,762,106	1,799,842	144,962,264
Stage 2 - Life time ECL	7,586,104	839,222	6,746,882
Stage 3 - Life time ECL	3,228,376	2,112,013	1,116,363
<b>Balance at 31 December 2023</b>	<b>157,576,586</b>	<b>4,751,077</b>	<b>152,825,509</b>

#### Reconciliation of ECL and EAD on Government Inscribed Stocks:

	2024 Stage 1		2023 Stage 1	
	EAD PGK	ECL PGK	EAD PGK	ECL PGK
<b>Balance at 1 January</b>	91,613,999	650,518	103,118,550	650,518
Net remeasurement of loss allowance	-	-	-	-
Financial assets originated	14,500,000	-	-	-
Accrued interest and amortisation of interest	(6,803)	-	(504,551)	-
Financial assets matured during the year	(1,000,000)	-	(11,000,000)	-
<b>Balance at 31 December</b>	<b>105,107,196</b>	<b>650,518</b>	<b>91,613,999</b>	<b>650,518</b>

# Notes to the Financial Statements

For the Year Ended 31 December 2024

## 22 Financial instruments (continued)

### (a) Credit risk (continued)

#### (iv) Credit risk exposure

##### Maximum exposure to credit risk – Financial instruments subject to impairment

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised against the Ageing analysis used for credit risk management. The gross carrying amount of financial assets below also represents the Society's maximum exposure to credit risk on these assets.

Ageing Analysis	Stage 1 12 month PGK	Stage 2 Lifetime PGK	Stage 3 Lifetime PGK	Total PGK
<b>31 December 2024</b>				
Less than 30 days	105,252,953	-	-	105,252,953
31 - 90 days	-	70,450,929	-	70,450,929
More than 91 days	-	-	9,442,906	9,442,906
Gross carrying amount	105,252,953	70,450,929	9,442,906	85,146,788
Loss allowance	(3,592,655)	(6,216,875)	(4,473,779)	(14,283,309)
<b>Carrying amount</b>	<b>101,660,298</b>	<b>64,234,054</b>	<b>4,969,127</b>	<b>170,863,479</b>

Ageing Analysis	Stage 1 12 month PGK	Stage 2 Lifetime PGK	Stage 3 Lifetime PGK	Total PGK
<b>31 December 2023</b>				
Less than 30 days	146,762,106	-	-	146,762,106
31 - 90 days	-	7,586,104	-	7,586,104
More than 91 days	-	-	3,228,376	3,228,376
Gross carrying amount	146,762,106	7,586,104	3,228,376	157,576,586
Loss allowance	(1,799,842)	(839,222)	(2,112,013)	(4,751,077)
<b>Carrying amount</b>	<b>144,962,264</b>	<b>6,746,882</b>	<b>1,116,363</b>	<b>152,825,509</b>

##### Collateral and other credit enhancements

The Society employs a range of policies and practices to mitigate credit risk, including matching member savings to the loan facility provided to the member. The principal collateral types for loans and advances to members are the member savings. The Society determines the fair market value of collateral obtained as a part of loan origination process.

The Society closely monitors member deposits/savings held for financial assets considered to be credit-impaired, as it becomes more likely that the Society will take possession of the deposits/savings to mitigate potential credit losses. Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses are shown below:

Credit-impaired assets	Gross Exposure PGK	Provision for impairment losses PGK	Carrying amount PGK	Present value of collateral held PGK
31 December 2024	9,442,906	(4,473,779)	4,969,127	3,796,969
31 December 2023	3,228,376	(2,112,013)	1,116,363	322,680

# Notes to the Financial Statements

For the Year Ended 31 December 2024

## (b) Liquidity Risk

The Society is exposed to daily calls on its available cash resources from member deposits through transaction accounts offered by the Society. The Society does not maintain cash resources to meet all of these needs, as experience shows that a minimum level of member savings maintained with the Society can be predicted with a high level of certainty.

The matching and controlled mismatching of the maturities and rates of assets and liabilities is fundamental to the management of the Society. It is unusual for financial institutions to be completely matched. An unmatched position potentially enhances profitability, but also increases the risk of losses.

### (i) Maturity analysis for financial liabilities and financial assets

The following tables set out the remaining contractual maturities of the Society's financial liabilities and financial assets.

31 December 2024	Carrying amount PGK	At call PGK	0-3 months PGK	Less than 1 year PGK	1-5 years PGK	More than 5 years PGK
<b>Financial liability by type Non-derivative liabilities</b>						
Member savings	309,521,386	309,521,386	-	-	-	-
Other financial liabilities-lease liabilities	-	-	-	-	-	-
	<b>309,521,386</b>	<b>309,521,386</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial asset by type Non-derivative assets</b>						
Cash and cash equivalents	32,188,338	32,188,338	-	-	-	-
Term deposits	24,732,835	-	-	24,732,835	-	-
Quoted equity investments	4,185,000	-	-	-	4,185,000	-
Government inscribed stock	105,456,678	-	-	5,356,678	67,410,000	32,690,000
Loans due from members	170,863,479	-	4,690,214	12,829,820	153,343,445	-
	<b>337,426,330</b>	<b>32,188,338</b>	<b>4,690,214</b>	<b>42,919,333</b>	<b>224,938,445</b>	<b>32,690,000</b>
<b>31 December 2023</b>						
<b>Financial liability by type Non-derivative liabilities</b>						
Member savings	274,450,249	274,450,249	-	-	-	-
Other financial liabilities-lease liabilities	747,772	-	275,921	471,851	-	-
	<b>275,198,021</b>	<b>274,450,249</b>	<b>275,921</b>	<b>471,851</b>	<b>-</b>	<b>-</b>
<b>Financial asset by type Non-derivative assets</b>						
Cash and cash equivalents	13,062,315	13,062,315	-	-	-	-
Term deposits	41,370,733	-	18,263,527	23,107,206	-	-
Quoted equity investments	3,100,000	-	-	-	3,100,000	-
Government inscribed stock	90,963,481	-	-	2,363,481	55,160,000	33,440,000
Loans due from members	152,825,509	-	1,962,168	14,298,513	136,564,828	-
	<b>301,322,038</b>	<b>13,062,315</b>	<b>20,225,695</b>	<b>39,769,200</b>	<b>194,824,828</b>	<b>33,440,000</b>

# Notes to the Financial Statements

For the Year Ended 31 December 2024

## 22 Financial instruments (continued)

### (c) Other market risk

Investments of the Society (other than cash held for liquidity purposes and investment properties) comprise fixed interest securities, term deposits and shares in listed and unlisted companies.

The valuation of financial investments at FVTPL and investment properties based on their classification is as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities,
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices), and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows (no transfers between levels between the periods):

	Level 1 PGK	Level 2 PGK	Level 3 PGK	Total PGK
<b>31 December 2024</b>				
Quoted equity investments	4,185,000	-	-	4,185,000
Unquoted equity investments	-	-	160,000	160,000
	<b>4,185,000</b>	<b>-</b>	<b>160,000</b>	<b>4,345,000</b>

	Level 1 PGK	Level 2 PGK	Level 3 PGK	Total PGK
<b>31 December 2023</b>				
Quoted equity investments	3,100,000	-	-	3,100,000
Unquoted equity investments	-	-	160,000	160,000
	<b>3,100,000</b>	<b>-</b>	<b>160,000</b>	<b>3,260,000</b>

### (d) Interest risk

Interest on members' loans is fixed by the Society therefore no significant rate risk is associated with members' loans.

### (e) Foreign currency risk

The Society is not exposed to foreign currency risk, there are no contracts entered into denominated in foreign currency.



“ NCSL Savings & Loan embarked on a transformative digital journey, achieving significant milestones that enhanced member experience and operational efficiency.

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# Management



## Frans Kootte

CEO

Mr Kootte is a highly experienced banking executive. With over 30 years in global and emerging market Retail Banking, (consumer, SME, personal banking), Microfinance, and Digital/Mobile banking.

Proven track record in the alignment of business, strategic positioning, process re-engineering programs (e.g. digital transformation) and project management.

Developed a motivating and respectful leadership style, is client and result oriented with a project-based and no-nonsense and hands-on approach.



## Shane Kennedy

Acting Chief Financial Officer

Mr. Kennedy commenced with NCSL in July 2024 and has been in his current role as Acting CFO since September 2024. He has 20 years' experience working in the finance, professional services and extractive industries, in both Australia and Papua New Guinea.

This includes 6 years at a 'Big 4' professional services firm and working for one of the world's largest goldminers in a senior finance role. He is passionate about promoting a sustainable savings culture which plays a crucial role in driving economic stability, financial resilience and nation building.

Shane holds a Bachelor of Commerce and a Master of Professional Accounting degree from two Australian universities.



## Maranuf Tataeng

Chief Member Services Officer

Mr. Maranuf Tataeng started with NCSL in September 2023. He has 19 years of experience with TISA and other financial Institutions.

Mr Tataeng has a Bachelors Degree in Banking and Finance and Certificate from the World Council of Credit Union (WOCCU) Management Certification Program.

Mr Tataeng is result oriented, team player and an enterprising leader with proven capabilities in developing and implementing strategies for accelerated growth.



### **Robert Loggia**

General Manager Operations & ICT

Mr. Robert Loggia was appointed General Manager Operations & ICT in December 2023.

Mr Robert Loggia was the Group Chief Operating Officer at Bank South Pacific from 2011 to 2020 based in Port Moresby, National Capital.

Previously, Robert was also the Chief Executive Officer at State Bank, Mongolia. Robert has a Bachelor of Commerce degree and Finance degree from McGill University, Montreal.



### **Henry Pupu**

Head of Human Resources

Mr. Henry Pupu possesses a Bachelor in Business Management (Majoring in Human Resources Management) from the University of Papua New Guinea. Mr Pupu is a member of the PNG Human Resources Institute.

Mr Pupu has held various Supervisory and Leadership roles, totalling to over 12 years of exposure, with reputable firms such as OK TEDI Mining, South Pacific Brewery Ltd, Coffey International and with Remington Group prior to his appointment at NCSL as Manager Human Resources in 2018.

He is passionate about providing best practice HR advice and support at the various stages of the employee engagement cycle.



### **Venessa Vee**

Head of Legal & Corporate Secretary

Ms. Venessa Vee joined NCSL in 2020 as Manager Legal and Board Secretary.

She holds a Bachelors' Degree in Law from the University of Papua New Guinea and is admitted to practice in Papua New Guinea.

She is a member of the PNG Human Resource Institute, PNG Institute of Directors, Australian Institute of Company Directors and the Papua New Guinea Law Society.

# Management



## **Kisakiu Poawai**

Head of Risk & Compliance

Mr. Kisakiu Poawai commenced his career in 2010 with BSP Financial Group Limited. He has stints with various firms and Financial Institutions acquiring up to 13 years exposure.

He is qualified in financial risk management, internal business process, audit and compliance, quality control management, AML compliance and managing customer relationships.

Mr Kisakiu came on board as Manager Risk and Compliance in 2023. He holds a Bachelor in Commerce from PNG University Of Technology.



## **John Pulu**

Head of Information & Communication Technology

Mr. John Pulu holds a Bachelors Degree in Computer Science and Mathematics from PNG University of Technology and a Graduate Diploma in Computer Science from The University of Auckland.

John brings over 15 years of ICT expertise cultivated through various ICT leadership roles within Papua New Guinea's top organizations.

John's experience is spread across diverse sectors such as Telecommunications, ISP, Mining, State Enterprise, and Finance.



## **Edwin Mondo**

Manager Finance

Mr. Edwin Mondo possesses a Bachelor of Accounting from Divine Word University.

He started his career with Deloitte Touché Tohmatsu. He is now a certified accountant, registered with CPA PNG.

His expertise includes Budgeting, General Ledger Reconciliation, External Audit, Financial Accounting and Management Accounting. Edwin has acquired 13 years of experience with various other firms and looks forward to contributing to the positive growth of NCSL. He joined NCSL as Manager Finance in 2023.



### **Gila Ebenosi**

Head of Digital Services & Call Centre

Mr Gila Ebenosi possesses more than 12 years of practical job exposure in Digital Banking, Project Management, IT and Retail Banking within the financial industry.

He started his career with BSP Financial Group Limited in 2010 and successfully made his way to becoming Head of BSP Payments.

Mr Ebenosi joined the team in 2023 as Manager Electronic Banking overseeing all electronic service functions and looks forward to bringing service offering into new heights.



### **Lawes Omeri**

Manager Relationship

Mr Lawes Omeri brings into NCSL a wealth of experience within the Financial Sector having worked with a few firms in the industry for the past 20 plus years. He commenced his career at ANZ Bank assuming a few leadership roles and then to Kina Bank and Moni Plus prior to moving to TISA. He was last employed as Relationship Manager with TISA.

Mr Omeri holds a Bachelors Degree in Psychology from Univeristy of Papua New Guinea and a Diploma in Business Management from IBBM.



### **Susan Kema**

Manager Products Mangement

Mrs. Susan Kema has 21 years in the retail banking within the financial industry. She started her career with BSP Financial Group Ltd in 2003 up till Feb 2024 to join NCSL.

She obtained a Diploma in Banking from the Institute Of Banking & Business Management.

Mrs. Kema brings a wealth of experience in branch services, digital and customer experience and looks forward to bring her skills to NCSL in the Product Management unit.

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# Corporate Directory

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# Why Choose Us?

Four reasons why you should choose us to empower your financial future.

## We are Experienced

We leverage 20 years extensive industry knowledge to serve our members effectively.

## We are Transparent

We maintain communication through all means of media and provide honest information to our members.

## We are Innovative

We implement modern and creative solutions.

## We are Reliable

We consistently deliver high-quality services to our members.



**2024**

**Membership**  
154,671  
**Interest Paid on Savings**  
K9.8M

**2023**

**Membership**  
146,765  
**Interest Paid on Savings**  
K11.6M

**2022**

**Membership**  
146,765  
**Interest Paid on Savings**  
K14.9M

## Our Core Values

- 1. Integrity:** We act with honesty, transparency, and fairness in all our actions and decisions. We do not compromise our principles for personal gain.
- 2. Respect:** We treat all individuals with dignity, respect their rights, and foster an inclusive and diverse environment free from discrimination, harassment, or bias.
- 3. Accountability:** We take responsibility for our actions, decisions, and their consequences. We strive to improve and learn from our mistakes.
- 4. Professionalism:** We maintain the highest standards of competence, expertise, and continuous learning in our respective fields.

## Our Vision

We aspire to become the leading digital financial service provider within the S&L space offering seamless user experiences to empower our customers in achieving their financial goals.

## Our Mission

To offer easily accessible, transparent and reliable financial products and services, ideally at the workplace of our Members and to support and improve the quality of their lives and their families.



We are focused on delivering exceptional service with members at the heart of it's operations.





Members now have 24/7 access to their accounts, fostering a sense of empowerment and convenience.

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Port Moresby, National Capital District  
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